



NAPIER
CITY COUNCIL
Te Kaunihera o Ahuriri

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PROSPEROUS NAPIER COMMITTEE

Open Agenda

Meeting Date: Thursday 15 May 2025

Time: 9.30am

Venue: Chapman Room
Level 1 Chapman Pavilion
McLean Park
Latham Street
Napier

Livestreamed via Council's Facebook page

Committee Members **Chair:** Councillor Crown

Members: Mayor Wise, Deputy Mayor Brosnan, Councillors Boag, Browne, Chrystal, Greig, Mawson, McGrath, Price, Simpson, Tareha and Taylor (Deputy Chair)

Ngā Mānukanuka o te Iwi representatives – Evelyn Ratima and Kirk Leonard

Officer Responsible Deputy Chief Executive / Executive Director Corporate Services

Administration Governance Team

Next Prosperous Napier Committee Meeting
Thursday 3 July 2025

2022-2025 - TERMS OF REFERENCE - PROSPEROUS NAPIER COMMITTEE

<i>Chairperson</i>	<i>Councillor Crown</i>
<i>Deputy Chairperson</i>	<i>Councillor Taylor</i>
<i>Membership</i>	<i>Mayor and Councillors (13)</i> <i>Ngā Mānukanuka o te Iwi representatives (2)</i>
<i>Quorum</i>	<i>8</i>
<i>Meeting frequency</i>	<i>At least 6 weekly (or as required)</i>
<i>Officer Responsible</i>	<i>Deputy Chief Executive / Executive Director Corporate Services</i>

Purpose

To provide governance oversight to the corporate business of the Council, monitor the Council's financial position and financial performance against the Long Term Plan and Annual Plan, and to guide and monitor Council's interests in any Council Controlled Organisations (CCOs), Council Organisations (COs) and subsidiaries.

Delegated Powers to Act

To exercise and perform Council's functions, powers and duties within its area of responsibility, excluding those matters reserved to Council by law or by resolution of Council, specifically including the following:

1. To monitor the overall financial position of Council and its monthly performance against the Annual Plan and Long Term Plan.
2. To adopt or amend policies or strategies related to the Committee's area of responsibility, provided the new or amended policy does not conflict with an existing policy or strategy.
3. To consider all matters relating to CCOs and COs, not reserved to Council, including to monitoring the overall performance of CCO's.
4. Provide governance to Council's property operations and consider related policy.
5. Consider applications for the sale of properties within the Leasehold Land Portfolio.
6. To resolve any other matters which fall outside the area of responsibility of all Standing Committees, but where the Mayor in consultation with the Chief Executive considers it desirable that the matter is considered by a Standing Committee in the first instance.

Power to Recommend

The Committee may recommend to Council and/or any standing committee as it deems appropriate.

The Committee may recommend to Council and/or the Chief Executive any changes to the funding or rating system for the City, any variation to budgets that are outside the delegated powers of officers and the approval of Statements of Intent for CCOs and COs each year.

To bring to the attention of Council and/or the Chief Executive any matters that the Committee believes are of relevance to the consideration of the financial performance or the delivery of strategic outcomes of Council.

The Committee must make a recommendation to Council or the Chief Executive if the decision considered appropriate is not consistent with, or is contrary to any policy (including the Annual Plan or Long Term Plan) established by the Council.

ORDER OF BUSINESS

Karakia

Apologies

Deputy Mayor Brosnan and Graeme Taylor

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, 10 April 2025 be taken as a true and accurate record of the meeting.39

Agenda items

- 1 Hawke's Bay Museum Trust Draft Statement of Intent and Financial Reporting4
- 2 2024/25 Financial Forecast18
- 3 Treasury Activity and Funding Update21
- 4 Submissions Schedule Update - 26 February 2025 to 28 April 2025.....26

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

Recommendation to Exclude the Public.....37

AGENDA ITEMS

1. HAWKE'S BAY MUSEUMS TRUST DRAFT STATEMENT OF INTENT AND FINANCIAL REPORTING

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1841333
<i>Reporting Officer/s & Unit:</i>	Caroline Thomson, Chief Financial Officer / Acting Executive Director Corporate Services Dileepa Sugathadasa, Management Accountant Elizabeth Caldwell, Manager Arts, Culture and Heritage

1.1 Purpose of Report

To receive the Hawke's Bay Museums Trust Financial Report for the nine months ended 31 March 2025 and draft Statement of Intent 2026-2028.

Officer's Recommendation

The Prosperous Napier Committee:

- a. **Receive** the Hawke's Bay Museums Trust Financial Report for the nine months ended 31 March 2025.
- b. **Receive** the Hawke's Bay Museums Trust draft Statement of Intent 2026-2028 and provide any feedback to the Trust prior to the Statement of Intent being brought back to Council for adoption.

1.2 Background Summary

At the meeting of the Hawke's Bay Museums Trust held on 16 April 2025, the Trustees adopted their Financial Report for the nine months ended 31 March 2025. A copy is **attached** to this report for Council's information.

The Trustees also accepted the **attached** draft Statement of Intent 2026-2028 at their meeting on 16 April 2025. This has been provided to Council for review and feedback to the Trust.

1.3 Issues

Draft Statement of Intent

The draft 2025/26 Statement of Intent contains the following performance indicators and targets for the key result areas:

- **Protection** – including storage, security and records management
- **Quality** – including conservation, accessioning and de-accessioning.
- **Access** – including ensuring the collection is available for exhibitions, research and archives; and

- **Development** – including fundraising, reserves management, and stakeholder relations

Joint Working Group

The Napier City Council continues to participate in a Joint Working Group with Hastings District Council that is considering the future structure of the Hawke's Bay Museums Trust, its funding, the storage of the collection, and the role of the MTG Hawke's Bay in the display of the collection.

1.4 Significance and Engagement

The draft Statement of Intent has been assessed under the Council's Significance and Engagement Policy as being of low significance.

1.5 Implications

Financial

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

The draft Statement of Intent includes a provision (transitional costs) to fund the additional costs from operating out of both storage facilities during 2025/26 while the collections are being transferred. The 2026/27 and 2027/28 budgets are indicative and will be reviewed and amended when the exact cost of operating in the new environment is identified.

Social & Policy

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

Risk

This report is to receive the Hawke's Bay Museums Trust draft Statement of Intent 2026-2028 and therefore poses little risk to Council.

1.6 Options

The options available to Council are as follows:

- a. Receive the Financial Report for the six months ended 31 December 2024.
- b. Receive the Hawke's Bay Museums Trust draft Statement of Intent 2026-2028 and provide any feedback to the Trust prior to the Statement of Intent being brought back to Council for adoption.

1.7 Development of Preferred Option

N/A

1.8 Attachments

- 1 Hawke's Bay Museums Trust Draft Statement of Intent 2026 - 2028 (Doc Id 1848631) [↓](#)
- 2 Hawke's Bay Museums Trust Financial Report for the nine months ended 31 March 2025 (Doc Id 1848630) [↓](#)



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

STATEMENT OF INTENT 25/26-27/28

The Hawke's Bay Museums Trust is a Council Controlled Organisation as three of the five members of the Board are either the two Councils' respective nominees (Hastings District Council and Napier City Council) or the jointly appointed chair.

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

The Objectives of the Trust are:

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

Governance of the Trust is:

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

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

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

The strategic intentions of the Trust for 25/26-27/28 are: The Trust will,

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

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

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

1) Protection

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

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

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

3) Access including exhibitions, research and archives.

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

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

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

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

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

Statutory base

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

General accounting policies

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

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

Specific accounting policies**Bank Accounts and Cash**

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

Investments

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

Interest Revenue

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

Accounts receivable

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

Grants

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

HBMT is currently in the application process to acquire funds relating to the purchase of specialised storage and educational display cabinetry, with the following plan:

Lottery Environment & Heritage Fund: An application for \$200,000 was submitted. at the end of February 2025, with notification of the outcome expected by 1 June 2025.

Pub Charity: Following a discussion with their CEO in late March, HBMT applied for \$50,000 in early April. If approved, the funds are expected to be received by the end of May 2025

Grassroots Trust, First Light Foundation, and Lion Foundation: Applications of \$20,000 each were submitted at the end of March 2025. If successful, the funds are anticipated to be disbursed in April or May 2025.

Donated Assets

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

Artworks and Collection

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

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

Creditors and Accrued Expenses

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

Goods and Services Tax (GST)

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

Income tax

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

Changes in accounting policies

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

Performance Targets

Key Result Area	Performance Indicator	Target		
		2025/26 target	2026/27 target	2027/28 target
Protection	Full insurance cover is provided for the collection.	Yes	Yes	Yes
	Collections are stored in an acceptable environment.	No items reported to have suffered deterioration due to environment	No items reported to have suffered deterioration due to environment	No items reported to have suffered deterioration due to environment
Quality	Every item accessioned into the collection has undergone a detailed selection process within the framework of the Collection Strategy	Yes	Yes	Yes
	De-accessions are managed in accordance with the Collection Strategy and reported to the Board	Yes	Yes	Yes
Access	HBMT collections are used for academic and personal research	1,500 enquiries	1,500 enquiries	1,500 enquiries
	Collections are made available to the public through quality exhibitions	2 - 5 collection-based exhibitions	2 - 5 collection-based exhibitions	2 - 5 collection-based exhibitions
Development	Bequest funds income is used in the manner determined by the donor.	Yes	Yes	Yes
	Conservation funds income is used solely for collection care.	Yes	Yes	Yes

Financial Performance Targets

Financial Performance	Note	2025/26	2026/27	2027/28
Revenue				
Council Funding (NCC & HDC)	A	1,599,838	1,450,711	1,477,777
Interest Income	B	21,500	23,100	23,100
Donations		10,000	12,000	14,000
Total Revenue		1,631,338	1,485,811	1,514,877
Expenses				
Management Fee		1,130,337	1,152,944	1,178,308
Operational Cost allowance - new storage facility		221,078	225,500	225,942
Transitional costs – MTG storage and other costs		61,291	-	-
Transitional costs – Off-Site Storage	E	115,988	-	-
Education Grant (LEOTC)		15,000	15,000	15,000
Trust Admin & Management		33,800	34,476	35,234
Audit, Insurance & Legal etc	C	22,344	22,791	23,293
Conservation		15,750	17,550	18,550
Accessions		15,750	17,550	18,550
Total Expenses		1,631,338	1,485,811	1,514,877
Surplus/(Deficit)		-	-	-
Financial Ratio Target:				
The ratio of Shareholder's Funds to Total Assets (minimum ratio):	D	95%	95%	95%

- A Council Funding meets the net costs after external revenues generated by the trust. During 2025-2026 the collections will be transferred to the new purpose-built building. Whilst the project budget has provision for moving the collection there will be additional costs from operating out of multiple buildings for several months. A separate budget line has been added to cover the additional transitional costs on the understanding that, due to the uncertainties around these transitional costs, the Councils will agree to jointly fund all reasonable transitional costs incurred if any. At this stage, the 2026-27 and 2027-28 budgets are indicative and will be reviewed and amended when the exact cost of operating in the new environment is identified.
- B Interest income is based on maintaining capital funds at present levels with projected interest rates, and therefore no inflation adjustment is applied. Early spending of these funds will reduce the interest income. Interest rates are based on financial market forecasts from Westpac (2026 3.5%, 2027 3.8% and 2028 3.8%).
- C Audit, Insurance & Legal etc for 2025/26 includes Audit Fees \$15,550, Insurance \$2,700, Legal Fees \$2,000, Charities Filing \$50, MYOB Subscription \$624, Merchant Fees \$240, EFTPOS Charges 180 and Sundries \$1,000.
- D The ratio of Shareholder's Funds to Total Assets measures the percentage of assets on which equity holders have a residual claim. Shareholders' Funds is the amount of equity that belongs to the shareholders and represents an estimate of the amount the shareholders would receive if the Trust liquidated. Assets are the resources, for which the Trust has ownership or guardianship that can be measured and expressed in dollars.

- E Provision has been made to fund rental on the off-site storage facility until the collection items have been moved to the new site. Six months of rent and outgoings have been allowed for 2025-2026

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

Compensation from Local Authority

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

Capital Expenditure

There is no planned expenditure on 'Buildings' or 'Plant and Machinery' for the 25/26-27/28 periods. Accessions and conservation will be funded from grants, donations, de-accessions, and bequest and investment interest income.

Hawke's Bay Museums Trust Projected Statements of Financial Position

Projected Statements of Financial Position	30/6/2026	30/6/2027	30/6/2028
Current Assets			
Bank Accounts and Cash	93,657	93,657	93,657
Investments	615,260	615,260	615,260
GST Refund	906	906	906
Prepayments and Accrued Revenue	11,964	11,964	11,964
Total Current Assets	721,787	721,787	721,787
Non-Current Assets			
Artworks and Collection	43,361,909	44,179,459	44,198,009
Total Non-Current Assets	43,361,909	44,179,459	44,198,009
Total Assets	44,083,696	44,901,246	44,919,796
Current Liabilities			
Accounts Payable and Accruals	45,812	45,812	45,812
Total Current Liabilities	45,812	45,812	45,812
Non-Current Liabilities			
Trust Funds Held on Behalf	75,260	75,260	75,260
Total Non-Current Liabilities	75,260	75,260	75,260
Total Liabilities	121,072	121,072	121,072
Accumulated Funds			
Retained Earnings	2,297,312	2,314,862	2,333,412
Asset Revaluation Reserve	41,108,433	41,908,433	41,908,433
Special Funds	556,879	556,879	556,879
Total Accumulated Funds	43,962,624	44,780,174	44,798,724
Total Funds Employed	44,083,696	44,901,246	44,919,796

Financial Reports

Full and final audited accounts will be included in the 2025/26 Annual Report.

Reporting against intended performance

The 2025/26 Annual Report will include comparisons of both financial and non-financial performances against the relevant targets outlined in this Statement of Intent.

Compensation from Local Authority

The Board estimates the commercial value of the Hawke's Bay Museums Trust collection will be \$43 million (including the Faraday Collection).

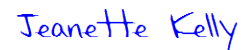
The collection is revalued at least every three years by an independent registered valuer, to ensure carrying values are not materially different from fair value. The most recent valuation was completed as of 30 June 2024, and the next full valuation is due on 30 June 2027.

Faraday Centre

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



Signed by: Richard Grant
Date & Time: 28 Apr, 2025 17:59:45 NZST



Signed by: Jeanette Kelly
Date & Time: 21 Apr, 2025 13:43:46 NZST

Hawke's Bay Museums Trust

Management Report to 31 March 2025

31 March 2025				Assessment
YTD Actual \$	YTD SOI Budget \$	Variance \$		
Income				
Education Funding HDC	11,250	11,250	0	●
Hastings District Council	560,139	560,142	0	●
Napier City Council	560,139	560,142	0	●
HBMT General Donations	9,677	6,003	3,674	● Cash donations are higher than budgeted due to cruise ship visitors.
EFTPOS Donations	2,481	-	2,481	● Unbudgeted EFTPOS facility generating additional income
Grant - Creative NZ - Stories of Our Place	21,017	-	21,017	● Net impact: 0 (expenses offset by income).
Grant - Cyclone Gabrielle stories Video	6,928	-	6,928	● Net impact: 0 (expenses offset by income).
Interest Income (Accrued)	31,852	24,228	7,624	● Higher interest costs received than expected beginning of the period.
Total Income	1,203,484	1,161,765	41,719	
Less: Expenses				
Accounting Charge	19,800	19,800	0	●
Audit Fee	-	-	0	●
Conservation	18,839	15,111	-3,728	● Lindauer was an unexpected conservation - the amount is \$6,509.64
Education Services to NCC	11,250	11,250	0	●
General Expenses	294	729	435	●
Insurance	2,540	2,500	-40	● Fee increses by the Insurance Co.
Legal	-	1,197	1,197	●
Management Fee to NCC (excl Off-Site Storage)	942,180	942,183	3	●
Off-Site Storage	143,127	143,127	0	●
Expenses Creative NZ - Stories of Our Place	21,017	-	-21,017	● Net impact: 0 (expenses offset by income).
Project - Cyclone Gabrielle stories	6,928	-	-6,928	● Net impact: 0 (expenses offset by income).
EFTPOS Charges	135	-	-135	● This cost will be covered with EFTPOS donations income
Merchant Fees	223	-	-223	● This cost will be covered with EFTPOS donations income
Donation - Feathers campaign (Unbudgeted)	20,000	-	-20,000	● Unbudgeted expense
Marketing Consulting (Unbudgeted)	9,046	-	-9,046	● Unbudgeted expense
Total Expenses	1,195,379	1,135,897	-59,482	
Operating Surplus/(Deficit)	8,105	25,868	-17,763	
Non operating Activities expenditure				
Plus: Sale Proceeds	-	-	0	●
Less: Accessions	-	15,111	15,111	● No Purchases due to relocation of the collection.
Net Surplus/(Deficit)	8,105	10,757	-2,652	
Key	●	No issues		
	●	Caution		
	●	Problem		

Hawke's Bay Museums Trust

Management Report to 31 March 2025

Note 1: Funds Investments held as at 31 March 2025

Start Date	Maturity Date	Amount	No. Days	Int Rate %	Accrued Interest	Interest on Maturity
General Term Deposits						
28/02/2025	28/07/2025	100,000	150	4.25	373	1,747
10/02/2025	11/08/2025	210,000	182	4.70	1,352	4,921
02/02/2025	02/08/2025	100,000	181	4.85	771	2,405
23/11/2024	23/05/2025	80,000	181	5.25	1,484	2,083
13/10/2024	13/04/2025	30,000	182	5.60	782	838
27/02/2025	27/07/2025	20,000	150	4.25	77	349
27/02/2025	30/04/2025	150,000	62	3.30	448	841
Total General Term Deposits		690,000			4,839	12,343
Specified Trust Term Deposits						
20/10/2024	20/04/2025	21,638	182	5.30	512	572
20/10/2024	20/04/2025	21,427	182	5.30	507	566
20/10/2024	20/04/2025	34,338	182	5.30	813	907
Total Specified Trust Term Deposits		77,403			1,832	2,046
Total Term Deposits Held		767,403			6,671	14,388

Note 2: Bank Account Movements - for Period From 1 March 2025 to 31 March 2025

Opening Bank Balance - Westpac 00 account				90,938
Deposits for period				
04/03/2025	Eftpos NZ	General Donation		3
06/03/2025	Eftpos NZ	General Donation		5
08/03/2025	Eftpos NZ	General Donation		5
27/03/2025	Eftpos NZ	General Donation		5
28/03/2025	Eftpos NZ	General Donation		5
31/03/2025	Eftpos NZ	General Donation		5
13/03/2025	Eftpos NZ	General Donation		10
17/03/2025	Eftpos NZ	General Donation		10
24/03/2025	Eftpos NZ	General Donation		13
20/03/2025	Eftpos NZ	General Donation		15
07/03/2025	Eftpos NZ	General Donation		25
31/03/2025	Westpac	Interest		25
25/03/2025	Eftpos NZ	General Donation		30
18/03/2025	Eftpos NZ	General Donation		35
29/03/2025	Eftpos NZ	General Donation		80
03/03/2025	Fx Donations for Feb 25	General Donation		228
28/03/2025	IRD	GST Refund		1,248
03/03/2025	Cash donations for Feb 25	General Donation		1,985
14/03/2025	NAPIER CITY COUNCIL	Monthly operating grant		71,573
10/03/2025	HASTINGS DC	Monthly operating grant		73,011
				148,317
Withdrawals for period				
19/03/2025	Napier City Council	Monthly Management Fees Jan 2024		142,646
01/03/2025	Payment; Carolina Izzo Studio Izzo	Conservation Expenses		7,486

Hawke's Bay Museums Trust

Management Report to 31 March 2025

19/03/2025	Payment; Indelible Limited	Project - Cyclone Gabrielle stories	2,944
19/03/2025	Payment; Carolina Izzo Studio Izzi	Conservation Expenses	69
08/03/2025	MYOB	Accounting SW Subs	31
15/03/2025	WESTPAC	Merchant Fee	20
11/03/2025	EFTPOS	Network fee	17
03/03/2025	WESTPAC	Fx conversion fees	5
			<hr/> 153,218
Closing Bank Balance - Westpac 00 account			
31 March 2025			<hr/> 86,036

Note 3: <u>Unspent Grants</u>			
Marion Holt Grant- Embroidery Project			5,247
Webb Foundation- New Storage Facility			25,000
Grant - Cyclone Gabrielle stories Video			253
ECCT Grant- New Storage Facility			150,000
Webb Foundation- Waiapu Board			10,000
Total Unspent Grants			<hr/> 190,500

2. 2024/25 FINANCIAL FORECAST

Type of Report:	Operational
Legal Reference:	N/A
Document ID:	1842907
Reporting Officer/s & Unit:	Talia Foster, Financial Controller

2.1 Purpose of Report

To present to the committee the financial forecast to 30 June 2025 for approval.

Officer's Recommendation

The Prosperous Napier Committee:

- a. **Approve** the financial forecast to 30 June 2025.

2.2 Background Summary

The operating and capital forecasts are based on actual revenue and expenditure January year to date, plus estimated revenue and remaining spend for February to June.

The tables below provide analysis of the variations between the financial forecast for 2024/25, the amended budget, and the Annual Plan (from our Three Year Plan) budget for both capital and operational items.

The amended budget is where the Annual Plan has been amended for capital and operating budgets carried forward from 2022/23, revision of capital budgets from the 2025/26 Annual Plan process, and additional budgets approved since the adoption of the Three Year Plan.

Capital Expenditure

The forecast shows expected capital expenditure, including Parklands Residential Development inventory works, of \$95.8m compared to the amended budget of \$97.4m and Annual Plan budget of \$100.4m.

Budget overspends have added \$15.4 million to the total capital expenditure. This increase is due to advancing projects ahead of schedule and issues with managing and accurately predicting project budgets.

Operating Surplus/Deficit

The forecast shows a net deficit of \$10.5m compared to the amended budget of \$10m deficit and Annual Plan budget of \$4.8m deficit. The significant variances are related to:

- Lower Parklands Residential Development sales due to a change in strategy

- Timing of Cyclone Gabrielle voluntary property buyouts as the transactions were required to be reported in a different period to when they were budgeted
- Ocean Spa, Kennedy Park and Napier Conference and Events not being able to achieve profitability targets
- Lower than planned growth in rates revenue.
- Lower Subsidies from NZTA (offset by lower capital)
- Partial achievement of vacancy loading and operating efficiencies
- Unbudgeted severance costs of \$560k
- Unbudgeted increases for casual labour of \$370k
- A greater number of casual and fixed term labour than previous years due to recruitment freeze
- Unbudgeted out of cycle remuneration increases
- Balancing the resourcing requirements to deliver the capital plan with vacancy management has meant that \$5m of the \$8m in operating efficiencies is forecast to be achieved for the year

<i>Whole of Council</i>	Forecast	Amended Budget	Annual Plan	Variance to Amended Budget	% Variance to Amended Budget
Revenue					
Rates Revenue	100,776,388	102,478,284	102,478,274	- 1,701,896	-2%
Finance Revenue	840,771	166,165	166,157	674,606	406%
Financial and Development Contributions	8,614,588	7,664,988	7,664,979	949,600	12%
Subsidies and Grants	9,888,450	11,516,482	11,083,500	- 1,628,033	-14%
Other Revenue	60,606,329	60,366,867	67,661,032	239,462	0%
Other gains/losses	5,810,785	5,967,535	5,967,535	- 156,750	-3%
Total revenue	186,537,311	188,160,321	195,021,477	- 1,623,010	-1%
Expenditure					
Employee Benefit Expense	63,101,324	59,855,467	60,554,025	3,245,857	5%
Depreciation and Amortisation	44,441,069	44,951,124	44,951,057	- 510,055	-1%
Finance Costs	2,458,550	3,424,956	3,424,950	- 966,406	-28%
Other Operating Expenses	87,919,244	90,645,068	91,667,865	- 2,725,824	-3%
Share of associate surplus/deficit	- 838,228	- 728,040	- 728,040	- 110,188	15%
Total expenditure	197,081,959	198,148,575	199,869,857	- 1,066,616	-1%
Operating Surplus/(Deficit)	- 10,544,648	- 9,988,254	- 4,848,380	- 556,394	6%
Capital Expenditure					
Replace Existing Assets	57,879,636	57,212,208	59,861,797	667,428	1%
Improve Level of Service	19,800,895	21,929,815	16,396,871	- 2,128,920	-10%
Additional Demand	9,888,054	11,026,663	11,009,817	- 1,138,609	-10%
Asset Sales	- 117,393	-	-	- 117,393	-
Inventory	8,379,737	7,270,906	13,149,344	1,108,831	15%
Total Capital Expenditure	95,830,929	97,439,592	100,417,829	- 1,608,663	-2%

Forecast Net Rates Position

In terms of Local Government, the rating result is regarded as being an important indicator as it shows how the rates that were collected have been spent.

The forecast rates position shows an overall rating deficit of \$1.5m mainly due to lower than planned growth in rates revenue and higher than planned employee expenses.

<i>Whole of Council - Rates funded</i>	Forecast	Amended Budget	Annual Plan	Variance to Amended Budget	% Variance to Amended Budget
Revenue					
Rates Revenue	100,658,959	102,321,532	102,321,524	- 1,662,573	-2%
Finance Revenue	-	-	-	-	-
Financial and Development Contributions	-	-	-	-	-
Subsidies and Grants	3,441,976	3,142,872	3,142,849	299,104	10%
Other Revenue	21,981,979	23,249,099	23,249,064	- 1,267,120	-5%
Other gains/losses	-	-	-	-	-
Total revenue	126,082,914	128,713,503	128,713,437	- 2,630,589	-2%
Expenditure					
Employee Benefit Expense	55,440,054	53,181,904	54,276,463	2,258,150	4%
Depreciation and Amortisation	-	-	-	-	-
Finance Costs	2,532,708	4,011,744	4,011,748	- 1,479,036	-37%
Other Operating Expenses	69,606,852	70,853,733	70,155,225	- 1,246,881	-2%
Share of associate surplus/deficit	-	-	-	-	-
Total expenditure	127,579,614	128,047,381	128,443,436	- 467,767	0%
Operating Surplus/(Deficit)	- 1,496,700	666,122	270,001	- 2,162,822	>100%

2.3 Significance and Engagement

N/A

2.4 Implications

Financial

If Council does not meet its revenue budgets or if its expenditure exceeds expectations, the Council may find itself in a less favourable financial position by the end of the year than anticipated. A larger rates deficit than planned could result in additional borrowing, potentially impacting ratepayers in future years.

Social & Policy

N/A

Risk

Given the large capital programme there is a risk that some projects may not be completed as forecast due to capacity and market constraints. Officers will continue to monitor and identify any variance to the capital work programme, reporting to management and Committees on a monthly basis and Council quarterly.

2.5 Options

The options available to Council are as follows:

- Approve the financial forecast to 30 June 2025
- Provide alternative direction to officers

2.6 Development of Preferred Option

The recommended option is for the Council to approve the financial forecast until 30 June 2025. The Executive Leadership Team (ELT) has reviewed the forecast to find ways to reduce costs or increase revenue. This forecast is being used as a tool to identify overspends and shortfalls to continue to improve the year end position.

2.7 Attachments

Nil

3. TREASURY ACTIVITY AND FUNDING UPDATE

Type of Report:	Information
Legal Reference:	N/A
Document ID:	1848016
Reporting Officer/s & Unit:	Garry Hrustinsky, Corporate Finance Manager

3.1 Purpose of Report

The purpose of this report is to update the Prosperous Napier Committee on Council's treasury activity.

Officer's Recommendation

The Prosperous Napier Committee:

- a. **Receive** the report titled Treasury Activity and Funding Update dated 15 May 2025.

3.2 Background Summary

Investments

As at 31 March 2025 Council held \$6m on term deposit at an average interest rate of 4.02%.

The following table reports the cash and cash equivalents on 31 March 2025:

	\$000
Cash on call*	\$7,110
Short term bank deposits	\$6,000
Total cash and deposits	\$13,110

*Includes \$1.46m of retained funds.

Term Deposit Issuer Summary						
Provider	S&P Credit Rating	Avg. 12 Month Rate	Total Balance	Limit	Percentage	%Limit
Westpac	AA-	N/A	\$ -	\$30m	47.78%*	40%
ANZ	AA-	4.05%	\$ 4,000,000	\$30m	34.82%	40%
ASB	AA-	3.95%	\$ 2,000,000	\$30m	17.41%	40%
BNZ	AA-	N/A	\$ -	\$30m	0.00%	40%
Kiwibank	A	N/A	\$ -	\$30m	0.00%	40%
Total			\$ 6,000,000			

*Includes cash held in accounts.

ANZ and ASB have been offering the best deposit rates for terms under 60 days. Due to relatively low cash and term deposit balances currently held by NCC, small deposits can result in significant changes in percentages against limit.

Term Deposit Maturity Profile vs Guidelines

Term	Percentage	Lower Limit	Upper Limit	Within Limits
0 - 6 months	100%	30%	80%	No
6 - 12 months	0%	20%	70%	No
1 - 3 years	0%	0%	50%	Yes
3 - 5 years	0%	0%	20%	Yes

The primary consideration for placing deposits is timing the need for future expenditure, with returns a secondary consideration. Longer-dated investments beyond 60 days are not possible with the current cash balance.

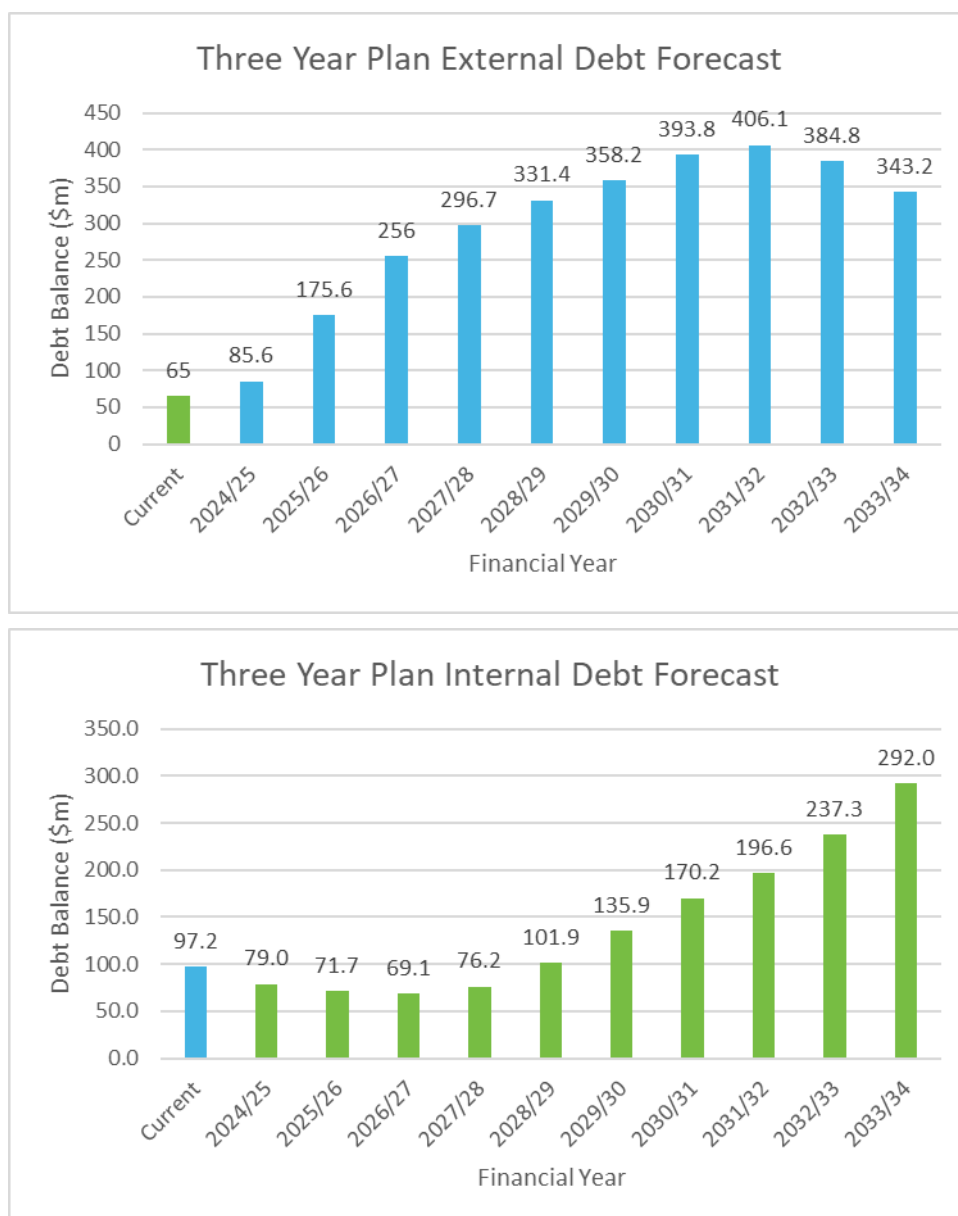
Debt

During April 2025 \$10m was borrowed from the Local Government Funding Agency (LGFA) in two tranches at fixed interest rates bringing the total debt position to \$65m. The details of Council's external debt are as follows:

Draw date	Amount	Interest rate	Maturity date
21/06/2023	\$5m	5.61%	15/04/2026
21/06/2023	\$5m	5.46%	15/05/2028
30/04/2024	\$5m	5.73%	20/04/2029
30/04/2024	\$5m	5.79%	15/05/2030
07/10/2024	\$5m	4.26%	15/04/2027
07/10/2024	\$5m	4.92%	15/05/2031
19/11/2024	\$5m	5.47%	14/05/2032
19/11/2024	\$5m	5.55%	14/04/2033
20/12/2024	\$10m	5.43%	15/05/2035
20/12/2024	\$5m	5.61%	15/04/2037
03/04/2025	\$5m	3.99%	15/04/2026
03/04/2025	\$5m	4.10%	15/04/2027

The interest rate assumptions for internal and external borrowings are set out in the table below:

Interest rates	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34
External debt	6.0%	5.3%	5.8%	5.7%	5.7%	5.7%	5.8%	5.9%	6.0%	6.0%
Internal debt	6.0%	5.3%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%



Council's current total internal debt position as at the 1 July 2024 is \$97.2m. Internal debt occurs when Council uses its own cash resources (reserves) to finance capital expenditure rather than new external borrowing.

Debt projections are based on the assumption that capital projects budgets will be completed. There is currently a gap of \$30.6m between year-end budgeted and actual borrowing.

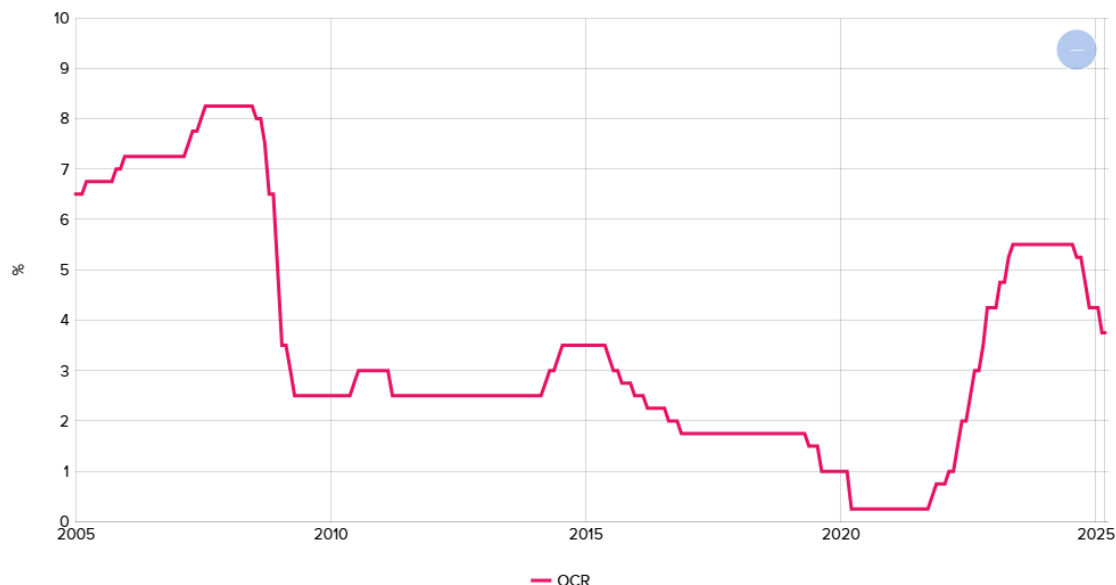
Council's debt portfolio is managed within macro limits set out in the Treasury Policy. It is recognised that from time to time Council may fall out of policy due to timing issues. The Treasury Policy allows for officers to take the necessary steps to move Council's funding profile back within policy in the event that a timing issue causes a breach in policy.

Council is currently compliant with its Treasury Management Policy.

The Reserve Bank of New Zealand (RBNZ) reduced the Official Cash Rate (OCR) by 25 basis points to 3.5% at its last review on the 9 April 2025.

As part of the media briefing the RBNZ noted that inflation was within their 1% to 3% target band, and was likely to remain around the 2% mark. As the extent and effect of tariff policies become clearer there may be scope to lower the OCR further. Future policy decisions will be determined by the outlook for inflationary pressure over the medium term.

The following graph shows the movement in the OCR since 2005:



Debt to revenue ratio headroom

This is the key measure for Councils debt profile as it is the measure used by Council's major funders.

The closer Council gets to its limits the more likely it is that it will experience problems raising new debt. A Council with a credit rating would experience a decrease in cost of funds (lower credit rating and higher borrowing margins).

Borrowing Limits

	Limit	Current	Within Limit
Liquidity to External Debt	>110%	118.2%	Yes
Net External Debt vs Income	<230%	33.2%	Yes
Net Interest vs Total Income	<10%	0.7%	Yes
Net Interest vs Rates	<15%	1.3%	Yes

Note that Liquidity to External Debt has decreased from 152.5% to 118.2% and Net External Debt vs Income has increased from 6.1% to 33.2% since the last report in October 2024 due to additional recent borrowing and the funds being immediately utilised for planned capital projects.

Council is currently compliant with its borrowing limits.

Credit rating process

Officers are exploring the option around taking on a credit rating. This would unlock more competitive borrowing rates through the LGFA and could increase Council's debt limit to 280% of its revenue/income (providing more headroom to borrow). There is a cost to maintain a credit rating and requires council's financials to be externally audited each year.

Once Council reaches approximately \$100m of external borrowings the interest savings achieved from having a credit rating start to outweigh the audit cost.

The process to obtain a credit rating is estimated to take approximately 3 - 4 months (including procurement). The key steps for applying for a credit rating are outlined below:

- A procurement process is commenced to tender for a credit rating agency such as S&P Global, Moody's or Fitch.
- Officers gather and prepare all the necessary financial documents and information about Council. This includes financial statements, annual reports, annual and long term plans and any other relevant data that demonstrates the financial health of Council.
- The successful ratings agency will conduct in person meetings, calls with rating analysts and site visits.
- The credit rating is confirmed and the rating agency publishes the rating.

The rating agency will continuously monitor Council's financial health and performance. This involves regular reviews and updates, including regular on-site visits to analyse Council's financial health to ensure the rating remains accurate and reflective of the current situation.

3.3 Issues

No issues.

3.4 Significance and Engagement

N/A

3.5 Implications

Financial

N/A

Social & Policy

N/A

Risk

N/A

3.6 Options

The options available to Council are as follows:

- a. Receive the report titled Treasury Activity and Funding Update dated 15 May 2025.
- b. Amend the report titled Treasury Activity and Funding Update dated 15 May 2025.
- c. Reject the report titled Treasury Activity and Funding Update dated 15 May 2025.

3.7 Development of Preferred Option

N/A

3.8 Attachments

Nil

4. SUBMISSIONS SCHEDULE UPDATE - 26 FEBRUARY 2025 TO 28 APRIL 2025

Type of Report:	Information
Legal Reference:	N/A
Document ID:	1844108
Reporting Officer/s & Unit:	Jemma McDade, Governance Advisor

4.1 Purpose of Report

The purpose of this report is to provide an update on the opportunities for Napier City Council (NCC) to submit towards the development of legislation and policy, the agencies being monitored for consultation opportunities, and those opportunities on which NCC did or did not make a submission. This report covers the time period between 26 February 2025 and 28 April 2025.

Officer's Recommendation

The Prosperous Napier Committee:

- Receive** the report titled Submissions Schedule Update 26 February 2025 to 28 April 2025 dated 15 May 2025.
- Note** the submissions made by Napier City Council during the period 26 February 2025 to 28 April 2025 detailed in the attachment DOC ID 1848110.

4.2 Background Summary

The previous submissions process was passive, predominantly responding to proposed legislative updates, provided to Governance by Taituarā and NCC officers.

This existing process was expanded to provide a centralized comprehensive process for monitoring, progressing and recording submissions made on behalf of NCC, and to inform elected members and the community about action taken through regular reporting.

The updated process, endorsed by the Prosperous Napier Committee on 29 August 2024, takes a more proactive approach, actively seeking submission opportunities by monitoring agencies of particular interest. The aim is to provide a wider scope for NCC to contribute to the formation of policy initiatives and legislative reforms.

Initiatives include, but are not limited to; proposed legislation, proposed legislative updates and amendments, public policy direction, and feedback sought from government agencies or representative groups collecting data for joint submissions; for example, Local Government New Zealand or Taituarā.

Following the Prosperous Napier Committees on 29 August 2024 and 26 February 2025, in addition to Taituarā's legislation 'Open for submissions' update, additional agencies have been identified as offering consultation opportunities.

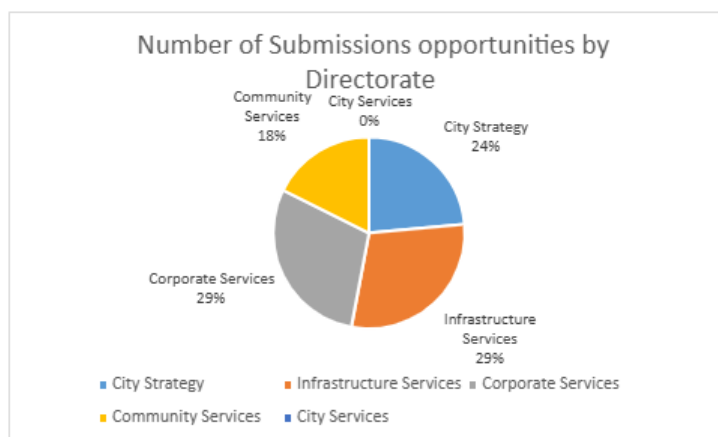
Organisations monitored for consultation opportunities as of 28 April 2025:

Organisation
New Zealand Infrastructure Commission Te Waihanga
Ministry for Regulation Te Manatū Waeture
Wairoa District Council
Water Services Authority Taumata Arowai
New Zealand Parliament Pāremata Aotearoa
Environmental Protection Agency Te Mana Rauhi Taiao
Central Hawkes Bay District Council
Local Government New Zealand
Hastings District Council
Te Tūāpapa Kura Kāinga Ministry of Housing and Development
Ministry for Primary Industries Manatū Ahu Matua
Ministry of Youth Development Te Manatū Whakahiato Taiohi
Beehive.govt.nz
Ministry for the Environment Manatū mū Te Taiao
Ministry of Business, Innovation and Employment Hīkina Whakatutuki
Department of Internal Affairs
Te Manatū Waka Ministry of Transport
Te Kāwanatanga o Aotearoa New Zealand Government
NZ Transport Agency Waka Kotahi
Worksafe Mahi Haumarua Aotearoa
Manatū Hauora Ministry of Health
Ministry of Justice
Reserve Bank of New Zealand Tu Pūtea Matua
Department of Conservation Te Papa Atawhai
Food Standards Australia New Zealand Te Mana Kouna Kai – Ahitereiria me Aotearoa
Creative New Zealand
New Zealand Intellectual Property Office
Standards New Zealand Te mana Tautikanga o Aotearoa
Whaikaha Ministry of Disabled People
Electricity Authority Te Mana Hiko
Te Puni Kōkiri Ministry of Māori Development
Inland Revenue Te Tari Taake

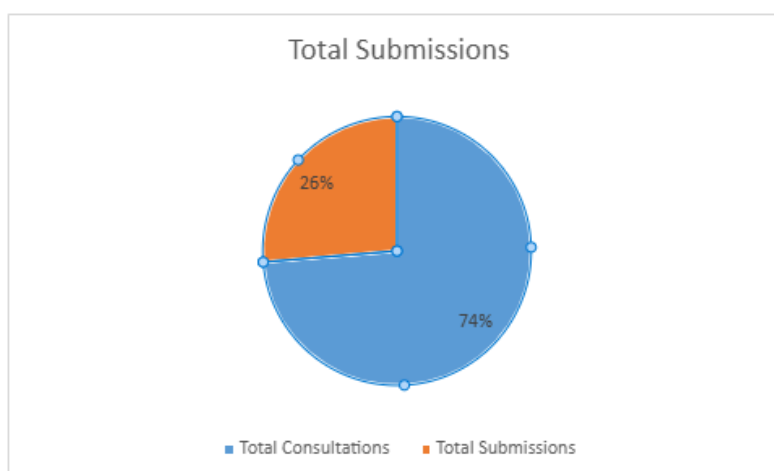
Submission results:

During the period 26 February to 28 April 2025 there were 14 consultations identified and raised with the relevant Directorates. Five submissions were made on behalf of NCC.

Date of submission	Directorate	Name of Requester
26 March 2025	Infrastructure	Commerce Commission
4 April 2025	Corporate Services	Justice Committee
8 April 2025	Corporate Services	Ministry of Business, Innovation and Employment
8 April 2025	Corporate Services	Local Government New Zealand
24 April 2025	Infrastructure	Taumata Arowai

Opportunities for submission by NCC Directorate:

Note: City Services did not have any opportunities to prepare submissions as no relevant opportunities were available during the reporting period.

Percentage of consultations on which NCC made a submission:

Where a submission was not made, it was requested that a reason be provided. The reasons that were given for not making a submission were; that officers were happy with

the proposals, were supporting community based partners in making submissions and that the detail of the consultation topic was outside of the scope of Council's role.

4.3 Issues

There are no significant issues involved in the expansion of this process. NCC is seeking to ensure that the process for submitting on initiatives open for consultation is consistent and visible across NCC to demonstrate that NCC is effectively contributing to developing initiatives that affect core Council business.

The process requires that draft submissions are circulated to Elected Members five working days prior to the submission being made. This has been challenging to consistently maintain as some of the submission time periods are short, or information from supporting agencies is only available to officers close to the submission date. For these reasons, the five working days may not always be possible, but best efforts will be made to adhere to this timeframe.

4.4 Significance and Engagement

The submissions process does not trigger the NCC Significance and Engagement Policy but will be reported on regularly to this Committee.

4.5 Implications

Financial

Nil

Social & Policy

Nil

Risk

Nil

4.6 Options

The options available to Council are as follows:

- a. **Receive** the report titled Submissions Schedule Update 26 February 2025 to 28 April 2025 dated 15 May 2025.
- b. **Note** the submissions made by Napier City Council during the period 26 February 2025 to 28 April 2025 detailed in the attachment DOC ID 1848110

OR

- c. **Decline** the report the submissions made by Napier City Council during the period 26 February 2025 to 28 April 2025 detailed in the attachment DOC ID 1848110

4.7 Development of Preferred Option

Elected members are provided with a draft copy of all submissions made on behalf of NCC prior to the submission being made. The submission process will continue to be progressed, including the search for further agencies with which to engage, and report back to the Prosperous Napier Committee biannually.

4.8 Attachments

- 1 Submission Schedule 26 February 2025 - 28 April 2025 DOC ID 1848110 [↓](#)
- 2 Memo on the Land Transport (Time of use charging) 17 April 2025 - DOC ID 1847702 [↓](#)

Date of Request	Name of Requestor	Link to Submission	Submission Topic	Directorate	Comment	Reason for Not Submitting	Date Submission Sent
12/02/25	Commerce Commission	Commerce Commission - Economic Regulation of Water Services - Information Disclosure	Today we have published our Information Disclosure Discussion Paper as a first step in engaging with water sector stakeholders to get your views on how we could develop a new performance reporting regime (known as 'information disclosure' or 'ID') for water service providers.	Infrastructure Services	Submitting		26/03/2025
25/02/2025	Taumata Arowai	https://www.taumataarowai.govt.nz/news/articles/consultation-provides-an-opportunity-to-contribute-to-new-zealands-wastewater-future/	Proposes a set of four national wastewater environmental performance standards.	Infrastructure Services	Submitting		24/04/2024
25/02/2025	Justice Committee	Term of Parliament (Enabling 4-year Term) Legislation Amendment Bill - New Zealand Parliament	Term of Parliament (Enabling a 4-year Term) Legislation Amendment Bill - Bill empowers a 4 year Parliamentary term subject to certain criteria being met. Bill only takes effect if New Zealanders vote for a 4 year term in a referendum.	Corporate Services	Submitting		4/04/2025
3/03/2025	NEMA	NEMA Section 33 Review Consultation Document CDEM Group version FINAL.docx	NEMA is reviewing the policies for financial support to local authorities set out in Section 33 of the Guide to the National Civil Defence Emergency Management Plan (The Guide)	Corporate Services	Not Submitting	We were happy with the NEMA claims processes and have nothing to add to a submission.	
13/03/2025	MBIE	GP Rules for consultation.pdf	<p>The Government is proposing changes to procurement rules to make it easier for New Zealand businesses to win government contracts that are collectively worth more than \$50 billion a year, Economic Growth Minister Nicola Willis says.</p> <p>"The changes include introducing a new economic benefit test and scrapping 24 rules that put unnecessary obstacles in the path of Kiwi businesses.</p> <p>"This is part of our plan to increase jobs and incomes by shifting New Zealand to a faster growth track," Nicola Willis says.</p> <p>"The new 'economic benefit' test will require government agencies to consider the wider benefit to New Zealand of awarding contracts to New Zealand firms when making procurement decisions.</p> <p>"Doing so will create export and employment opportunities and help New Zealand businesses to grow.</p> <p>"New Zealand's businesspeople are innovative and resourceful and the Government wants to give them every opportunity to build scale so they can take on the world.</p> <p>"Reducing the number of rules will streamline and simplify the process for New Zealand businesses.</p>	Corporate Services	Submitting		8/08/2025

13/03/2025	LGNZ	Local electoral reform - LGNZ	Local elections are vital to shaping the future of our communities across Aotearoa New Zealand. They give us the chance to choose the leaders who make important decisions about the services and infrastructure we rely on every day — like roads, parks, water, and community facilities. By participating in local elections, we ensure our councils reflect our needs and values, giving everyone a voice in decisions that impact our lives.	Corporate Services	Submitting		8/08/2025
28/03/2025	Worksafe	Conducting asbestos surveys – Good practice guidance for asbestos surveyors WorkSafe	<p>WorkSafe is consulting on new draft asbestos-related guidance for asbestos surveyors between Monday 24 March and Monday 7 April 2025.</p> <p>This draft guidance document is part of a wider suite of asbestos-related guidance currently under development.</p> <p>Read more about the stages of asbestos guidance development</p> <p>About this consultation These guidelines provide good practice advice for persons conducting a business or undertaking (PCBUs) that carry out asbestos surveys.</p> <p>The guidelines are intended to help PCBUs that conduct asbestos surveys to comply with the requirements of the Health and Safety at Work Act 2015 (HSWA) and The Health and Safety at Work (Asbestos) Regulations 2016 (Regulations).</p> <p>We are particularly interested in receiving feedback from:</p> <ul style="list-style-type: none"> asbestos surveyors licenced asbestos removalists asbestos assessors PCBUs who hire or otherwise engage the services of an asbestos surveyor those who work in trades that encounter asbestos as part of their work. 	City Strategy	Not submitting	Out of scope in Council's role in building regulation	

1/04/2025	Te Puni Kōkiri - Ministry of Māori Development	Public consultation on Te Ture Whenua Māori Act 1993	<p>That's why the Going for Growth with Māori Tōnui Māori framework has an initial focus on three key areas:</p> <p>Increasing targeted infrastructure investment to drive employment and sustainable growth. For example, investment in Parinihi ki Waitōtara incorporation to accelerate work exploring the potential of a large-scale solar farm, capable of supplying over 8,500 homes. And the recent mahi tahi between the Government and Māori leaders at the Investment Infrastructure Summit. Accelerating Māori business exports. For example, establishing a means to recognise traditional knowledge in the IP system that protects Māori point of difference and property rights. Unlocking the growth potential of whenua Māori. For example, making targeted improvements to Te Ture Whenua Māori Act 1993 to simplify planning and related processes, encourage greater development opportunities and reduce red tape. "To progress this mahi, Te Puni Kōkiri has released a public discussion document to encourage ideas and feedback on improving Te Ture Whenua Māori Act 1993.</p>	City Strategy/Te Waka Rangapū	TBC		
2/04/2025	Inland Revenue	Fringe benefit tax – options for change	Public views are sought on options for simplifying fringe benefit tax obligations and minimising compliance costs. Feedback will be used to inform final proposals for Government to consider.	Corporate Services	Not submitting	The fringe benefit tax will result in a reduced fringe benefit tax liability for ratepayers	
4/04/2025	Ministry for the Environment	Proposed product stewardship regulations for agrichemicals, their containers, and farm plastics - Ministry for the Environment - Citizen Space	The Government is seeking feedback on proposed regulations to enable a national take-back and recycling scheme for agrichemicals, their containers, and farm plastics. Waste Minimisation Act	Infrastructure Services	TBC		
8/04/2025	HBRC	Supporting documents Consultations	Hawkes Bay Regional Council - Regional Public Transport Plan (part of Annual Plan)	City Strategy, Community Services, Infrastructure	Submitting		
11/04/2025	Justice Committee	https://bills.parliament.nz/v/6/4d9ebb89-9a83-4c10-5318-08dd514abaa2	Sale and Supply of Alcohol (Sales on Anzac Day Morning, Good Friday, Easter Sunday, and Christmas Day) Amendment Bill This Bill would prevent the need to apply for a special licence to serve alcohol after ANZAC Day services, and allow hospitality businesses to operate under normal conditions on these public holidays.	Community Services, City Strategy	TBC - City Strategy	Community Services not submitting - reason - we are supporting some of our Strategy Partners to submit. Youth and some of the Safer Napier partners will be making a submission	

15/04/2025	NEMA	Emergency Management Bill » National Emergency Management Agency	<p>Emergency Management Bill - From 15 April to 13 May 2025 we are inviting submissions on options to strengthen New Zealand's overarching emergency management legislation and inform the design of a new Emergency Management Bill.</p> <p>As part of its response to the Government Inquiry into the Response to the North Island Severe Weather Events, the Government intends to pass a new Emergency Management Bill during this term of Parliament. The Bill will replace the Civil Defence Emergency Management Act 2002.</p> <p>The new Bill is an opportunity to make sure our legislative settings enable the improvements identified through the Government Inquiry and other reviews.</p> <p>In particular, the legislative reforms aim to ensure there is a whole-of-society approach to emergency management. To achieve this, the proposed objectives for the new bill are to:</p> <ul style="list-style-type: none"> strengthen community and iwi Māori participation in emergency management provide for clear responsibilities and accountabilities at the national, regional, and local levels enable a higher minimum standard of emergency management minimise disruption to essential services ensure agencies have the right powers available when an emergency happens. 	Community Services	TBC		
23/04/2025	Ministry for the Environment	Have your say on proposed amendments to waste legislation - Ministry for the Environment - Citizen Space	Proposed amendments to waste legislation	Infrastructure Services	TBC		



Memo

To:	ELT and EMs		
Cc:	Russell Bond		
Date:	16 April 2025	File Ref:	[File Number]
Subject:	Update on the Land Transport Management (Time Of Use Charging) Amendment Bill		

Purpose

To provide an update on the Land Transport Management (Time of Use Charging) Amendment Bill, including its progress, key implications and relevance to Napier and future considerations if demand-based charging becomes applicable in the Hawke's Bay region.

Background

The Amendment Bill introduces enabling legislation for congestion pricing, a mechanism that allows NZTA to charge motorists for using certain roads during peak periods. The intent is to reduce congestion by encouraging changes in travel time, route, or mode, thereby improving the efficiency of the roading network.

This legislation primarily targets Tier 1 Cities with persistent congestion. The Bill has passed its first reading and is now under consideration by the Transport and Infrastructure Select Committee. Submissions close on 27 April 2025, and the Committee's report is expected by 4 September 2025.

Auckland Council and Auckland Transport have submitted in support of the Bill, subject to several key conditions to protect local authority oversight and decision-making. Refer to the picture at the end of this memo, along with the information and submission points from the attachment provided by the Auckland Council. See the source link: [Report Plans of Transport, Resilience and Infrastructure Committee - Thursday, 6 March 2025](#). (p 12-34)

Auckland Council's submission outlines the following key points:

- Local authority approval for any scheme impacting local roads or public transport before submission to the Minister or public consultation.
- Shared governance models, such as Boards with local representation, to ensure decisions reflect community and regional transport priorities.
- Transparent use of revenue, allocated to transport-related projects, including operational and capital investments.

These principles are intended to support the transparency and balance national objectives with local context.

Relevance to Napier

Our city, currently categorised as Tier 2, is not within immediate scope for congestion pricing. However, the Bill lays a legislative foundation that could be extended in future, especially if population growth or development pressure increases congestion levels.

The framework is enabling rather than mandatory. Any future implementation would require Napier City Council involvement and Ministerial approval. Nevertheless, it is important to understand the potential implications now to protect Council's role in any future scenario.

Future-Focused Considerations

Although no immediate response or position is required, the following actions are recommended to ensure that Council maintains visibility and can respond appropriately if needed:

- Support local decision-making rights, similarly outlined in Auckland's submission, should Napier City Council choose to engage further.
- Monitor legislative outcomes, particularly any changes that broaden the scope beyond Tier 1 areas.
- Build understanding of the Bill's implications, including potential impacts on local transport funding, infrastructure priorities, and NCC responsibilities.

These steps will help ensure that any future discussions are informed and well-aligned with Napier's evolving context and priorities.

Conclusion

The Time of Use Charging Amendment Bill represents a shift in New Zealand's approach to transport demand management. While not currently applicable to Napier City Council, it introduces a policy direction that may become relevant in the longer term. Council is not required to take a position at this stage, but may benefit from continued monitoring and awareness.

Kate Ivicheva

MANAGER ASSET STRATEGY

Proposed recommendations to TRIC, 6 March

That the Transport, Resilience and Infrastructure Committee:

- a) endorse the draft council submission on the **Land Transport Management (Time of Use Charging) Amendment Bill** that:
 - i) supports the introduction of enabling legislation for Time of Use Charging, subject to the governance structure and process being resolved to provide adequate representation for local authorities.
 - ii) make recommendations to address Council concerns (see right)
- b) tautapa / **delegate approval of any minor changes to the draft council submission** on the Land Transport Management (Time of Use Charging) Amendment Bill to the Chair and Deputy Chair of the Transport, Resilience and Infrastructure Committee and a member of Houkura – Independent Māori Statutory Board.
- c) tuhi ā-taipitopito / note that if enacted the Bill enables the council to initiate a Time of Use Charging scheme.
- d) tuhi ā-taipitopito / **note that the council submission on the Bill is separate to any future decision making by the council** on the initiation of a Time of Use Charging scheme.

- Recommend that any scheme impacting a local road network or PT system needs to be approved by the relevant local authority before being submitted to the Minister for final approval. Local authority should also approve a scheme proposal ahead of public consultation.
- Recommend Minister may initiate a scheme only if impacted local authorities have approval rights for the final scheme.

Or, as an alternative:

- Recommend that, in Auckland, the new RTC undertakes the decision-making responsibilities currently allocated to the Minister and proposed for the Council (assuming RTC is made up of Ministers and Councillors) .

In addition

- Recommend joint decision making for the Scheme Board – for example consensus decision making or an independent chair.
- Recommend a Scheme Board must be run prudently and efficiently.
- Oppose NZTA decision making role to determine changes in charging area and pricing. Propose this is a decision of the Scheme Board.
- Recommend that local authorities are able to request to the Minister that a scheme be changed or terminated.
- Oppose the ability for the Minister to direct the scheme board, but instead issue Letters of Expectation.
- Recommend explicit recognition that revenue raised can be spent on complementary measures, before any surplus net revenue is spent on wider regional initiatives or mitigations.
- Recommend scheme costs include costs incurred by local authorities, as well as complementary measures and mitigations.
- Recommend using the RLTP to guide the allocation of any surplus revenue, rather than an ad hoc approach of a new investment agreement.
- Recommend there be some flexibility in allocation of revenue beyond just land transport activities. For example, public realm upgrades in the central city to build social license in the case of a city centre focused scheme.
- Recommend exemptions for scheduled public transport bus services operated by the local authority
- Recommend legislation allows limited exemptions to be potentially included as part of developed and consulted scheme designs, submitted through the Order In Council (OIC), where these are needed to mitigate significant fairness or cost impacts on vulnerable user groups, but do not reduce overall scheme effectiveness. This may include, for example, disabled users.

Picture 1 – Key recommendations made by Auckland Council and Auckland Transport to the Transport, Resilience and Infrastructure Committee

RECOMMENDATION TO EXCLUDE THE PUBLIC

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

AGENDA ITEMS

1. Reappointment of Chairperson and Trustee of HBMT
2. Bad Debt Write-offs for 2025/26

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.	Plain English reason for passing this resolution in relation to each matter
1. Reappointment of Chairperson and Trustee of HBMT	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: (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.	Protect the privacy of the appointee
2. Bad Debt Write-offs for 2025/26	6(d) Likely to endanger the safety of a 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	Individuals names

		<p>information for which good reason for withholding would exist:</p> <p>(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.</p>	
<p>Public Excluded Text</p>			
<p>Council has considered the public interest in the information above and balanced those interests with the reason(s) for withholding this information. This ensures Council has met the requirements for withholding information under section 7(2) of the Local Government and Official Information and Meetings Act 1987.</p>			

PROSPEROUS NAPIER COMMITTEE Open Minutes

Meeting Date: Thursday 10 April 2025

Time: 9.30am – 10.31am

Venue Large Exhibition Hall
War Memorial Centre
Marine Parade
Napier

Livestreamed via Council's Facebook page

Present **Chair:** Councillor Crown
Members: Mayor Wise, Deputy Mayor Brosnan, Councillors Boag, Browne, Chrystal, Greig, Mawson, McGrath, Price, Simpson, Tareha and Taylor (Deputy Chair)
Ngā Mānukanuka o te Iwi representatives – Evelyn Ratima and Kirk Leonard

In Attendance Chief Executive (Louise Miller)
Deputy Chief Executive / Acting Executive Director City Services (Jessica Ellerm)
Executive Director Community Services (Thunes Cloete)
Manager Communications and Marketing (Julia Stevens)
Acting Chief Financial Officer (Talia Foster)
Procurement Manager (Sharon O'Toole)

Also in Attendance Rochelle Ham (Chief Financial Officer) and Nick Flack (Chief Executive) Hawke's Bay Airport Limited

Administration Governance Advisors (Carolyn Hunt and Jemma McDade)

PROSPEROUS NAPIER COMMITTEE – Open Minutes

TABLE OF CONTENTS

Order of Business	Page No.
Karakia.....	3
Apologies	3
Conflicts of interest.....	3
Public forum.....	3
Announcements by the Mayor.....	3
Announcements by the Chairperson.....	3
Announcements by the management	3
Confirmation of minutes	3
 Agenda Items	
1. Hawke's Bay Airport Limited - Draft Statement of Intent.....	4
2. Progress Report: Procurement and Contract Management Improvements	4
Minor matters	5

ORDER OF BUSINESS

Karakia

The meeting opened with a Council karakia.

Apologies

Nil

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

Councillors Chrystal / Taylor

That the Minutes of the Prosperous Napier Committee meeting held on 26 February 2025 were taken as a true and accurate record of the meeting.

Carried

AGENDA ITEMS

1. HAWKE'S BAY AIRPORT LIMITED - DRAFT STATEMENT OF INTENT

<i>Type of Report:</i>	Procedural
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1841296
<i>Reporting Officer/s & Unit:</i>	Caroline Thomson, Chief Financial Officer / Acting Executive Director Corporate Services

1.1 Purpose of Report

To present the Hawke's Bay Airport Limited Draft Statement of Intent for the 2025/26 year.

At the meeting

The Chair, Councillor Crown welcomed representatives from the Hawke's Bay Airport, Chief Executive (Nick Flack), and the Chief Financial Officer (Rochelle Ham) to the meeting.

A powerpoint presentation (*Doc Id* 1845172) was displayed providing an overview of the highlights, passenger numbers and financial performance for the six months to December 2024.

Mr Flack advised that the airport did not support the Ahuriri Regional Park project in its current form given the significant amount of wetlands that will be created at the end of an operating runway. The current bird strike incident rate is 25 per 10,000 movements, with the New Zealand average of 4. If the development of the wetlands continue there would be increased risk of bird strike at Napier Airport. In the event that this happens it is likely that Air New Zealand will reduce capacity which would leave the Hawke's Bay without connection to regions in New Zealand.

In response to questions the following was clarified:

- Mana Ahuriri has always been a potential shareholder of the airport with an option to take up treasury shares at an agreed value. Mana Ahuriri are currently deciding on whether they wish to do this or not.
- Runway extensions have been signalled in masterplans for jet capacity, however it is clear that the jet capacity would be via Auckland. Mr Flack did not believe that the region had the capability to sustain an international connection and as an example spoke of Dunedin who have an international connection with Jetstar, costing the council millions of dollars to underwrite each year.
- In regard to servicing of debt with reduced numbers of passengers the capex will be constantly under review with half of that revenue being mandatory for compliance issues. The remaining revenue would be commercially driven towards payback.
- The airport has collected a lot of demographic data to monitor and understand what is impacting on the airport and are engaging actively with Air New Zealand. However, despite the decreasing passenger numbers Air New Zealand do not have the capacity to increase as there are less planes available.

- Collaboration continues with key stakeholders to ensure strong tourism and events programme promoting travel through Napier Airport.

COMMITTEE RESOLUTION

Councillors Crown / Mawson

The Prosperous Napier Committee:

- Receive** the Hawke's Bay Airport Limited Draft Statement of Intent for the 2025/26 (Doc Id 1841285) year and provide comment and feedback from Napier City Council.

Carried

Attachments

- 1 Hawke's Bay Airport presentation (Doc Id 1845172)

2. PROGRESS REPORT: PROCUREMENT AND CONTRACT MANAGEMENT IMPROVEMENTS

Type of Report: Operational and Procedural

Legal Reference: N/A

Document ID: 1841498

Reporting Officer/s & Unit: Sharon O'Toole, Procurement Manager

2.1 Purpose of Report

The purpose of this report is to provide an update on the various improvement initiatives underway to help Council better use procurement and contract management as strategic tools to deliver the capital programme, improve the management of Council assets, and implement the recommendations in the recent Internal Audit Report: Contract Management Report completed by Crowe April 2024.

At the meeting

The Procurement Manager, Ms O'Toole presented the report providing a brief summary.

In response to questions the following was confirmed:

- Ms O'Toole confirmed that the conflict-of-interest procurement tool was Council developed and they were looking at a SharePoint solution to track, monitor and sign forms online.
- Often from a procurement perspective, training required in different directorates is different and keeping the training sessions separate becomes more targeted and effective on the information provided. Officers were confident that the timing and pace of the programme were optimal.

COMMITTEE RESOLUTION	
	Councillors Taylor / Simpson
	The Prosperous Napier Committee:
	a. Receive the Procurement and Contract Management progress report.
	Carried

Minor matters

There were no minor matter matters to discuss.

The meeting closed at 10.31am

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

Chairperson

Date of approval