



**NAPIER**  
CITY COUNCIL  
*Te Kaunihera o Ahuriri*

Napier Civic Building  
231 Hastings Street  
**t +64 6 835 7579**  
**e** [info@napier.govt.nz](mailto:info@napier.govt.nz)  
[www.napier.govt.nz](http://www.napier.govt.nz)

# ORDINARY MEETING OF COUNCIL

## Open Attachments (Under separate cover 1)

---

Meeting Date: Thursday 25 September 2025

---

Time: 9.30am

---

Venue: Large Exhibition Hall  
War Memorial Centre  
Marine Parade  
Napier

---

### TABLE OF CONTENTS

<b>Item 5</b>	<b>Napier Multicultural Strategy - Draft for consultation</b>	
Attachment 1	Whiria Ahuriri Napier Multicultural Strategy Background Document (Doc Id 1875188) .....	2
Attachment 2	Draft Napier Multicultural Strategy - Whiria Ahuriri (Doc Id 1875187).....	59
 <b>Item 9</b>	 <b>Council Investment Policy Updates</b>	
Attachment 1	DRAFT revised Statement of Investment Policies Objectives track edits (Doc Id 1875427) .....	72
Attachment 2	DRAFT revised Investment Policy (Doc Id 1875428) .....	89

# WHIRIA AHURIRI

## Napier Multicultural Strategy

### *Background Document*

June 2025



**NAPIER**  
CITY COUNCIL  
*Te Kaunihera o Ahuriri*

## Contents

Introduction	2
Part One	3
Strategy Development Process	3
Early Development – How we started	3
Advisory Structure – Who was involved	4
Stakeholder and Community Engagement - What we did	7
Part Two	9
Stakeholder and Community Feedback	9
Summary of feedback from workshops and events – What we heard	9
Napier Multicultural Strategy Survey Findings	12
Strategy's draft priority areas – What we found	15
Part Three	16
Timeline	17
Linkages	17
Appendices	18
Desktop Review Multicultural Strategies and Welcoming Plans across Local Government in Aotearoa 2023	18
Napier's Ethnic Community Profile, October 2023	18

## Tables

*Table 1 - Demographic information for Napier City and New Zealand, Census 2013 – 2023*

*Table 2 - Face to face stakeholder engagement for strategy development*

## Figures

*Figure 1 - Advisory structure for development of Napier's Multicultural Strategy, 2023 – 2025*

*Figure 2 – Challenges for cultural communities in Napier, 2024*

*Figure 3 – Future state if Napier was the best multicultural city, 2024*

*Figure 4 - Future state if Napier was the best multicultural city for organisations & council, 2024*

*Figure 5 – Respondents that live in Napier, 2024*

*Figure 6 – Respondents' duration of residing in Napier, 2024*

*Figure 7 – Ethnicity of respondents, 2024*

*Figure 8 – Age range of respondents, 2024*

## Introduction

In May 2023, we began developing a community-wide Multicultural Strategy for Napier. This was in response to requests and formal submissions from community leaders and data confirming Napier as becoming increasingly diverse, with more people from a wide range of cultures choosing to call Napier home. Since then, we have engaged with Napier residents from a range of cultures, backgrounds, and ethnicities to hear their thoughts and ideas for a multicultural Napier. We have held workshops, delivered presentations, attended community events and run a survey. This report outlines the process we have used to develop the Multicultural Strategy (the strategy) and summarises what we heard from communities and what matters to them.

This is a supporting document to the strategy. Part One outlines the process for development including the background, advisory structure establishment, and how agencies, ethnic and cultural groups and other Napier residents provided input and their ideas into developing the strategy.

Part Two is a summary of feedback received from stakeholders about the challenges faced by cultural communities, their thoughts, and ideas for a more multicultural Napier. This section includes findings of a survey, workshops held with advisory groups and feedback from key stakeholders and cultural communities in Napier. It identifies priority areas for the strategy based on a thematic analysis of feedback received from these stakeholders and cultural communities.

Part Three includes a high-level timeline and lists other local, regional and national strategies and programmes that are linked to this work.

Finally, there are two appendices, including a document review that identifies Councils' Multicultural Strategies and Welcoming Communities Programmes across Aotearoa New Zealand and an ethnic profile with data and information on ethnic communities living in Napier.



## Part One

### Strategy Development Process

#### Early Development – *How we started*

Napier City Council (NCC) received several requests to create a Multicultural Strategy for Napier through formal and informal channels. Previously funded by Immigration New Zealand (INZ), NCC delivered Settlement Support Services for newcomers to Napier. This service was then disestablished by INZ in 2014 and replaced with a regional service focused on attracting and retaining skilled migrants.

Following this, the Hawke's Bay Settlement Forum (the Forum) was established in July 2014, coordinated by Napier City Council and which is still operational today. The Forum is a network of government, non-government organisations and key community groups that meet bi-monthly to network, discuss issues affecting newcomers and organise an annual community event to celebrate and showcase the diverse cultures of Napier.

In 2017, INZ launched a pilot of the Welcoming Communities Accreditation Programme, supporting Councils and their communities to create a more welcoming and inclusive environment for newcomers, including recent migrants (>5 years), former refugees and international students. In July 2022, NCC was accepted into the Welcoming Communities Programme and is currently at the first accreditation stage of being a 'committed Welcoming Community.'

In May 2023, a desktop review of national and local strategies and programmes with a focus on multiculturalism was initiated. This included reviewing 3 Council multicultural strategies and 4 Welcoming Communities programmes across 7 Councils across New Zealand. Recommendations from the review confirmed the importance of local government leadership in developing a Multicultural Strategy for Napier, partnering with Mana Whenua and the need for ethnic community leaders and groups to play an active role in the delivery of the strategy.

It was recommended that to be effective, the strategy needs to support integration and social cohesion for all cultures as opposed to simply celebrating multiculturalism. Also, an evidence-informed approach be used that includes relevant data and captures community voice. It was suggested that the scope of the strategy go beyond council-focused activities and involve central government agencies, community organisations across sectors, cultural groups, and the wider community. This will improve 'buy in' or ownership and lead to a shared implementation of the strategy. The desktop review report is included as **Appendix 1**.

A detailed ethnic community profile for Napier was completed in October 2023 with data sourced from Census 2018 and Napier Social Monitor 2022.

The ethnic profile presented a picture of multiculturalism in Napier, including reporting ethnicity data, languages spoken, religious affiliation as well as education status, employment, and income information for specific ethnic groups. It also included information about life satisfaction, perception of safety, wellbeing, acceptance and belonging amongst ethnic communities.

The Ethnic Community Profile is included as **Appendix 2**.

*Did you know? 1 in 6 people living in Napier were born overseas and 1 in 10 people identify as Asian, Pacific, Middle Eastern, Latin American, African or of other ethnicity.*

Although Napier's ethnic population is noticeably smaller than the national average, more recent Census (2023) data confirms a steady increase in the percentage of people from different ethnicities living in Napier. Table 1 shows the increase in those born overseas and those who identify with ethnicities other than European and Māori.

*Table 1 – Demographic information for Napier City and New Zealand, Census 2013 – 2023*

	Napier City			New Zealand		
	2013	2018	2023	2013	2018	2023
Born Overseas	14.5%	16.5%	18.2%	23.6%	27.4%	28.8%
Identify as European	79.0%	81.2%	79%	70.0%	70.2%	67.8%
Identify as Māori	18.2%	22.2%	24.2%	14.1%	18.5%	17.8%
Identify as Pacific, Asian, Middle Eastern, Latin American, African or other ethnicity*	8.8%	10.2%	13%	20.8%	28.2%	29.2%

*Source: Stats NZ \*This data is from Census level 1 ethnicity data and doesn't include North American, European and some other ethnicities.*

*The 2023 Census shows that nearly 20% of Napier's population identifies with ethnicities other than New Zealand European or Māori*

## Advisory Structure – Who was involved

Te Tiriti o Waitangi was identified as the framework for developing the strategy and partnering with Mana Whenua from the outset as critical. Meetings were held with Mana Ahuriri Trust and Te Taiwhenua o Te Whanganui ā Orotu to share our intention to develop a Multicultural Strategy for Ahuriri-Napier and seek representation as part of the advisory structure.

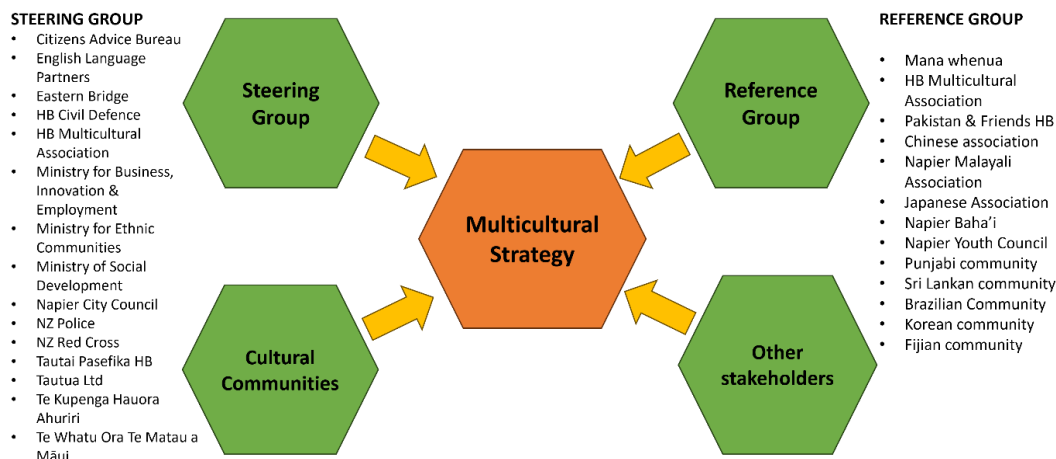
In November 2023, with support from Te Waka Rangapū, NCC's Māori Partnerships team, we sought input from Ngā Mānukanuka o te Iwi Komiti<sup>1</sup>, where we shared the findings of the desktop review and ethnic profile and signalled the development of the strategy.

Two advisory groups were established, a Steering Group including relevant government and non-government organisations and a Reference Group with community representatives from a wide range of cultural groups across Napier (Figure 1). Mana Whenua representatives from Timikara Marae joined the Reference Group. Both groups provided input and agreed to a set of Terms of Reference which outlined the purpose and principles, membership, and how meetings would run, and decisions be made.

---

<sup>1</sup> Ngā Mānukanuka o Te Iwi is the Māori Partnerships Specialist Committee for Napier City Council, with member representatives from local marae and PSGs.

Figure 1 – Advisory structure for development of Napier's Multicultural Strategy, 2023



The Steering Group was set up in October 2023 and comprised representatives from agencies and providers who provide services, engage and support cultural communities in Napier. The purpose of this group was to contribute and provide key insights and advice, seek feedback from, share information with their networks and support community engagement during strategy development.

Fifteen members joined the group from the following organisations;

- Citizens Advice Bureau
- English Language Partners
- Eastern Bridge Ltd
- HB Civil Defence Emergency Management
- Multicultural Association HB
- Ministry for Business, Innovation & Employment
- Ministry for Ethnic Communities
- Ministry of Social Development
- Napier City Council
- NZ Police
- NZ Red Cross
- Tautai Pasefika HB
- Tautua Ltd
- Te Kupenga Hauora Ahuriri
- Health NZ, Te Whatu Ora Te Matau a Māui

To assist with establishing the Reference Group, a sub-group of members from the Steering Group was formed. The group were responsible for developing criteria and creating a nomination process for the establishment of the Reference Group. We sought nominations for community representatives from a wide distribution list of all known cultural networks. Applicants with strong connections to specific cultural communities from varied ethnic backgrounds were selected and formed the Reference Group.

The Reference Group was established in April 2024 to provide input into the strategy content, seek feedback from and share information with their networks and assist with wider engagement as the

strategy was developed. All members of the Reference Group volunteered their time to attend workshops and events and assist with the development of the strategy.

Fourteen members joined the Reference Group, including representatives from the following organisations and communities:

- Mana Whenua representatives
- Multicultural Association HB
- Pakistan & Friends Hawke's Bay
- Chinese Association
- Napier Malayali Association
- Japanese Association
- Napier Baha'i Community
- Napier Youth Council
- Punjabi Community
- Sri Lankan Community
- Brazilian Community
- Korean Community
- Fijian Community

Both the Steering and Reference Groups played a crucial part in guiding the development of the strategy by sharing their knowledge, experiences and offering keen participation throughout the process. The workshops and meetings focused on drafting the vision, values and priority areas for the strategy.

A pre-engagement survey was sent to NCC's 'Peoples Panel'<sup>2</sup> and cultural groups living in Napier as a 'pulse check' of the community's perception on multicultural issues. We asked about their views on a multicultural Napier, what would make people of all cultures and ethnicities feel valued, accepted and able to participate in all aspects of community life. The results of this survey were analysed and provided a starting place for both the Steering and Reference Groups as they began to workshop the strategy. Other tools, such as real-life scenarios, were also developed to initiate and engage conversation during the workshops.

Both advisory groups met 6-8 weekly, totalling 6 workshops each over 9 months. Groups explored the meaning of different words associated with Multiculturalism. Words such as ethnic, inclusive, international, newcomer and diversity. This led to a discussion about the name for the strategy, and from this, a sub-group met to consolidate name options for the strategy, which were presented back to the advisory groups. Both groups voted on the preferred name, 'Whiria Ahuriri', as the name for the strategy. 'Whiria', which means 'to weave', relates to the coming together of different strands and cultures to weave together the social fabric of Ahuriri -Napier.

---

<sup>2</sup> Peoples Panel is a Napier City Council Panel of Napier residents who provide feedback on developments, projects, ideas and matters at the very early stage of the engagement process. Members self select to be on the panel and although the aim is that the panel reflects the Napier community demographic it is not guaranteed.



*Workshops held with Steering Group and Reference Group*

The workshops provided us with valuable information that shaped the broad structure for the strategy, including the draft vision and values for the strategy and priority focus areas. The advisory groups championed the process of strategy development and also assisted with targeted stakeholder engagement.

The NCC Māori Partnerships Team, Te Waka Rangapū and our Mana Whenua representatives provided both groups with tikanga support, Te Ao Māori worldview and Mātauranga Māori knowledge. Councillor Greg Mawson was the elected member championing the strategy with his interest in multiculturalism in Napier and played an active part in the Steering group.

The advisory structure will be reviewed following the adoption of the strategy to oversee monitoring and implementation and support the delivery of the Napier's Welcoming Communities programme.

## Stakeholder and Community Engagement - *What we did*

The next stage of development was to engage with other key stakeholders and seek input on the potential key priority areas with a wider audience. A sub-group of Steering and Reference Group members reviewed key stakeholders, including how stakeholders were grouped and provided their input to fill gaps and confirm the best methods for engagement. An extensive stakeholder database was confirmed by both advisory groups, with more than 200 people and organisations that were clustered into the following stakeholder groupings:

- Mana Whenua
- Government Organisations
- Community (Non Govt) Organisations (eg. Citizens Advice Bureau, Red Cross etc)
- Cultural Community Groups/Organisations (eg. Multicultural Association, Chinese Association, Napier Malayalee group etc.)
- Cultural Interest and Faith Groups (eg. Taekwondo, Dragon boat racing, temples, mosques, churches etc).
- Business/Commercial Entities
- Education Sector
- Health Sector
- Internal Stakeholders
- Other

A range of engagement methods were used, including running workshops and focus groups, delivering presentations, providing access to surveys (hardcopy or online) and opportunities for engagement and feedback at a variety of cultural events.

Table 2 lists the engagement interactions held with Napier's cultural communities and stakeholder groups between October and December 2024 to inform the strategy.

*Table 2: Face to face stakeholder engagement for Strategy development*

Workshops and Presentations	When	Participants
Presentation to Ngā Mānukanuka o te Iwi Komiti	10 November 2023	16-18
Workshops with Steering Group x 6	Oct 2023 – Oct 2024	8 – 15 each
Workshops with Reference Group x 6	Apr 2024 – Oct 2024	7 – 14 each
Cultural Groups workshop	18 October 2024	5
Youth Council workshop	21 October 2024	12
Tamatea High Students workshop	24 October 2024	15
Napier Businesses Workshop	12 November 2024	5
Presentation to Ngā Mānukanuka o te Iwi Komiti	13 November 2024	8 - 12
Community Network hui - Agency/Provider workshop	20 November 2024	38
Napier City Council workshop	5 December 2024	10
EIT International students' workshop	6 December 2024	14
HB Settlement Forum presentation	12 December 2024	13
<b>EVENTS</b>		
Diwali Community event	27 October 2024	Est 100
Punjabi Language Week event	8 November 2024	Est 30
Multicultural Association Annual General Meeting	23 November 2024	Est 30
Whānau Fest 150	30 November 2024	Est 150

A survey invited a wider participation and input into the development of the strategy. This was circulated amongst cultural communities and relevant organisations through both advisory groups, the database and via entities such as Napier City Business Inc, the Hawke's Bay Multicultural Association, the Ministry of Education, and others. Postcards and flyers with a QR code link were distributed at events, workshops and presentations directing people to the online survey. Hard copies of the survey were also made available at events and shared at workshops and presentations.





A word cloud titled "What we want to see in our community" is displayed. The words are arranged in a circular pattern, with the most prominent words in the center. The words are in various colors and sizes, representing different themes and values. The central words include "Multicultural", "Welcoming", "Learning", "Events", "Community", "Diversity", "Inclusive", "Supportive", "Resilient", "Visible", "Accessible", "Safe", "Healthy", "Thriving", "Connected", "Participative", "Respectful", "Affordable", "Secure", "Equity", "Justice", "Innovation", "Growth", "Sustainability", "Resilience", "Adaptability", "Flexibility", "Creativity", "Imagination", "Curiosity", "Openness", "Transparency", "Accountability", "Integrity", "Honesty", "Trust", "Empathy", "Compassion", "Kindness", "Generosity", "Gratitude", "Patience", "Perseverance", "Courage", "Bravery", "Strength", "Resilience", "Adaptability", "Flexibility", "Creativity", "Imagination", "Curiosity", "Openness", "Transparency", "Accountability", "Integrity", "Honesty", "Trust", "Empathy", "Compassion", "Kindness", "Generosity", "Gratitude", "Patience", "Perseverance", "Courage", "Bravery", "Strength".

A key highlight and recurring theme from young people was their interest in learning more about different cultures and faiths. Young people pointed out that this would make it easier for young people to support each other and enable them to connect with a wider range of people. Young people from





## Napier Multicultural Strategy Survey Findings

The Napier Multicultural Strategy Survey was used to reach wider cultural communities who were not part of a specific cultural network or organisation. As explained earlier, the survey was distributed electronically to the stakeholder database of over 200+ groups and organisations, forwarded through other channels between October and December 2024, and promoted using postcards and flyers with a QR code link at events, presentations, and workshops. Paper copies were also made available as needed.

The survey asked the following questions:

- The biggest challenges for cultural communities in Napier
- If Napier was the best multicultural city for everyone to live, work, play, and belong, what difference would that make for individuals, families, and the community?
- The top 3 to 5 focus areas for the Strategy

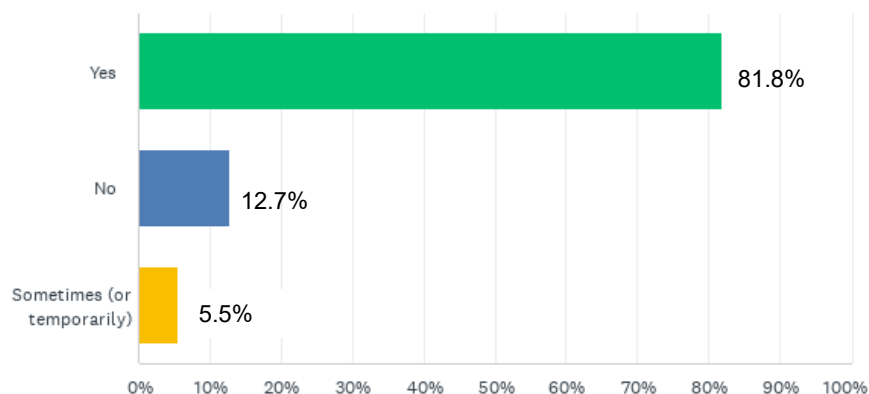
Respondents were also asked some basic details like their ethnicity, age range, and whether they were a resident of Napier and for how long.

## Who responded

A total of 165 people responded to the survey, of which 119 people completed it. This included individuals and 18 representatives of various organisations such as Tautua Limited, Eastern Institute of Technology, Peoples Advocacy Society, Hindu Council Hawke's Bay, Napier Intermediate School, Faraday Museum of Technology, Fire and Emergency NZ, Te Rito Maioha Teachers community, Stroke Foundation, Mapu Maia and others.

The graph below shows that nearly 82% of respondents currently live in Napier. Those who do not either work in Napier or have familial ties.

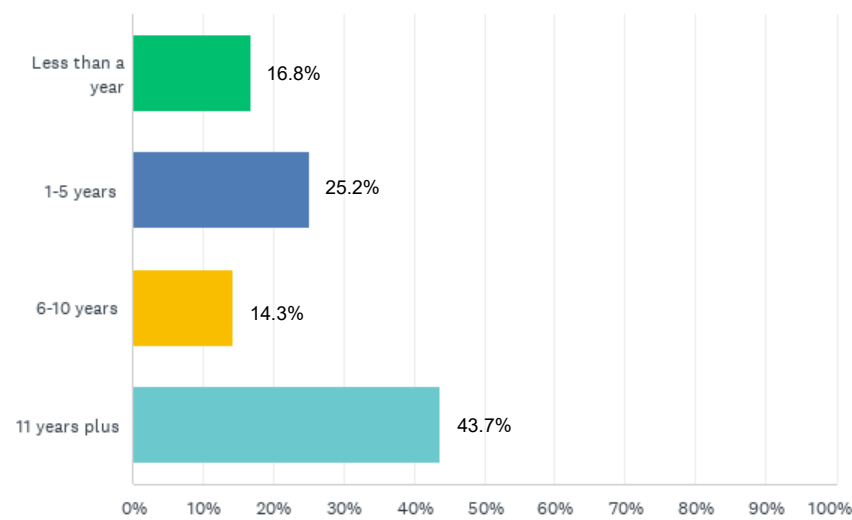
*Figure 5 – Respondents that live in Napier,*



*Source – Napier Multicultural Strategy Survey, 2024*

Over 40% of the respondents who completed the survey have lived in Napier for more than 11 years. Below is a graph of respondents by duration that they have lived in Napier.

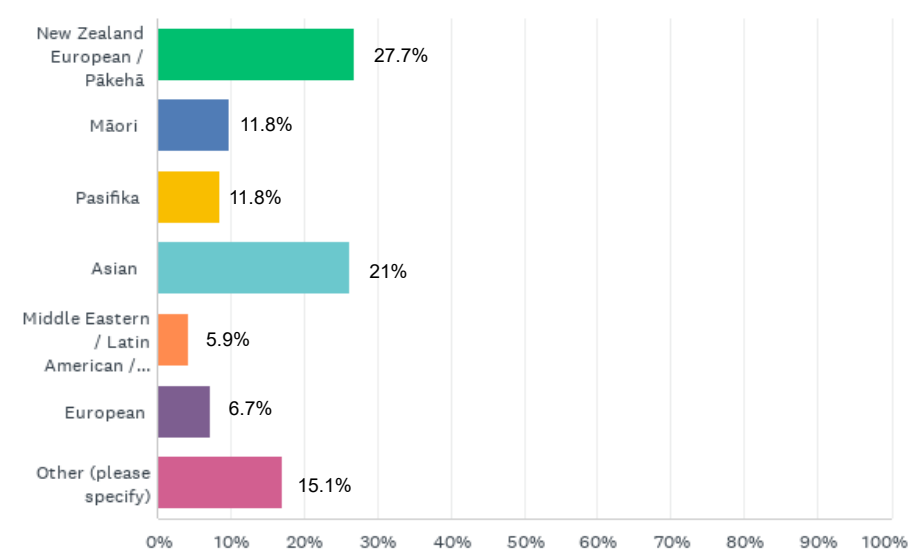
Figure 6 – Respondents duration as a resident living in Napier,



Source – Napier Multicultural Strategy Survey, 2024

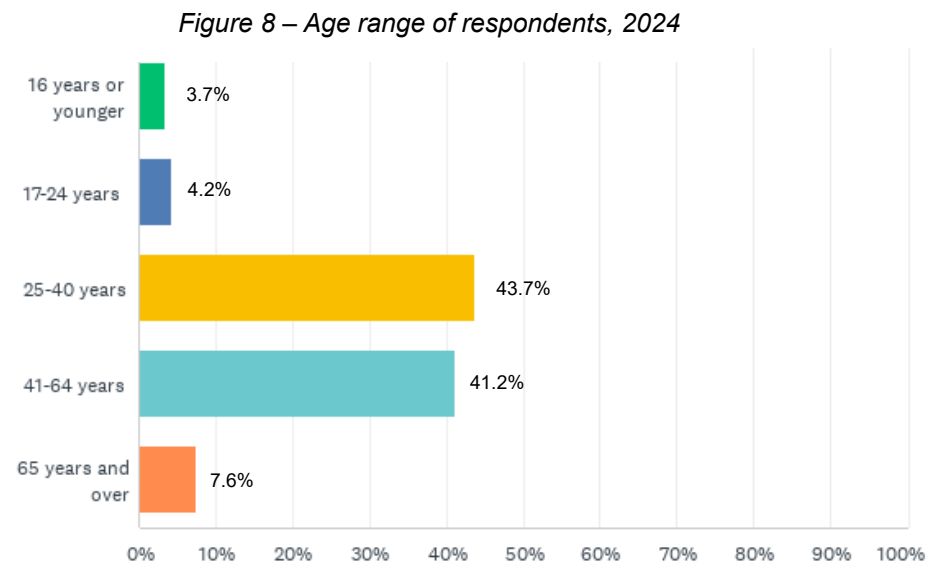
The graph below shows a breakdown of the respondents who completed the survey by ethnicity. Those that identified as other mainly comprise the following ethnicities or countries of origin - Indian, South African, Dutch, Fiji, Indian, Sri Lankan, Welsh, Pasifika Māori and North American. Respondents from a wide range of cultures participated in the survey.

Figure 7 – Ethnicity of respondents, 2024



Source – Napier Multicultural Strategy Survey,

The survey had a good response from respondents in the 25 – 64 years age range (see Figure 8). Whilst there were a few young respondents at events, the majority of engagement with young people was through face-to-face events like workshops held with the Napier Youth Council and Tamatea High School.



Source – Napier Multicultural Strategy Survey, 2024

The responses received confirmed the challenges and aspirations highlighted in the workshops and face-to-face engagement. Key challenges like racism, language barriers, isolation, finding employment, accessing housing, health services and feeling a lack of acceptance were common themes.

*“We have instances of racial abuse more than once both due to our colour and evident appearance as muslims. A society with a better understanding of different cultures would make a lot of difference.”*

In response to questions about what would be different if Napier was the best multicultural city, respondents highlighted the importance of feeling a sense of belonging, having more multicultural events, and having opportunities for cultural exchange. A vibrant, collaborative, understanding and supportive multicultural community where everyone can belong was the future state that respondents aspire to. Organisations sought enhanced diversity in the workforce where employees can express their cultural identity and have opportunities for cultural exchange were highlighted.

*“It would mean stronger social bonds, reduced discrimination, and a sense of unity despite differences. Local businesses and cultural initiatives would thrive as people from various backgrounds collaborate, bringing innovation and creativity.”*

Education and awareness about diverse groups and cultures, equitable access to services and opportunities, meaningful interaction between cultures through events, festivals and having visible, diverse and inclusive spaces were the top focus areas highlighted through the survey.

*“To truly make Napier a multicultural hub, the city must focus not only on immediate actions but also on creating sustainable, long-term frameworks for inclusivity. This means embedding diversity into every aspect of city life—from education to urban planning—while ensuring that minority voices are consistently part of decision-making processes. Encouraging an open mindset, celebrating differences, and fostering unity will take ongoing commitment from local leaders, organizations, and community members alike.”*

The findings of the survey will inform the strategy and contribute significantly to the development of the implementation plan.

### **Other feedback**

Napier Baha'i community made a submission in response to the pre-engagement survey sent out to community groups in December 2023. The submission is titled 'Celebrating Cultural Diversity and Enhancing Social Cohesion' and sets forth six guiding principles and corresponding actions. They have also identified two goals for consideration. These are:

- Hosting an annual or biannual public forum using a collaborative approach to foster greater social harmony, while acknowledging and celebrating diversity and showing Council's commitment to its multicultural community.
- Encouraging small neighbourhood-based activities to create collective ownership and eliminate prejudice.

This submission will also contribute to informing the implementation plan for the strategy.

## Strategy's draft priority areas – *What we found*

From this series of activities and feedback received, the following five areas emerged as the focus areas for 'the Strategy':

1. **Connected and cohesive community**

This includes having connections within communities to help newcomers settle in and thrive. Meaningful inter-cultural relationships where cultural communities feel a sense of belonging and are respected and valued citizens. It includes raising awareness among residents about other cultures, better coordination among service providers and building relationships with Mana Whenua for a better understanding of tikanga and Te Ao Māori.

2. **Cultural expression and pride**

People can embrace, express, and have opportunities to celebrate their cultural identity. The diversity of Napier is visible, valued and represented in public places and spaces.

3. **Access and support**

Easy and equitable access to reliable and trustworthy information, resources, services, and support. Includes access to language support, health services, immigration advice, employment and education pathways etc.

4. **Well-being and safety**

Fostering physical, mental, cultural, emotional and spiritual well-being. Feeling safe to be yourself at home, at work and in your community without feeling discriminated against.

5. **Engagement and participation**

Empowered communities are represented and have a voice. People of different cultures have the opportunity to participate in all aspects of community and civic life. All voices are represented, valued and contribute to decision making.

## Part Three

### Timeline

<b>Date</b>	<b>Activity</b>
<i>2006-2014</i>	Napier City Council provides the Hawke's Bay Settlement Services as part of Immigration NZ (INZ)
<i>2014</i>	Napier City Council established the Hawke's Bay Settlement Forum
<i>2017</i>	Hawke's Bay Settlement Forum provides input to the Welcoming Communities Standard being developed and piloted by INZ
<i>2020</i>	Submission from the Multicultural Association of HB for Napier to create a Multicultural Strategy. NCC supports the development of a strategy as part of the Long-Term Plan 2020/21
<i>July 2022</i>	Napier City Council joins the Welcoming Communities Programme
<i>June 2023</i>	Desktop Review of Multicultural Strategies and Welcoming Plans across Local Government in Aotearoa, New Zealand
<i>Sept 2023</i>	Ethnic Community Profile 2023: Status and well-being of ethnic communities in Napier City
<i>October 2023</i>	Multicultural Strategy Steering Group established including NCC Councillor representative
<i>April 2024</i>	Multicultural Strategy Reference Group established
<i>Oct 2023 - Oct 2024</i>	Workshops with Steering and Reference Groups held 6 - 8 weekly
<i>July - Sept 2024</i>	Stakeholder database and engagement plan developed
<i>Oct - Dec 2024</i>	Stakeholder and Community Engagement carried out -workshops, presentations, events and survey
<i>Feb - March 2025</i>	Collation and analysis of stakeholder and community feedback
<i>April 2025</i>	Draft Multicultural Strategy shared with Steering and Reference Group for comment
<i>2025</i>	Draft Multicultural Strategy to Council

### Linkages

- Te Kāhui Tika Tangata Human Rights Commission, Human Rights Act 1993
- Ministry of Ethnic Communities Strategy 2022
- Ministry of Pacific Peoples Strategic Intentions 2023 - 2027
- Immigration NZ, Welcoming Communities Programme 2017
- Napier Youth Strategy, Napier City Council 2018
- Safer Napier Strategy 2022 – 2026, Napier City Council
- Napier City Council Strategic Priorities, 2023

## Appendices

Desktop Review Multicultural Strategies and Welcoming Plans  
across Local Government in Aotearoa 2023

Napier's Ethnic Community Profile, October 2023



# DESKTOP REVIEW

## Multicultural Strategies & Welcoming Plans across Local Government in Aotearoa



**JUNE 2023**

Prepared for Napier City Council  
Authored by: Tanya Jain

# Contents

Executive Summary.....

3

Background.....

4

Approach .....

5

Overview .....

7

1. Christchurch Multicultural Strategy – Te Rautaki Mātāwaka Rau.....

7

2. Hastings District Multicultural Strategy – Te Rautaki Kākano Maha O Heretaunga .....

8

3. Selwyn District Council Newcomers and Migrants Strategy .....

8

4. Welcoming Communities Programme .....

9

a. Welcoming Standards .....

10

b. Accreditation .....

11

c. Welcoming Plans .....

12

Key Themes .....

12

Recommendations .....

15

Appendix .....

18



---

## Executive Summary

Napier City Council is preparing to develop a Multicultural Strategy to better support its culturally diverse community and make Napier a city where everyone feels welcome and can contribute to all aspects of public life.

Under the Local Government Act, Councils have a responsibility to promote the social, economic, environmental and cultural well-being of communities for the present and into the future. This includes ensuring equitable access to Council services and resources, and that individuals and communities experience a sense of belonging and the ability to express their own culture and identity. This report is based on a desktop review of existing Multicultural Strategies and Welcoming Communities Plans developed by Councils and communities across Aotearoa New Zealand.

Hastings District and Christchurch City are the only two Councils that have developed stand-alone Multicultural Strategies over the last five years. Both strategies acknowledge Te Tiriti o Waitangi as the founding document of New Zealand and recognise New Zealand as a multicultural society. Both highlight the need for Councils to show leadership and work collaboratively with the community and partner agencies to respond to the diverse needs of the community.

Welcoming Communities is an accreditation programme led by Immigration New Zealand in partnership with the Ministry of Ethnic Communities and the Human Rights Commission. The initiative comprises eight outcome areas (standards) that are progressed as part of the four stages of accreditation. It brings together Councils, mana whenua, newcomers and communities who develop and implement a Welcoming Plan to make cities and regions more welcoming and inclusive. In this report, four Welcoming Plans were reviewed covering seven Councils, all of which were part of the pilot programme during 2017 – 2019. Of these, Palmerston North City and Tauranga & Western Bay of Plenty Councils have progressed through to Stage 2 accreditation, from being 'a committed welcoming community' to being 'an established welcoming community' in the last five years. The standards provide a framework for plan development and act as a benchmark to assess progress during implementation. However, INZ does not prescribe a structure for implementation or a timeline for Councils to move through the different stages, resulting in limited accountability or consistency in implementation.

Key themes and recommendations that have emerged from the review, confirm Napier City Council lead the development of a Multicultural Strategy for Napier in collaboration with mana whenua, ethnic community leaders and other stakeholders and community groups. It is recommended that an evidence-informed approach be used that includes relevant data and captures community voice. For the strategy to be effective, it is also recommended that its scope go beyond council-controlled levers and involve the wider community in order to ensure community ownership.

## Background

Historically, Napier City Council (NCC) was contracted to deliver Immigration New Zealand's (INZ) Settlement Support Service for Hawke's Bay. This service was facilitated by a coordinator employed by NCC who worked to connect newcomers, community groups and stakeholders with relevant support agencies. INZ changed the structure and delivery of this service in 2014, establishing regional roles that worked with employers and tertiary education providers shifting the focus to attracting and retaining skilled migrants. At the same time, INZ contracted Citizen's Advice Bureau to offer specialised support to migrants through community events and workshops.

The new structure created a gap as there was no longer a 'go-to person' to coordinate and foster connections between community groups, agencies as well as advocate for newcomers and migrants. This led to the establishment of the Hawke's Bay Settlement Forum in July 2014, coordinated by Napier City Council, which is still operational today. The Forum is a network of government, non-government organisations and key community groups that meet every other month to share projects, discuss issues affecting newcomers, and organise an annual community event to celebrate and showcase the diverse cultures of Napier.

Napier is becoming increasingly diverse with more newcomers choosing to call Napier home, contributing to the local economy, community and vibrancy of the city. Statistics collected during Census 2018, found 1 in 6 people living in Napier were born overseas and 1 in 10 people identified as Asian, Pacific, Middle Eastern, Latin American, African or of other ethnicity.

Below is a demographic breakdown for ethnic communities in Napier and New Zealand from the 2013 and 2018 Census. While the percentage of Napier's ethnic population is noticeably smaller than the national average, there is steady growth in Napier's ethnic population when compared to the 2013 Census data.

	Napier		New Zealand	
	2013	2018	2013	2018
Born Overseas	14.5%	16.5%	23.6%	27.4%
Identify as European	79.0%	81.2%	70.0%	70.2%
Identify as Māori	18.2%	22.2%	14.1%	18.5%
Identify as Pacific, Asian, Middle Eastern, Latin American, African or other ethnicity	8.8%	10.2%	20.8%	28.2%

Source: Stats NZ

It is in this context that Napier City Council is preparing to develop a Multicultural Strategy. NCC has also recently been accepted to INZ's Welcoming Communities (WC) Programme and will be developing a Welcoming Plan for the city, as a part of this. The following desktop review will inform the development of both these documents.

The Welcoming Communities Accreditation Programme was launched by INZ in 2017. It aims to put the welcome mat out to newcomers: recent migrants (>5 years), former refugees and international students. The programme is part of an international welcoming network with countries like Australia, Canada and the USA running similar initiatives. INZ supports the programme by providing seed funding, facilitating knowledge sharing among participating Councils, developing the standards and template for a Welcoming Plan and a structure for gaining accreditation.

32 Councils across 15 regions are currently part of the Welcoming Communities Programme. Of these, 13 Councils have recently been accepted into the programme (including Napier City Council) and are in the process of developing a Welcoming Plan.

## Approach

To identify which Multicultural strategies and Welcoming Plans to include in the desktop review, the following criteria were used:

1. Councils with an existing Multicultural Strategy were automatically included
2. Councils with a Welcoming Plan were selected using the following criteria:
  - a. Similar population size to Napier and
  - b. Similar ethnic demographic breakdown to Napier and
  - c. Accredited Welcoming Community for more than 3 years

There are only 18 Councils with current plans that will be compared against the selection criteria for review. However, some Councils like Western Bay of Plenty and Southland have developed joint plans for their region. Whilst Christchurch City Council has developed a Multicultural Strategy, they are not a part of the Welcoming Communities Programme.

Council	Population size similar to Napier	Ethnic demographic similar to Napier	Accredited WC for more than 3 years	Existing Multicultural Strategy
Hamilton City Council	✗	✗	✗	✗
Tauranga City Council*	✗	✗	✓	✗
Western Bay of Plenty District Council*	✓	✓	✓	✗
Hastings District Council	✓	✓	✗	✓
Palmerston North City Council	✓	✓	✓	✗
Whanganui District Council	✓	✓	✓	✗

Council	Population size similar to Napier	Ethnic demographic similar to Napier	Accredited WC for more than 3 years	Existing Multicultural Strategy
Rangitikei District Council	✗	✓	✗	✗
Horowhenua District Council	✗	✓	✗	✗
Masterton District Council	✓	✗	✗	✗
Nelson City Council	✓	✗	✗	✗
Tasman District Council	✓	✓	✗	✗
Ashburton District Council	✗	✓	✓	✗
Christchurch City Council	✗	✗	✗	✓
Selwyn District Council	✓	✓	✓	✓
Queenstown Lakes District Council	✗	✗	✗	✗
Central Otago District Council	✗	✓	✗	✗
Gore District Council*	✗	✗	✓	✗
Invercargill City Council*	✓	✓	✓	✗
Southland District Council*	✗	✓	✓	✗

*\*These Councils have developed joint plans with other territorial authorities in their region*

Based on the criteria and discussion with Napier City Council staff, the following Council documents were agreed to be included in the review:

1. Multicultural Strategy - Hastings District Council
2. Multicultural Strategy - Christchurch City Council
3. Newcomers and Migrants Strategy - Selwyn District Council
4. Welcoming Plan - Invercargill City, Gore District and Southland District Councils
5. Welcoming Plan - Palmerston North City Council
6. Welcoming Plan - Whanganui District Council
7. Welcoming Plan - Western Bay of Plenty & Tauranga City Councils

## Overview

Christchurch City Council and Hastings District Council are the only two Councils in New Zealand to have developed Multicultural Strategies. Selwyn District Council has a Newcomers and Migrants Strategy that was adopted in 2015. Selwyn District Council was also one of the pilot districts for the Welcoming Communities Programme in 2017 and is accredited as a Stage One Welcoming Community. Similarly, Hastings District Council's Multicultural Strategy was adopted in 2020 and they became a Welcoming Community in 2022. Christchurch has been delivering the 'Our Future Together' Multicultural Strategy since 2017.

Below is an overview of the three multicultural and migrant strategy documents, the Welcoming Communities programme and four Welcoming Plans across seven Councils that were reviewed:

### 1. Christchurch Multicultural Strategy – Te Rautaki Mātāwaka Rau (2017- 2021)

Developed alongside Ngāi Tahu, Te Rautaki Mātāwaka Rau ('the strategy') recognises Council has a leadership role in making Christchurch a city where diversity is celebrated and all people belong. The strategy is underpinned by Te Tiriti o Waitangi and has a vision for Christchurch to be an inclusive, multicultural and multilingual city that values the environment and people work together to achieve common goals. It describes the economic and social benefits of a diverse society and acknowledges challenges faced by ethnic communities such as social isolation, stress for children and young people from "living in two worlds", difficulty in accessing information and services as well as racism and discrimination. The Strategy describes the following four goals in detail that contribute to its vision and strategic outcomes:

- The Christchurch City Council is an inclusive and diverse organization that reflects, understands and responds to the diversity of individuals and communities it serves.
- All communities have equitable access to Council services and resources.
- All residents are able to participate in Council decision-making.
- Christchurch is a city of cultural vibrancy, diversity, inclusion and connection.

Furthermore, the strategy includes a list of priority actions for each goal and details that will be implemented in stages. A steering group of Council managers and community champions guide and support implementation. The implementation plan provides details relating to specific outcome areas for each goal, such as workforce development, strategic use of funding, equipping people to engage, supporting settlement and integration.

It states that a Multicultural Advisory Group at governance level be established to advise the Council on issues related to the principles and goals of this strategy. Progress be measured, reported and published in an annual Diversity and Inclusion Report to the Council or one of its committees. Finally, it is intended that the strategy be gradually integrated into Council plans and activities with measures and indicators, along with implementation and budget allocations in line with Council's Long Term Plan and Annual Plan processes.

## 2. Hastings District Multicultural Strategy – Te Rautaki Kākano Maha O Heretaunga (2020-2025)

The Hastings District Multicultural Strategy vision is for Hastings to be an inclusive welcoming community where everyone belongs. The Council acknowledges its responsibility to ensure that all members of the community feel respected and accepted. Developed alongside Ngāti Kahungunu Iwi, the strategy uses a whakātāuki to describe the region Heretaunga and give it context. An element of the whakātāuki “Heretaunga Ararau” Heretaunga of converging pathways) speaks of diversity, discourse, innovation, collision and collusion of ideas, identity and interpretation. The strategy acknowledges multiculturalism as a strength to be celebrated and that a harmonious community requires respect and understanding of all cultures living in the Hastings district. It also highlights the importance of communities leading their own development and that this strategy will require council, community and stakeholders to work together. The strategy includes the following five goals:

- Multiculturalism and diversity are celebrated in the Hastings District
- Hastings District is a welcoming, inclusive and safe place for all
- People of all cultures have equitable access to council services and resources
- All residents feel empowered to participate in council decision-making
- Council to be a role model in terms of cultural diversity in the workforce

The strategy states that a five-year action plan for implementation of the strategy be developed and driven by a Reference group of Council officers and partners. It describes initial actions, such as developing a cultural calendar of Hastings events, promotion and celebration of language weeks, exploring Welcoming Communities accreditation, and developing a database of local cultural group contacts all of which contribute to the strategy goals.

It is intended that the strategy be gradually integrated with relevant Council plans and activities and where possible be implemented using existing budgets. The Multicultural Reference Group will monitor progress to be reported on annually.

## 3. Selwyn District Council Newcomers and Migrants Strategy (adopted 2015)

This strategy has been developed as a part of Selwyn District Council’s Social Wellbeing Strategy which outlines a broad range of wellbeing objectives and initiatives. The vision is that all newcomers and migrants to Selwyn feel welcome, settle in, participate and flourish in the Selwyn community. The strategy acknowledges Ngāi Tahu as mana whenua of Selwyn and emphasises the growing diversity of Selwyn drawing on findings from the Health and Social Wellbeing Strategy to highlight challenges faced by newcomers and migrants. It identifies six key outcomes:

- All newcomers and migrants in Selwyn District know where and how to access information, both online and in person.
- Community groups and agencies collaborate, share information and support each other to deliver initiatives through a coordinated approach across the district.



- 
- All newcomers and migrants are informed of and have access to social agencies and migrant support, both locally and from Christchurch.
  - Initiatives are developed to celebrate our diverse community. Our community buildings and public artwork better reflect the many cultures within Selwyn.
  - A range of projects and support services are developed to help newcomers and migrants adjust to their new home and feel less isolated.
  - All programmes and projects and initiatives align with principles taken from the five ways to well-being defined by the Mental Health Foundation – Connect, Give, Be Active, Keep Learning, Take Notice.

The strategy outlines the structure for a collaborative approach for implementation by establishing an Advisory Group, Steering Group and Working parties. The Advisory Group includes key agencies that know the needs of migrants and newcomers. The role of this group is to inform the strategic plan and advise the Steering Group comprised of local agencies as well as those that have an interest in the newcomers and migrant sector. The role of the Steering Group is to develop an implementation plan for each of the outcome areas to be rolled out by the working parties 'on the ground'.

#### 4. Welcoming Communities Programme

Immigration NZ's Welcoming Communities (WC) Programme is a settlement programme that supports local government Councils and their communities to create a welcoming and inclusive environment for newcomers: recent migrants (>5 years), former refugees and international students. It was piloted from 2017 – 2019 across five regions including 10 Councils. One of the key drivers for the programme was a need for regions to attract newcomers to address skill shortages and grow the local economy. The government supported investing in community engagement and relationships, increased social cohesion, promoted inclusion and diversity and improved socio-cultural well-being within communities.

Upon completion of the pilot programme, an independent evaluation report shared many positive outcomes against each of the WC standards - including there being an explicit shift to locals taking on a 'welcoming' role, councils seen as providing strong leadership and engaging in deliberate and appropriate ways with newcomers as well as supporting more programmes and activities that demonstrate cultural diversity. Evidence collected during the evaluation showed the pilot programme had a meaningful impact and newcomers felt more confident to display and be proud of their culture. Since then, the programme has expanded to 32 Councils across New Zealand.

Below is an overview of the three key components of the programme:

a. Welcoming Standards

At the heart of the Welcoming Communities programme are 8 Welcoming Standards that are vital to building a welcoming community. These standards, described below, guide plan development and also serve as a benchmark to assess progress against each standard:

<b>Inclusive Leadership</b> Local government, tangata whenua and other community leaders work together to create, advocate for and continue to foster a welcoming and inclusive community. They lead a shared plan to increase connections between newcomers and existing residents.	<b>Economic Development, Business and Employment</b> Communities maximise and harness the economic development opportunities that newcomers can offer. Council works with business associations to promote the contribution that newcomer business owners and skilled migrants make to the region's economy.
<b>Welcoming Communication</b> People of all cultures and backgrounds feel included, listened to and well informed through a range of ways that take into account their different communication needs.	<b>Civic Engagement and Participation</b> Newcomers feel welcome to fully participate in the community. Newcomers are active in all forms of civic participation.
<b>Equitable Access</b> Opportunities to access services and activities and to participate in the community are available to all, including newcomers.	<b>Welcoming Public Spaces</b> Newcomers and receiving communities feel welcome in and comfortable using public spaces.
<b>Connected and Inclusive Communities</b> People feel safe in their identity and that they are connected with and belong in the community. There are high levels of trust and understanding between members of the receiving community and newcomers.	<b>Culture and Identity</b> There is a shared sense of pride in being part of a culturally rich and vibrant community. People feel their culture is respected and valued by other members of the community. There are opportunities to learn about each other's culture.

Source - [Welcoming Communities Action Plan — Western Bay of Plenty \(immigration.govt.nz\)](#)

The standards form the template for the Welcoming Plans developed by the participating Councils, allowing for a basic level of consistency in terms of focus areas and activities planned by councils to make their community more welcoming for newcomers.



## b. Accreditation

Councils can apply for formal accreditation as a Welcoming Community and choose how quickly they move through the stages. The table below describes the four stages of accreditation, how they are assessed and the benefits and recognition for each stage:

Stage	Description	Assessment	Benefits & Recognition	Application Fee
<b>Stage 1</b> <b>A Committed Welcoming Community</b>	The Mayor, the Council, its CEO and other community partners have signed up to the Welcoming Communities programme	The following are in place: <ul style="list-style-type: none"> <li>➤ Council resolution</li> <li>➤ MBIE funding agreement</li> <li>➤ Welcoming Communities Coordinator</li> <li>➤ Statement of Commitment</li> <li>➤ Public notification of commitment</li> </ul>	<ul style="list-style-type: none"> <li>➤ Seed funding - \$50,000 per annum per Council or group of Councils for the first 3 years</li> <li>➤ Access to national and international resources, support and advice</li> <li>➤ Promoted on INZ's website</li> <li>➤ Access to national Welcoming Communities workshops</li> <li>➤ Regular newsletters and networking opportunities</li> <li>➤ Announcement and certification</li> </ul>	No fee
<b>Stage 2</b> <b>An Established Welcoming Community</b>	The Council and community are clear about what they want to achieve, have a Welcoming Plan and have started implementing activities	Self – assessment  Review of self–assessment by the External Accreditation Assessment Panel (the Panel)  Report	All non–financial benefits and recognition detailed above, plus: <ul style="list-style-type: none"> <li>➤ A contribution to Welcoming Communities activities (\$9,500)</li> <li>➤ eligible to apply for national awards</li> </ul>	\$1000
<b>Stage 3</b> <b>An Advanced Welcoming Community</b>	The Council and community are moving towards fully implementing their Welcoming Plan. They are confident about how to deliver successful welcoming activities that make a difference and are trialling innovative activities.	Self – assessment  Review of self–assessment by the Panel  Site visit by the Panel  Report	All non–financial benefits and recognition detailed above, plus: <ul style="list-style-type: none"> <li>➤ a contribution to professional development (\$2000)</li> <li>➤ case studies are featured in INZ publications internationally</li> <li>➤ INZ media release</li> </ul>	\$1500
<b>Stage 4</b> <b>An Excelling Welcoming Community</b>	The Council and community have implemented most of their Welcoming Plan. They are reflecting on their successes and sharing their knowledge and experience with other Councils and communities in the welcoming network.	Self – assessment  Review of self–assessment by the Panel  Site visit by the Panel  Report	All non–financial benefits and recognition detailed above, plus: <ul style="list-style-type: none"> <li>➤ a contribution to professional development (\$2000)</li> <li>➤ support from INZ to leverage off status nationally and globally</li> </ul>	\$1500

Source: [Welcoming Communities Accreditation Overview \(immigration.govt.nz\)](https://immigration.govt.nz/welcoming-communities/accreditation-overview)

### c. Welcoming Plans

As mentioned previously, there were four Welcoming Plans across seven Councils reviewed as part of this report. The most up-to-date plans available on the Council or Immigration NZ website were selected, including:

- Welcoming Communities Advisory Group Plan - Palmerston North City Council (2020 – 2023)
- Welcoming Communities Plan -Whanganui District Council (2018 – 2019)
- Welcoming Communities Action Plan – Western Bay of Plenty & Tauranga City Councils (2018 – 2023)
- Southland Murihiku Welcoming Plan – Invercargill City, Gore District and Southland District Councils (2019)

All four Welcoming Plans reviewed are similar in structure as they follow the template of the WC Standards and have listed several actions in detail for each of the standards - Inclusive Leadership, Welcoming Communications, Equitable Access, Connected and Inclusive Communities, Economic Development, Business & Employment, Civic Engagement & Participation, Welcoming Public Spaces and Culture & Identity.

Of the four Welcoming Plans reviewed, Whanganui and Southland regions were identified as a 'Committed Welcoming Community' whereas Palmerston North City and Tauranga and Western Bay of Plenty were accredited with the status of "Established Welcoming Community" in 2020.

## Key Themes

The key themes that emerged from the **Multicultural Strategies** are as follows:

### 1. Partnering with mana whenua

Both Christchurch and Hastings Councils have worked alongside mana whenua in their region to develop their strategies. Both acknowledge Te Tiriti o Waitangi as the founding document of New Zealand and the foundation of a partnership between Māori and Pakeha. Given the bi-cultural historical discourse of New Zealand, it is important to note that both Ngāi Tahu (of Christchurch) and Ngāti Kahungunu Iwi (of Hastings) appear to have a crucial role in giving context and acknowledgement to the multiculturalism in the communities.

### 2. Leadership role of Councils

Christchurch and Hastings Councils recognise their role is to lead the way and be role models in order to achieve their vision of being safe vibrant and diverse places. While a collaborative approach to implementation is expected, most strategic goals in their strategies focus on levers that council controls – like equitable access to council services and resources, ability to participate in council decision-making and being an inclusive organization that reflects a diverse workforce.

### 3. Strategic linkages at national level

All three strategies are aligned with a number of national strategies, priorities, and programmes. Some of these are:

- New Zealand Human Rights Commission – Statutory responsibilities of the Commission include encouraging the development and maintenance of harmonious relations between individuals and among diverse groups in society and promoting racial equality and cultural diversity.
- Ministry of Ethnic Communities (MEC) – Established as a ministry earlier this year, the MEC is the chief advisor to the government on ethnic diversity and inclusion of ethnic communities in wider society. Their strategic priorities include promoting the value of diversity, ensuring equitable access to government services to ethnic communities as well as connecting and empowering ethnic people across New Zealand.
- Welcoming Communities (WC) – The WC programme by INZ is part of an international 'welcoming' movement that shares best practices to involve residents and local communities to make cities and districts more welcoming for newcomers. Similar initiatives operate in Australia, Canada, Europe and the USA. Furthermore, the strategies align well with the Welcoming Community Standard that looks at areas like Inclusive Leadership, Welcoming Communications, Equitable Access, Welcoming Public Spaces etc.

In addition to these, there are also strong linkages with local community outcomes and goals in each of the regions.

### 4. Supporting integration versus celebrating multiculturalism

A subtle difference in approach was noted between Hastings and Christchurch Multicultural Strategies and the Newcomers and Migrants Strategy of Selwyn District Council. The latter focuses more on integration of newcomers, supporting them to assimilate easily by accessing information and enabling them to flourish rather than making the district a welcoming, inclusive and safe space for all. Furthermore, while it enlists a number of focus areas and challenges like social isolation, access to information etc, it doesn't acknowledge racism or discrimination in any way. On the other hand, both Christchurch and Hastings' strategy principles state that there is no place for racism or discrimination in their city/district. While the goals of all three strategies are similar, the Newcomers and Migrants Strategy seems to be narrower in scope.

### 5. Mandate for Welcoming Communities

One of the priority actions in the Hastings Multicultural Strategy is to explore participation in the Welcoming Communities accreditation programme offered by INZ. Selwyn District Council's Welcoming Plan describes their strategy as the 'cornerstone for newcomer and migrant programmes in Selwyn' and states that the Welcoming Plan should be read alongside the strategy document.

Given that the WC Programme targets newcomers, former refugees and international students, it seems appropriate to have an overarching strategy that mandates Council's participation in the programme.

It was also noted that while Christchurch adopted a Multicultural Strategy in 2017, they are not a participating Council for the WC programme and there is no mention of the initiative in their strategy implementation plan.

## 6. Synergy in strategic principles and goals

The two Multicultural Strategies reviewed have similar strategic principles and goals as they aspire to make their city/district a welcoming, vibrant, inclusive place where everyone belongs and feels accepted and respected. There is synergy in the leadership role of the Council, a treaty-based approach, and a more holistic view of diversity in the community.

The following themes emerged from a review of the **Welcoming Plans**:

## 7. Accreditation & Accountability

All four Welcoming Plans reviewed were a part of the pilot carried out by INZ and thus started the process around the same time in 2017. More than five years later, only two of the four have achieved stage 2 accreditation, namely Palmerston North City and Western Bay of Plenty & Tauranga City Councils. While Councils must have the flexibility around moving through the stages, there doesn't seem to be any further accountability required by INZ to ensure that participating Councils continue to be engaged in the initiative.

Furthermore, INZ commits seed funding for three years once a Council is accepted into the Welcoming Communities Programme. Whilst there are opportunities to access more funding support from INZ as a Council moves through the stages of accreditation, Councils will have to consider if and how this work will be funded if they don't move to the next stage of accreditation within the three-year timeframe.

## 8. Regional approach versus local approach

The Southland plan includes Invercargill City, Gore District, Southland District as well as the regional Council. It seems like a collaborative approach across Councils could be beneficial for having consistency across the region, however, the risk is a lack of local flavour. The Southland plan seems to be mainly driven by the Councils with minimal engagement with the community and lists mainly generic actions. While an Advisory Group was established to develop this plan, there is no mention of organisations represented by members. In addition, the needs of an urban city such as Invercargill amongst more thinly spread and rural districts is not reflected in the Southland Welcoming Plan.

In contrast, the Palmerston North Welcoming Plan is clearly and succinctly laid out with updates about where they are now, where they want to be with details of existing initiatives being implemented and new ones being initiated. The Plan mentions local academic research that has been commissioned on topics of belonging and civic engagement among migrants and former refugees, which will further inform their

activities and practices. Their plan captures the varied demographic and rich local vibrancy of Palmerston North.

## 9. Structure & Implementation

INZ doesn't prescribe a structure for plan development or implementation of the Welcoming Plan and Councils can set up their own structures for implementation. While Whanganui and Southland regions have an Advisory Group to drive the programme, their plans don't provide additional information about the organisations represented.

Palmerston North also has an Advisory Group that includes representatives from relevant wide-ranging government, business, not-for-profit and community organisations that meets bimonthly to guide and coordinate the implementation of the Welcoming Communities programme. They also refer to a wider group of stakeholders and individuals who have contributed to their initiatives.

Conversely, Western Bay of Plenty has a Welcoming Communities Tactical Group as well as a Welcoming Communities Coalition that works with the Community Development Advisor and MBIE to implement the Welcoming Plan. The Tactical Group reports to a Joint Governance Committee.

## Recommendations

### 1. Development of a Multicultural Strategy

A Multicultural Strategy recognises and celebrates diversity in a community and sets the direction for Council and the wider community to make a city an inclusive safe place for all. It also mandates Council's participation in initiatives like Welcoming Communities and shows commitment to the well-being of its ethnic communities. With the growing diversity in New Zealand and Napier, it is recommended that Napier City Council develop a Multicultural Strategy that sits alongside the Welcoming Communities programme it has already committed to.

While the Welcoming Communities Programme aims to involve the whole community in welcoming newcomers, it is targeting newcomers who have been in the country for less than 5 years. However, there are several migrants and people of ethnic communities who have been in New Zealand for longer periods who also face several challenges or may feel socially and culturally isolated. A Multicultural Strategy would give Council scope to consider a wide range of initiatives that support all ethnic communities as well as newcomers.

### 2. Collaboration with mana whenua

Both Christchurch and Hastings Multicultural strategies and the Welcoming Communities Standard 'Inclusive Leadership' highlight the role of mana whenua in welcoming newcomers and acknowledge Te Tiriti o Waitangi as the founding document of New Zealand. Working in partnership with mana whenua is crucial when laying the foundation and recognising and celebrating multiculturalism in our communities. It is

---

recommended that Ahuriri/Napier mana whenua be meaningfully engaged in the process of developing Napier's Multicultural Strategy and Welcoming Community Plan from the outset.

### 3. Data and evidence-informed approach

Developing a community data profile for Napier including demographic information, employment and income, languages spoken, religious affiliations as well as attitudinal information would lay the groundwork for developing and monitoring the strategy. Similar to Palmerston North, it may also be useful to commission local academic research and focus groups to learn more about specific challenges of ethnic communities in Napier.

An approach informed by data and evidence would allow the strategy, and the following implementation plan to develop relevant and effective initiatives that have a meaningful impact on the community.

### 4. Scope

Given the scope of the Welcoming Communities Programme which seeks to involve local residents as the receiving community in laying out the welcoming mat for newcomers, it is recommended that the scope of the Multicultural strategy be community-wide and go beyond Council-controlled levers. While Council is best positioned to lead the way, other stakeholders and ethnic communities must play their part in the development and implementation of this strategy to create a sense of local ownership.

Similar to Napier City Council's Positive Ageing Strategy, the multicultural strategy would be most effective if it is owned and implemented by various stakeholder organisations and community groups. Being a community-wide strategy would also create opportunities for ethnic people to take on leadership and coordination roles (with support from Council). This would further their integration into the local community and help grow ethnic community leaders in Napier.

### 5. Governance & Structure

It is recommended that a strategic group of mana whenua, ethnic community leaders and stakeholder organisations led by Council drive the development of the multicultural strategy and a reference group of ethnic, migrant and newcomer community members and/or their association representatives be established to support with community engagement and feed into the strategy development process.

This would help ensure that a wide range of thoughts, ideas and voices are heard and incorporated into the strategy development process.

### 6. Role of Council

The leadership role of Council in making their city or district more welcoming, where all cultures thrive and are celebrated is a common thread among all three strategies as well as the Welcoming Plans. It is recommended that Napier City Council also take on the role of a leader and facilitator to collaborate with the community and stakeholders, to bring together the different threads and weave the welcome mat for



---

newcomers to Napier. It is also important that Council be a role model and commit to improving cultural diversity in the workforce.

Furthermore, in the absence of explicit requirements by Immigration NZ for progressing from one stage of accreditation to the next of the WC programme, the onus will be on Council to make a commitment and set goals and timeframes for itself to progress to the next stage of the Programme.

---

## Appendix

### Research and documents reviewed

Welcoming Communities Programme

<https://www.immigration.govt.nz/about-us/what-we-do/welcoming-communities>

Evaluation Report - Welcoming Communities Pilot

<https://www.immigration.govt.nz/about-us/what-we-do/welcoming-communities/resources-welcoming-communities/welcoming-communities-evaluation-final-report-2019-1.pdf>

Welcoming Communities NZ – Intervention Logic 2021

<https://www.immigration.govt.nz/about-us/what-we-do/welcoming-communities/resources-welcoming-communities/welcoming-communities-intervention-logic-july-2021.pdf>

Place Summary, Census 2018

<https://www.stats.govt.nz/tools/2018-census-place-summaries/napier-city>

Hastings District Multicultural Strategy

<https://www.hastingsdc.govt.nz/assets/Document-Library/Strategies/The-Hastings-District-Multicultural-Strategy/The-Hastings-District-Multicultural-Strategy.PDF>

Christchurch Multicultural Strategy

<https://ccc.govt.nz/assets/Documents/The-Council/Plans-Strategies-Policies-Bylaws/Strategies/Multicultural-Strategy.pdf>

Selwyn Newcomers and Migrant Strategy

[https://www.selwyn.govt.nz/\\_data/assets/pdf\\_file/0017/203282/Newcomers-and-Migrant-Strategy.pdf](https://www.selwyn.govt.nz/_data/assets/pdf_file/0017/203282/Newcomers-and-Migrant-Strategy.pdf)

Palmerston North City Welcoming Communities Advisory Group Plan 2020 -2023

<https://www.pncc.govt.nz/files/assets/public/documents/Council/plans/welcoming-communities-advisory-group-plan-2020-23.pdf>

Whanganui Welcoming Communities Plan 2018 - 2019

[https://www.whanganui.govt.nz/files/assets/public/guides-and-information/04564\\_wdc-whanganui-welcoming-communities-plan\\_lr.pdf](https://www.whanganui.govt.nz/files/assets/public/guides-and-information/04564_wdc-whanganui-welcoming-communities-plan_lr.pdf)

Western Bay of Plenty Welcoming Communities Action Plan 2018 - 2020

[https://www.tauranga.govt.nz/Portals/0/data/community/welcoming\\_communities/files/welcoming\\_plan\\_2018\\_2023.pdf](https://www.tauranga.govt.nz/Portals/0/data/community/welcoming_communities/files/welcoming_plan_2018_2023.pdf)

Southland Murihiku Welcoming Plan

<https://greatsouth.nz/storage/app/media/Publications/Southland%20-%20Welcome%20Plan%202019.pdf>

# ETHNIC COMMUNITY PROFILE 2023

## Status and wellbeing of ethnic communities in Napier City



**OCTOBER 2023**

**Prepared for Napier City Council**

**Authored by: Tanya Jain**

Contents

1. Introduction .....

2. Demographic Information .....

3. Employment & Income .....

4. Life in Napier .....

5. Wellbeing .....

6. Accessibility.....

7. Appendices.....

3

4

9

13

18

19

20



## 1. Introduction

### What is a Community Profile?

A community profile provides information and data to understand the demographic and social characteristics of a group of people in a specific place. They can be used to understand changes in the composition of the population group over time. A community profile can also provide information to assess needs, allocate resources, develop plans and assist with designing and delivering community engagement.

This community profile provides information about the status and wellbeing of migrant and ethnic communities in Napier City, including

- Demographic data for various ethnic communities with comparisons to New Zealand and Napier averages, as appropriate.
- Employment and income related data for ethnic communities including details about occupation and industry participation.
- Perceptions of ethnic communities about safety, their sense of belonging and wellbeing, and other qualitative information about living in Napier

### Who can use this Community Profile?

The profile can be used by individuals, community groups and organisations with an interest in Napier's ethnic communities. It is intended to inform and assist with decision making and planning of community initiatives and projects.

The profile can also be used by members of ethnic communities to assist with providing the big picture about the status and wellbeing of their community and how it compares with the wider Napier population.

### Data Sources

Information used in this report has been collated from the following sources:

- Census 2018 data by Statistics New Zealand<sup>1</sup>
- Data Dashboard by Ministry for Ethnic Communities (MEC) based on 2018 Census
- Napier City Council's Social Monitor Survey 2019 - 2022

---

<sup>1</sup> Statistics New Zealand provides an assessment of the quality of 2018 Census data here: <https://www.stats.govt.nz/2018-census/data-quality-for-2018-census>

## About Ethnicity Data

Ethnicity related data is collected by Statistics New Zealand (Stats NZ) through the Census. This is an official count of the people and dwellings in New Zealand held every five years, to inform how as a country we are changing over time.

Statistics NZ defines ethnicity as an ethnic group or groups a person identifies with or has a sense of belonging to. It is a measure of cultural affiliation (in contrast to race, ancestry, nationality, or citizenship). Ethnicity is self-identified and a person can belong to more than one ethnic group. An ethnic group is made up of people who have some or all of the following characteristics:

- a common proper name
- one or more elements of common culture that need not be specified, but may include religion, customs, or language
- a unique community of interests, feelings, and actions
- a shared sense of common origins or ancestry
- a common geographic origin

A person may belong to more than one ethnic group. In this instance, Stats NZ counts them once in each identified ethnic group. Therefore, the number of total responses will be greater than the number of respondents. More information about how Stats NZ records ethnicity data is in Appendix 1.

Information in this ethnic profile includes responses from all those who identified with an ethnicity other than NZ European or Māori. However, people who would have selected NZ European or Māori as one of their ethnicities will also be represented in the results.

Diversity data from the Napier City Council Social Monitor Survey (2022) was used to gain insights into the social wellbeing of the ethnic community in Napier by comparing responses of those categorised as 'Other' ethnicity with overall responses of the general population. A total of 81 of 528 responses, or 15% of the total responses collected in the survey indicated an ethnicity other than NZ European or Māori. Whilst the percentage of responses by 'other' ethnicity is proportional to their population in Napier, the numbers are too small to draw significant conclusions or recommendations. This should be only seen as a starting point to identify gaps and opportunities for further targeted research.

## 2. Demographic Information

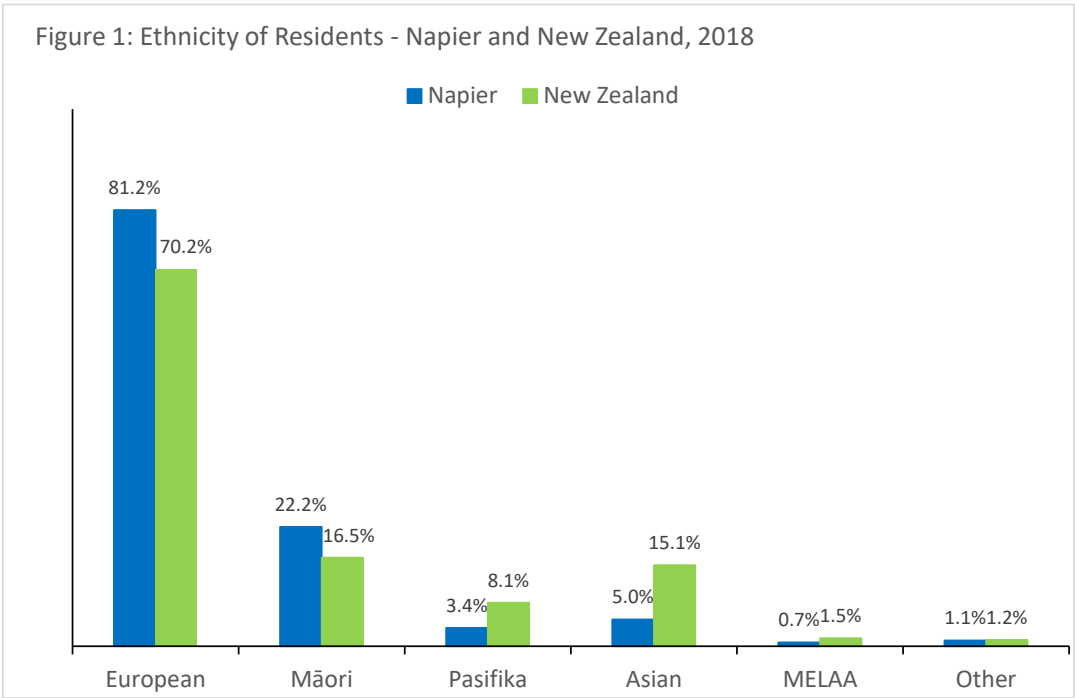
Napier is becoming increasingly diverse with more newcomers choosing to call Napier home, contributing to the local economy, community and vibrancy of the city. According to Census 2018, 6,435 people living in Napier have an ethnicity other than NZ European or Māori i.e. 1 in 10 people in Napier identify as Asian, Pacific, Middle Eastern/Latin American/African (MELAA) or of other ethnicity. Additionally, Napier has a higher proportion of European and Māori than the national average (Figure 1).

The ethnic community in Napier has a slightly larger percentage of males than females, which is the opposite of the overall Napier population (Table 1).

Table 1: Sex Ratio of Residents – Ethnic population, 2018

	Male	Female
Ethnic Community	51%	49%
Napier	48%	52%

Source: Customised Report by Stats NZ

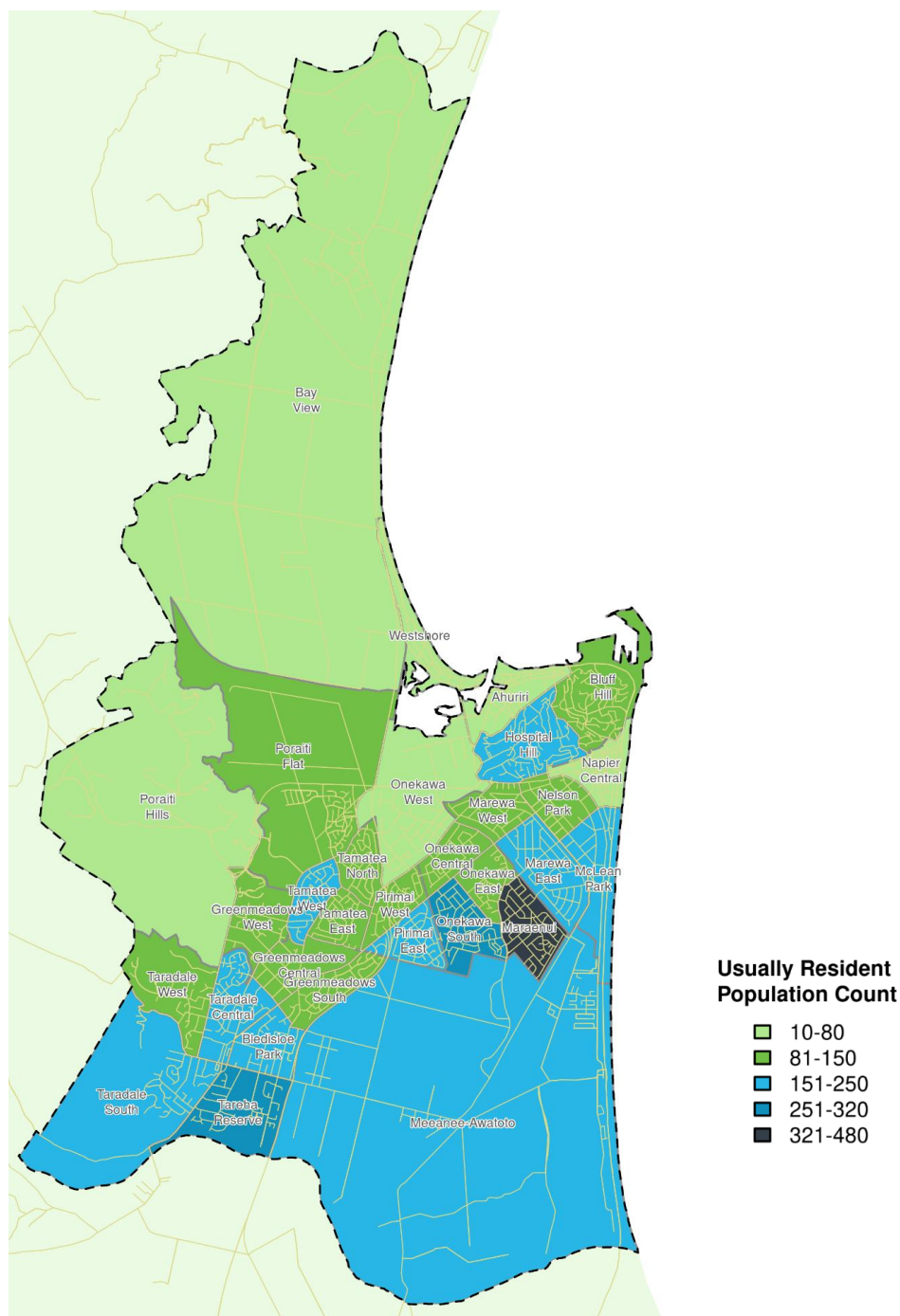


Source: Census 2018, Stats NZ



In terms of geographical distribution, Maraenui, Onekawa South and Tareha Reserve area in Taradale appear to have the highest density of ethnic population. Overall, there is higher concentration of ethnic population in the southern suburbs of Napier (Figure 2).

Figure 2: Map showing ethnic population distribution by suburb in Napier, 2018



Source: Customised Report by Stats NZ

6





## 2.1 Cultural Diversity

While Napier city's ethnic community is growing at a slower pace than the New Zealand average (Figure 3), Napier residents still represent more than 70 countries and ethnic groups from across the world. There is also an increase in the number of people who speak 'other' languages i.e. languages other than English, Te Re Māori and NZ Sign Language (Figure 4).

There is a wide range of ethnicities and languages spoken in Napier (Figure 5 & 6).

Figure 3: Percentage of Residents born outside of New Zealand 2006 - 2018

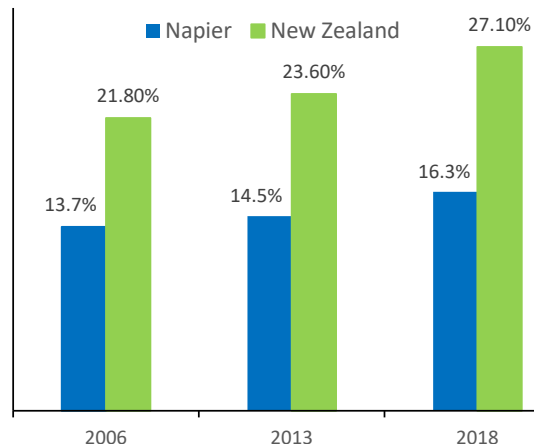
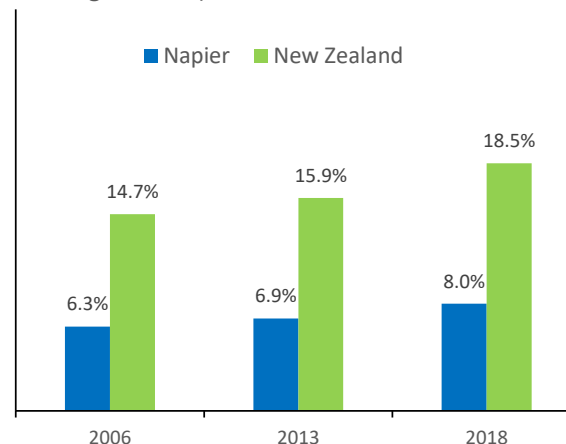
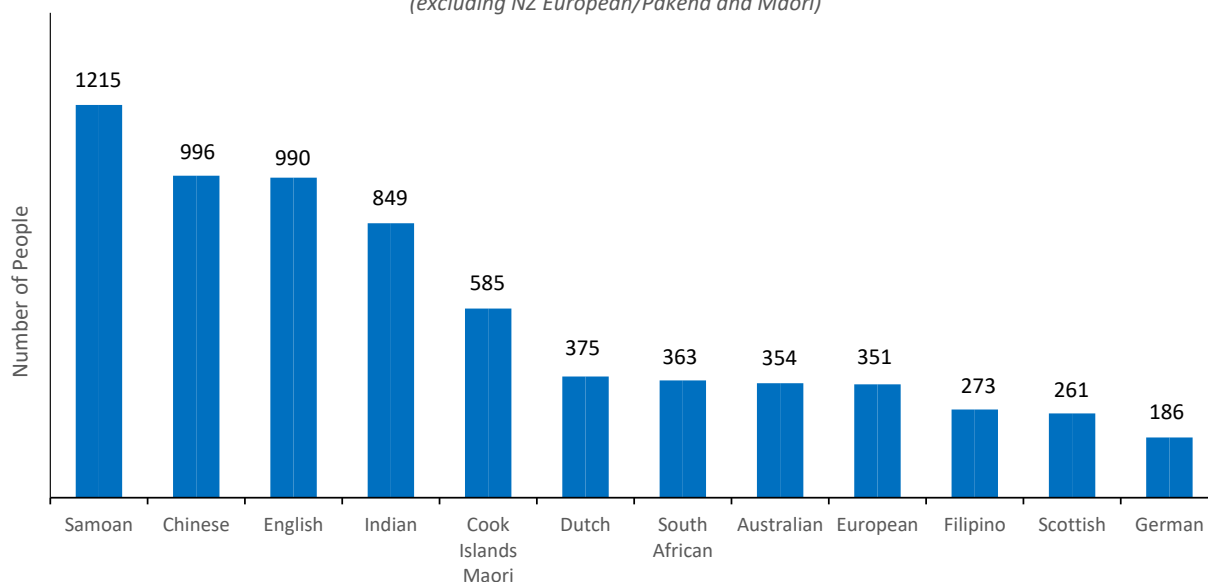


Figure 4: "Other" language speakers (including Samoan) 2006 - 2018

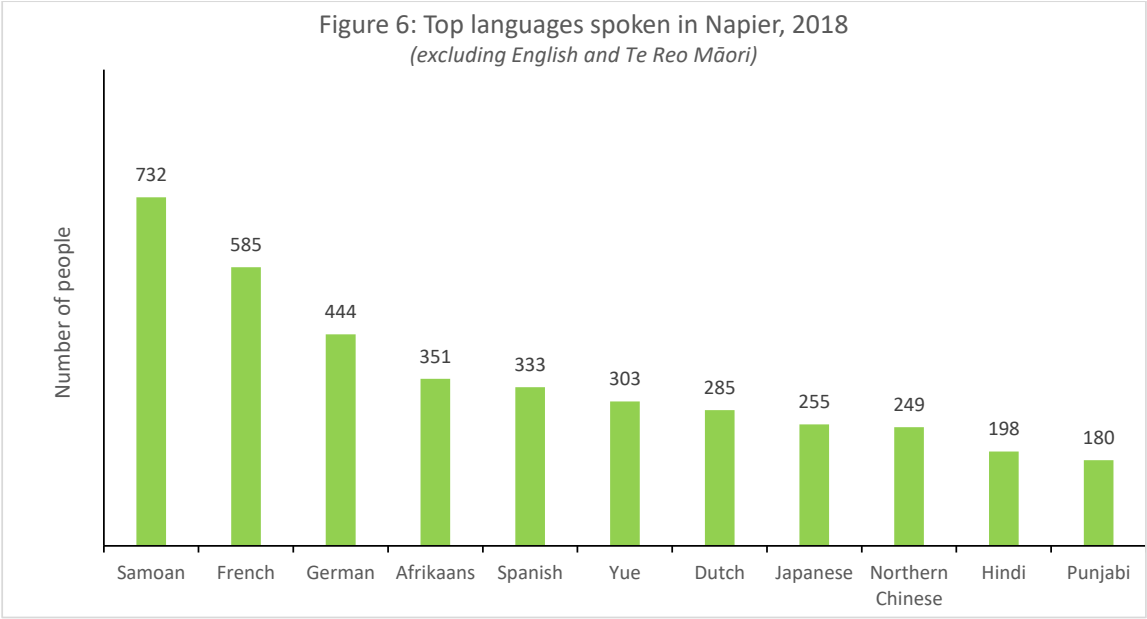


Source: Census 2006, 2013 and 2018, Stats NZ

Figure 5: Top Ethnicities in Napier, 2018  
(excluding NZ European/Pākehā and Māori)



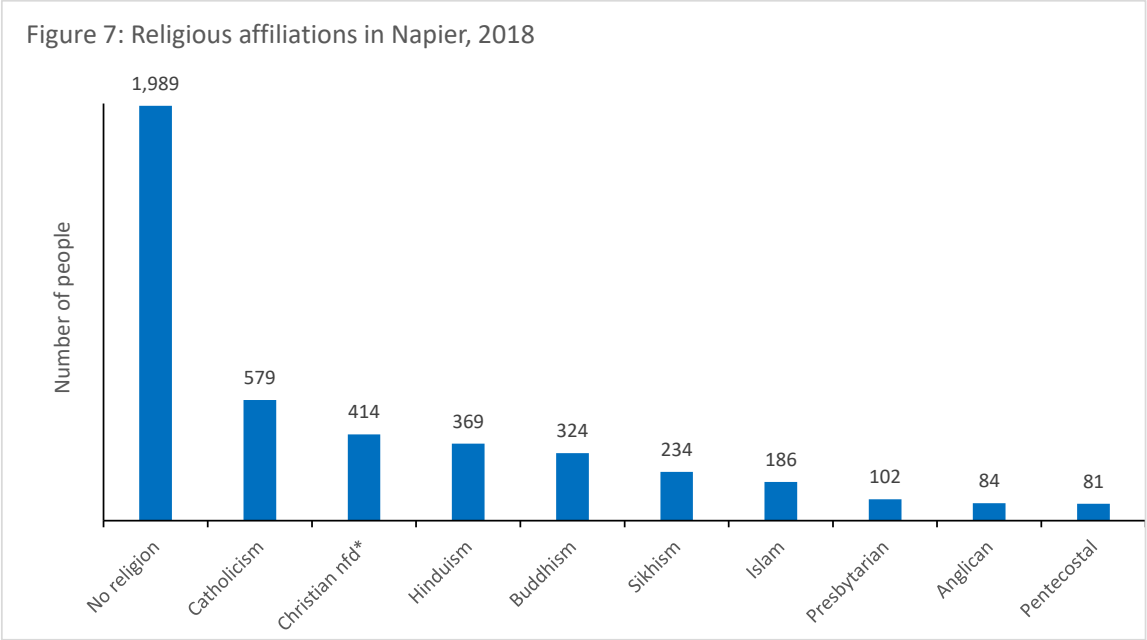
Source: Customised report by Stats NZ



Source: Customised report by Stats NZ

2.2 Religious Affiliation

The majority of ethnic communities (55%) in Napier affiliate to a religion, which is significantly higher than for the general population (41%). Nearly 45% of ethnic communities don't identify with any religion. The main religions that ethnic populations affiliate with, are depicted in Figure 7.



Christian nfd\* - Christian but with no denomination specified

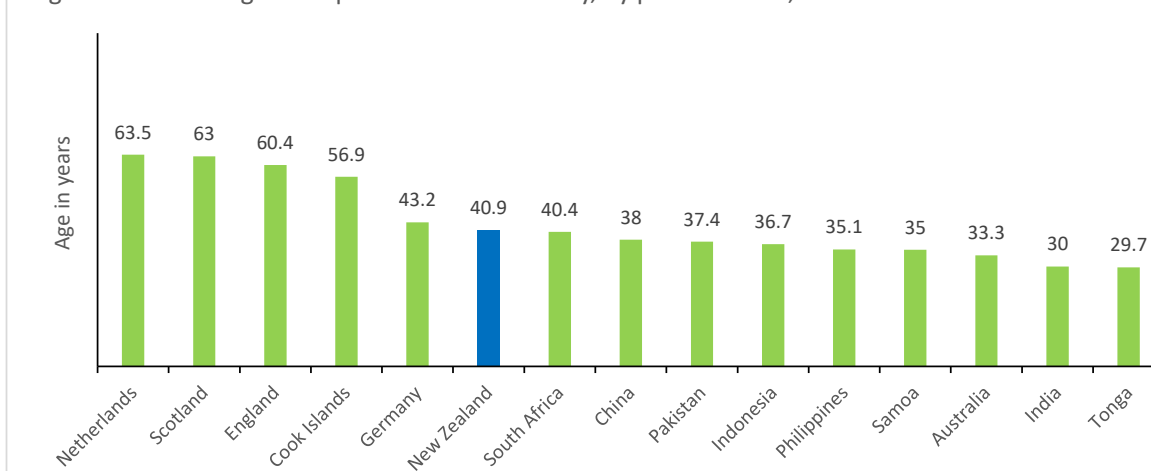
Source: Ministry of Ethnic Communities (MEC) Data Dashboard, based on 2018 Census



### 2.3 Age Structure

The median age of some the most populous ethnic groups in Napier – Samoan, Chinese and Indian is lower than the median age of those born in New Zealand (Figure 8).

Figure 8: Median age of Napier ethnic community, by place of birth, 2018



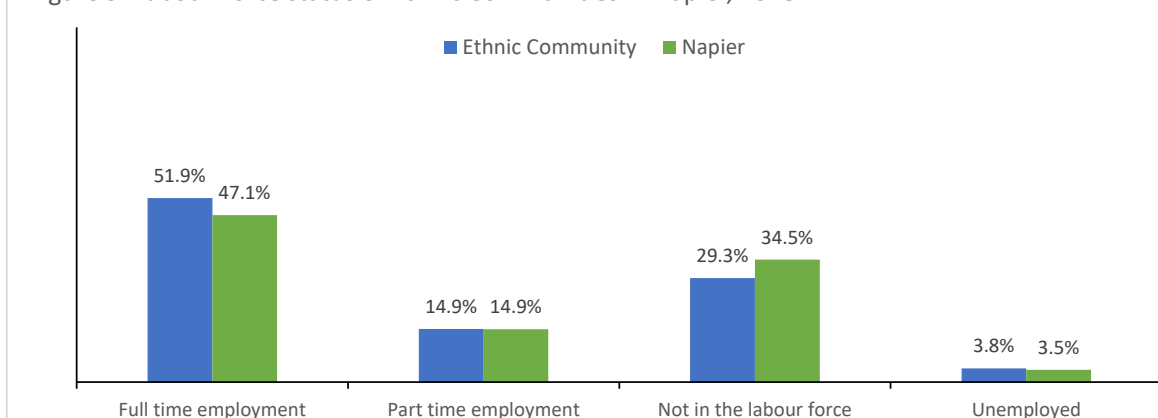
Source: Customised report by Stats NZ

## 3. Employment & Income

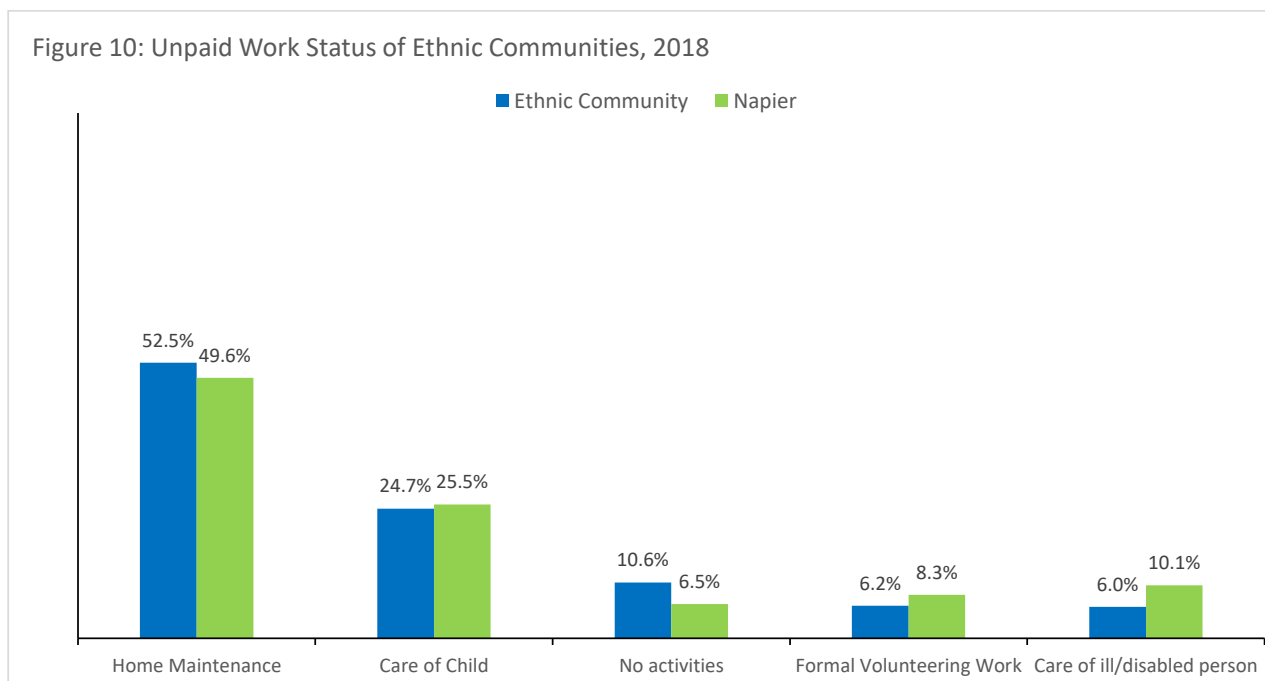
### 3.1 Labour Force Status

Rates of employment among ethnic communities is similar to the wider Napier population, with two thirds of the population in the labour force and more than half in full time employment (Figure 9). In terms of unpaid work, 9 out of 10 people in Napier's ethnic communities are involved with maintaining a home, caring for child/ren or disabled/ill person, or volunteering (Figure 10).

Figure 9: Labour Force status of Ethnic Communities in Napier, 2018



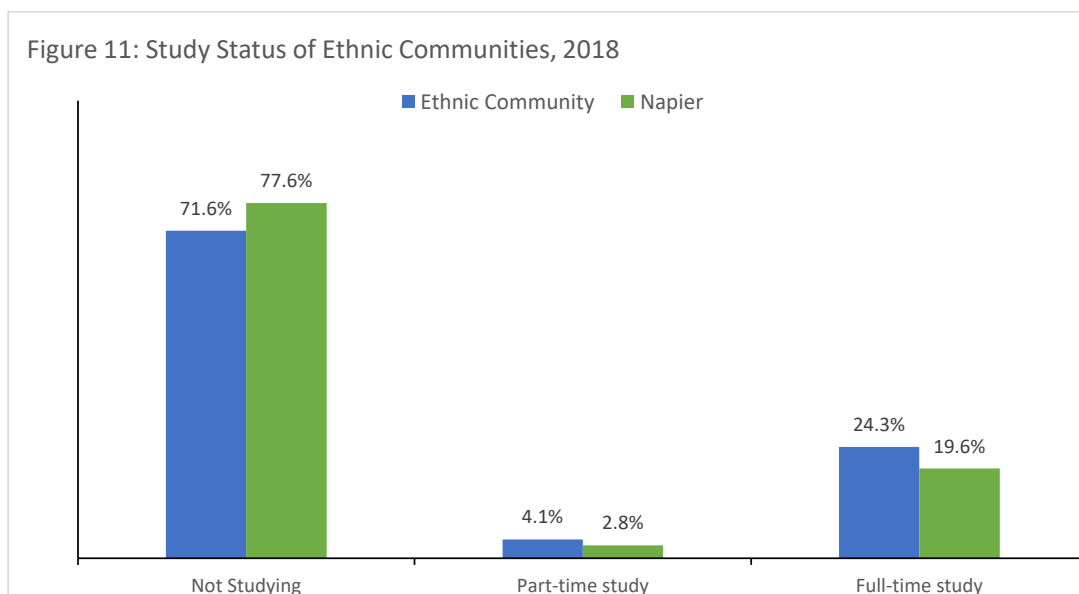
Source: MEC Data Dashboard and Census 2018



Source: MEC Data Dashboard and Census 2018

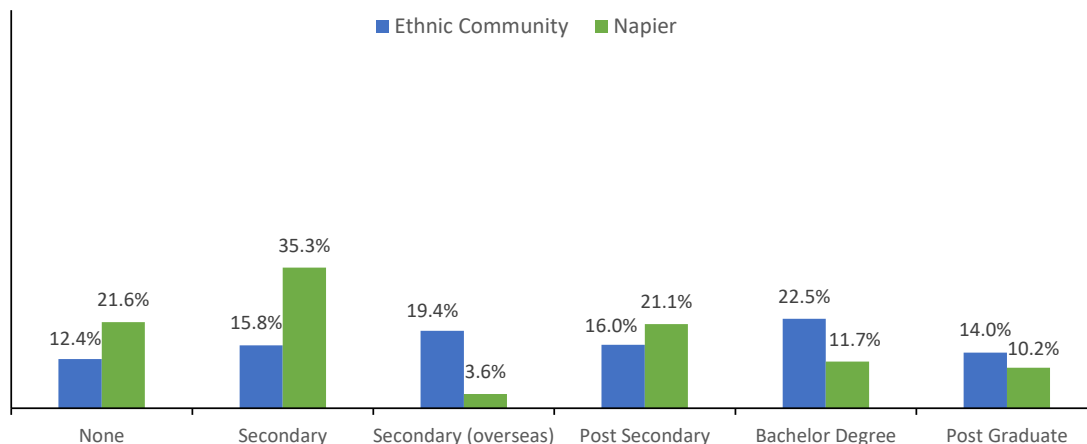
### 3.2 Education Status

More people of ethnic communities are in full time or part time study compared to all of Napier. Over half of ethnic communities have a qualification higher than secondary school, with one-third holding graduate and postgraduate degrees. This is significantly higher than the average for Napier as a whole (Figure 11 & 12).



Source: MEC Data Dashboard and Census 2018

Figure 12: Qualification Status of Ethnic Communities, 2018



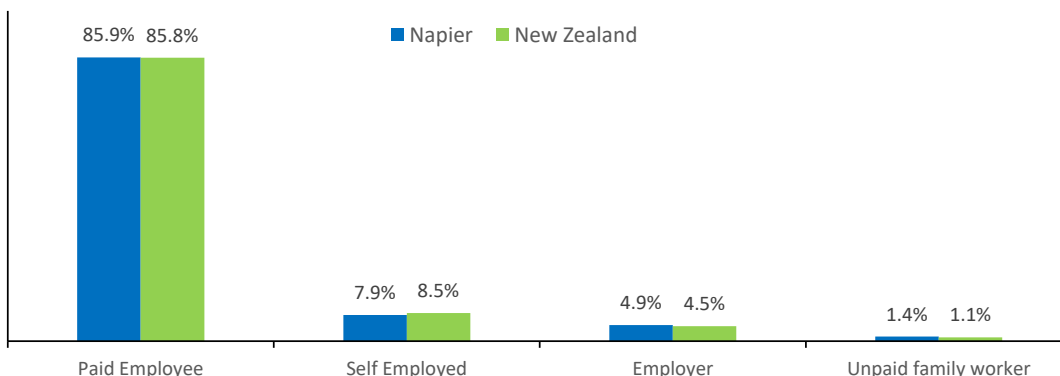
Source: MEC Data Dashboard and Census 2018

### 3.3 Employment and Occupations

Ethnic communities in Napier are largely in paid employment and this is at the same level as the New Zealand average (Figure 13). A large proportion (20%) of the Napier ethnic community in paid employment, work in Accommodation and Food Services, compared with only 6.5% of the New Zealand population. Other industries where the ethnic community are more likely to be working include manufacturing, healthcare and social assistance, and retail trade (Figure 14).

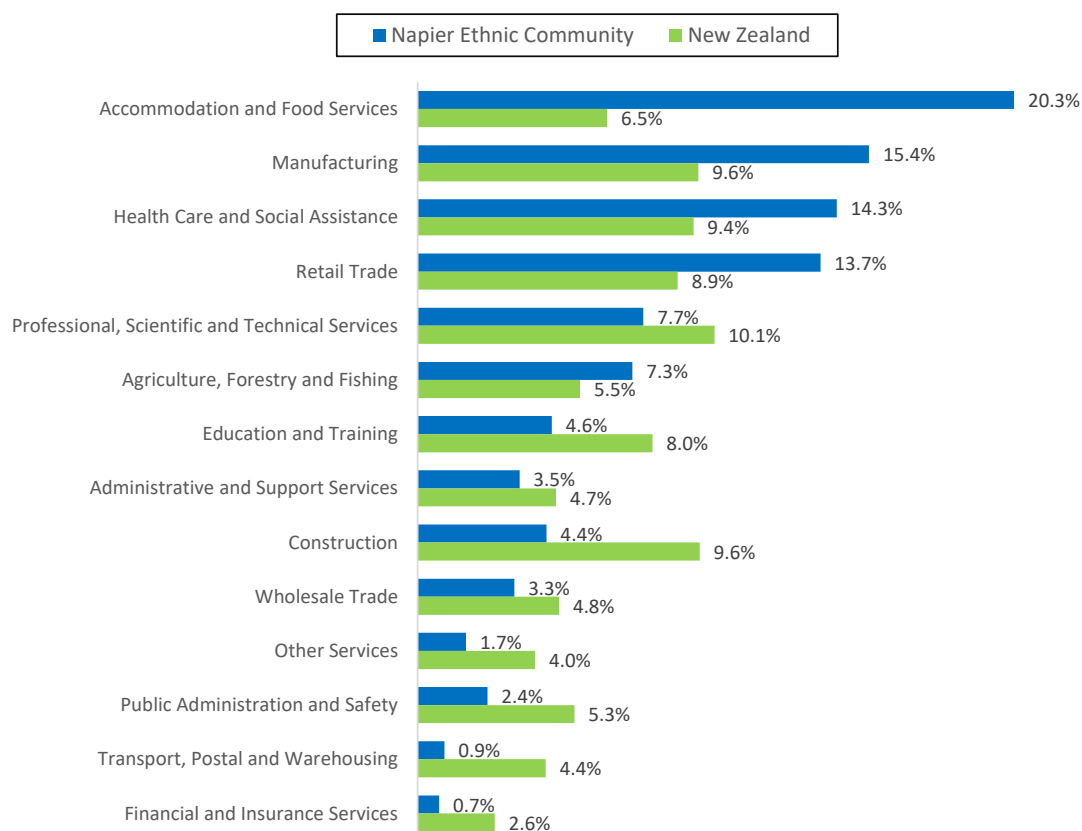
A large portion of the ethnic community work as Professionals and Managers. While there are more ethnic people who work as Professionals compared to the Napier as a whole, there are proportionally fewer ethnic people working in Management roles (Figure 15).

Figure 13: Employment type for Napier Ethnic Community, 2018



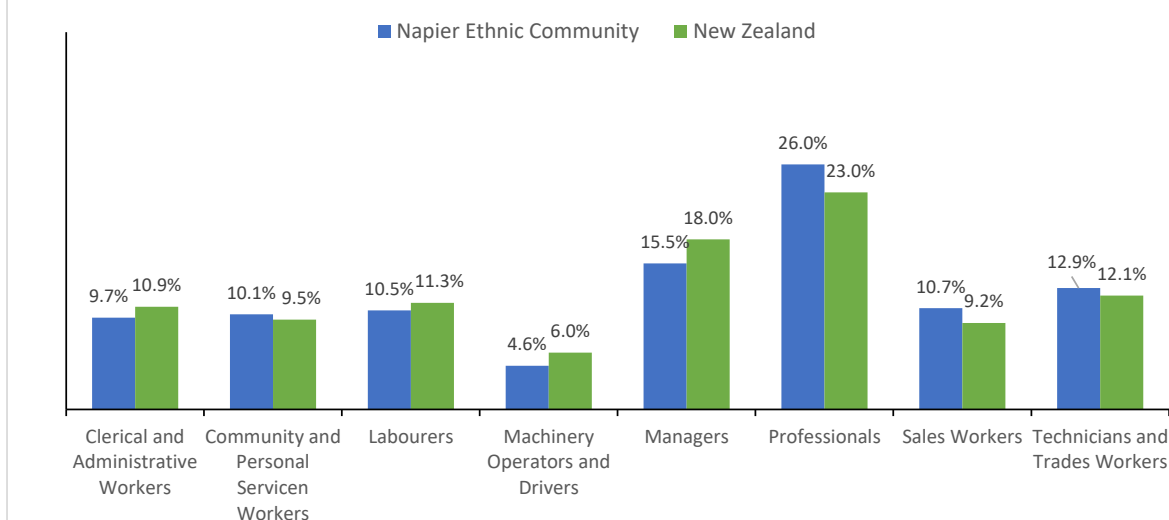
Source: MEC Data Dashboard, based on 2018 Census

Figure 14: Industry participation for Napier Ethnic Community, 2018



Source: MEC Data Dashboard, based on 2018 Census

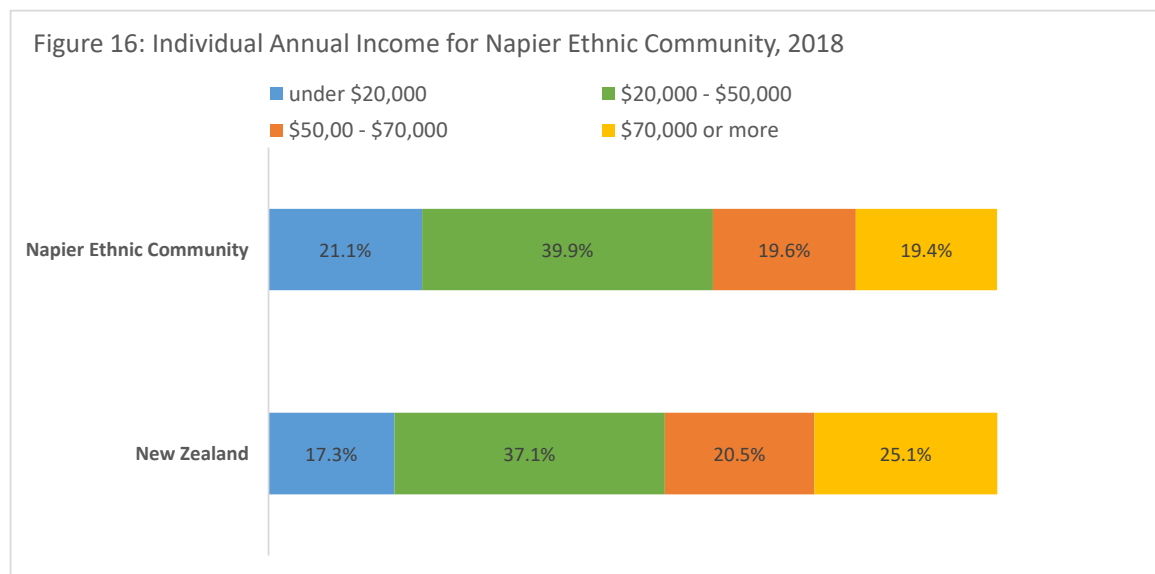
Figure 15: Occupations for Napier Ethnic Community, 2018



Source: MEC Data Dashboard, based on 2018 Census

### 3.4 Income

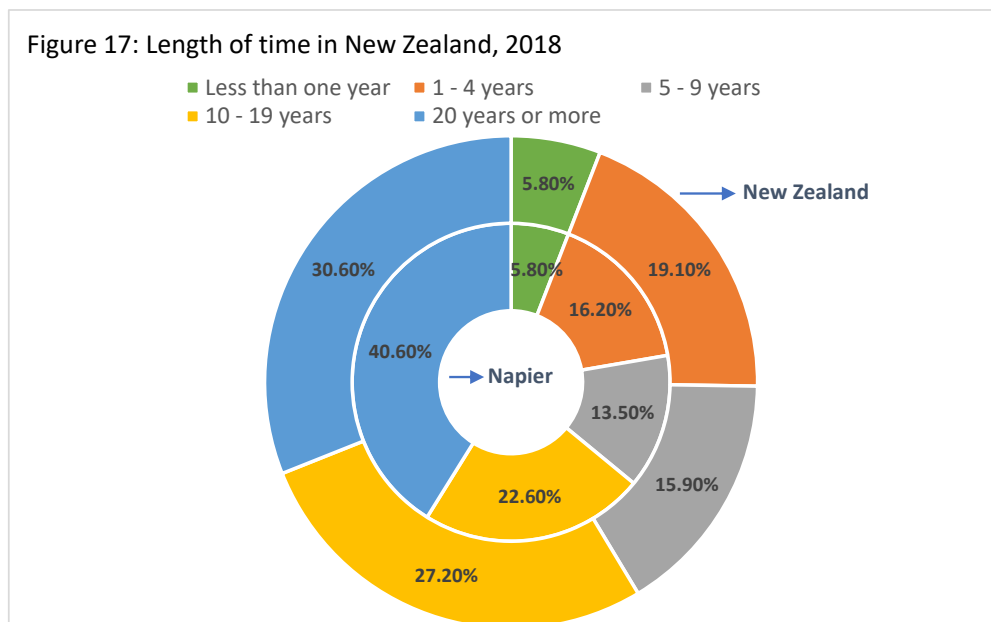
A lower proportion of the ethnic community in Napier earn a personal income of over \$50,000 per annum, compared to the New Zealand population (Figure 16).



Source: MEC Data Dashboard, based on 2018 Census

## 4. Life in Napier

Compared to the national average (30.6%), a large proportion of overseas born population in Napier (40.6%) have lived in New Zealand for more than 20 years (Figure 17).

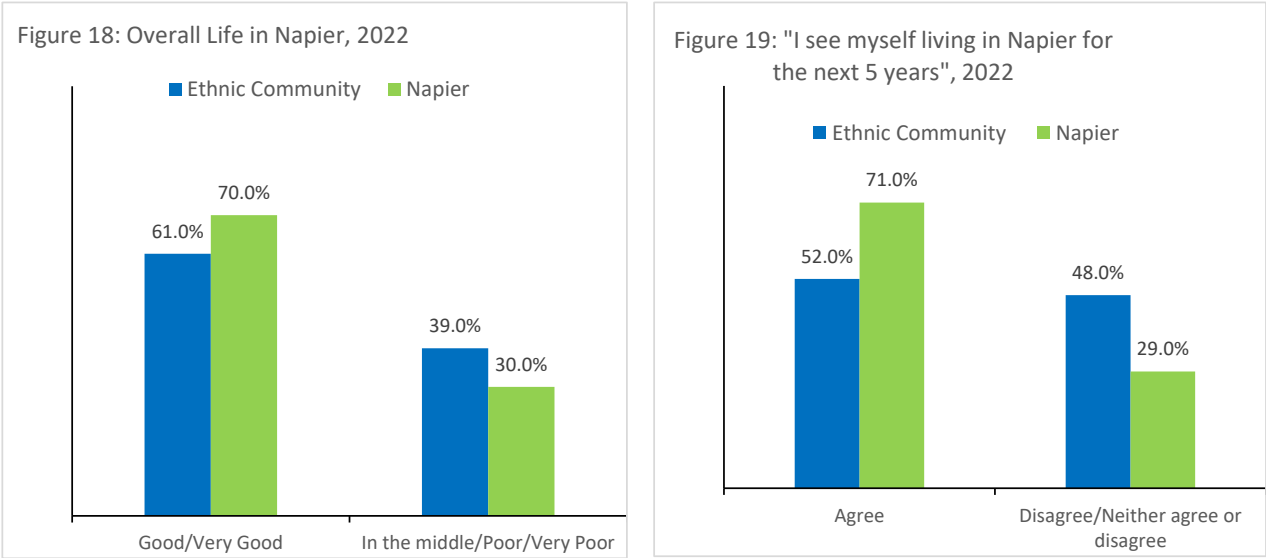


Source: Census 2018, Stats NZ

4.1 Overall Life Satisfaction

The annual Napier Social Monitor Survey asks residents about their overall life and whether they intend to remain living in Napier for the next five years. In 2022, fewer people from ethnic communities were satisfied with their life compared to the Napier population as a whole. (Figure 18)

The number of people from ethnic communities who see themselves living in Napier for the next five years is significantly lower than the Napier population as a whole. (Figure 19)



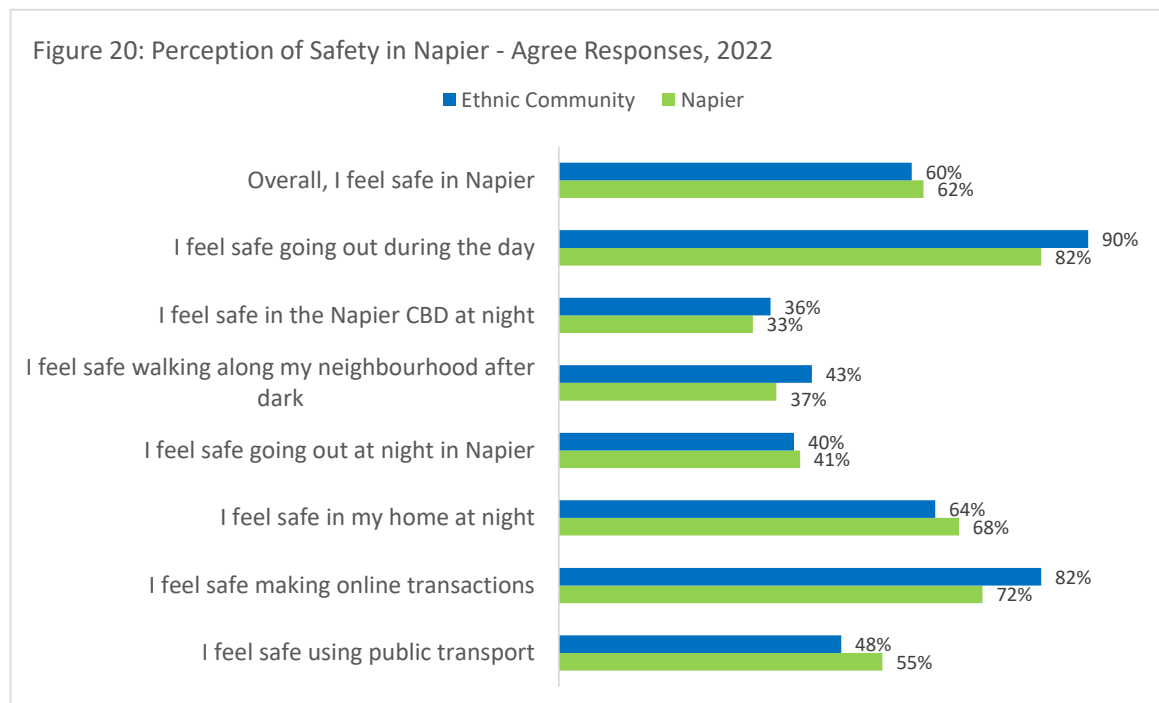
Source: Napier City Council Social Monitor Survey 2022





## 4.2 Perceptions of Safety

Perceptions of safety of ethnic communities are similar to the general population of Napier. More people from ethnic communities feel safe going out during the day, making online transactions and walking alone in their neighbourhood (Figure 20).



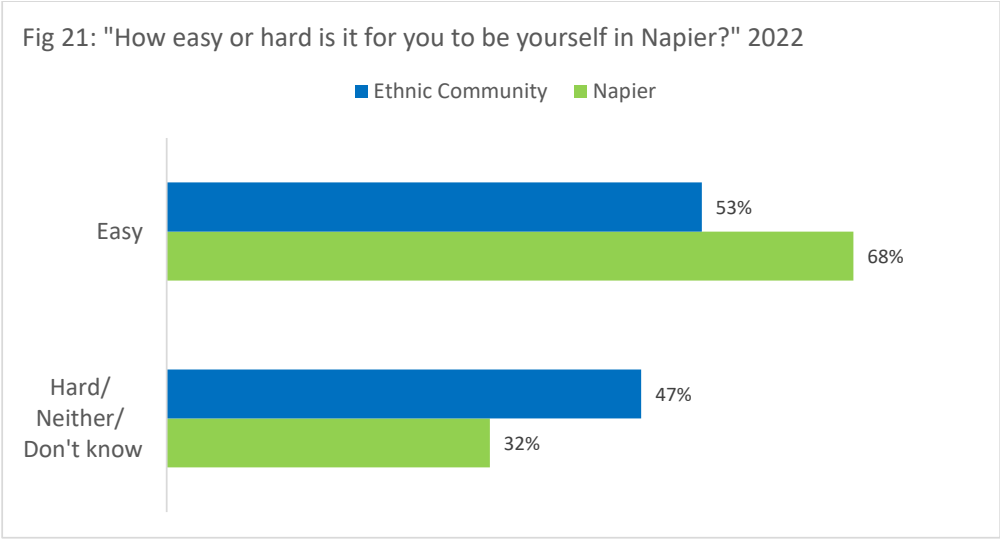
Source: Napier City Council Social Monitor Survey 2022

## 4.3 Acceptance and Belonging

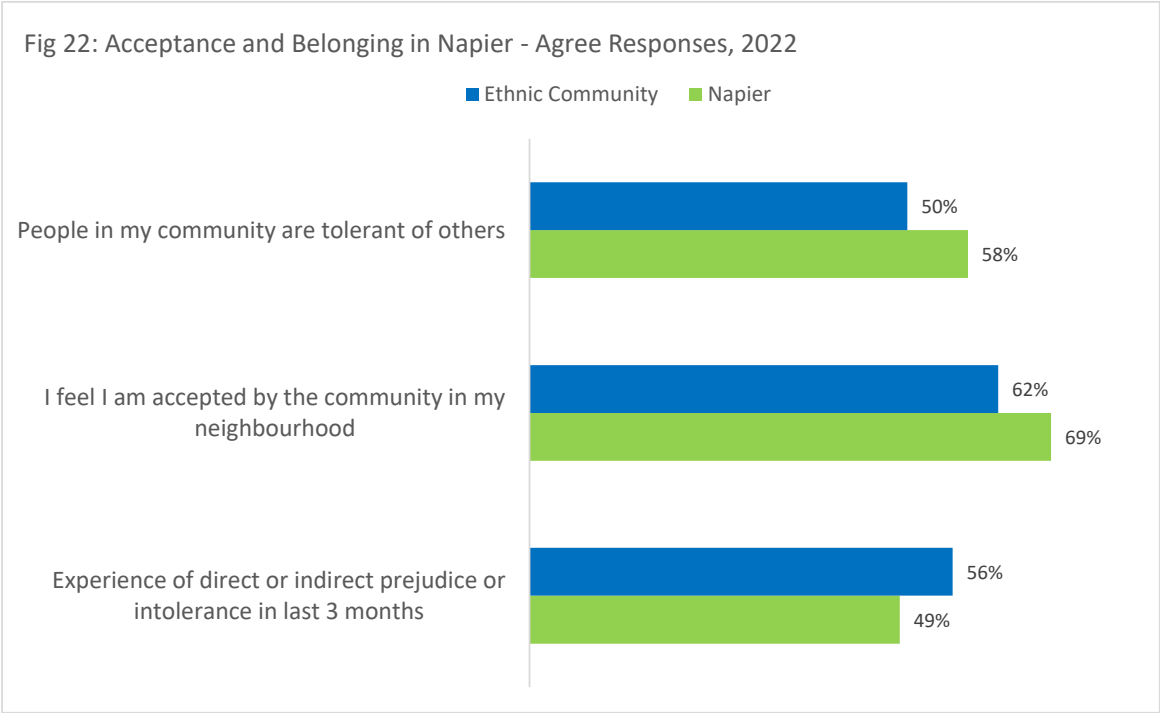
People of ethnic communities in Napier find it harder to be themselves (53%), compared to 68% of the wider Napier population (Figure 21). Two in five ethnic community residents (41%) commented that race and ethnicity were the factors that came to mind when considering if they can be themselves in Napier. This was followed by dress/appearance, age and skin colour. Other mentioned associations were gender, religion, and lower income.

Fewer people of ethnic communities felt they are accepted by the community in their neighbourhood. More than half of the respondents of ethnic communities stated to have experienced or seen someone else experience prejudice or intolerance or been unfairly treated or excluded in the last three months (Figure 22). The most cited reason identified for intolerance was ethnicity (60%).

Nearly half of Napier respondents believed that having more people from different cultures, countries and lifestyles makes Napier no different or worse as a place to live (Figure 23).

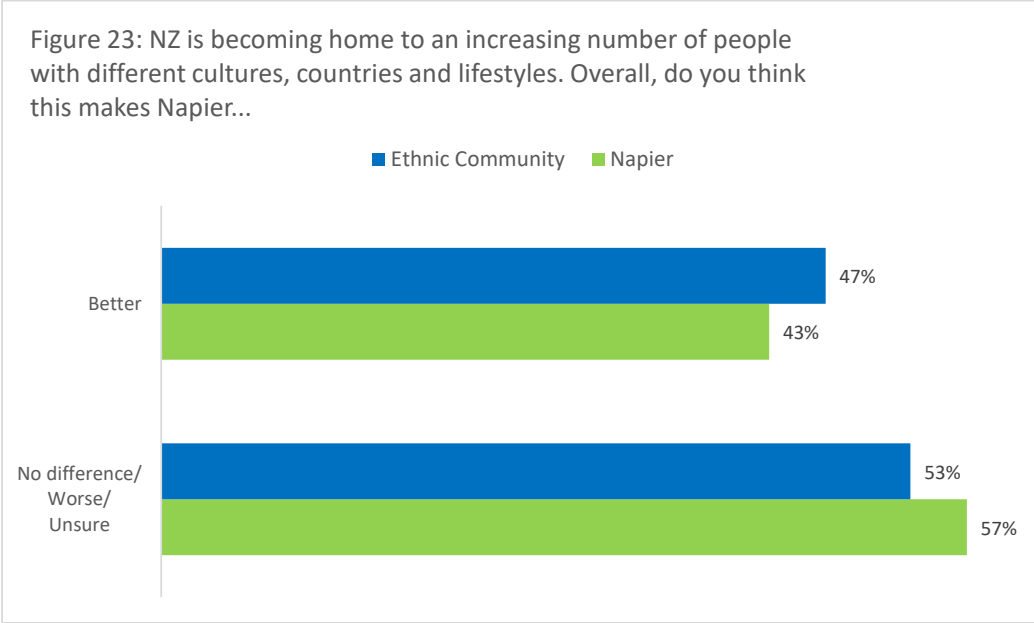


Source: Napier City Council Social Monitor Survey 2022



Source: Napier City Council Social Monitor Survey 2022





Source: Napier City Council Social Monitor Survey 2022

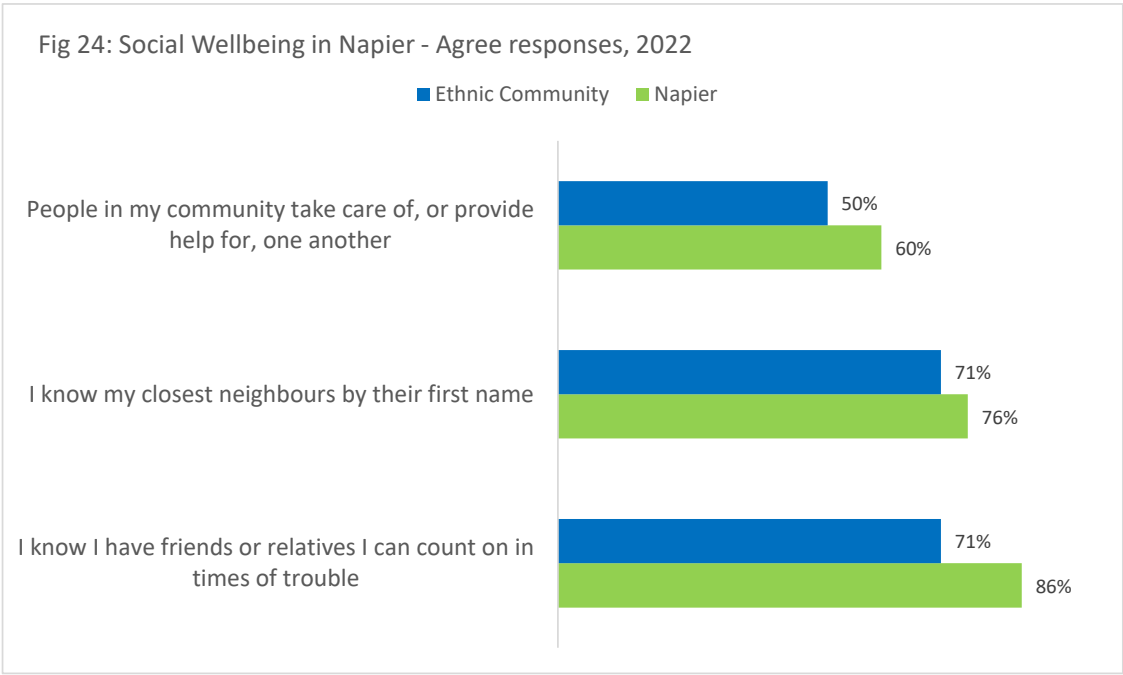


## 5. Wellbeing

The Napier Social Monitor Survey asks respondents a number of questions to measure social and mental wellbeing. Both these areas are particularly significant for ethnic communities who may grapple with social and/or cultural isolation.

### 5.1 Social Wellbeing

Fewer respondents of ethnic communities (71%) felt they have friends or relatives they can count on in times of trouble compared to the wider Napier population (86%). Half of respondents from ethnic communities believe that people in their community take care of and help one another, compared to 60% for Napier as a whole (Figure 24).



Source: Napier City Council Social Monitor Survey 2022



5.2 Community Mental Wellbeing

Ethnic Communities in Napier have a higher score on the community mental wellbeing index compared to the general population. Higher scores suggest greater distress, reflecting a higher percentage of people in ethnic communities worrying about everyday problems, reporting feeling lonely at least some of the time, having little interest or pleasure in doing things, and feeling down or depressed.

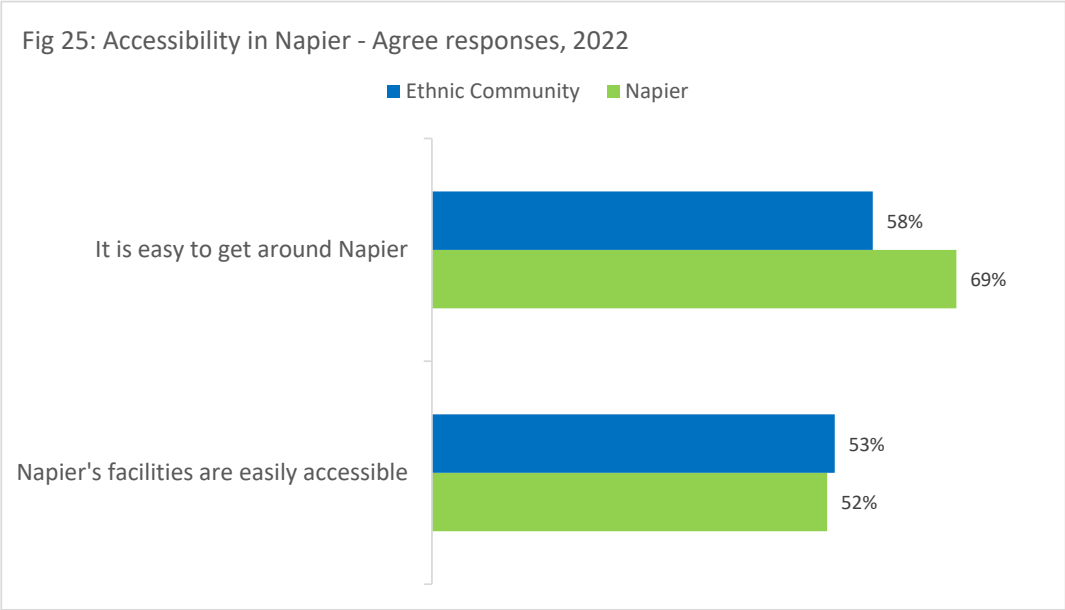
Table 2: Community Mental Wellbeing in Napier, 2022

	Ethnic Community	Napier
Community Mental Wellbeing Index Score	13.2	10.5

Source: Napier City Council Social Monitor Survey 2022

6. Accessibility

Perceptions about accessibility of Napier’s facilities are similar for ethnic communities and the wider Napier population, with just over half the respondents in agreement about ease of access. In terms of ease of getting around Napier, fewer people in the ethnic communities held the same views as the general population (Figure 25).



Source: Napier City Council Social Monitor Survey 2022



## 7. Appendices

### Appendix 1 – Description of ethnicity for Census purposes, 2018

For Census purposes, Ethnicity is a hierarchical classification with four levels. Detailed ethnic group information is collected so that responses can be coded to specific ethnic group categories at the most detailed level of the classification, level four. Where this is not possible, information is coded to level two or to level three. Level one is used solely for output and contains six categories and one residual category:

- European
- Māori
- Pacific Peoples
- Asian
- MELAA (Middle Eastern / Latin American / African)
- Other ethnicity
- Not elsewhere included

For the census population count, 'not elsewhere included' contains the residual categories of 'response unidentifiable', 'response outside of scope', 'don't know' and 'refused to answer', alongside 'not stated'.

In ethnic group (grouped total responses) a person belonging to more than one ethnic group is counted once in each group. Therefore, the number of total responses will be greater than the number of respondents. For example, at level one of this classification, a person of Samoan, Tongan, and German ethnicity would be counted once in the category of Pacific Peoples and once as European.

# Whiria Ahuriri

## Napier's Multicultural Strategy

2025-2030

‘Weaving together the people of Napier’

Draft August 2025

## Contents

MIHI

WHAKATAUKĪ

MESSAGE FROM THE MAYOR

MESSAGE FROM OUR ADVISORY GROUPS

BACKGROUND | [HĪTORI](#)

STRATEGY SUMMARY | [TE RAUTAKI](#)

OUR CITY: NAPIER'S CULTURAL COMMUNITIES | [TŌ MĀTOU TĀONE: NGĀ HAPORI KANORAU  
O AHURIRI](#)

HONOURING TE TIRITI O WAITANGI | [TE WHAKAMANA I TE TIRITI O WAITANGI](#)

NAPIER'S MULTICULTURAL STRATEGY | [WHIRIA AHURIRI](#)

- VISION | [MOEMOEĀ](#)
- VALUES & PRINCIPLES | [MĀTĀPONO](#)
- FOCUS AREAS | [KAUPAPA ARONUI](#)

STRATEGIC LINKS | [HONONGA RAUTAKI](#)

THE STRATEGY IN ACTION | [WHAKATUTUKITANGA](#)

MONITORING & REVIEW | [AROTAKE](#)

ACKNOWLEDGEMENTS | [MIHI](#)



## Mihi

(Enter mihi, photo and signature)

## Whakataukī

### Tuia te muka tangata - *Connect the threads of people*

*Tuia* means 'to sew' or 'to connect'. *Te muka* refers to 'the threads' or 'the strands'. *Tangata* means 'people'. This whakataukī *Tuia te muka tangata* encourages us to weave together the connections between people, fostering a sense of community and shared purpose. It's a call to action to strengthen relationships and work collaboratively.

(New page)

## Message from the Mayor

Ahuriri Napier has a long history of manaakitanga and hospitality. We welcome visitors, newcomers and those returning home with open arms. We are led by Mana Whenua who are the indigenous people of Ahuriri and who help uphold the values so important to us: atawhai (kindness), manaaki (caring), ako, (learning) and kotahitanga (unity). These values lay firm foundations for the strategy we now present to you.

Napier is growing in its diversity. It is becoming home to a rich fabric of cultures, languages and traditions. Out of that increased diversity comes this Multicultural Strategy. It has been shaped by our community and I want to thank everyone who was involved in bringing it about. People have given their time, energy and ideas through workshops and hui to build a robust document that I look forward to seeing impact and inform our priorities and activities. Our diversity of backgrounds and experiences brings strength, vibrancy and new perspectives to our city, our community and our council.

This Multicultural Strategy reflects our aspiration to build a city where all people, regardless of background, are welcomed, respected and have the opportunity to thrive. A place where connection and understanding are central to who we are. It signals our collective commitment to ensuring Napier is a place where everyone feels they belong and are accepted because of their culture, not in spite of it.

The culmination of many voices and many views, this Strategy aims to activate opportunities to learn from each other, construct a shared understanding, care for and respect each other, and together continue to make Napier a wonderful home for us all.

(Enter photo and signature)

(New page)

## Message from our Advisory Groups

We are proud to contribute to Napier's Multicultural Strategy- a milestone in our city's journey towards becoming a more inclusive, connected, and vibrant community. As members of the Advisory Group, we brought together voices from across our diverse cultural communities to ensure this strategy reflects the aspirations, challenges, and strengths of the people who call Napier home.

This strategy is more than words on paper, it is a shared commitment to celebrating diversity, promoting equity, and fostering opportunities for everyone to belong and thrive. Our hope is that this strategy leads to actions that enrich our city with diverse perspectives and decision-making, and ensures fair access to education, health, and services for all. Most importantly, it is about creating a Napier where people from every culture feel they belong and are valued for their contribution and the whole community benefits.

We thank Napier City Council for partnering with our communities on this important initiative and look forward to working together to bring this strategy to life.

## Background | Hītori

Napier is becoming increasingly diverse, with one in six people born overseas and one in ten people identifying as Asian, Pacific, Middle Eastern, Latin American, African or of another ethnicity<sup>1</sup>. Members of our cultural communities in Napier are highly skilled, qualified and contribute significantly to the local economy. However, many experience challenges to secure meaningful work and are more likely to earn less than the rest of the population, leading to poorer social, health and economic outcomes.

As we developed the Strategy many members of our Napier cultural communities shared the struggles they face in being themselves and expressing their cultural identity. This was especially evident among young people from different cultural communities, who spoke of an inner conflict between staying true to their roots and trying to fit into the wider community.

Many people from our cultural communities face daily experiences of intolerance, prejudice and racism that affect their sense of safety and wellbeing. These experiences can restrict their ability to fully participate and flourish as part of our community. Others highlighted barriers including access to reliable and trustworthy information, resources, and support services. All these factors prevent cultural communities from fully taking part in community life.

The Strategy provides the framework and approach for building a city where people from all cultures truly belong and thrive. It's been shaped by the voices of Napier's cultural

---

<sup>1</sup> According to the latest available data, from the 2023 Census

communities and agencies, along with local data and insights that inform the vision, values, and key priorities <sup>2</sup>.

The Strategy goes beyond just celebrating multiculturalism or focusing on council-led activities. It is a community-wide approach that reaches across sectors, different settings, and a range of cultural communities. We want all cultural communities in Napier to feel respected, valued, and proud of their culture and heritage, and to know that their contributions are recognised and celebrated. Achieving the vision will take strong collaboration, advocacy, and leadership from Council and other agencies and groups. The Strategy will serve as a roadmap for the years 2026 to 2030.

(New page)

## Strategy Summary | Te Rautaki

(Enter description of design, links to Whiria Ahuriri and vision of the strategy)

(New page)

## Our City: Napier's Cultural Communities | Tō Mātou Tāone: Ngā Hapori Kanorau o Ahuriri

(Enter design and infographic)

(New page)

---

<sup>2</sup> Detailed information about the Strategy's development is contained in the background document, Whiria Ahuriri Napier Multicultural Strategy Background Document, 2025

## Honouring Te Tiriti o Waitangi | Te Whakamana i Te Tiriti o Waitangi

The Strategy places Te Tiriti o Waitangi (The Treaty) and Tangata Whenua at its core, recognising the Treaty as the foundation agreement for Tangata Whenua and Tauīwi to live together. This provides a framework for all cultural communities to experience a sense of belonging, while highlighting the importance of honouring Tangata Whenua as the indigenous people of Aotearoa New Zealand.

Developing the Strategy involved early engagement with Mana Whenua and regular updates as the Strategy evolved. Local marae representatives and Napier City Council's Māori Partnerships team (Te Waka Rangapū) contributed significantly offering invaluable guidance around *tikanga* (customs) and *kawa* (protocols) and were active members of our Advisory Group.

Applying a Treaty framework will play a central role in putting the Strategy into action. This will involve continuing to foster partnerships and collaboration with Mana Whenua and to grow cultural communities' understanding of the Treaty and *Te Ao Māori* (the Māori world).

*The Treaty offers a shared sense of home "it gives people from somewhere else a chance to make a home in this land". Source: Moana Jackson, Kāinga Tahi, Kāinga Rua Māori Housing Realities and Inspirations (2022)*

(New page)

## Napier's Multicultural Strategy | Whiria Ahuriri

### • Vision | Moemoeā

The Strategy's vision is 'Together We Thrive- Napier is a city where people from all cultures can belong and thrive'.

The vision is underpinned by the name "Whiria Ahuriri" which speaks to the weaving together of different strands (cultures) that form the social fabric of Napier Ahuriri.

### • Values & Principles | Mātāpono

The core values and principles identified for the Strategy are:

Values	Manaakitanga	Whanaungatanga	Kotahitanga	Mana Tangata
	Respect Kindness Aroha	Connection Trust Belonging	Unity Equity Partnership	Courage Authenticity Integrity
Principles	We embrace all people and cultures	We listen and care	We work together to empower	We speak up and act against racism and discrimination

(Enter a visual representation of values- stepped poutama pattern and description)

### • Focus areas | Kaupapa Aronui

Five priority areas have been identified for the Strategy, reflecting the voices and insights shared during engagement with our governance groups and the wider community.

## Connected and cohesive community

Everyone feels a sense of belonging and is respected and valued by the community. Meaningful connections flourish within and across communities. People have opportunities to learn about and appreciate diverse cultures. Cultural communities are supported to deepen their understanding of *tikanga* (customs) and *Te Ao Māori* (the Māori world).

## Cultural expression and pride

People are free to embrace, express and celebrate their culture and cultural identity. Cultural diversity is visible, valued and reflected in our public spaces and places. Diverse languages and cultural festivals are recognised and celebrated in partnership with communities.

## Wellbeing and safety

Napier is a truly inclusive community where people can participate fully without fear of discrimination, racism, or bias. People of all cultures feel safe to be themselves, at home, at work and in their community.

Physical, mental, cultural, emotional, and spiritual wellbeing are fostered. People are empowered to speak up against racism, discrimination, or any situations where they feel unsafe.

## Access and support

Cultural communities have easy and equitable access to reliable trustworthy information, resources, services, and support. People have an awareness of and access to language support, health services, immigration support, employment, and education pathways.

Service providers are well-coordinated and offer culturally appropriate support and communication, tailored to the needs of people from a wide range of backgrounds.

## Engagement and participation

All communities are represented, valued, and have the power to influence change. Communities are empowered and have a strong voice. People from different cultures have opportunities to participate fully in all aspects of community and civic life.

(New Page)

## Strategic Links | Hononga Rautaki

The strategy links to a number of national and local plans and strategies, that promote cultural diversity, celebrate multiculturalism and improve social cohesion across cultures.

The Strategy aligns with Councils strategic priorities, which guide decision making and inform Councils annual and long-term plans. This includes, *ensuring spaces and places for all, nurturing authentic relationships with our community partners, and a resilient city - the ability to thrive and withstand impacts, knocks and shocks.*

The strategy acts as an umbrella for Immigration New Zealand's Welcoming Communities programme that Council has committed to implementing. The programme aims to bring together local councils and communities to make places more welcoming for newcomers, migrants, and international students. This internationally recognised community development programme builds strong connections between the receiving community (local residents) and newcomers.

Below are the eight elements of the Welcoming Communities Standard that set the benchmark for a successful Welcoming Community.

(Enter in a re-design of the Welcoming Communities standards)

Other strategic links include:

- Safer Napier Strategy, 2022-2026
- Napier's Positive Ageing Strategy, 2020-2024
- Napier Disability Strategy, 2019-2023
- Napier Youth Strategy, 2018-2023
- Ministry for Ethnic Communities, Strategy 2022-2025
- Ministry of Pacific Peoples Strategic Intentions 2023-2027
- Human Rights Act 1993
- New Zealand Bill of Rights Act 1990
- Sustainable Development Goals (United Nations)

(New page)

## Implementation | Whakatutukitanga

An action plan will be developed for the Strategy. This will be led by a Multicultural Strategy Advisory Group made up of organisational representatives, cultural community leaders and members with diverse cultural backgrounds.

The purpose of the Advisory Group will be to:

- Develop a detailed plan with prioritised actions
- Provide leadership, guidance and support for implementation of the Strategy
- Pro-actively share resources, information and experience to achieve the vision of the Strategy
- Lead the delivery of agreed key projects or activities
- Keep the community updated and involved
- Monitor progress towards implementing the Strategy

The plan will be implemented in stages with a set of actions under each of the five priority areas. These actions will be prioritised and phased over the five-year period of the Strategy to ensure they are manageable and achievable.

The Advisory Group will be supported by Napier City Council. It will have terms of reference, which will be reviewed annually. Actions will be funded through a combination of organisations' existing budgets and new or external funding sources, on a project-by-project basis.

Successful implementation will require collective action across organisations and groups. Working in partnership with a range of stakeholders, including community organisations, services providers, local government, private businesses, and the community.

(New page)



## Monitoring and Review | Arotake

As this is the first version of the Strategy, it will undergo an interim review after two years and a full review at five years. There will be regular monitoring of progress using key population and performance measures, as well as other relevant indicators. This will form the outcomes framework. These are the areas we expect to see positive changes over time and can be measured to monitor progress.

Community Diversity	% of people who feel accepted by the community (Social Monitor Survey)
	% of people in my community that are tolerant of others (Social Monitor Survey)
Being yourself in Napier	% of people who find it easy or hard to be themselves (Social Monitor Survey)
Intolerance perceptions	% of people who have experienced prejudice or intolerance or been treated unfairly or excluded (Social Monitor Survey)
Different lifestyles and culture	% of people who believe more people with different lifestyles and cultures makes Napier a better or worse place to live (Social Monitor Survey)
A fair shot at a good life	% of people who believe everyone in Napier has a fair shot at a good life regardless of ethnicity or race (Social Monitor Survey)
Safety	% of people who feel safe in Napier-ethnic groups (Social Monitor Survey)
Advisory Group	% of Advisory Group members satisfied with their involvement (Member Survey)

The action plan will be reviewed on an annual basis to ensure it remains relevant and responsive to current priorities and any emerging issues. This will keep the plan dynamic and aligned with changing needs.

Where appropriate, projects will include a review or evaluation process that reflects their size, cost, nature, and duration. A range of methods may be used to support this, including participant surveys, feedback forms, focus or discussion groups.

(New page)

## Acknowledgements | Mihi

Ngā mihi nui ki a koutou

We gratefully acknowledge the contributions of the many individuals, community groups and organisations who supported the development of the Strategy.

A special thank you to Tanya Jain, Community Development Practitioner and Consultant for her tireless work alongside the Napier City Council Community Strategies Team. Tanya played a lead role in planning and facilitating workshops with both advisory groups, engaging with stakeholders, and contributing to the development of both the background document and the Strategy.

We extend our heartfelt thanks to Napier City Council's Māori Partnership Manager, Jackie Ham who provided extensive cultural support and guidance throughout Strategy development.

### Steering Group Members

- Councillor Greg Mawson
- Citizens Advice Bureau- Jenny Pearce
- Eastern Bridge- Simon Appleton
- Eastern Districts Police- John Tangaere
- Eastern Districts Police- Pehi Potaka
- English Language Partners- Maureen Gillies
- HB Civil Defence Emergency Management- Tammy Arendse
- HB Multicultural Association- Rizwana Latiff
- HB Multicultural Association - Heather Brown
- Health NZ Te Whatu Ora- Ali Leota
- Ministry of Business, Innovation & Employment- Joanne Lawrence
- Ministry of Ethnic Communities- Enatha Musabe
- Ministry of Social Development- Cheryl Nicholls
- NCC Economic Development- Bill Roberts
- NZ Red Cross- David Negrette
- NZ Red Cross- Denise Goodhue
- Tautai Pasefika HB- Faleniu Lagaia
- Tautai Pasefika HB – Sue Sauia
- Tautua Ltd- Mabel Fatialofa
- Te Kupenga Hauora Ahuriri - Nathan Harrington
- Welcoming Communities- Collete Hall

### Reference Group Members

- Timi Kara Marae - Maia Kaukau
- Timi Kara Marae - Memory Kaukau
- Timi Kara Marae - Emma Uriarau
- Brazilian Community- Luciana Evangelista
- Citizens Advice Bureau- Alistair Young
- Fijian Community- Mereani Paodi
- HB Multicultural Association- Yao Hongze
- Japan Association- Izumi Edmonds
- Korean Community- Hannah Seok
- Napier Baha'i Community- Karen Pratt
- Napier Malayali Association- Tintu Joseph
- Napier Youth Council- Misbah Abdulla
- NZ Chinese Association (Hawke's Bay)-Jenny Too
- Pakistan and Friends Hawke's Bay- Syed Khurram Iqbal
- Punjabi Community- Gurmeet Singh Sekhon
- Sri Lankan Community- Chanika Lokuge



# **NAPIER CITY COUNCIL**

## **INVESTMENT PORTFOLIO MANAGED FUND**

### **Statement of Investment Policies and Objectives**

Effective: **xxxxx**

Version: **2.0**

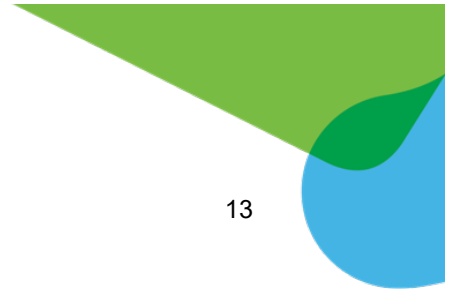


## Contents

1	
1. Background & Purpose	1
2. Objectives	1
2.1 Objectives	1
2.2 Time Horizon	1
2.3 Ethical Investment (Socially Responsible Investment)	2
2.4 Performance Expectations	3
2.5 Policy Setting and Management	3
3. Risk Tolerance and Risk Management	3
3.1 General approach to Risk	3
3.2 Risk Tolerance	3
3.2.1 Capacity to Accept Risk	3
3.2.2 Willingness to Accept Risk	4
3.3 Management of Risk	4
4. Duties and Responsibilities	6
4.1 Structure	6
4.2 Council	6
4.3 Ahuriri Investment Management Limited (AIM)	7
4.4 Audit & Risk Committee	8
4.5 Finance Team	8
4.6 Managed Fund Investment Manager	8
4.7 Custodians	10
4.8 External Managers	11
5. Investment Policy and Implementation	11
5.1 Asset Class Guidelines	11
5.2 Benchmarks	11
5.3 Asset Allocation	12
5.4 Foreign Currency Management	12
5.5 Tax Policy	12
5.6 Rebalancing	12
5.7 Selection of External Managers	13
5.8 Managed Fund Investment Manager Selection	13
5.9 Expenses	13

## 6. Review of the Statement of Investment Policy & Objectives

13



## 1. Background & Purpose

Effective 1 July 2025 Napier City Council (**Council**) established the **NCC Investment Portfolio**. The background and purpose of the NCC Investment Portfolio, as set out in Council's overall Investment Policy, is to be *"an inter-generational investment portfolio that builds financial resilience and reduces future reliance on ratepayers for funding activities."*

Council has created Ahuriri Investment Management Limited (**AIM**) and appointed AIM its Investment Manager for the NCC Investment Portfolio. AIM is a 100% owned subsidiary and a Council Controlled Trading Organisation (**CCTO**).

Through this new arrangement Council is seeking new ways of investing to diversify risk, improve liquidity and potential returns. As part of this process, it is expected some of the assets and asset classes may be managed by a professional third-party fund manager.

This **Managed Fund** arrangement may include directly held or pooled investments in various asset such as shares, bonds, and property and may include offshore investments and currency. The Managed Fund will start with about \$5.5m nominal seed capital. This may grow to \$50m as AIM diversifies the wider Investment Portfolio and chooses to apply undistributed proceeds the Managed Fund.

This Statement of Investment Policy and Objectives ("**SIPO**") sets out Council's guardrails and expectations for the investment management of any assets with the Managed Fund.

This SIPO should be read in conjunction with the Council's overall Investment Policy, annual Statement of Expectations for AIM ("**SOE**") and AIM's annual Statement of Intent ("**SOI**").

AIM must adhere to the Investment Policy and this SIPO when managing the Managed Fund within NCC Investment Portfolio.

The Investment Policy, SIPO, SOE, and SOI should be aligned in purpose and objectives, however where conflict exists the SOI takes priority in relationship matters while the Investment Policy and SIPO will priority on investment parameters.

## 2. Objectives

### 2.1 Objectives

To protect and maintain the purchasing power of the Managed Fund, and all future additions, for current and future generations.

To maximise investment returns within reasonable prudent levels of risk.

To maintain an appropriate asset allocation that allows for distributions while preserving the real value of the Council's capital from the effects of inflation.

The Managed Fund is a part of Councils wider Investment Portfolio. AIM have the responsibility of ensuring the Managed Fund plays its part in achieving the wider Investment Portfolio growth and income objectives. Income provided to Council by AIM from the Investment Portfolio is utilised to supplement revenue from rates in support of Council operations.

### 2.2 Time Horizon

The Managed Fund, as part of the overall NCC Investment Portfolio is an intergenerational/perpetual investment.

At a minimum, the investment guidelines are based upon an investment horizon of greater than ten years. Therefore, interim fluctuations should be viewed with appropriate perspective.

AIM may choose to invest into or divest from the Managed Fund to meet part of the wider objectives and investment strategy for the Investment Portfolio.

### 2.3 Ethical Investment (Socially Responsible Investment)

Council's Investment Policy makes the following statements regarding Social Responsibility:

*Council recognises that as an owner of significant investment assets, social responsibility should be demonstrated in how investment assets are managed.*

*All assets must be actively managed, considering the social responsibility expected of a reasonable investor.*

*Externally managed investment assets (such as Managed Funds) must be undertaken with the same social responsibility standards as though the assets were managed directly.*

*No investment will be directly contrary to the objectives or well beings of the Council.*

The following further expectations in respect of Socially Responsible Investment for the Managed Fund:

Council seeks to avoid investing in activities that would be regarded as unethical by a substantial majority of the New Zealand public and expects the Managed Fund to demonstrate Corporate and Social Responsibility. This includes ensuring any Managers apply industry standard methods and principles in the way they operate, and in how underlying investments are selected. Where practical, some negative screening will be applied to the selection process of investments within the Fund (including debt instruments) as Council wishes to avoid direct involvement with industries that have a negative impact on the environment or society. Examples of industries and investments to be excluded include:

- The ownership or operation of gambling facilities
- The harvesting or processing of whale meat
- The manufacture of weapons and testing, and engaging in mercenary activities
- The manufacture of tobacco, cannabis, and other legislated recreational drugs.
- Sovereign issuance from nation states that are subject to NZ Government sanctions

This list is not exhaustive. Council wishes to ensure that no more than 10% of an individual entity, and no more than 5% of a collective investment vehicle (or funds) revenues are derived from excluded activities.

Council also acknowledges the benefit of positive screening in investment selection, and expects this approach to also be adopted.

Investments are to be thoroughly researched and screened where practical to ensure that they meet our responsible investment criteria. The following initiatives are to be adopted by any appointed Investment Manager:

- Investment processes to enhance understanding of the potential risk and reward of investments in the portfolio. Corporate engagement and voting are encouraged where practical.
- Using data from a globally recognised ESG research agency, avoid investing in entities that exceed the ethical exclusion criteria described above, as these activities are inconsistent with Council's values.
- Standards on Social Responsibility will be reviewed as part of the overall SIPO review and updated as necessary to reflect changes in best practices, and to ensure continued alignment with values and investment objectives.



## 2.4 Performance Expectations

The purpose of the Investment Portfolio, is to benefit the Napier community by subsidising general rates through additional income received. At the same time as providing income, Council is tasked with preserving and growing the value of the portfolio (in excess of inflation) for current and future generations.

The initial performance target of the Investment Portfolio is tied to the income and growth expectations of Council's 2024-2027 Three Year Plan ('LTP').

For the purpose of projections, Council assumes a long-term inflation rate of 2.5%.

The Managed Fund d is expected to have an average annual distribution of 3% of capital. The ability to make distributions will be at the discretion of AIM.

## 2.5 Policy Setting and Management

Council views the SIPO as a live document.

AIM is expected to conduct regular reviews of the SIPO and may also recommend changes to the policy parameters of this SIPO.

Acting on any SIPO change will only occur following the approval of a new version of the SIPO by Council. AIM is responsible for communicating any changes in the SIPO.

# 3. Risk Tolerance and Risk Management

## 3.1 General approach to Risk

Council's Investment Policy makes the following statement regarding Risk Management:

*The NCC Investment Portfolio is representative of public funds. Council's Investment Manager should seek to take measured risk that has adequate expected return compensation supportive of the inter-generational balance between current and future ratepayers. This includes seeking, where possible, to manage risk. Council acknowledges that investing solely in capital stable investments exposes the portfolio to the risk of inflation and is willing to accept some risk to increase expected return.*

Council provides the following further expectations in respect of Risk Management for the Managed Fund:

Strategic, long-term asset allocation is the key to maximising investment returns whilst minimising risk. Managed Fund investments should be continually monitored and adjusted relative to benchmark asset allocations.

All investments must apply a responsible and ethical investment framework filter when considering investments as outlined in the SIPO.

## 3.2 Risk Tolerance

Council recognises that some risk must be assumed to achieve the long-term investment objectives.

Risk tolerance is affected by three factors:

- Capacity to accept risk,
- Willingness to accept risk, and
- Required rate of return (see section 2.4 Performance Expectations)

### 3.2.1 Capacity to Accept Risk

The capacity to accept risk is tied to the investment time horizon of the overall Investment Portfolio managed by AIM and how AIM see the Managed Fund supporting those growth and cash flow requirements.

Time horizon: This SIPO has been prepared on the basis that the Investment Portfolio is expected to exist in perpetuity. The investment time horizon of the Council is therefore long term. This increases the capacity to accept risk.

Financial capacity and cash flow requirements: The Investment Portfolios ability to derive cash flow to annually support Council imply low capacity to tolerate illiquidity.

Based on the combination of time horizon and financial circumstances, and the intergenerational strategic purpose of the Investment Portfolio, the Council's implied capacity to accept risk is assessed as medium to high.

### 3.2.2 Willingness to Accept Risk

Council and AIM are prudent investors and seek to take measured risk that has adequate expected return compensation, seeking where possible, to manage volatility and risk. Notwithstanding this risk aversion, the Managed Fund is able to accept risk to increase expected returns in line with maintaining the real value of inter-generational equity (after accounting for inflation).

Distributions from the Managed Fund to are part of the 2024-2027 Three Year Plan and based on projected cashflow rather than the day to day capital value of the Managed Fund. Council accepts volatility of returns in the short term to achieve a long-term objective. The Council's willingness to accept risk is assessed as Medium to High.

## 3.3 Management of Risk

The Council, AIM, and Finance Team have the responsibility to develop appropriate internal controls, policies, and risk management strategies. These internal controls, policies and risk management strategies are described in this SIPO.

Identified risks include:

### Credit Risk

Risk Description: Credit (or counterparty risk) is the risk of default by a counterparty to a particular transaction or an issuer of a security held in the portfolio.

Risk Managed By:

- Measuring and maintaining the credit quality of portfolios within prescribed guidelines.
- Limiting exposure to individual issuers through issuer limits.
- Diversification across investment type and instrument.
- Maintaining appropriate policies and procedures relating counterparties.
- Appointing Fund Managers with mandates consistent with prescribed risk limits

### Currency Risk

Risk Description: Currency risk is the risk that foreign currency denominated assets will lose value because of an adverse exchange rate movement.

Risk Managed By:

- Maintaining a hedging policy for the portfolio and individual asset classes.

### Liquidity Risk

**Risk Description:** Liquidity risk is the risk that a security cannot be sold when required or that the price achieved is significantly different from the quoted price.

**Risk Managed By:**

- Setting liquidity requirements by asset class in the SIPO and or Investment Policy Statement (IPS).
- Setting diversity targets by asset class in the SIPO and/or IPS.
- Requiring Investment Managers to invest in accordance with the SIPO.
- Aligning liquidity risk to the likelihood of capital spend on the investment.
- Limiting the credit rating of the fixed interest and cash investments to approved levels.

### Manager Risk

**Risk Description:** The Group retains professional managers to implement its investment strategy. Managers' returns may vary from expected levels.

**Risk Managed By:**

- Robust selection process for Fund or Private Equity Managers.
- Appointing Managers with mandates that prescribe acceptable risk limits.
- Appointing independent experts to the Board of AIM.
- Regular assessment and review of performance against benchmark and peers.

### Market Risk

**Risk Description:** Market risk is the risk of adverse movements in investment markets (including asset prices, volatility, changes in yield curves or other market related variables) that affect the value or income of the portfolio. The volatility of investment markets means that the return from the investment portfolio is inherently uncertain. Actual returns from each asset class may vary significantly each year from the returns assumed in determining the long term investment strategy.

**Risk Managed By:**

- Diversifying portfolio investments.
- Seeking professional advice.
- Requiring Managers to manage funds to prescribed mandates.

### Operational Risk

Risk Description: Operational risk is the risk of financial loss due to mismanagement, error, fraud or unauthorised transactions.

Risk Managed By:

- Having in place a robust system of internal measures and controls at AIM with regular reported to Council .
- Requiring a custodian to hold assets as bare trustee, record transactions, and report on performance.
- Ensuring each Investment Manager has a specific mandate.
- Ensuring clear separation of investment management, custodial, and overall supervisory functions.

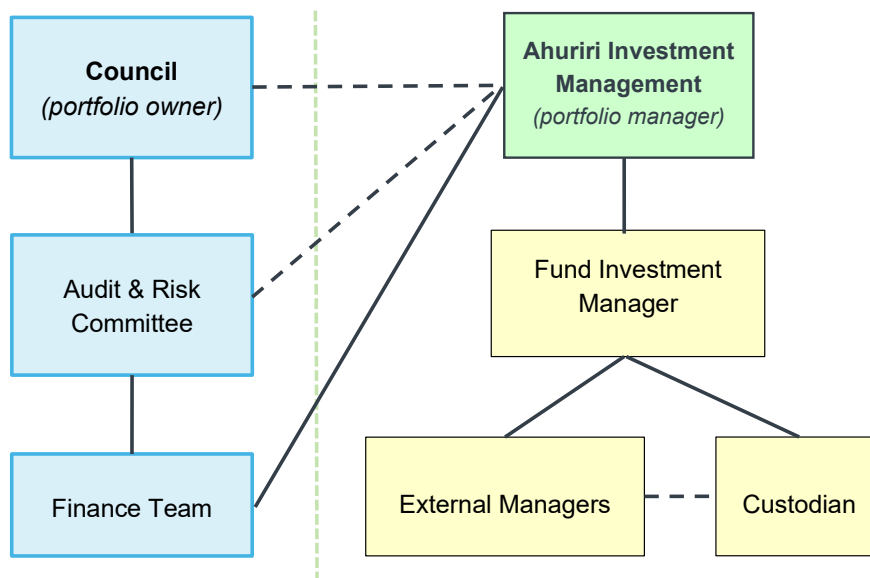
## 4.Duties and Responsibilities

Council has created Ahuriri Investment Management Limited (**AIM**) and appointed AIM its Investment Manager for the NCC Investment Portfolio. AIM is a 100% owned subsidiary and a Council Controlled Trading Organisation (**CCTO**).

Council expects the use of methodologies and processes that reflect industry best practice, encompass the principles of good governance, and reflect Council's vision and risk tolerances.

### 4.1 Structure

The investment management organisational chart is displayed below.



### 4.2 Council

Council has the ultimate responsibility for managing investment decisions on the establishment and ongoing operation of the Managed Fund. Council will be responsible for the following:

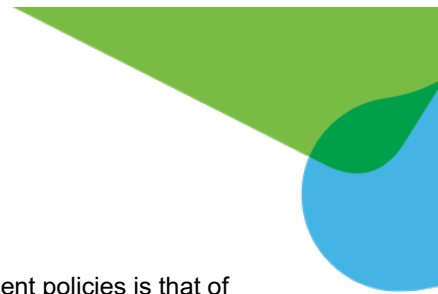


- Receive and resolve on any change recommendation of the SIPO made by Ahuriri Investment Management (AIM) as appropriate.
- Receiving performance reports from AIM as agreed.
- Seeking guidance, as appropriate, from the Audit & Risk Committee on matters relating to policy and portfolio management.

#### 4.3 Ahuriri Investment Management Limited (AIM)

AIM is the primary point of contact for the Investment Manager/s and maintains day-to-day oversight over the Managed Fund. Responsibilities include:

- Ensuring the Managed Fund is administered and operated according to parameters set within the SIPO.
- Selecting, monitoring the performance of, and changing the Investment Manager/s as appropriate.
- Formally reviewing the SIPO every three years to ensure it continues to achieve the broad objectives of both Council as owner and AIM as administrator. This review may include consultation with the Investment Manager/s and/or third-party specialists.
- Ensuring that any Investment Manager has a current Investment Policy Statement ("IPS") detailing how the Managed Fund is to be managed. Specific information on matters such as asset allocation, risk tolerance, investment securities, and liquidity requirements are included in an IPS and be agreed between AIM and the Investment Manager.
- Engaging with the Investment Manager on reporting, performance, capital movements and forecast and other relevant matters.
- Following formal criteria to monitor, evaluate and compare the investment performance results achieved against relevant benchmarks and objectives on a regular basis.
- Advise Audit and Risk of any breaches of the SIPO during the period. Breaches resulting from market performance are to be advised to Audit and Risk, with more significant breaches to be advised to Audit and Risk and Council. Reporting to Council on the performance of the Managed Fund on a basis agreed with the Council.
- Ensuring that all service agreements and contracts are in writing and are consistent with fiduciary standards of care.
- Ensuring that contracts for the Investment Manager/s and custodial services are reviewed annually.
- Ensuring that Investment Manager performance is reviewed annually and actioned appropriately.
- Ensuring appropriate risk management standards and procedures are developed and maintained.
- Ensuring quarterly portfolio compliance reports are provided to Audit & Risk (including SIPO breaches) through Finance Team.
- Supporting Council's Finance and Audit and Risk Committee with any audit matters pertaining to the Managed Fund as part of Council's annual audit of financial statements.



#### 4.4 Audit & Risk Committee

The responsibility for the monitoring and reviewing of Council's investment policies is that of the Audit and Risk Committee, assisted by the Finance Team and AIM. Key responsibilities are:

- Receiving recommendations for the SIPO from AIM.
- Ensuring that the practices and policies set out in the SIPO are adhered to on an ongoing basis.
- Reviewing AIM reporting exceptions as applicable.
- Ensuring that all parties overseeing, advising and managing Council's investments disclose any potential conflicts of interest. In the event that conflicts of interest arise, the policies and procedures for managing these are to be clearly defined, although, in principle, such conflicts should be avoided.

#### 4.5 Finance Team

The Finance Team monitor the Managed Fund's historic movement in distributions and balances on an annual basis as part of their Annual Report. Forecast movements in portfolio valuation and distributions are also reported through the Annual Plan or Long Term Plan.

The key contact for the Finance Team is the Chief Financial Officer (or their delegate/s).

The Finance Team is responsible for:

- Acting as a primary point of contact for AIM on finance and Council operational matters.
- Working with AIM on the expected timing of distributions, contributions, and withdrawals to, and from, the Managed Fund.
- Presenting AIM performance and activity reports to Council with recommendations (as required).
- Preparing cover papers and presenting AIM reports to Audit & Risk Committee with recommendations (as required).
- Arranging attendance at Audit & Risk Committee and Council meetings with AIM and Investment Manager/s (as appropriate).
- Advising the Audit & Risk Committee and Council (as appropriate) of any other material events or information that may impact the Managed Fund Where no decision is required by the Audit & Risk Committee or Council (i.e. AIM and the Investment Manager/s are able to make changes within the scope of the SIPO), an information-only report should be provided to those bodies.
- Receiving monthly reports from the Investment Manager on the valuation and movement of the Managed Fund.
- Accounting for the Managed Fund as an asset of Council, providing monthly cost centre and annual financial statements.

#### 4.6 Managed Fund Investment Manager




The Managed Fund Investment Manager(s) is/are responsible for preparing and maintaining a written Investment Policy Statement (IPS) or equivalent in a format consistent with, and adhering to, the SIPO.

External Investment Managers may be appointed to manage part of or all the Managed Funds in accord with this policy.

Responsibilities include:

- Managing the Managed Fund's investments in accordance with the guidelines and objectives as outlined in the SIPO, their IPS and in their service agreements.
- Ensuring investment assets are appropriately diversified and conforming within the time horizon and agreed risk/return profile. Outlining expected returns and risk within the selected strategies.
- Managing the Managed Fund on a day-to-day basis. Administering and attending to the day-to-day financial matters associated with the management of the Managed Fund. The primary point of contact for the Investment Manager is AIM.
- Using the care, skill, prudence, and due diligence under the prevailing circumstances that an experienced investment professional, acting in a like capacity and fully familiar with such matters, would use in like activities for like portfolios, and comply with all applicable laws, rules and regulations.
- Maintaining a 'no surprises' relationship with AIM. In the event of a breach of the IPS or SIPO, advising AIM immediately of the breach and any recommended action.
- Exercising all voting rights, where applicable, in the best interests of the Managed Fund.
- Ensuring that "expected" and "modelled" returns for asset classes are based on sound return and risk premium assumptions.
- Providing advice on the asset allocation.
- Specifying, and advising on, asset and sub-asset class allocation strategies.
- Recommending a Custodian to hold and report on investment assets. Periodically reviewing custodial arrangements and making recommendations.
- Confirming on an annual basis that best practice with respect to execution, brokerage, money sweep facilities, foreign currency spreads, transaction costs and management fees is being applied.
- Managing the relationship with External Manager including:
  - Instructions to lodge or withdraw Managed Funds,
  - Overseeing and monitoring performance, and
  - Appointment and removal.
- Rebalancing individual investments and asset class groups to within agreed benchmarks as described in the rebalancing policy contained in the SIPO and IPS documents.
- Effecting all transactions for the Managed Fund at the best price.
- Compiling and accounting for all investment, record keeping and administrative expenses associated with the management of the Managed Fund.
- Delivering quarterly reports including:

- 
- Managed Fund valuation,
  - Managed Fund duration,
  - Compliance reporting (including approved exceptions),
  - Performance summary for the Managed Fund and by asset class,
  - Performance against agreed benchmarks,
  - Managed Fund income,
  - Asset transactions summary,
  - Investment management fees,
  - Custodial fees,
  - Individual Managed Fund management fees, and
  - Brokerage and other transaction costs.
  - Making available appropriate personnel to attend meetings, as agreed.
  - Disclosing any potential conflicts of interest and steps taken to mitigate such conflicts.
  - Reporting annually the 'Total cost of Delivery' being the sum of:
    - Investment Manager fees,
    - Custodial fees,
    - Administration fees, and
    - Total Managed Fund fees – made up of annual management fees (including annual management fees of underlying investments) and any other fees (including buy/sell spreads) and costs.
  - Providing financial information, including income and/or returns projections, as required for forecast budgeting purposes.
  - Communicating to AIM all significant changes that are material with relation to management of the portfolio. Changes in ownership, organisational structure, financial condition, professional staff and reputation are examples that must be communicated.

#### 4.7 Custodians

Custodians hold investments as bare trustee on behalf of the Managed Fund's beneficial owner and are responsible for the safekeeping of those investments. The specific duties and responsibilities of the custodian are:

- Maintaining separate accounts.
- Valuation of all investment assets.
- Collecting all income and dividends owed to the portfolio.
- Settlement of transactions (buy/sell orders) initiated by the Investment Manager/s.
- Providing access for AIM to reports detailing transactions, cash flows, securities held and their current values, changes in value and returns.
- Providing annual audit confirmations to Investment Manager/s and AIM.



#### 4.8 External Managers

The Investment Manager is tasked with managing the Managed Fund on terms and conditions consistent with its mandate. This may include the use of External Managed Fund or Private Equity Managers ('**External Managers**'). Any External Manager chosen by the Investment Manager must be approved by AIM. Any activity undertaken by External Manager must be conducted in accordance with this SIPO.

### 5. Investment Policy and Implementation

This SIPO is designed to be aligned with Council's overall Investment Policy. Where there is a conflict in regard to management of the Managed Fund, the SIPO shall take priority.

The Managed Fund will be managed with a view to ensuring sufficient liquidity to meet expected cash flow and distribution requirements.

Investment risk will be limited by appropriate diversification both within and between asset classes as determined by the following asset allocations.

#### 5.1 Asset Class Guidelines

The Managed Fund is permitted to hold a mix of growth and defensive assets.

The Managed Fund can hold investments in the following asset classes and assets:

Defensive Asset Classes	<ul style="list-style-type: none"> <li>Cash – term deposits, cash on call, commercial paper, and bank bills.</li> <li>NZ fixed Interest – NZD denominated bonds (domestic and foreign issuers), including sovereign and non-sovereign issuers, either directly or via Collective Investment Vehicles ("CIVs").</li> </ul> <p>International Fixed Interest – Foreign denominated (not NZD) bonds (domestic and foreign issuers), including sovereign and non-sovereign issuers, either directly or via "CIVs"</p>
Growth Asset Classes	<ul style="list-style-type: none"> <li>NZ and international Equities - shares in publicly listed companies, including listed property companies, domestic and foreign, either directly or via CIVs.</li> <li>Property, both NZ and International via managed funds indirectly or directly.</li> <li>Infrastructure via managed funds indirectly or directly.</li> </ul> <p>Alternatives, including Hedge Funds, Long / Short Funds, Inflation Linked Funds.</p>

Investment Classes not identified above are deemed to be excluded from the investment. The addition of a new investment class can only occur with a review of the SIPO.

#### 5.2 Benchmarks

The performance of the Managed Fund Investment Manager will be measured against the total return of the Managed Fund in achieving the objectives in section 2.6.

Additionally, AIM will monitor the performance of the Managed Fund Investment Manager against relevant industry benchmarks for each asset class (per section 5.1).

The comparator benchmarks by asset class will be agreed between the Managed Fund Investment Manager and AIM in the IPS.

### 5.3 Asset Allocation

Academic research offers considerable evidence that the strategic asset allocation decision far outweighs security selection and market timing in its impact on portfolio variability and performance. On this basis Council prefers to adopt a strategic asset allocation – with restrictions placed around active and/or tactical asset allocation strategies.

Overall, Council wishes to adopt a broad approach with an 80/20 split between growth and defensive assets. There is an allowable tactical variance of +/-10% to the target growth and defensive split.

Asset allocation breaches outside of acceptable asset class tolerances where the Managed Fund holds additional Cash as a result of new capital to be invested, or cash in anticipation of a withdrawal, are not considered a breach where remedied within three months.

### 5.4 Foreign Currency Management

Foreign currency is used to manage portfolio volatility and return.

To manage the risk associated with currency the following policies apply:

- Holdings of offshore fixed interest (bonds) are to be fully hedged back to NZ dollars at all times.
- When investing in international equities either directly or via managed funds, a currency hedging position of between 0% and 100% will be agreed by AIM with the Managed Fund Investment Manager.

### 5.5 Tax Policy

Whilst held directly by Council, the Managed Fund is zero rated for taxation purposes on both income and capital gains.

Any investment strategy employed needs to take into account Council's tax status, although this should not be to the detriment of the long-term strategic asset allocation.

Any tax leakage is to be quantified by AIM and reported to Council annually.

### 5.6 Rebalancing

The percentage allocation to each asset class may vary depending on market conditions. The strategic asset allocation agreed to between AIM and the Investment Manager will have upper and lower limits for each asset class.

The collective exposure to the various asset classes will be monitored by the Managed Fund Investment Manager and reported to AIM.

If the actual weighting has moved outside the tolerance levels, the Managed Fund Investment Manager will generally be required to rebalance the portfolio back towards the recommended weighting. Breaches are to be notified, with advice on how they will be rectified. Council understands that exceptions do arise from time-to-time where rebalancing in the short term may be detrimental to the value of the portfolio. In these instances, the Managed Fund Investment Manager will inform AIM of the breach and recommend accordingly. AIM must approve any ongoing breach of asset ranges.

The Managed Fund Investment Manager's approach to rebalancing should be outlined in their IPS and agreed with AIM. To ensure transactional costs are minimised, a pragmatic approach to rebalancing is to be adopted.

## 5.7 Selection of External Managers

When selecting External Managers, the Managed Fund Investment Manager must consider, among other criteria specific to the role:

- the skills and experience the External Manager brings to the role,
- the substance and viability of the External Manager,
- the costs that can be expected to be incurred,
- the existence of appropriate risk management structures, and
- whether there are any organisational or reputational issues.

Investment mandates shall include rules setting out authorised investments, performance measurements, constraints and exposure limits, use of derivatives, and reporting requirements.

External Managers are regularly reviewed against the preceding criteria to determine their ongoing suitability for their role.

Where an External Managers is selected and the Managed Fund incurs an additional fee, the impact of this fee must be disclosed annually in writing to AIM.

## 5.8 Managed Fund Investment Manager Selection

Ahuriri Investment Management Ltd (AIM) will be responsible for the appointment of the Fund Investment Managers to assist with the management of the Fund. AIM is responsible for the tender process, selection, and appointment of the Managed Fund Investment Manager . In undertaking this responsibility AIM is expected to apply commercial due diligence practices.

In line with the Management Services Agreement between Council and AIM Council will enter any contractual agreements required.

## 5.9 Expenses

Total costs to operate the Managed Fund should be fair and reasonable. Council has a preference is for a fee only service with all commissions returned to the Managed Fund and reported to AIM.

The Managed Fund Investment Manager is to report to AIM quarterly the breakdown of the total cost of delivery including:

- Managed Fund Investment Management fees,
- Custodial fees,
- Individual and weighted average Management fees, and
- Brokerage and other transaction costs.

Council acknowledge that cost reductions can be achieved through scale.

## 6. Review of the Statement of Investment Policy & Objectives

Council will, in conjunction with AIM, review this SIPO at least annually to determine whether the stated investment objectives are still relevant and it is feasible that they will be achieved. It is not expected that the SIPO will change frequently. In particular, short-term changes in the financial markets should not require adjustment to the SIPO.



Approved by Council:

Name	Position	Date	Version

# PUBLIC POLICY



Investment Policy			
<b>Adoption By</b>	Council		
<b>Department</b>	Corporate Services - Finance		
<b>Original Adoption Date</b>	30 June 2015	<b>Review Adoption Date</b>	
<b>Next Review Deadline</b>	02 February 2027	<b>Document ID</b>	352769
<b>Relevant Legislation</b>	Section 102 and 105 of the Local Government Act 2002		
<b>NCC Docs Referenced</b>			
	Statement of Investment Policies and Objectives (Managed Funds)	DocID TBC	
	Significance and Engagement Policy	DocID 88316	
	Risk Management Policy	DocID1606053	
	Risk Management Framework	DocID TBC	

## Purpose

The Investment Policy is adopted under Section 102(1) and 102(2)(c) of the Local Government Act (LGA) 2002.

LGA Section 105 requires an Investment Policy which “*must state the local authority’s policies in respect of investments, including:*

- *the mix of investments, and*
- *the acquisition of new investments, and*
- *an outline by which investments are managed and reported on to the local authority, and*
- *an outline of how risks associated with investments are assessed and managed”.*

The Investment Policy can be amended and adopted by resolution of Council at any time (LGA section 105 (2) (b)).

## General Investment Objectives

Napier City Council ('**Council**') holds a broad mix of investment assets on behalf of ratepayers. Council seeks to ensure that the following objectives are met, namely that

- investment assets are managed to balance:
  - growth in an annual cash return for the benefit of today's Council and ratepayers; and
  - capital growth for the benefit of future Council and ratepayers;
- responsible investment standards are demonstrated in relation to the management of investment assets; and
- investment assets are managed in an active and prudent way to achieve the above objectives.

Council acknowledges that each investment asset, or group of investment assets, has different return targets and time horizons.

Council utilises experts to support it in the management of some or all its investments.

## Scope

Council has two investment portfolios covered by this policy.

### **NCC Investment Portfolio**

In 2025 Council ring-fenced some its investments assets (the **NCC Investment Portfolio**) with the purpose being "*an inter-generational investment portfolio that builds financial resilience and reduces future reliance on ratepayers for funding activities.*"

For reporting purposes, the formal start date of the NCC Investment Portfolio, as a ring-fenced investment portfolio is 1 July 2025. Schedule 1 sets out the Opening Statement of the NCC Investment Portfolio as at 1 July 2025.

### **Council Investments**

All other investments held by Council that are not part of the NCC Investment Portfolio.

Council may decide to transfer assets from Council Investments to the NCC Investment Portfolio. Council will do this through a Council resolution and inform AIM in line with the terms of the Management Services Agreement between the two organisations.

*[this space has intentionally been left blank]*

## Mix of Investments

Council maintains a mix of investments.

The following table gives an indication of Council's investments and how they are managed. The list of assets defined is indicative and not exhaustive.

	NCC Investment Portfolio	Council Investments
Investment Manager	Ahuriri Investment Management Limited (AIM)	Council
<b>Treasury Investments</b>	Cash and Deposits Bonds and Fixed Interest Instruments	Cash and Deposits Bonds and Fixed Interest Instruments
<b>Property and Land Investments</b>	Leasehold Land Development Land Commercial Property Residential Property Other land-based activities (e.g. forestry)	Land and Buildings held for the operating purposes of Council.
<b>Equity Investments</b>	Listed Equities Private Equity	LGFA Shares
<b>Equity Interests</b>	Shareholding in Hawke's Bay Airport Shareholdings in various CCOs and CCTOs	Shareholding in Omarunui Landfill Shareholdings in various CCOs and CCTOs

## Social Responsibility

Council recognises that as an owner of significant investment assets, social responsibility should be demonstrated in how investment assets are managed.

All assets must be actively managed, considering the social responsibility expected of a reasonable investor.

Externally managed investment assets (such as Managed Funds) must be undertaken with the same social responsibility standards as though the assets were managed directly.

No investment will be directly contrary to the objectives or well beings of the Council.

## NCC Investment Portfolio

### Investment Management

Council has created Ahuriri Investment Management Limited (**AIM**) and appointed AIM its Investment Manager for the NCC Investment Portfolio. AIM is a 100% owned subsidiary and a Council Controlled Trading Organisation (**CCTO**).

AIM must adhere to the Investment Policy in managing the NCC Investment Portfolio.

In developing the investment strategy for the NCC Investment Portfolio, the Investment Manager is expected to consider the NCC Investment Portfolio Purpose and Council's General Objectives as well as considering:

- the mix of assets to achieve growth and income objectives;
- assets being appropriately diversified to provide resilience and buffer Council from the impact of economic cycles and localised disasters; and
- a distribution policy that reflects the asset mix, potential volatility, and balances growth in the annual cash return for Council with capital growth of the NCC Investment Portfolio.

### Regional Benefit

Council acknowledges that natural tension may arise between a commercial focus for the NCC Investment Portfolio and the ratepayer expectations regarding regional benefits and outcomes.

In this context, Council reaffirms the primary objective of the NCC Investment Portfolio, is to make a commercial return for Council. When considering the development and execution of the investment strategy for the NCC Investment Portfolio, the Investment Manager is to apply the following priority order:

1. Providing an annual cash return to Council equivalent to that set in the annual Statement of Intent.
2. Achieving long term capital growth and resilience of the NCC Investment Portfolio for the benefit of future generations of ratepayers.
3. Being a respected partner in the investment community.
4. Being a direct investor in Hawkes Bay (an example being the development of Parklands) and reporting on these regional benefits.

### Financial Performance Measures

The following Financial Performance Measures apply for forecasting and performance reporting purposes.

- **Annual Cash Payment:** This is the payment that AIM will make from the NCC Investment Portfolio to Council. This is represented in dollars.
- **Portfolio Net Return:** This the net investment performance of the total NCC Investment Portfolio and is made up of the gross asset performance less all costs within the ring-fenced NCC Investment Portfolio. It is represented in both an annual dollar and percentage terms.
- **Asset Net Return:** This is like the Portfolio Net results but applied at an asset or asset class level. Costs included in the calculation would only be direct asset costs.

This Investment Strategy is to set out Financial Performance Targets against each Financial Performance Measure. The Strategy and associated Financial Performance Targets are expected to inform input for AIM's annual Statement of Intent and input Council's into annual and long-term planning processes. AIM will report on performance against the measures and targets in its regular reporting to Council.

### Volatility, Valuations and Reserves

The **Inflation-Adjusted Net Value** of the NCC Investment Portfolio is a Strategic Asset under Council's Significance and Engagement Policy. This has been added to affirm the inter-generational purpose of the NCC Investment Portfolio. Being a Strategic Asset means Council



cannot withdraw value from the Inflation-Adjusted Net Value NCC Investment Portfolio without considering of the Council's Significance and Engagement Policy.

Council acknowledges that, by their nature, investment portfolios can be volatile, and the value will naturally go up and down over time. This may mean that at points in time the **Total Net Value** is less than the starting value or the Inflation-Adjusted Net Value. This does not mean something is wrong or that the fund is failing - it's a normal part of investment cycles. The goal is to grow the value of decades not just year to year.

The distribution policy, that is to form part of the investment strategy, will consider volatility as part of balancing the growth in the annual cash return for Council with capital growth of the NCC Investment Portfolio.

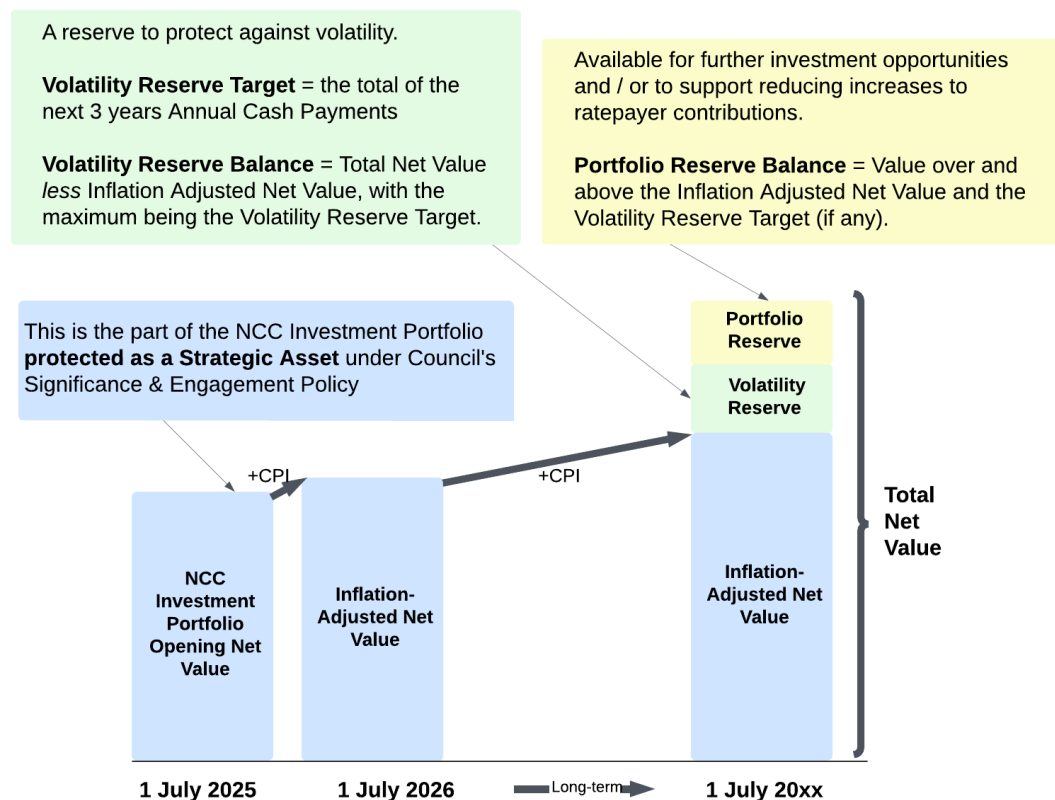
The Inflation-Adjusted Net Value is to be calculated annually as the opening Inflation-Adjusted Net Value at the prior 1 July plus annual inflation. Inflation is to be based on Statistics New Zealand Consumer Price Index (CPI) for the 12 months to 30 June. If a new asset is added to the portfolio part way through a year, the inflation adjustment for that asset is to be pro-rated.

To protect against a short-term volatility and create certainty for the **Annual Cash Payment** from the NCC Investment Portfolio to Council, a **Volatility Reserve** will be created. The **Volatility Reserve Target** will be equal to next three-years Annual Cash Payments, as set out in AIM's annual Statement of Intent.

Council acknowledges that it could take several years for the **Volatility Reserve Balance** to build up to achieve the Volatility Reserve Target. Council also acknowledges that if the Total Net Value is less than the Inflation-Adjusted Net Value, the Volatility Reserve Balance will be negative.

When the Volatility Reserve Target is achieved, any net value over and above this will be reported as a **Portfolio Reserve**.

*Diagram 1: A summary of the NCC Investment Portfolio values and reserves.*



## Risk Management

The NCC Investment Portfolio is representative of public funds. Council's Investment Manager should seek to take measured risk that has adequate expected return compensation supportive of the inter-generational balance between current and future ratepayers. This includes seeking, where possible, to manage risk. Council acknowledges that investing solely in capital stable investments exposes the portfolio to the risk of inflation and is willing to accept some risk to increase expected return.

Council expects AIM to manage the NCC Investment Portfolio in accordance with the Risk Management Framework and Risk Management Policy.

Council expects risks to be managed by AIM, firstly at a whole of NCC Investment Portfolio level, and secondly at an asset class level. Risk management will form part of the reporting of AIM to Council for the NCC Investment Portfolio.

## Acquisitions or Disposal Assets

Council has made AIM responsible for the investment decisions of the NCC Investment Portfolio.

AIM may diversify assets within the NCC Investment Portfolio to achieve the objectives set by Council. Through this the individual assets of the NCC Investment Portfolio are expected to change over time as individual assets are sold, and new assets are acquired.

In considering asset transactions for the NCC Investment Portfolio, AIM is expected to exercise sound commercial judgement, comply with relevant legislation, consider relevant Council

policies, and consider the impact of a transaction in the context of the objectives of NCC Investment Portfolio as a whole.

Where a specific investment asset is named as Strategic Asset (e.g. Hawkes Bay Airport Shares) Council's **Significance and Engagement Policy**, then that Policy and the LGA must be followed in relation to any disposal.

### 1 Commercial leasehold

The commercial leasehold land set out in the Opening Statement (Appendix 1) is land originally established from:

- Properties transferred to Council from the Hawke's Bay Harbour Board as part of the Local Government reorganisation in 1989.
  - The reason for the transfer was to provide an income generating asset to offset the liability associated with the upkeep of the Inner Harbour and Foreshore Reserves, which transferred at the same time.
  - The income generated from these properties has historically been applied by Council to fund in part the cost associated with these activities.
  - To support Council's compliance with the Hawke's Bay Endowment Land Empowering Act 2002, it is necessary to track all operating income, sale income, and expenditure related to commercial leasehold land in a manner that meets the Act's provisions.
  - The ability to transact is subject to the Hawke's Bay Endowment Land Empowering Act 2002.
- Properties already owned by Council as a result of land development in conjunction with the Harbour Board.
- Other sundry properties which have been owned by Council for many years.
- Endowment Properties - some of the properties in the portfolio are subject to the Napier Borough Endowments Act 1876 and before freeholding of these can occur any requirements under that Act and Sections 140 and 141 of the Local Government Act 2002 must be satisfied

To support Council's compliance with the Hawke's Bay Endowment Land Empowering Act 2002, it is necessary to track all operating income, sale income, and expenditure related to commercial leasehold land in a manner that meets the Act's provisions.

### Managed Funds

Within the NCC Investment Portfolio, some of the assets and asset classes may be managed by a professional third-party fund manager. This Managed Fund arrangement may include directly held or pooled investments in various asset such as shares, bonds, and property and may include offshore investments and currency. Assets managed through this arrangement are subject to Council's Statement of Investment Policies and Objectives (**Managed Fund SIPO**)

### Council Equity Interests

For Council Equity Interests within the NCC Investment Portfolio AIM will in line with the LGA:

- Write and issue a Statement of Expectations
- Respond to Draft Statement if Intent from the Entity

- Correspond as needed with the Entity
- Receive investment and strategic presentations from the Entity
- Vote at the Entity Annual General Meeting on matters not affecting the level of shareholding of Council.

Where AIM is the appointed investment manager for a CCO and CCOs AIM must consult Council where:

- There is a change affecting the Council shareholding in an Entity;
- AIM proposes a change in Council shareholding of an Entity,
- Where an Entity proposes a transaction impacting the level of investment by Council.

## Council Investments

### Risk Management

Council acknowledges that the holding of investment assets carries risk.

Council wishes to ensure that the returns provided by each asset adequately compensated Council for the risk taken in owning the asset.

Council will manage its investments in accordance with the Risk Management Framework and Risk Management Policy.

### Acquisition or Disposal of Investments

Except for treasury investments, or where delegation has been given to Council officers new investments are acquired and divestment are made if an opportunity arises and approval is given by the appropriate Council committee, based on advice and recommendations from Council officers.

Before approving any new investments, Council gives due consideration to the contribution the transaction will make in fulfilling Council's strategic objectives, and the financial risks owning the investment or making the divestment.

Where a specific investment asset is named as Strategic Asset (e.g. Hawkes Bay Airport Shares) Council's **Significance and Engagement Policy**, then that Policy and the LGA must be followed in relation to any disposal.

### Asset Specific Considerations

Set out below are some asset investment considerations that apply to Council Investments.

#### Council Equity Interests

Council holds Equity Interests in entities held for various strategic, economic development and financial objectives, as outlined in the Long-Term Plan (LTP).

Council's Equity Interests include:

- Shares in Omarunui Landfill Operation; and
- 100% shareholding in Ahuriri Investment Management Limited.

For Council Equity Interests classed as Council Investments except for specific ringfencing provisions for some assets (e.g; Omarunui Landfill), dividends received and proceeds from

the disposition of equity investments are used to repay debt, to invest in new assets or investments or any other purpose that is considered appropriate by Council.

For Council Equity Interests Council will in line with the LGA:

- Write and issue a Statement of Expectations
- Respond to Draft Statement if Intent from the Entity
- Correspond as needed with the Entity
- Receive investment and strategic presentations from the Entity
- Vote at the Entity Annual General Meeting on matters not affecting the level of shareholding of Council.

### **New Zealand Local Government Funding Agency Limited (LGFA)**

Council consulted on, and became a member of, the LGFA in March 2020.

Council may invest in shares and other financial instruments of the LGFA and may borrow to fund that investment.

Council's objective in making any such investment will be to:

- Obtain a return on the investment.
- Ensure that the LGFA has sufficient capital to remain viable, meaning that it continues as a source of investment and/or debt funding for the Council.

Council may invest in LGFA bonds and commercial paper as part of its financial investment portfolio.

As a borrower, Council's investment is recognised through shares and borrower notes. As an investor in LGFA shares and as a Guarantor, Council subscribes for uncalled capital in the LGFA.

### **Property Investments**

Council owns property that is necessary to achieve its strategic or commercial objectives or deemed to be a core Council function. Council therefore may retain an investment in investment property, car parking, and rental and retirement housing.

Property purchases are supported by registered valuations and, where appropriate, a full business case analysis. Council does not purchase properties on a speculative basis.

Council provides car parking facilities which are operated on a commercial basis.

Property disposals are managed to ensure compliance with statutory requirements. Disposition proceeds from sale of property investments are treated according to each of the following classes of property:

#### **General Land**

Disposition proceeds from the sale of General Land (including Roding Land) are used firstly to retire any debt related specifically to that investment prior to use for other purposes.

#### **Investment Property**

Outside of development property, Council may own property to generate commercial returns for the benefit of the city. Prior to acquisition of investment property, a financial assessment to determine reasonable price and likely returns generated from ownership must be conducted. Regular reviews of investment property must be conducted to ensure ongoing financial viability of ownership.

### **Treasury Investments – Cash & Fixed Interest Investments**

Please note that Local Government Funding Agency borrower notes, bonds and commercial paper are discussed elsewhere in this policy.

Council maintains treasury investments for the following primary reasons:

- to invest amounts allocated to loan redemption reserves, trusts, bequests, and special funds.
- to invest surplus cash and working capital funds.

### **Treasury Investment Philosophy and Objectives**

Council's philosophy in the management of treasury investments is to optimise its capital protection and liquidity objectives while balancing risk and return considerations. Council recognises that as a responsible public authority any investments that it does hold should be low risk. It also recognises that lower risk generally means lower returns.

To provide the greatest benefit, Council utilises its surplus internal funds for internal borrowing to reduce external debt, thus effectively reducing net interest costs.

Council's primary objective when investing is the protection of its investment capital and liquidity of its investment. Accordingly, only creditworthy counterparties are acceptable. Creditworthy counterparties are selected on the basis of their current Standard and Poor's (S&P) or equivalent rating, which must be A- rated or better. Exposure to investments below a strong rating (A rated) are not recommended due to Councils Risk Framework and financial risk appetite.

To avoid undue concentration of exposures, treasury investments/financial instruments should be used with a suitable range of counterparties as practicable. Where possible, transaction notional and principal sizes and maturities should be well spread.

Within allowable credit constraints, Council also seeks to:

- Ensure investments are liquid.
- Maximise investment return.
- Manage potential capital losses due to interest rate movements and interest break costs if investments need to be liquidated before maturity.

### **Cash**

Cash is defined as money held (physical or in a NZ registered bank) and term deposits.

A cash balance is maintained for liquidity purposes to meet operational needs. Council has daily cashflow surpluses and borrowing requirements due to the mismatch of daily receipts and payments.

If practical, a targeted minimum of \$5,000,000 is held at call to meet day-to-day operational cashflow requirements.

Term deposits must be held with NZ registered banks. Maturities are staggered to provide day-to-day cashflow requirements and to avoid early break penalties. Not more than \$40,000,000 may be held with any one bank at any point in time.

Overdraft facilities are utilised as little as practical. Council maintains a \$300,000 committed bank overdraft facility to meet interim cash and liquidity requirements.

### **Cash Interest Rate/Maturity Guide**

An important objective of the Council Investments portfolio is to match the portfolio's maturity term to planned expenditure, thereby ensuring that investments are available when required. This should be considered before applying the maturity guide (discussed below).

The following maturity guide is designed to manage interest rate risk and maturity risk on the treasury investment portfolio. The portfolio comprises both cash and fixed interest investments. Cash investments relate to matching investments with Council's working capital funding requirement and liquidity buffer amount requirements.

Period	Minimum	Maximum
0-6 months	30%	80%
6-12 months	20%	70%
1-3 years	0%	50%
3-5 years	0%	20%

#### Cash - Foreign Exchange Policy

Council has foreign exchange exposure through the occasional purchase of foreign exchange denominated assets approved through the capital planning process. Generally, all commitments over NZ\$100,000 equivalent are hedged using forward foreign exchange contracts, once expenditure is approved, the purchase order is placed, and the exact timing and amount is known. Council uses both spot and forward foreign exchange contracts.

Council does not borrow or enter into incidental arrangements, within or outside New Zealand, in currency other than New Zealand currency.

#### **Fixed Interest**

Fixed interest is defined as debt instruments (other than those defined as cash). Fixed interest can include, but is not limited to, bonds, commercial paper, etc.

Fixed interest may be used to supplement cash investments where terms are more favourable than those offered for cash investments or where timeframes are greater than 5 years.

Council preference is for plain vanilla bonds although other structures may be considered on a case-by-case basis. All secured and unsecured investment securities should preferably be senior in ranking. The following types of investment instruments are expressly prohibited:

- No asset-backed securities are allowed
- Structured debt (e.g; CDOs, CLOs or synthetic instruments)
- Subordinated debt or unsecured junior debt
- Perpetual notes
- Debt/equity hybrid notes such as convertibles

#### Fixed Interest - Credit, Liquidity and Interest Risk Management

- Credit risk is minimised by placing limits for each broad class of non-Government issuer.

- Liquidity / Maturity risk is minimised by managing maturity terms within policy limits and ensuring that all negotiable investments are capable of being liquidated in a readily available secondary market.
- Interest Rate risk is minimised by investing in fixed rate bonds and bank term deposits spread over a range of maturity terms.

**Fixed Interest - Credit, Liquidity and Interest Risk Management**

- Credit risk is minimised by placing limits for each broad class of non-Government issuer.
- Liquidity / Maturity risk is minimised by managing maturity terms within policy limits and ensuring that all negotiable investments are capable of being liquidated in a readily available secondary market.
- Interest Rate risk is minimised by investing in fixed rate bonds and bank term deposits spread over a range of maturity terms.

**Fixed Interest - Counterparty Limits**

Counterparty credit risk is the risk of losses (realised or unrealised) arising from a counterparty defaulting on a financial instrument where Council is a party. The credit risk to Council in a default event will be weighted differently depending on the type of instrument entered into. Limits should be spread amongst a number of counterparties to avoid concentrations of credit exposure. Credit ratings are as determined by Standard and Poor's, or equivalent rating. If any counterparty's credit rating falls below the minimum specified in the following table, then all practical steps are taken to eliminate the credit exposure to that counterparty as soon as practicable.

Fixed Issuers	Interest	Approved Instruments	Minimum Credit Rating (S&P)	Maximum per Counterparty	Maximum % of Total Fixed Interest Portfolio
NZ Government		Treasury bills Government stock	N/A	Unlimited	100%
NZ Local Government Funding Agency		LGFA Fixed and Floating Rate Bonds Promissory notes / Commercial paper Borrower Notes	N/A	\$40.0m	50%
State-Owned Enterprises and Local Authority		Promissory Notes / Commercial Paper, Fixed Rate Bonds	A-	\$5.0m	40%
Corporate Bonds	Listed	Commercial Paper, Fixed Rate Bonds	A-	\$5.0m	70%

**Loan Advances**

Council may provide advances to CCOs, charitable trusts and community organisations for strategic and commercial purposes only. New loan advances are by Council resolution only.



As outlined in Section 63 of the Local Government Act 2002, Council does not lend money, or provide any other financial accommodation to a CCO on terms and conditions that are more favourable to the CCO than those that would apply if Council were (without charging any rate or rate revenue as security) borrowing the money or obtaining the financial accommodation.

Loan advances are generally provided on an unsecured basis. Where possible, Council seeks security through a mortgage over land and buildings.

Council reviews performance of its loan advances on a regular basis to ensure strategic and economic objectives are being achieved.

### Investment Management and Reporting Procedures

Council's investments are managed on a regular basis, with sufficient minimum immediate cash reserves and a cash buffer maintained. The daily cash position is monitored and managed through the Daily Cash Position Report, and long term cashflow through the annual Cashflow Forecast. To maintain liquidity, Council's short- and long-term investment maturities are matched with Council's known cashflow requirements.

The performance of Council investments is regularly reviewed to ensure Council's strategic objectives are being met. Both performance and policy compliance are reviewed. Internal investment reports are a vital management tool and, depending on their nature, are produced on a daily, weekly, monthly, quarterly, or annual basis. The results are summarised and reported to Council on a quarterly and annual basis.

## Policy Review

The review timeframe of this policy will be no longer than every 3 years.

## Document History

Version	Reviewer	Change Detail	Date
1	Investment and Funding Manager	NCC Long Term Plan 2015-2025, wording below was reviewed between March and May 2018, and published in the Long-Term Plan 2018-2028	2019
2	Investment and Funding Manager	No change	May 2020
3	Investment and Funding Manager	Significantly restructured with provision for SIPO added.	May 2022
4	Corporate Finance Manager	Significantly restructured with provision for a CCO/CCTO to invest and expansion of additional property assets for investment.	January 2024
5	Programme Manager– Transformation / Corporate Finance Manager	Simplification and more clearly integrate Ahuriri Investment Management Limited.	July 2025
6	Business Performance & Data Manager	Small edits to simplify and clarify matters in relation to leasehold land and risk management.	September 2025

## Schedule 1:NCC Investment Portfolio Opening Statement at 1 July 2025

**Note: Values shown are indicative only and will be updated by the Deputy Chief Executive following the approval of the 30 June 2025 Financial Statements and the completion of ring-fencing the NCC Investment Portfolio within Council's financial system.**

Asset group	Component	Opening Value at 1 July 2025
Commercial Leasehold Land	Book value of assets set out in Table 1.	\$89.1m
	A ring-fenced revaluation reserve that reflects the variance between the book value and a market value on 30 June 2025.	Formal Valuation 30 June 2025
	Reserve 953 – Investment Property Portfolio Sale Account balance on 30 June 2025	~\$5.5m Indicative value at March 2025
	<b>TOTAL</b>	<b>~\$94.6m</b>

Surplus Land	Book value of assets set out in Table 2.	\$26.4m
	A ring-fenced revaluation reserve that reflects the variance between the book value and a market value on 30 June 2025	Formal Valuation 23 November 2024
	<b>TOTAL</b>	<b>\$26.4m</b>

Parklands Residential Development Area 3 and 4	Area 3 and 4 inventory values at 30 June 2025	\$26.2m
	A ring-fenced revaluation reserve that reflects the variance between the inventory value and a market value on 30 June 2025	TBC
	Reserve 888 – Parklands balance on 30 June 2025. This is expected to be negative and reflects the working capital debt for the development	~(\$12.5m) Indicative value at 30 June 2025
	<b>TOTAL</b>	<b>\$13.7m + TBC</b>

HB Airport Shares	26% Shareholding in Hawke's Bay Airport Limited	~\$14.6m B/Sheet value at 30 June 2024
	<b>TOTAL</b>	<b>~\$14.6m</b>

Managed Funds	Opening balance	\$0
	<b>TOTAL</b>	<b>\$0</b>

Working capital debt balance	Facility balance	\$30m
	Facility utilised by Parklands reserve 888	~(\$12.5m)
	<b>Available Balance</b>	<b>\$17.5m</b>

<b>Indicative Total (excl. available debt balance)</b>	<b>\$149.4m</b>
--	-----------------

**Table 1: Commercial Leasehold Land**

Set out below is a table of leasehold land addresses and their associated legal descriptions. This list was approved by Council on 12 December 2024 and endorsed on [date].

ADDRESS	LEGAL DESCRIPTION	ADDRESS	LEGAL DESCRIPTION
		<b>ONEKAWA</b>	
52- 54 West Quay / GO2 1 Lever Street	LOT 1 DP 321505	8 Austin Street	LOT 6 DP 8016
88 Meeanee Quay	SEC 6 SO 541581	16 Austin Street - title 1	PT LOT 1 DP 6211
10 West Quay	LOT 11 DP 11303	16 Austin Street - title 2	PT LOT 1 DP 8078
14 West Quay	LOT 1 DP 10748	39A Austin Street	LOT 2 DP 10199
26 West Quay	LOT 1 DP 27094	8 Cadbury Road	LOT 1 DP 10574
32 West Quay	TN SEC 767 NAPIER	34 - 36 Carnegie Road	LOT 2 DP 27597
34 West Quay	TN SEC 601 NAPIER	1 Dunlop Road	LOT 1 DP 8815
48 West Quay	LOT 1 DP 478162	2 Dunlop Road	LOT 7 DP 8953
56 West Quay	LOT 2 DP 6122	15 Dunlop Road	LOT 2 DP 8815
40 West Quay	LOT 2 DP 478162	33 Dunlop Road	LOT 2 DP 8553
60 Nelson Quay	LOT 1 DP 23082	53 Dunlop Road	LOT 2 DP 11357
<b>AHURIRI OTHER</b>		55 Dunlop Road	LOT 1 DP 11357
14 Bridge Street	LOT 2 DP 17631	57 Dunlop Road	PT LOT 1 DP 7860
16 Bridge Street	LOT 1 DP 17631	26 Edmundson Street	LOT 2 DP 11863
22 Bridge Street	TN SEC 610 NAPIER	6 Ford Road	LOT 3 DP 9474
72 Bridge Street	PT LOT 1 DDP 135	10 Ford Road	LOT 4 DP 9474
4 - 8 Hardinge Road	LOT 1 DP 26638	19 Ford Road	LOT 2 DP 14158
<b>PANDORA</b>		23 Ford Road	LOT 1 DP 14158
22 Thames Street	LOT 101 DP 12262	68 Wakefield Street	LOT 3 DP 10199
26 Thames Street	LOT 102 DP 12262	27 - 29 Cadbury Road	LOT 5 DP 9971
28 Thames Street	LOT 103 DP 12262	4 Cadbury Road	LOT 12 DP 10199
30 Thames Street	LOT 105 DP 12262	6 Cadbury Road	LOT 13 DP 10199
36 Thames Street	Lot 106 DP 12262	64 Wakefield Street	LOT 5 DP 10199
38 Thames Street	LOT 107 DP 12262	16 Austin Street - title 3	PT LOT 2 DP 8078
54 Thames Street	LOT 115 DP 12262	108 Niven Street	LOT 14 DP 12936
60 - 62 Thames Street	LOT 119 DP 12262	18 - 20 Austin Street	Section 4 SO 502169
64 Thames Street	LOT 120 DP 12262	29 Leyland Street	LOT 14 DP 10199
40 Thames Street - title 1	Lot 108 DP 12262	<b>OTHER</b>	
40 Thames Street - title 1	Lot 108 DP 12262	9 Owen Street	LOT 5 DP 5319
44 Thames Street	Lot 110 DP 12262	156 Wellesley Road	PT TN SEC 314 NAPIER
46 Thames Street	Lot 112 DP 12262	160 Wellesley Road	PT TN SEC 569 NAPIER
50 Thames Street	Lot 113 DP 12262		
52 Thames Street	Lot 114 DP 12262		
56 Thames Street	LOT 1 DP 14069		
68 Thames Street	LOT 1 DP 15012		
52 - 54 Pandora Road	LOT 1 DP 15945		
34 Thames Street	LOT 105A DP 12809		
66 Thames Street	LOT 2 DP 17336		
1-35 / 82 Thames Street	LOT 93 DP 16785		
84 Thames Street	LOT 94 DP 16785		
88 Thames Street	LOT 95 DP 16785		

**Table 2: Surplus Land**

Set out below is a table of leasehold land addresses and their associated legal descriptions. This list was approved by Council on 12 December 2024.

398 Prebensen Drive, Tamatea excluding land previously designated for	Lot 1 DP 14906
17 Allen Berry Avenue, Pirimai	Lot 126 DP 11689
11 Hospital Terrace, Napier Hill	Lot 100 DP 493568
5 Tangaroa Street, Ahuriri	Lot 2 DP 17736
115 Battery Road, Ahuriri	Lot 11 DP 556903
113 Battery Road, Ahuriri	Lot 158 DP 4703
111 Battery Road, Ahuriri	Lot 157 DP 4703