



NAPIER
CITY COUNCIL

Te Kaunihera o Ahuriri

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ORDINARY MEETING OF COUNCIL

Open Agenda

Meeting Date: Thursday 9 April 2026

Time: 9:30 am

Venue: Large Exhibition Hall
War Memorial Centre
Marine Parade
Napier

Livestreamed via Council's YouTube Channel

Council Members **Chair:** Mayor McGrath

Members: Deputy Mayor Taylor and Councillors Brownlie, Chrystal, Crown, Isaac-Sharland, Lawrence, Mawson, Morley, Price, Raihania and Simpson

Officer Responsible Chief Executive

Administrator Governance Team

Next Council Meeting
Thursday 7 May 2026

2025-2028 TERM OF REFERENCE - COUNCIL

<i>Chairperson</i>	<i>Mayor</i>
<i>Deputy Chairperson</i>	<i>Deputy Mayor</i>
<i>Membership</i>	<i>All elected members</i>
<i>Quorum</i>	<i>6</i>
<i>Meeting frequency</i>	<i>At least 6 weekly and as required</i>
<i>Executive</i>	<i>Chief Executive</i>

Purpose

The Council is responsible for:

1. Providing leadership to and advocacy on behalf of the people of Napier.
2. Ensuring that all functions and powers required of a local authority under legislation, and all decisions required by legislation to be made by local authority resolution, are carried out effectively and efficiently, either by the Council or through delegation.

Terms of Reference

The Council is responsible for the following powers which cannot be delegated to committees, subcommittees, officers or any other subordinate decision-making body¹:

1. The power to make a rate
2. The power to make a bylaw
3. The power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term plan
4. The power to adopt a long-term plan, annual plan, or annual report
5. The power to appoint a chief executive
6. The power to adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the long-term plan or developed for the purpose of the local governance statement, including the 30-Year Infrastructure Strategy
7. The power to adopt a remuneration and employment policy.
8. The power to establish a joint committee with another local authority or other public body².
9. The power to approve or change the District Plan, or any part of that Plan, in accordance with the Resource Management Act 1991.
10. The power to make the final decision on a recommendation from the Parliamentary Ombudsman, where it is proposed that Council not accept the recommendation.

¹ Schedule 7, clause 32. Local Government Act 2002.

² Schedule 7, clause 30A

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11. The power to make a final decision whether to adopt, amend, revoke, or replace a local Easter Sunday shop trading policy, or to continue a local Easter Sunday shop trading policy without amendment following a review.³

Delegated Power to Act

The Council retains all decision making authority, and will consider recommendations of its committees prior to resolving a position.

Specific matters that will be considered directly by Council include without limitation unless by statute:

1. Direction and guidance in relation to all stages of the preparation of Long Term Plans and Annual Plans
2. Approval or amendment of the Council's Standing Orders⁴.
3. Approval or amendment the Code of Conduct for Elected Members⁵.
4. Appointment and discharging of committees, subcommittees, and any other subordinate decision-making bodies⁶.
5. Approval of any changes to the nature and delegations of any Committees.
6. Appointment and discharging of members of committees (as required and in line with legislation in relation to the role and powers of the Mayor) ⁷.
7. Approval of governance level strategies, plans and policies which advance council's vision and strategic goals.
8. Resolutions required to be made by a local authority under the Local Electoral Act 2001, including the appointment of an electoral officer.
9. Reviewing of representation arrangements, at least six yearly⁸.
10. Approval of any changes to city boundaries under the Resource Management Act.
11. Appointment or removal of trustees, directors or office holders to Council's Council-Controlled Organisations (CCOs) and Council Organisations (COs) and to other external bodies.
12. Approval the Local Governance Statement as required under the Local Government Act 2002.
13. Approval of the Triennial Agreement as required under the Local Government Act 2002.
14. Allocation of the remuneration pool set by the Remuneration Authority for the remuneration of elected members.
15. To consider and decide tenders for the supply of goods and services, where tenders exceed the Chief Executive's delegated authority, or where projects are formally identified by Council to be of particular interest. In addition, in the case of the latter, milestone reporting to Council will commence prior to the procurement process.

3 Shop Trading Hours Act 1990, section 5D.

4 Schedule 7, clause 27,

5 Schedule 7, clause 15,

6 Schedule 7, clause 30,

7 Schedule 7, clause 30,

8 Local Electoral Act 2001, section 19H.

ORDER OF BUSINESS

Karakia

Apologies

Conflicts of interest

Public forum

Announcements by the Mayor including notification of minor matters not on the agenda

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

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

Announcements by the management

Confirmation of minutes

That the Draft Minutes of the Ordinary Meeting of Council held on Thursday, 19 March 2026 be confirmed as a true and accurate record of the meeting.205

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

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AGENDA ITEMS

1. RECOMMENDATIONS FROM NAPIER'S FIRST CITIZENS' ASSEMBLY

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1904292
<i>Reporting Officer/s & Unit:</i>	Jess Soutar-Barron, Communications and Engagement Team Leader Danica Rio, Senior Advisor Corporate Planning

1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

- 1.1 Napier City Council conducted its first Citizens' Assembly between September and October 2025 to inform early-stage thinking on the future of the Napier Aquatic Centre, a project that has previously been subject to significant public debate, a halted redevelopment, and a judicial review.
- 1.2 Forty residents, selected through a stratified random process to ensure 'Napier in a Room' from a demographic perspective (known as sortition) from 652 applicants, deliberated over four Saturdays on the question: *What type of aquatic facility would best meet the needs, values, and priorities of the Napier community, and where should it be located?*
- 1.3 The Assembly recommends a community-focused, multipurpose facility that balances leisure, recreation, and health and wellbeing. Affordability for users and ratepayers, genuine accessibility and long-term sustainability are identified as the values that should guide design and delivery.
- 1.4 On location, the Assembly did not identify a preferred site due to insufficient information, but recommends Council explore alternative sites assessed against principles including accessibility, transport connectivity, value for money and resilience to natural hazards.
- 1.5 The Assembly's recommendations are now presented to Council. Officers seek direction to develop a project plan that takes these recommendations as the foundation for the next phase of the Napier Aquatic Centre development project.
- 1.6 Officers preferred option is Council receives the recommendations from the Citizens' Assembly and directs officers to develop a project plan for the future of the Napier Aquatic Centre.

2.0 Recommendations - Ngā Tūtohunga

That Council

- a. **Receives** the report titled Recommendations From Napier's First Citizens' Assembly dated 09 April 2026.
- b. **Receive** the recommendations from Napier's First Citizens' Assembly.

- c. **Direct** officers to develop and come back to Council with a project plan for the future of the Napier Aquatic Centre development project so work can begin on taking the recommendations from the Citizens' Assembly into consideration as part of the preparation for the Long Term Plan 2027-2037.

3.0 Background - *Ngā Tuāpapa*:

3.1 A Citizens' Assembly is a form of deliberative democracy where a group of residents, selected through a stratified random process (known as sortition), come together to hear evidence, deliberate, and make recommendations on a significant civic issue. The concept originated in ancient Athenian democracy and has evolved globally, with notable examples in Ireland, Canada, Australia, and New Zealand. Rather than relying solely on traditional submission and consultation methods, the Assembly introduces a deliberative approach, where informed and diverse voices work through complex issues together in a structured and supported process. This model:

3.2 • Ensures representation from people not typically engaged in council processes,

3.3 • Strengthens civic trust by empowering residents to directly influence key decisions,

3.4 • Builds a more inclusive democratic foundation by prioritising equity, diversity, and lived experience,

3.5 • Aligns with Council's strategic priority to deepen community relationships and improve engagement practices.

3.6 ***Why did Council hold a Citizens' Assembly and what was it about?***

The decision to run Napier's first Citizens' Assembly came from a desire to open up community engagement beyond quantitative methods and provide the community with new and additional opportunities to actively contribute to Council projects and initiatives. It also aimed to break down barriers to inclusion and improve trust and understanding of Council processes.

Since the future of the Napier Aquatic Centre has been subject to extensive public debate, a halted redevelopment project and a judicial review, Council wanted to ensure they started engaging with the community in the very early stages of the project this time around and so the below remit was approved on 31 July 2025:

What type of aquatic facility would best meet the needs, values, and priorities of the Napier community and where should it be located?

The Assembly's recommendations help Council:

- Understand community preferences before detailed planning for the future of the Napier Aquatic Centre development project begins,
- Identify key public concerns and aspirations,
- Ensure future LTP proposals and community engagement for the redevelopment project are built on community-informed foundations,
- Demonstrate transparency and shared ownership of decisions.

The recommendations from the Citizens' Assembly can directly inform the early-stage thinking for the future of the Napier Aquatic Centre development project.

Overview of process

The Citizens' Assembly process was led by Napier City Council with support from consultants selected through a procurement process. Consultants included the team from local company FOLKL supported by experts in deliberative democracy from Auckland and Melbourne. Oversight of the project came from a Design Group made up of representatives from Napier

City Council, Napier Youth Council, disability support groups, multicultural organisations, council staff and kaumatua.

Consultants and the Design Group oversaw the process of identifying an appropriate remit, the public promise made by the council and the process of selection of participants. The remit was workshopped by a small group of councillors supported by staff.

A call for applications to Napier's first Citizens' Assembly began in July and ran through August. Recruitment invitations were sent to every household in Napier and an awareness campaign was launched across multiple channels. Six-hundred and fifty-two applications were received and a sortition process selected 40 people representing the demographics of Napier.

Assembly participants were welcomed at Pukemokimoki Marae on 3 September.

Napier's first Citizens' Assembly took place over four Saturdays from 13 September 2025 to 4 October 2025 at Napier War Memorial Centre. The first two sessions centred on learning with a number of speakers presenting on various aspects of aquatic facilities and community needs, as well as giving a snapshot of future Napier. This discovery phase included a tour of existing aquatic facilities in the region. Sessions three and four focused on deliberation. Assembly participants drafted and refined recommendations to council across the full remit culminating in a presentation of their recommendations to council representatives. Recommendations were published on the Napier Citizens Assembly website (napierassembly.nz). A media release was issued to support media activities that included two journalists following the process including spending time observing the work of the Assembly. Members of the Citizens' Assembly attended the council workshop in which the Assembly's recommendations were initially shared with elected members for questions and discussion.

Summary of recommendations

The Citizens' Assembly recommendations have two parts as well as a Minority Report. The first part recommends the type of facility that would best meet the needs, values and priorities of Napier. The Assembly recommends a community focused facility with leisure, recreation and wellbeing areas. The recommendation provides a list of 'must-haves' in order of priority as well as some 'nice to have' features and some low priority activities. The recommendation provides rationale and cites references taken from the subject-matter experts who presented to the Assembly during their discovery phase.

The second part of the recommendation focuses on the location of a future aquatic facility. During the discovery phase of the Assembly this was an area where the Assembly felt they did not have enough information to make clear recommendations. Eighteen locations were presented to the Assembly with feasibility studies completed for only two of these sites: Prebensen Drive and Onekawa Park. Additional information was provided on all 18 sites in line with the locations criteria set out by the Assembly.

The Assembly set out criteria for site selection following a set of principles:

- Accessible to those who will use the facility
- Serviced by public and affordable transport options
- High value for money
- Able to support the facility with opportunities for future development
- Safe from natural hazards

The Assembly noted the importance of the following when considering suitable locations:

- Transport
- Sufficient parking
- Space to grow / room for expansion
- Walking distance for approximately six schools
- Close to shopping centre

- Original site or close proximity to the current site due to its central location

The Assembly also highlights in their recommendation that they have used the guiding principles provided to them to assess and consider potential sites and deem the following as appearing to meet the principles based on information provided to them:

- Park Island
- Onekawa
- Marewa

The Minority Report contains two recommendations:

1. That Council retains Citizens' Assembly 'voice' in future Napier Aquatic Centre discussions.
2. That future aquatic facilities need to be sustainable over time in regard to the building and the costs associated with running it.

4.0 Discussion - *Ngā Whakamārama:*

- 4.1 Napier's First Citizens' Assembly was a watershed for deliberative democracy endeavours in Napier and signalled an intention to strengthen and deepen community engagement. It was a resource- and time-intensive undertaking, however comprehensive community engagement is vital to ensure community voice early on in planning for a new aquatic facility. Learnings from the Assembly can be incorporated into community engagement activities and processes particularly within the context of the Long-Term Plan 2027-37.
- 4.2 The Citizens' Assembly process was an intensive engagement process that will complement and enhance wider community consultation that will be undertaken on the Napier Aquatic Centre development project as it progresses further.
- 4.3 A summary of the Citizens' Assembly recommendations is as follows. The full Recommendations From The Assembly document is attached.

Facility Type

The Assembly recommends a community-focused, multipurpose aquatic facility balancing leisure, recreation, and health and wellbeing. The facility should not remove any services currently provided at the existing Napier Aquatic Centre. Competitive facilities (such as those at Hastings Sports Park) are considered out of scope.

Location

The Assembly did not have sufficient information to recommend a specific site but provided guiding principles: the facility should be accessible to its primary users (close to schools, homes, and high-density areas); well-served by public and private transport; and deliver high value for ratepayer money. Technical requirements include capacity for future expansion and resilience to natural hazards. Based on information provided, Park Island, Onekawa, and Marewa were noted as example sites that appear to meet the principles.

If the facility moves from its current site, the Assembly asks Council to consider reuse options for smaller buildings at the existing Onekawa location.

Guiding Values

All recommendations should be guided by affordability, accessibility, cultural awareness (including Te Tiriti o Waitangi obligations), sustainability, and leisure and functionality.

Minority Recommendations

Two minority reports were also submitted. The first recommends that the Citizens' Assembly voice be retained as an ongoing community advocacy group to continue contributing to the project. The second emphasises long-term financial sustainability, including cost-effective engineering, sustainable materials, a retractable roof on a secondary pool, and funding options such as government grants, selling NCC assets, community bonds, and sponsorship.

5.0 Options - *He kōwhiringa anō*:

5.1 Option One - Recommended Option

a. Receive the recommendations from Napier's First Citizens' Assembly and direct officers to develop and come back to Council with a project plan for the future of the Napier Aquatic Centre development project so work can begin on taking the recommendations from the Citizens' Assembly into consideration.

Advantages

- This option will set a solid foundation for pre-engagement on the topic ahead of Long-Term Plan preparation. It demonstrates goodwill towards those community members who actively participated in the Citizens' Assembly and respects the time and consideration they put into the process and the remit.
- Enables officers to begin work on preparing options for Council to consider as part of the LTP development process.

Disadvantages

- This option may create an expectation of future community engagement at this standard and level of detail and resource allocation.

5.2 Option Two – Status Quo

b. Receive the recommendations from Napier's First Citizens' Assembly without directing officers to develop and come back to Council with a project plan for the future of the Napier Aquatic Centre development project.

Disadvantages

- Delaying the development of a project plan puts this project at risk of missing LTP development deadlines meaning it may be too late for the project to be included in Council LTP considerations.

6.0 Next Steps - *Te Koke*

6.1 Officers to action Council's preferred option and feed back to Assembly participants the outcome of the meeting and decision-making process.

7.0 Attachments

- | | | |
|---|---|--------------------|
| 1 | Recommendations from the Citizens Assembly (Under separate cover 1) | Doc Id:
1881399 |
|---|---|--------------------|

Summary of Considerations - *Tuhinga Whakarāpopoto*

Fit with purpose of Local Government - *Ngā aronga tā te Kaunihera- ā-rohe kōrero*

Council is required to give effect to the purpose of local government as set out in Section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf) of communities in the present and for the future.

Enabling Democratic Decision-Making

The Citizens' Assembly process, and Council's consideration of its recommendations, directly enables democratic local decision-making by and on behalf of the Napier community. Sortition — the stratified random selection of forty residents from 652 applicants — ensured that deliberation on the future of the Napier Aquatic Centre was grounded in the views of a genuinely representative cross-section of the city's population, rather than those most likely to engage through traditional submission processes.

Local Infrastructure and Public Services

The Napier Aquatic Centre is a core piece of community infrastructure that supports public health, recreation and wellbeing across all ages and demographics. Decisions about its future are squarely within Council's role of providing local infrastructure and public services that meet the current and future needs of the Napier community.

Good-Quality and Cost-Effective Decision-Making

Directing officers to develop a project plan based on the Assembly's recommendations represents a good-quality, cost-effective approach to progressing this project. Rather than committing prematurely to a design or location, this staged approach ensures that significant capital expenditure is preceded by clear community direction, robust site assessment and careful planning. This reduces the risk of repeating the delays and costs associated with previous redevelopment attempts and ensures ratepayer investment is directed toward a facility that has genuine community support and a sound evidence base.

Māori Impact Statement - *He kōrero whaitake tā te māori kōrero:*

Te Tiriti o Waitangi

Council acknowledges its obligations under Te Tiriti o Waitangi and the Local Government Act 2002. The future of the Napier Aquatic Centre is a matter of community-wide significance, and officers are committed to ensuring mana whenua perspectives are meaningfully incorporated as the project progresses.

Contribution to Date

The Citizens' Assembly selection process applied a stratified random methodology designed to reflect Napier's demographic makeup, including ethnicity. Māori residents were represented within the forty Assembly members, ensuring tangata whenua perspectives were part of the deliberative process. Mana whenua representation was also supported by a representative from Council's Māori advisory committee Ngā Mānukanuka ō te iwi. Officers acknowledge that participation through sortition is distinct from the formal engagement of mana whenua as Treaty partners, and that these are complementary but separate obligations.

Mana Whenua Engagement

Formal engagement with mana whenua on the future of the Napier Aquatic Centre will be a required component of the project plan that officers are seeking direction to develop.

Officers recognise that mana whenua may hold views on location, design, and naming that should inform rather than follow technical decision-making.

Cultural, Social and Environmental Implications

No specific adverse cultural, social, or environmental impacts on Māori have been identified at this stage of the project. Officers note that site assessment will require careful consideration of any cultural landscape values, proximity to significant sites, and environmental sensitivities relevant to mana whenua. These matters will be identified and addressed as part of the project planning process, in partnership with mana whenua.

Climate Change - *Te Huringa o te āhuarangi*

This is an engagement piece with no climate related implications.

LTP/ Annual Plan/ Financial Strategy/ Infrastructure Strategy - *Te Pae Tawhiti/ ā-tau / ā- Taunaki Ahumoni /ā- Taunaki Hanganga*

This work is intended to inform the future of the Napier Aquatic Centre development project that will be taken to Council for consideration as part of the LTP 2027-37 development process. Planning for this project needs to begin now as the existing facility has c. 8 years of life left.

Financial considerations - *Whai whakaaro Ahumoni:*

There are no financial implications for officers returning with a project plan. Further work towards the project will have financial implications and the details of those will be covered as further information is taken back to Council for consideration.

Significance and Engagement - *Ko te Hiranga me te Hiwaia o te whakaaro:*

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

Consultation (internal/external) - *Ngā Uiuinga (Ki te Kaunihera /ki ngā tāngata katoa)*

Internal Engagement

Officers engaged with the following internal departments and positions throughout the Citizens' Assembly process and in preparing this report for Council:

- **Corporate Planning:** engaged throughout the Assembly process and in the preparation of this report, to ensure alignment with Council's strategic planning framework and long-term planning obligations.
- **Communications and Engagement:** engaged throughout the Assembly process, providing support for public-facing communications and ensuring the Assembly's work was appropriately documented and reported.
- **Facilities:** engaged throughout the Assembly process, providing operational and technical context to inform the Assembly's deliberations on facility type and requirements.
- **Te Waka Rangapu:** engaged throughout the Assembly process, providing guidance on Māori engagement obligations and ensuring tikanga and mana whenua considerations were reflected in the process design.
- **Governance:** engaged in October 2025 in the preparation of this report, ensuring the report meets Council's governance and reporting requirements.

No contrary views were raised by any internal department or position. All engagement indicated general alignment with the recommended direction.

External Engagement

No formal external engagement beyond the Citizens' Assembly process itself, including engagement with Design Advisory Group for the Assembly, has been undertaken at this stage. Broader external engagement, including with mana whenua, Sport Hawke's Bay, and other relevant stakeholders, will form part of the project plan that officers are seeking direction to develop.

Risks: Legal/ Health and Safety etc. - *Whaktūpato Ture/ Hauora me te Haumarū*

Given the time and consideration the community members who actively participated in the Citizens' Assembly put into the process, there is a risk of reputational damage if the outputs of the Assembly are seen as not being used in a valuable way. The officer's recommendation aims to help mitigate this risk by directing officers to undertake work so the recommendations from the Assembly can be taken into consideration.

2. HAWKE'S BAY MUSEUM JOINT WORKING GROUP UPDATE

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1904291
<i>Reporting Officer/s & Unit:</i>	Jess Soutar-Barron, Communications and Engagement Team Leader Elizabeth Caldwell, Manager Arts, Culture and Heritage

1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

- 1.1 To provide the Council with an update on the naming process for Hawke's Bay Museum's MTG Hawke's Bay Tai Ahuriri building and the new storage, research and archive building in Heretaunga Hastings.

2.0 Background

- 2.1 The Council received an update at its 31 July 2025 meeting (document ID 1838396) on its public excluded agenda (copy attached). The paper was part of the public excluded agenda because we were still awaiting confirmation of endorsement of the names being proposed from Hastings District Council at its 7 August meeting. In addition, the names being proposed were also still going through the legal process of registration with the Intellectual Property Office of New Zealand (IPONZ).
- 2.2 All key stakeholders and IPONZ have approved the names proposed, so it is now possible to confirm them publicly. The names identified are Kahukura Hawke's Bay Museum (for the Ahuriri Napier exhibition facility) and Amokura Hawke's Bay Museum (for the storage facility in Heretaunga Hastings).

3.0 Officer's Recommendation

That Council:

- a. **Receive** the report titled Hawke's bay Museum Joint Working Group Update 09 April 2026.

4.0 Attachments

- 1 [↓](#) Hawkes Bay Museum Joint Working Group Update Report dated 2025-07-31 Doc Id: 1838396

2. HAWKE'S BAY MUSEUM JOINT WORKING GROUP UPDATE

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1838396
<i>Reporting Officer/s & Unit:</i>	Jess Soutar-Barron, Communications Manager Elizabeth Caldwell, Manager Arts, Culture and Heritage
Reason for Exclusion	<i>Section 7(2)(g) Maintain legal professional privilege.</i>

2.1 Purpose of Report

To provide the Council with an update on the naming process for Hawke's Bay Museum's MTG Hawke's Bay Tai Ahuriri building and the research and archive building currently being constructed in Heretaunga Hastings.

Officer's Recommendation

That Council:

- a) **Receive** the report titled "Hawke's Bay Museum Joint Working Group Update" dated 31 July 2025
- b) **Endorse** the names being proposed for the MTG (Kahukura Hawke's Bay Museum) and the new storage facility (Amokura Hawke's Bay Museum)
- c) **Note** that endorsement of the names is subject to confirmation of support also being received from Heretaunga Takoto Noa (HDC Māori Advisory Committee) at its 30 July meeting and Hastings District Council (HDC) at its 7 August meeting

2.2 Background Summary

At a public excluded Council Workshop held earlier in the year, 13 February (Naming of Hawke's Bay Museum Facility), Jess Soutar-Barron outlined the process and consultation undertaken to develop the new names being proposed for the MTG, Kahukura Hawke's Bay Museum, and the new storage facility under construction in Heretaunga Hastings, Amokura Hawke's Bay Museum.

At this workshop, Council expressed in principle support for these names, subject to endorsement from other key stakeholders, these being Ngā Mānukanuka o te Iwi (NCC's Māori Advisory Committee), Hastings District Council, Heretaunga Takoto Noa (HDC Māori Advisory Committee), and the Hawke's Bay Museum Trust.

It can be noted that the Trust has already provided in principle endorsement of the names, subject to approval from both Napier City and Hastings District Councils and their respective Māori Advisory Committees.

2.3 Current

Council received an update at its 27 March meeting, that both Mānukanuka o te Iwi and Heretaunga Takoto Noa had requested more time to consider the names.

Liaison between all parties has continued, and Ngā Mānukanuka o te Iwi fully endorsed both names at its 4 July meeting (public excluded document ID 1860301).

Formal endorsement is also expected when Heretaunga Takoto Noa (HDC Māori Advisory Committee) meets 30 July and at Hastings District Council's 7 August meeting.

2.4 Significance and Engagement

A robust process has been employed to generate the cultural narrative for these sites and the institution, and the new names offer opportunities to strengthen relationships and build wider recognition for the work and value of this important and valuable cultural asset for this region.

2.5 Implications

Financial

All expenditure relating to this work thus far has been included in either the shared project budget for the construction of the Heretaunga Hastings storage facility or the operational budget of the MTG.

Social & Policy

The consultation process associated with this work has been thorough and considered, and the views of all stakeholders have been included in the development of the cultural narrative for each site, the names themselves, and the criteria and kaupapa that underpin the progress of the visual identity currently underway.

Risk

Historical naming processes around this institution have included communication gaps, so it is important that all the major stakeholders support the names given to these facilities and great care is being taken to ensure this takes place. The key risks linked to this work are associated with stakeholders declining to support the names and not being able to secure legal registration with IPONZ.

2.6 Options

The options available to Council are as follows:

- a. To endorse the new names being proposed for the MTG, Kahukura Hawke's Bay Museum, and the new storage facility, Amokura Hawke's Bay Museum
- b. Not endorse the new names being proposed for the MTG, Kahukura Hawke's Bay Museum, and the new storage facility, Amokura Hawke's Bay Museum

2.7 Development of Preferred Option

Once endorsement for the names from all key stakeholders has been confirmed, next steps for implementation of their use include further progressing the other two strands of this work: legal and the establishment of the visual identity (both of which are underway).

The names are currently going through the registration process at the Intellectual Property Office of New Zealand (IPONZ). After we have legal approval through IPONZ registration for these names, a wider communications plan can be developed that includes the Hawke's Bay community.

Creative practitioner, Rakai Karaitiana (Ngāti Kahungunu ki Wairarapa ki Heretaunga / Rangitane / Rakai Paaka / Rongomaiwahine / Te Arawa) has been engaged to deliver the visual identity and this work is in progress.

The timelines for the physical application of the visual identity to the two buildings is governed by both the construction of the Heretaunga Hastings facility and legal approval being granted. Application of the visual identity to collateral material will be phased and will be introduced when practical and is subject to appropriate budgets.

2.8 Attachments

Nil

3. ADOPTION OF HAWKE'S BAY WATER'S CCO FOUNDATIONAL DOCUMENTS

Type of Report: Legal

Legal Reference: N/A

Document ID: 1904076

Reporting Officer/s & Unit: Bevan Trotman, Operations Manager

1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

- 1.1 To present the Hawke's Bay Water Services Council Controlled Organisation's draft Foundational Documents – the Constitution and the Shareholders' Agreement for adoption.
- 1.2 This report seeks Council adoption of the Hawke's Bay Water Services Council Controlled Organisation's foundational documents (the Constitution and Shareholders' Agreement) to enable incorporation of the Council Controlled Organisation currently referred to as the Hawke's Bay Water Services Council Controlled Organisation / [Water Hawke's Bay] Limited. The documents have been developed by Simpson Grierson using DIA templates and reflect the arrangements agreed through the Heads of Agreement between Central Hawke's Bay District Council, Hastings District Council and Napier City Council, the requirements of the Local Government Water Services Act 2025 and the Companies Act 1993.
- 1.3 Council is asked to adopt both documents, delegate authority to the Mayor and Chief Executive to execute the Shareholders' Agreement and Shareholders' Consent Form, request the Chief Executive to work with partner Chief Executives to agree an incorporation date, and delegate authority to the Transitional Governance Group to approve that date.
- 1.4 Three options are presented: (1) adopt the foundational documents (recommended), (2) defer adoption, or (3) take no action (status quo). Option 1 is recommended as it enables incorporation, provides a clear shareholder and governance framework, maintains alignment across the partner councils and supports delivery against the accepted joint Water Service Delivery Plan.
- 1.5 Subject to approval, the next steps are coordinated execution and filings, agreement and approval of an incorporation date, establishment of shareholder governance arrangements (including the Shareholders' Representative Forum), implementation of the Programme Management Plan and transition agreement, and delivery of a joint communications plan.

2.0 Recommendations - Ngā Tūtohunga

That the Council

- a. **Receives** the Adoption of the Hawke's Bay Water Services Council Controlled Organisation's Foundational Documents report dated 30 January 2026
- b. **Adopts** the Hawke's Bay Water Services Council Controlled Organisation – [Water Hawke's Bay] Limited's Constitution (Doc ID: 1905269).

- c. **Adopts** the Hawke's Bay Water Services Council Controlled Organisation – [Water Hawke's Bay] Limited's Shareholders' Agreement (Doc ID: 1905270).
- d. **Delegates** the following common delegations to Council's appointed Shareholders' Representative Forum members as prescribed in the Shareholders' Agreement:
 - a. Responsibilities and powers necessary to participate in and carry out those responsibilities in accordance with the Shareholders' Agreement and the Terms of Reference
 - b. Other matters referred by the Board for approval, excluding those matters described in Schedule 3 of the Shareholders' Agreement
- e. **Delegates** to the Mayor and Chief Executive the authority to sign the Hawke's Bay Water Services Council Controlled Organisation – [Water Hawke's Bay] Limited's Shareholders' Agreement and Shareholders' Consent Form on behalf of Council
- f. **Requests** the Chief Executive to work with the Chief Executives from Hastings District Council, Napier City Council and the Hawke's Bay Water Services Council Controlled Organisation to mutually agree on an incorporation date for [Water Hawke's Bay] Limited
- g. **Delegates** to the Transitional Governance Group the authority to approve the Hawke's Bay Water Services Council Controlled Organisation's incorporation date for [Water Hawke's Bay] Limited as agreed by the Chief Executives

3.0 Background - Ngā Tuāpapa:

- 3.1 In early September 2025, Central Hawke's Bay District Council, Hastings District Council and Napier City Council (the Councils) entered into a Heads of Agreement (HoA) to record the terms of their commitment to developing a joint operating model for the delivery of water services in accordance with the Local Government Water Services Act 2025 (LGWS Act).
- 3.2 The LGWS Act requires the preparation of a Water Service Deliver Plan (WSDP) to demonstrate the Councils commitment to deliver water services that meet regulatory requirements. The joint WSDP was submitted to the Department of Internal Affairs (DIA) on 2 September 2025. The DIA confirmed acceptance of the WSDP on 15 October 2025.
- 3.3 Since then, work has continued to progress towards the establishment of a water organisation to deliver water services for the three Councils. During the establishment of the water organisation, it has been referred to as Hawke's Bay Water Services Council Controlled Organisation or HBWSCCO.
- 3.4 Governance arrangements and oversight during the establishment phase are provided by the following:
- 3.5 Transitional Governance Group (the TGG) – provides the initial transitional governance and oversight of the establishment phase. Members are the three mayors, one councillor from each of the Councils and an independent chair.
- 3.6 The Establishment Advisory Board (the EAB) – appointed by the TGG to provide governance for the establishment phase.
- 3.7 The Project Steering Group (the PSG) – the Chief Executives of the Councils, responsible for the programme team, approving the programme plan and budget and ensuring the strategic direction of the project is aligned with the HoA.

3.8 As part of the process to establish the HBWSSCO, a Constitution and Shareholders' Agreement (the foundational documents) must be entered into by the Councils as shareholders of the company.

4.0 Discussion - Ngā Whakamārama:

- 4.1 The draft foundational documents have been developed by Simpson Grierson using templates provided by the DIA. The content is heavily informed by the detail already agreed by the Councils in the HoA, and legislative requirements of the LGWS Act and in terms of the Constitution, by the Companies Act 1993 (the Companies Act).
- 4.2 Until such time as a name for the company has been agreed to by the shareholders, and for the purpose of the naming of the foundational documents, the name is Water Hawke's Bay Limited.
- 4.3 Initial drafts have been reviewed extensively throughout their development with input provided by the PSG, the EAB, the TGG independent Chair, the programme team and council officers. The current versions of the foundational documents reflect the feedback received.
- 4.4 The Constitution is a formal legal document required when forming a company and is legislated by the Companies Act. It sets the core rules for how a company is structured and governed. It also sets out what the board of directors of the company can and cannot do. The Constitution is the rule book for how a company exists and operates. The Constitution must be adopted by a special resolution of the shareholders and filed with the New Zealand Companies office within 10 working days of adoption.
- 4.5 The Shareholders' Agreement is a formal contract between the shareholders of a company and focuses specifically on the rights, protections and decision-making powers of the shareholders. It defines how and when the shareholders can influence company decisions and which decisions must return to shareholders for approval. It also clarifies information, reporting, accountability expectations and how the shareholders will manage their respective relationships with each other. The Shareholders' Agreement explains how the shareholders exercise control as owners and replaces the HoA once the company is established.
- 4.6 The Shareholders' Agreement must be signed by two authorised signatories for each of the shareholding councils, and the company – Water Hawke's Bay Limited.
- 4.7 On incorporation, the initial shareholders' shareholding will be the number of water service connections that can be attributed to each shareholder, calculated by a formula agreed upon in the HoA with minimum shareholding of 10% and maximum of 49.9%. The following table shows the shareholding per shareholder at incorporation.

Shareholder	Number of Shares
Central Hawke's Bay District Council	[10] (10%)
Hastings District Council	[45] (45%)
Naper City Council	[45] (45%)

- 4.8 The Shareholders' Representative Forum (SRF) is a joint committee representing the shareholding councils. Schedule 4 of the Shareholders' Agreement sets out the terms of reference (ToR) for the SRF. The SRF ToR describes the specific responsibilities (including the decision-making responsibilities) of the SRF. The shareholding councils need to appoint their representatives and delegate the powers necessary to participate in and carry out their responsibilities as described in the Shareholders' Agreement.
- 4.9 This report is seeking Council adoption of the foundational documents and delegation to Council's SRF members. The appointment of members is the subject of another report being presented to Council.

5.0 Options - He kōwhiringa anō:

5.1 Option One - Adoption of the foundational documents This option is to adopt the Constitution and Shareholders' Agreement and delegates the Mayor and the Chief Executive to sign the Shareholders' Agreement. This option also requests the Chief Executives from the Shareholding Councils and the water organisation to mutually agree on an incorporation date; and gives authority to the TGG to approve the date of incorporation as agreed by the Chief Executive's. With this option Council will also delegate powers to its SRF members necessary to carry out those responsibilities in accordance with the Shareholders' Agreement

Pros	Cons
Enables incorporation of the company	Further commits Council to the regional delivery model, reducing flexibility to change direction
Gives effect to earlier strategic decisions made in the HoA and WSDP	Carries implementation and transition risk as the new entity moves into transition (systems, people, processes, and handover)
Establishes clear, legally robust governance, accountability, reporting, and shareholder protections	Creates long-term contractual and governance obligations between shareholding councils, which can be complex to amend and manage
Maintains alignment with partner councils and supports regulatory compliance and delivery against the accepted joint WSDP	Requires ongoing resourcing and capability (governance support, shareholder monitoring, and transition management) to implement effectively
Replaces establishment arrangements with a stable, enduring structure (company, board, shareholder framework)	
Supports programme momentum and provides clarity to staff, stakeholders and partners on the path to incorporation and operations	

5.2 Option Two – Defer adoption of the foundational documents

With this option, Council would defer the adoption of the foundational documents and SRF delegations to a later date delaying incorporation of the water organisation.

Pros	Cons
Provides additional time for Council to review the Constitution and Shareholders' Agreement and seek further advice/clarification if needed	Delays incorporation of Water Hawke's Bay Limited and may affect programme timelines and readiness to transition
Allows time to resolve any outstanding issues (e.g., governance settings, reporting, name and branding) before committing	Creates uncertainty for partner councils and the establishment programme; may reduce momentum and confidence in the regional model
Maintains Council's current level of control while decisions are deferred	Prolongs transitional governance arrangements and associated inefficiencies (duplicated oversight, temporary resourcing, and unclear accountabilities)
Can be positioned as a risk-managed approach if additional assurance is required before signing	May increase costs over time due to extended programme duration and continued establishment activity
Creates an opportunity to coordinate timing across councils if one or more shareholders are not ready to adopt	Could impact the Councils' ability to demonstrate timely progress against the accepted WSDP and legislative expectations

Deferring adoption provides additional time for Council to review and seek assurance on the draft Constitution and Shareholders' Agreement, and to resolve any outstanding governance or implementation matters. However, it delays incorporation of [Water Hawke's Bay] Limited, prolongs transitional arrangements, and may create uncertainty, additional cost and potential misalignment with the accepted joint WSDP and legislative expectations.

5.3 Option 3 – Status Quo

Council would take no action at this time, retaining the current transitional arrangements and not progressing with incorporation.

Pros	Cons
Avoids making new commitments (no adoption, no signing, no incorporation decision)	Does not progress the establishment of the water organisation, leaving the regional delivery model effectively stalled
Retains current Council control and the ability to reconsider direction without contractual constraints	Prolongs reliance on transitional governance arrangements and temporary

	structures, with weaker long-term accountability settings
Minimises immediate implementation and transition risk associated with moving to a new entity	May be inconsistent with commitments signalled through the HoA and the accepted joint WSDP and may attract stakeholder/regulator scrutiny
Avoids incurring incorporation-related work in the short term	Can increase overall cost and effort over time by extending the programme and duplicating work already undertaken in developing the foundational documents
Provides time for additional engagement and alignment discussions with partner councils if needed	May strain relationships with partner councils and reduce the ability to coordinate a regional approach to water services delivery

Maintaining the status quo avoids making further commitments at this time and retains Council control while transitional arrangements continue. However, it does not progress incorporation or the agreed regional delivery model, prolongs temporary governance and inefficiencies, and may increase long-term costs and attract scrutiny where it is inconsistent with the HoA and the accepted joint WSDP.

6.0 Next Steps - Te Koke

- 6.1 Subject to Council approval of the recommended option (Option 1) and the other shareholders also adopting the foundational documents and providing delegations to the SRF, the next steps are to:
- 6.2 Finalise and execute the Shareholders' Agreement and Shareholders' Consent Form in accordance with each council's authorisation requirements;
- 6.3 Agree an incorporation date across the shareholding councils (through the Chief Executives) and seek approval of that date by the TGG;
- 6.4 Complete incorporation actions and statutory filings, including filing the adopted Constitution with the New Zealand Companies Office within 10 working days;
- 6.5 Stand up the shareholder governance arrangements (including the Shareholders' Representative Forum) and confirm reporting and delegations;
- 6.6 Implement the approved Programme Management Plan and transition agreement to progress operational readiness; and
- 6.7 Deliver the joint communications plan, including release of a joint media statement and regular milestone updates.

7.0 Attachments

- | | | |
|---|--|--------------------|
| 1 | 2026-04-09 HB WSCCO - Constitution.pdf (Under separate cover 1) | Doc Id:
1905269 |
| 2 | 2026-04-09 HB WSCCO - Shareholder's Agreement.pdf (Under separate cover 1) | Doc Id:
1905270 |

Summary of Considerations - *Tuhinga Whakarāpopoto*

Fit with purpose of Local Government - *Ngā aronga tā te Kaunihera- ā-rohe kōrero*

Council is required to give effect to the purpose of local government as set out in Section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf) of communities in the present and for the future.

Māori Impact Statement - *He kōrero whaitake tā te māori kōrero:*

On 28 May 2025, PwC was formally engaged to support councils to proceed with mana whenua engagement on Local Water Done Well (LWDW). Specifically, they were asked to:

engage mana whenua to understand their perspectives on LWDW to date, and if/how they would like to be engaged going forward; and

engage individually with councils regarding their current mana whenua engagement.

Summary of themes:

Water quality remains a top priority for mana whenua.

Concerns around water scarcity - both current and future - were strongly expressed.

There are differences in how councils engage with mana whenua

Mana whenua expressed a strong preference for governance models that embed their voices from the outset.

Mana whenua emphasised that the Local Government Act 2002 and Treaty settlement legislation are important instruments that delineate the responsibilities and relationships between the Crown and Māori.

Economic pressures continue to weigh heavily on communities.

Climate Change - *Te Huringa o te āhuarangi*

This decision does not have an impact on:

- Greenhouse gas emissions (from council operations, community activities, or associated infrastructure),
- Napier's adaptation to a changing climate (e.g. flooding, sea level rise, coastal erosion, inundation, drought, heatwaves),
- Or is it itself likely to be impacted by these climate-related risks

LTP/ Annual Plan/ Financial Strategy/ Infrastructure Strategy - *Te Pae Tawhiti/ ā-tau / ā- Taunaki Ahumoni /ā- Taunaki Hanganga*

Financial considerations - *Whai whakaaro Ahumoni:*

A budget report will be presented alongside this report. The transition budget required to deliver the Programme Management Plan and establish the Hawkes Bay Water Services CCO (HBWSCCO) through to 1 July 2027 being:

- i. Total programme budget of \$14.2 million; and
- ii. Contingency of \$3.35 million

Approval of the foundational documents (Option 1) enables the programme to progress to incorporation and the next phase of establishment, which will require ongoing budget to support transition activities (including legal and governance support, programme

management, systems and process set-up, and change management). Deferring adoption or taking no action (Options 2 and 3) may reduce immediate incorporation-related costs but is likely to increase overall programme cost over time by extending the establishment phase and duplicating work.

Key financial and organisational considerations include:

- Confirmation of funding arrangements for the establishment and transition programme (including how costs are shared between shareholder councils and how variances will be approved and reported).
- Impacts on each Council's budgets and long-term planning assumptions, including timing of cost transfers, any transitional double-running costs, and treatment of assets, liabilities and contracted services.
- Resourcing requirements to support incorporation and early operations (e.g., shareholder monitoring and reporting, governance administration, and specialist advice), and whether these roles sit within councils, the programme, or the new entity.
- Operational readiness and transition planning, including systems (finance, HR, IT), policies, delegations, and reporting arrangements required for the company to operate effectively from day one.
- People and change impacts, including transition of staff/functions where applicable, workforce planning, and communications to maintain service continuity and stakeholder confidence.
- Ongoing governance and accountability settings once incorporated, including board and shareholder decision rights, reporting cadence, performance monitoring, and dispute/issue resolution pathways.

Significance and Engagement - *Ko te Hiranga me te Hiwaia o te whakaaro:*

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

Although the signing of the foundational documents and providing delegations to SRF members will be significant milestones in the establishment of the water organisation, the decision to proceed with the joint operating model was publicly consulted on from May to June 2025. With 79% support from 666 submissions, the council elected to proceed with the regional model for the delivery of its water services. Approval of the foundational documents and delegations to the SRF members are fundamental steps towards incorporation of Water Hawke's Bay Limited.

Consultation (internal/external) - *Ngā Uiuinga (Ki te Kaunihera /ki ngā tāngata katoa)*

Risks: Legal/ Health and Safety etc. - *Whaktūpato Ture/ Hauora me te Haumarū*

In line with Council's Risk Management Framework, Option 1 has been assessed as having a low level of residual risk, following the application of controls.

Key risks associated with Option 1 (adopting and progressing to signing and incorporation) include:

Risk	Mitigation / controls
<p>Transition and implementation: delays or issues in establishing systems, processes, governance support and operational readiness may affect transition and day one readiness.</p>	<p>A Programme Management Plan (PMP) has been drafted and approved by the PSG, in line with the HoA. The PMP will be implemented and the team resourced accordingly to deliver the programme. A transition agreement between all parties will provide clarity over responsibilities, functions and obligations for the period between incorporation and day one.</p>
<p>Governance and accountability: moving from council-led oversight to a company/board model may create gaps in reporting, decision rights, or shareholder visibility if expectations and cadence are not clearly set and adhered to.</p>	<p>The Shareholders' Representative Forum will be stood up with appropriate delegations to provide shareholder visibility and oversight.</p>
<p>Financial: transition costs (including double-running, programme extension, and specialist advice) may exceed budget or be unevenly understood/accepted across shareholders without clear cost sharing and change control.</p>	<p>The establishment/transition budget as provided in the WSDP has been reforecast with approval being sought by the shareholding councils. Clear cost-sharing, approval thresholds, and change control processes are in place. Forecast budget vs actual is tracked and reported.</p>
<p>Inter-council alignment: if one or more shareholders do not adopt/sign on the same timeline, incorporation and implementation may be delayed and relationships strained.</p>	<p>A coordinated decision and signing approach across the shareholding councils is in place. There are regular Council Project Lead/PSG/TGG touchpoints in place to manage dependencies. If necessary, the dispute and issue-resolution processes/escalations in the Shareholders' Agreement can be utilised if misalignment emerges.</p>
<p>Legal / compliance: adoption triggers statutory and contractual steps (e.g., filing timeframes, execution requirements); errors, delays or inconsistent delegations could create non-compliance or rework.</p>	<p>The legal & governance workstream with support from Simpson Grierson will manage legal compliance requirements (including the 10 working day Companies Office filing requirement for the Constitution). Delegations and authorised signatories will be confirmed. A controlled version set of signed documents and resolutions will be kept.</p>

<p>Reputational and stakeholder: stakeholder confidence may be impacted if milestones are missed, communications are inconsistent, or outcomes differ from publicly consulted expectations.</p>	<p>A joint communications plan will be implemented (consistent messages, timing, spokespersons) to proactively brief key stakeholders (DIA/regulators, mana whenua, community, Council staff) with published clear milestones and updates. Issues will be identified early and reported transparently through agreed channels.</p>
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LEGAL CONSIDERATIONS | ARONGA TURE

Key legal considerations associated with this decision include:

The foundational documents being adopted and implemented within the statutory framework of the Local Government Water Services Act 2025 (including the accepted joint Water Service Delivery Plan) and the Companies Act 1993.

Constitution adoption and filing: the Constitution must be adopted by special resolution of the shareholders and filed with the New Zealand Companies Office within 10 working days of adoption.

Shareholders' Agreement execution: the Shareholders' Agreement is a binding contract and must be executed in accordance with each council's authorisation requirements (including use of two authorised signatories where required) and by the company.

Delegations and authority: Council delegations (e.g., to the Mayor and Chief Executive to sign, to the TGG to approve the incorporation date, and delegations to the SRF) must be valid, clearly recorded in resolutions, and aligned with the councils' delegations' frameworks.

Incorporation steps and timing: incorporation requires sequencing of resolutions, execution, and filings; timing dependencies across shareholding councils may affect the ability to meet statutory/contractual timeframes.

Document control and governance compliance: controlled 'signed' versions of resolutions and foundational documents should be maintained, and governance processes (reserved matters, reporting and shareholder decision rights) should be implemented as set out in the Shareholders' Agreement and Constitution.

4. LWDW STATE OF EXPECTATIONS PROCESS

<i>Type of Report:</i>	Operational and Procedural
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1904160
<i>Reporting Officer/s & Unit:</i>	Bevan Trotman, Operations Manager Yomi Adigun, Senior Business Analyst Waters

1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

- 1.1 The purpose of this paper is to seek Council approval of the process for preparation, review and adoption of the Shareholders' Statement of Expectations (SoE) for the Hawke's Bay Water Services Council Controlled Organisation (HBWSCCO).
- 1.2 The SoE is a key accountability mechanism under the Local Government (Water Services) Act 2025 (LGWS Act) that came into force on 26 August 2025. It enables shareholder councils to clearly articulate their expectations to the water organisation and will inform the strategic direction, including guide the Board in the development of the Water Services Strategy.
- 1.3 A draft SoE process has been developed collaboratively by the water establishment team and officers from Napier City Council (NCC), Hastings District Council (HDC), and Central Hawke's Bay District Council (CHBDC), consistent with legislative requirements and the Shareholders' Agreement.
- 1.4 It is a requirement under the LGWS Act that the SoE process is approved by shareholders and published on at least one of the shareholder council's websites.
- 1.5 The approval of this process also enables timely development of the first SoE and ensures a consistent and coordinated approach across all shareholder councils. For the initial SoE, much of the strategic content has already been developed through Schedule 5 of the Shareholders' Agreement, enabling an efficient pathway to prepare the first draft.
- 1.6 Once adopted by all shareholding councils, the process is intended to be published on all councils' websites.

2.0 Recommendations - Ngā Tūtohunga

That Council

- a. **Receive** the report titled LWDW State of Expectations Process dated 9 April 2026
- b. **Approve** the Statement of Expectations process and agree to publication on Council website.

3.0 Background – Te Horopaki

- 3.1 The LGWS Act required territorial authorities to put in place new arrangements for the delivery, governance, and accountability of water services. A key component of this is the

requirement for the HBWSCCO to operate in accordance with a Statement of Expectations (SoE) set by its shareholders.

- 3.2 NCC, together with HDC and CHB agreed to establish a joint WSCCO to deliver drinking water, wastewater and stormwater services across the region. This follows Council decisions in mid-2025 and subsequent work to progress the establishment of the new HBWSCCO.
- 3.3 As part of the establishment process, foundational documents have been developed (the Constitution and Shareholders' Agreement - considered separately by Council). These documents give effect to the governance and accountability framework for the HBWSCCO, including the respective roles of the shareholding councils, the Shareholders' Representative Forum (SRF), and the Board.
- 3.4 Within the Shareholders' Agreement, the SoE is identified as a key accountability tool to enable shareholding councils to set out their collective strategic priorities, expectations and performance requirements for the HBWSCCO. The agreement also establishes the role of the SRF in coordinating shareholder input and developing a consolidated SoE for approval by each shareholder council.
- 3.5 The Shareholders' Agreement, including Schedule 5, reflects the substantive strategic direction agreed by the shareholding councils to date and provides a foundation for development of the initial SoE.
- 3.6 This paper seeks Council approval of the proposed SOE development process, including the approach to shareholder input, coordination through the SRF, and subsequent approval and publication of the SOE in accordance with legislative requirements.

4.0 Discussion - *Te Matapakitanga*

- 4.1 The proposed approach to developing the SoE is designed to provide a structured, collaborative, and efficient process that enables all shareholding councils to contribute to a single, jointly agreed document.
- 4.2 Under the proposed process, each shareholding council would prepare input on its strategic priorities, expectations, and any specific matters it wishes to see reflected in the SoE. This input would be considered collectively through the SRF, which would develop a consolidated draft SoE for review, refinement and eventual approval by each shareholder council.
- 4.3 For the initial SoE, a significant proportion of this work has already been undertaken through the development of the Shareholders' Agreement. Schedule 5 captures the agreed strategic priorities and expectations of the shareholding councils, reflecting earlier discussions and alignment across the councils on the direction of the HBWSCCO
- 4.4 The key themes reflected in Schedule 5 include
 - The need for ongoing engagement with communities, mana whenua and key stakeholders
 - A commitment to a coordinated regional approach to water service delivery
 - Alignment with council long-term plans and growth strategies
 - A focus on long-term infrastructure planning to support resilience and future demand
 - Efficient and optimised service delivery

- Making best use of available funding and financing tools to manage costs and maintain affordability for communities.
- 4.5 With the inclusion of schedule 5, the first SoE can be developed on the basis of this existing, jointly agreed content, rather than requiring a full bottom-up input process from each shareholding council. This first draft can then be provided to the SRF for review who will then consider whether any refinements are required before the issuing the draft SoE to the HBWSCCO Board for review.
- 4.6 Providing the SoE to the Board for review is a required component to the SoE process. This step allows the Board to comment on the practicality and clarity of the expectations set out (given they are legally required to implement its content), while maintaining the principle that the SoE is ultimately a shareholder document.
- 4.7 The draft SoE, incorporating any appropriate refinements from the Board will then be presented to each shareholding council for formal approval as a reserved matter under the Shareholders' Agreement. This ensures the SoE is formally approved by each council in its capacity as shareholder and in accordance with the terms set out in the Shareholders' Agreement.
- 4.8 Once approved, the SoE will be issued to the Board and will inform the strategic direction and development of the Water Services Strategy. The Board must give effect to (so long as no directions conflict with legislation) the strategic directions laid out in the SoE.
- 4.9 To support the understanding of the proposed approach, a high-level process map has been developed using the SIPOC framework (Contributor, Inputs, Process, Outputs, Receiver). This diagram visually summarises the end-to-end SoE process and is intended to be what councils publish on their websites to meet legal requirements.

Suggested High level process for Statement of Expectation

Contributor	Input	Process	Output	Receiver
Councillors of the three shareholding councils: Central Hawkes Bay District Council Hastings District Council Napier City Council	Council Workshops - facilitated by the Independent Chair of the SRF.	Shareholder Input The three Councils input into the process	Council Requirements - Incorporation of individual requirements from each shareholding council.	SRF
SRF	Council Requirements - Incorporation of individual requirements from each shareholding council.	Initial Draft SRF convene to develop draft SOE and issue to The Board	Draft SOE - Prepared by officers based on SRF meeting facilitated by the Independent Chair.	The Board
The Board	Draft SOE - Prepared by officers based on SRF meeting facilitated by the Independent Chair.	Board Review The Board reviews the SOE and provides comments back to the SRF	Feedback - Comments on the SOE, including identification of requirements that may be challenging to deliver.	SRF
SRF	Feedback - Comments on the SOE, including identification of requirements that may be challenging to deliver.	Final draft SRF consider comments, SRF Endorse final draft SOE and issue to Councils	Final draft SOE - Amended version developed and endorsed by the SRF	Councillors of the three shareholding councils: Central Hawkes Bay District Council Hastings District Council Napier City Council
Councillors of the three shareholding councils: Central Hawkes Bay District Council Hastings District Council Napier City Council	Final draft SOE - Amended version developed and endorsed by the SRF	Shareholder decision by Ordinary Resolution	Final SOE - Approved by Shareholder Councils by Ordinary Resolution	The Board
The Board	Final SOE - Approved by Shareholder Councils by Ordinary Resolution	Board Acceptance The Board accepts the SOE.	Process Stops - Marks beginning of the Water Services Strategy process.	

5.0 Options - He kōwhiringa anō:

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

5.1 Approve the Statement of Expectations (SoE) Process

Advantages

- Meets statutory requirements under the LGWS Act
- Enables timely development of the first SoE
- Leverages existing agreed strategic content (Schedule 5)
- Provides a consistent and coordinated regional approach
- Maintains appropriate governance oversight and council approval

Disadvantages

- Relies on alignment across councils to progress efficiently through the process

Option Two – Te Kōwhiringa Tuarua – Te Āhutatanga o nāianeī

5.2 Delay Approval of the SoE Process

Advantages

- Allows additional time for review or refinement of the process

Disadvantages

- Delays development of the first SoE
- Risks misalignment with legislative expectations and establishment programme timeframes
- May impact the ability of the HBWSCCO Board to progress strategic planning

6.0 Next Steps - *Te Anga Whakamua*

6.1 Subject to Council approval of the recommended option:

- The SoE development process will be finalised and published on all shareholder council's websites (legislation requires at least one shareholder council to publish but officers anticipate publishing on all is more beneficial for the community).
- A first draft SoE will be prepared, drawing on the strategic direction set out in Schedule 5 of the Shareholders' Agreement.
- The draft SoE will be provided to the SRF (once formed) for review and refinement, prior to being shared with the HBWSCCO Board for feedback.
- Following Board feedback, the draft SoE will be finalised and presented to each shareholding council for formal approval (in line with processes set out in the Shareholders' Agreement).
- Once approved by all shareholding councils, the SoE will be issued to the HBWSCCO Board and will inform the development of the organisation's Water Services Strategy and broader planning framework.

7.0 Attachments

Nil

Summary of Considerations - *Tuhinga Whakarāpopoto*

Fit with purpose of Local Government - *Ngā aronga tā te Kaunihera- ā-rohe kōrero*

Council is required to give effect to the purpose of local government as set out in Section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf) of communities in the present and for the future.

Māori Impact Statement - *He kōrero whaitake tā te māori kōrero:*

Climate Change - *Te Huringa o te āhuarangi*

This decision does not have an impact on:

- Greenhouse gas emissions (from council operations, community activities, or associated infrastructure),
- Napier's adaptation to a changing climate (e.g. flooding, sea level rise, coastal erosion, inundation, drought, heatwaves),
- Or is it itself likely to be impacted by these climate-related risks

LTP/ Annual Plan/ Financial Strategy/ Infrastructure Strategy - *Te Pae Tawhiti/ ā-tau / ā- Taunaki Ahumoni /ā- Taunaki Hanganga*

Financial considerations - *Whai whakaaro Ahumoni:*

Significance and Engagement - *Ko te Hiranga me te Hiwaia o te whakaaro:*

Consultation (internal/external) - *Ngā Uiuinga (Ki te Kaunihera /ki ngā tāngata katoa)*

Risks: Legal/ Health and Safety etc. - *Whaktūpato Ture/ Hauora me te Haumaru*

5. HAWKES BAY WATER SERVICES CCO - ESTABLISHMENT BUDGET

Type of Report: Legal

Legal Reference: N/A

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Reporting Officer/s & Unit: Bevan Trotman, Operations Manager

1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

- 1.1 The purpose of this paper is to seek Council approval of the transition budget required to establish the Hawke's Bay Water Services CCO (HBWSCCO) through implementation of the Programme Management Plan, supporting operational start date of 1 July 2027.
- 1.2 Since mid 2025, Hastings District Council (HDC), Napier City Council (NCC) and Central Hawke's Bay District Council (CHB) have worked collaboratively to progress the Government's Local Water Done Well reforms. This has included development and adoption of a joint Water Service Delivery Plan (WSDP), which established:
 - The preferred regional delivery model
 - The strategic case for change
 - And the indicative establishment and operational costs for standing up the new water organisation
- 1.3 Establishment work to date has been funded from Department of Internal Affairs funding received to review and explore the delivery model options available under the Local Government (Water Services) Act 2025 (the LGWS Act) and deliver on the subsequent WSDP. These funds have been carefully managed and have enabled progress to date with full utilisation of these funds expected by 31 March 2026.
- 1.4 The programme has now progressed from strategic planning into implementation planning. This includes the development of the Base Operating Model (defining what the organisation will look like at Day One – 1 July 2027) and the Programme Management Plan (defining how the transition will be delivered).
- 1.5 The proposed transition budget of approximately \$14.2 million, with an additional \$3.35 million contingency, covers the period April 2026 to end of June 2027 (i.e. takes the programme to transfer date) and represents the current best estimate of the resources required to deliver this programme.
- 1.6 The budget has been developed using a combination of programme planning, review of the assumptions used in the WSDP modelling, and benchmarking against comparable water entity establishment programmes. It has been reviewed by Council Chief Financial Officers, the Establishment Advisory Board and the Project Steering Group, with feedback incorporated.
- 1.7 While the budget includes assumptions appropriate to this stage of programme development, some uncertainty remains given the timing of this work ahead of full workstream planning. This is addressed through the inclusion of contingency (managed through strong change control processes), with further detail to be developed as the programme progresses and resources are onboarded.

1.8 At the time of writing this report, the Transitional Governance Group (TGG) has not yet considered the budget. Any feedback from that meeting will be provided verbally at the Council meeting.

1.9 Approval of this budget, alongside the proposed funding approach, will enable the programme to proceed in a coordinated and financially sustainable manner, ensuring the HBWSCCO can be established on time and without disruption to water service delivery.

2.0 Recommendations - *Ngā Tūtohunga*

That Council

- a. **Receive** the report titled Hawkes Bay Water Services CCO - Establishment Budget dated 2 April 2026
- b. **Approves** the transition budget required to deliver the Programme Management Plan and establish the Hawkes Bay Water Services CCO (HBWSCCO) through to 1 July 2027, being:
 - i. Total programme budget of \$14.2 million; and
 - ii. Contingency of \$3.35 million
- c. **Approves** the proposed funding approach, including Hastings District Council raising debt on behalf of the shareholder councils during the transition period
- d. **Notes** that this debt and any associated financing costs will be repaid to Hastings District Council during the 2026/27 financial year once the HBWSCCO gains access to borrowing through the Local Government Funding Agency (LGFA)
- e. **Notes** that this debt and any associated financing costs are guaranteed, proportional to shareholdings, by Napier City Council and Central Hawke's Bay District Council under the Shareholders' Agreement.

3.0 Background - *Ngā Tuāpapa*:

3.1 The LGWS Act requires councils to transition to financially sustainable and appropriately governed water service delivery arrangements from 1 July 2027.

3.2 In response, HDC, NCC and CHB agreed to establish a jointly owned regional water services organisation and in August 2025 adopted a joint Water Services Delivery Plan (WSDP).

3.3 The WSDP established the strategic case for change, the preferred delivery model, and forecast financial modelling that outlined the cost to consumers for the first ten years. These publicly consulted on costs incorporated establishment and operational costs for the 2025/26 and 2026/27 financial periods totalling \$17.5m.

3.4 Following adoption of the WSDP in August, it was approved by the DIA in October 2025 at which point the programme entered the establishment phase. Initial work focused on developing foundational documents, governance arrangement and early programme planning.

3.5 This work has to date, been funded by grants received from the DIA in 2024 and 2025 to progress the region under the Local Waters Done Well (LWDW) legislation. No

ratepayers funds have been required from councils to date. These funds are now expected to be fully utilised by 31 March 2026.

- 3.6 In October, the establishment team put forward a budget that was intentionally limited to a minimum viable level, sufficient to support incorporation of the new entity and progress foundational documents. At the time of preparation of this budget, there were too many unknowns to reasonably budget for anything else. It was intended that subsequent budgets would enable additional resourcing to support more detailed planning of the transition programme and development of a more comprehensive budget through to 1 July 2027.
- 3.7 Due to timing and resourcing constraints, this further resourcing was not fully realised. As a result, the transition budget has been developed without the level of detailed workstream planning that would occur in an ideal scenario. This has been recognised in the approach taken to budget development, including the use of assumptions, benchmarking and contingency to ensure the budget is robust and fit for purpose given the time and resourced available to date.
- 3.8 As the programme has progressed, further work has been undertaken to define both the Base Operating Model and the Programme Management Plan.
- 3.9 The Base Operating Model describes how the HBWSCCO will operate from Day One (1 July 2027), including its organisational structure, core functions, and how services will be delivered across the region. It provides a high level view of the capability that needs to be established through the transition work.
- 3.10 The Programme Management Plan sets out how the transition to this operating model will be delivered. This includes the key workstreams required, the sequencing of work at a high level, governance and reporting arrangements, and the approach to managing risks, costs and change throughout the programme.
- 3.11 Together, these provide the foundation for understanding what needs to be delivered and how the transition will be managed. The transition budget presented in this paper reflects the resources required to implement this programme and establish the HBWSCCO in a controlled and coordinated manner.

4.0 Discussion - Ngā Whakamārama:

Journey to the transition budget

- 4.1 The development of the transition budget reflects a staged approach to programme planning.
- 4.2 Initial work focused on the development of the WSDP, which established the strategic direction of the project and outlined initial modelled costs for establishment and operational needs.
- 4.3 This was followed by an early minimum viable budget to enable incorporation of an early programme planning.
- 4.4 As the programme progressed, the intention was to obtain further resourcing that would support more detailed planning and the development of a comprehensive transition budget.
- 4.5 While this resourcing has been more limited than anticipated, the programme has continued to mature through development of the Base Operating Model and Programme

Management Plan, which now provide a clearer view of the work required to establish the HBWSCCO.

- 4.6 The transition budget presented in this paper reflects this next stage and provides a consolidated view of the expected costs to deliver the programme through to operational commencement.

Budget development approach

- 4.7 The transition budget has been developed through a structured process drawing on both the Base Operation Model and the Programme Management Plan, supported by detailed input, review and testing across the programme and shareholder councils.
- 4.8 The starting point for the budget was ‘what does Day One look like’ operationally. This defined the organisational structure and core capability required for the HBWSCCO to operate from Day One and provided a clear view of the functions that needed to be established within the transition team, and the scale of resourcing required to deliver key outcomes.
- 4.9 This was then translated through the Programme Management Plan into a series of workstreams required to deliver the transition. These workstreams, and their key deliverables, form the basis for identifying the activities, sequencing of key milestones and resources required to establish the organisation.
- 4.10 Building on this, the budget has been developed through a combination of:
- Identification of known and committed costs (e.g. Board fees)
 - Development of workstream-level resourcing estimates
 - Review of assumptions from the WSDP financial model
 - Incorporation of programme-level costs, including governance, programme management and specialist support
 - Benchmarking against comparable water entity establishment programmes
- 4.11 This benchmarking has been limited to two other multi-council water organisations that are sufficiently comparable to provide a useful sense check on the overall scale and composition of the proposed budget.

Organisation	Councils involved/scale	What was benchmarked	Key takeaway
Waikato Waters \$16.5m budget	Six councils, staged transition: <ul style="list-style-type: none"> • July 2026 (3) • Mid 2026/27 (1) • July 2027 (3) Approximately 48k connections	Transition budget scale, transition team structure, system assumptions	Provided a useful comparison for the overall scale of transition investment and the level of resourcing required for establishment activities
Central Districts Water	Three councils Approximately 52k connections	Programme budget structure, operating model assumptions, use of council staff vs dedicated programme resourcing	Provided a useful comparison for the effect that different delivery models and levels of internal council support can have on the size of programme budget

- 4.12 The budget has been subject to multiple layers of review. This has included detailed review by Council Chief Financial Officers, who have reviewed key assumptions and provided feedback on structure and approach.
- 4.13 The budget has also been reviewed by the Establishment Advisory Board, which has provided independent oversight and challenge, and by the Project Steering Group (PSG), comprising Council Chief Executives.
- 4.14 Feedback from these groups has been incorporated into the version presented to Council, resulting in a budget that reflects both programme requirements and shareholder input.
- 4.15 While the budget has been developed within the constraints outlined in sections 3.6 - 3.7, it represents a comprehensive and considered estimate based on the best information currently available.

Budget overview

- 4.16 The proposed transition budget totals approximately \$14.2m, with an additional contingency of \$3.35 million, covering the transition period from April 2026 to 30 June 2027.
- 4.17 The budget reflects the cost of delivering the programme of work required to establish the HBWSCCO and prepare it for operational commencement on 1 July 2027.
- 4.18 At a high level, the budget comprises programme delivery costs, establishment and implementation activities, and pre-operational organisational costs required to support early capability as follows:

Budget Category	Description	Total
Programme Delivery	Transition team, programme management, expert advice, office rental and overheads	\$7,239,300
Establishment & Implementation	Finance ERP, business process design, ICT integration, branding and identity, comms, organisational design, office fit out etc	\$6,212,100
Pre-operational organisation costs	Governance, tier 1 & 2 and operational staff required prior to Day One (early onboarding and training required)	\$747,500
Total		\$14,198,900
Contingency	Contingency level set at amount available without impacting on cost per connection figures quoted on in 2025 public consultations.	\$3,350,000

Risks and key assumptions

- 4.19 The transition budget is based on a number of key assumptions, including:
- **Base Operating Model:** describes what Day One looks like, i.e. what's new (corporate functions), what's transferred (water operations – staff, systems and assets), what's outsourced (e.g. charging/billing).

- Transition team structure: the proposed transition team structure (25FTEs) reflects an estimated level of resourcing to deliver Day One but will need further refinement once workstream leads are in place to understand fully their resourcing needs to execute the key deliverables.
 - Specialist advisory support: estimates based on market information available and costs are anticipated for commercial finance advice, legal services, organisational design, treasury advice and water infrastructure expertise.
- 4.20 These assumptions reflect the current stage of the programme and the level of detail available. While they have been tested through review processes, a level of uncertainty remains ahead of full workstream planning and is outlined through the following identified risks:
- Level of programme detail - there has been limited time and resourcing available to complete detailed programme planning without workstream leads appointed
 - Market availability of specialist expertise – resourcing will likely require a mix of contractors and specialist consultants. Recruitment of these resources (especially those already working in local water done well transition space) has been estimated but may escalate given availability of appropriate resources.
 - Systems and technology decisions – further due diligence is required to confirm final system architectures and implementation approaches.
 - Transition complexity – the programme requires coordination across multiple councils to transfer staff, assets, systems, contracts and operational responsibilities. The budget assumes full cooperation from shareholder councils in this space.
 - Financing arrangements – while the intention is for the water organisation to borrow directly from the LGFA to fund establishment costs, the timing of this is uncertain. As such, these costs have not been included in the budget but will likely fall either into the 2026/27 financial period or become part of opening debt balances (see section xx below for detail on this).
- 4.21 These risks will be actively managed through the recruitment of workstream leads, development of the detailed Project Initiation Documents (i.e. how each key deliverable will be executed), ongoing refinement of the budget and strong governance oversight.
- 4.22 The inclusion of contingency within the budget provides an additional mechanism to manage these uncertainties while maintaining overall financial discipline. Any requests for use of the contingency would go through the change control processes outlined in the Project Management Plan (i.e. up to the Shareholder Representative Forum for approval).

Expected outcomes

- 4.23 The transition budget is designed to deliver a functioning HBWSCCO that is ready to operate from 1 July 2027 and achieve the following outcomes:
- Operational readiness:
 - establishment of governance, management and operational structures required for the organisation (i.e. what's new)

- transfer of staff, assets, contracts and operational responsibilities from councils (what's transferred)
- Execution of shared service agreements for other essential support services/systems required to support operations (what is outsourced)
- Service continuity:
 - Water services continue to operate without disruption throughout the transition
 - Operational arrangements support continuity of service delivery
- Governance and regulatory compliance:
 - Development and execution of the Water Services Strategy
 - Compliance frameworks implemented to meet regulatory requirements
 - Governance policies and reporting processes established
- Financial and organisational capability:
 - Implementation of essential systems and treasury arrangements required to support operations (e.g. Finance ERP – part of the 'what's new')
 - Asset management and investment planning frameworks aligned for consistency across the region.
- Public engagement and consultation:
 - Clear, consistent and well-timed communication supports public understanding of the transition, enables effective statutory consultation processes, and ensures the new water entity is introduced in a way that builds confidence, trust and positive early engagement.

Funding approach

- 4.24 Establishment costs to date have been funded regionally via grants received from the Department of Internal Affairs (DIA) to progress the region under the LWDW legislation. With these funds expected to be fully utilised by March 2026, a funding approach is required to support the transition programme through to establishment of the HBWSCCO.
- 4.25 In January 2026, the Local Government Funding Agency (LGFA) confirmed that water organisations may be able to access borrowing prior to transfer date. This provides a pathway for the HBWSCCO to borrow directly from the LGFA earlier than originally anticipated.
- 4.26 Notwithstanding this, there remains a timing gap between the point at which current funding is exhausted and when the HBWSCCO can borrow directly from the LGFA. This reflects the need to first incorporate the entity and complete the accession process, which is expected to take approximately three months from incorporation date.
- 4.27 The proposed approach is therefore for HDC, as administering council, to raise debt (i.e. borrow from the LGFA) to fund establishment costs as a bridging mechanism until the water organisation is in a position to borrow from the LGFA directly. This debt would be guaranteed by the other shareholder councils as per the terms in the Shareholders' Agreement (i.e. proportional to shareholdings).

- 4.28 This approach was considered through the PSG and identified as the most practical and cost-effective option. It provides a single, coordinated borrowing mechanism across the shareholder councils, reduces administrative complexity, and enables the programme to proceed without delay. It also allows borrowing to occur at HDC's existing credit rating, resulting in lower financing costs than alternative approaches available during this bridging period.
- 4.29 Once incorporated, the HWBSCCO will seek accession to the LGFA and is expected to borrow directly from the LGFA as soon as practicable. At that point, establishment-related borrowing raised by HDC will be repaid, including any associated financing costs.
- 4.30 This approach ensures continuity of funding while providing a clear and timely pathway to transitioning debt to the HBWSCCO and aligning with the long-term funding model for the organisation.

5.0 Options - He kōwhiringa anō:

5.1 Option One - Recommended Option

5.1.1 Approve the transition budget and funding approach:

Advantages

- Enables the establishment programme to progress in a coordinated and timely manner
- Maintains alignment with the WSDP and associated financial assumptions consulted on with the community
- Provides a clear and controlled approach to funding establishment costs
- Supports delivery of a Day One ready organisation by 1 July 2027
- Reflects input and review from Council Chief Financial Officers, the Establishment Advisory Board and the Project Steering Group

Disadvantages

- The budget includes assumptions that will require refinement as programme planning progresses

5.2 Option Two – Status Quo

5.2.1 Do not approve the transition budget at this time

Advantages

- Allows additional time to further refine budget assumptions and programme detail

Disadvantages

- Delays establishment of the HBWSCCO and associated programme workstreams
- Risks misalignment with agreed programme timeframes in the WSDP and legislative expectations
- May result in increased overall programme costs due to delays and inefficiencies
- Creates uncertainty for recruitment of key resources and programme delivery

6.0 Next Steps - Te Koke

- 6.1 Subject to Council approval of the transition budget and funding approach, the programme will move from planning into delivery.
- 6.2 Immediate next steps will include progressing incorporation of the HBWSCCO and implementing the funding arrangements required to ensure continuity of the programme from 1 April 2026.
- 6.3 Recruitment of key workstream leads and specialist resources will be prioritised. This will enable development of detailed Project Initiation Documents (PIDs) for each workstream, including refinement of scope, sequencing, resourcing requirements and cost estimates.
- 6.4 The programme will also progress the steps required for the HBWSCCO to gain accession to the LGFA, with the intention of enabling the organisation to borrow directly and refinance establishment costs at the earliest opportunity.
- 6.5 As the programme progresses, the transition budget will be updated to reflect improved information and planning detail. Any material changes will be managed through the change control processes outlined in the Programme Management Plan, including escalation to the Shareholder Representative Forum where required.
- 6.6 Financial performance, including actual expenditure against budget and any financial costs incurred through the interim arrangements, will be regularly reported through the programme governance structures to ensure ongoing visibility, oversight and control.

7.0 Attachments

Nil

Summary of Considerations - *Tuhinga Whakarāpopoto*

Fit with purpose of Local Government - *Ngā aronga tā te Kaunihera- ā-rohe kōrero*

Council is required to give effect to the purpose of local government as set out in Section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf) of communities in the present and for the future.

Māori Impact Statement - *He kōrero whaitake tā te māori kōrero:*

Climate Change - *Te Huringa o te āhuarangi*

This decision does not have an impact on:

- Greenhouse gas emissions (from council operations, community activities, or associated infrastructure),
- Napier's adaptation to a changing climate (e.g. flooding, sea level rise, coastal erosion, inundation, drought, heatwaves),
- Or is it itself likely to be impacted by these climate-related risks

LTP/ Annual Plan/ Financial Strategy/ Infrastructure Strategy - *Te Pae Tawhiti/ ā-tau / ā- Taunaki Ahumoni /ā- Taunaki Hanganga*

Financial considerations - *Whai whakaaro Ahumoni:*

Significance and Engagement - *Ko te Hiranga me te Hiwaia o te whakaaro:*

Consultation (internal/external) - *Ngā Uiuinga (Ki te Kaunihera /ki ngā tāngata katoa)*

Risks: Legal/ Health and Safety etc. - *Whaktūpato Ture/ Hauora me te Haumaru*

6. HAWKES BAY WATER SERVICES CCO - SHAREHOLDER REPRESENTATIVE FORUM

<i>Type of Report:</i>	Legal
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1904290
<i>Reporting Officer/s & Unit:</i>	Bevan Trotman, Operations Manager

1.0 Executive Summary

The purpose of this paper is for Council to approval for:

- The initial appointment of members to the Shareholders' Representative Forum (SRF) for the Hawke's Bay Water Services CCO (HBWSCCO)
- The approach to developing a permanent appointments process for SRF membership

- 1.1 The SRF will be a joint committee of the shareholding councils and is a key component of the governance framework for the HBWSCCO. It provides governance oversight, coordinates shareholder input, and is responsible for key functions including appointment of the Board and development of the Statement of Expectations (SoE).
- 1.2 Under the Shareholders' Agreement, decisions of the SRF are made by a majority of members present at a meeting (subject to quorum requirements). This means that each appointed member participates directly in decision-making.
- 1.3 As a result, the number of members appointed by Council, and their attendance at meetings, directly affects Council's ability to influence SRF decisions.
- 1.4 To enable timely establishment of the HBWSCCO, avoid delays to critical work programmes (including development of the first SoE), and ensure appropriate representation in SRF decision-making, it is recommended that Council appoint three elected members to the SRF as an interim measure.
- 1.5 Having three appointed members is important to ensure that Council has a strong and consistent presence in SRF decision-making.
- 1.6 It is recommended that one of these members be a Māori ward councillor, recognising Council's commitment to mana whenua representation during the initial establishment phase.
- 1.7 In parallel, this paper seeks Council direction on the longer-term composition and appointment process for SRF membership, including consideration of elected members, mana whenua representation, and independent or technical expertise.
- 1.8 The recommended approach provides a practical pathway to establish the SRF immediately, while allowing time to develop a robust and enduring appointments framework.

2.0 Recommendations - Ngā Tūtohunga

That Council

- a. **Receive** the report titled Hawkes Bay Water Services CCO - Shareholder Representative Forum dated 2 April 2026

- b. **Approves** the appointment of three elected members as Council's representatives on the Shareholders' Representative Forum (SRF) on an interim basis, to enable establishment of the HBWSCCO governance arrangements
- c. **Notes** that:
 - i. Each SRF member holds a deliberative vote, with decisions made by majority of members present; and
 - ii. Active participation and attendance at SRF meetings (including use of proxies where required) is important to ensure Council is effectively represented in SRF decision-making.
- d. **Adopts** the permanent SRF appointments process outlined in Section 4.8 of this report
- e. **Notes** Council's commitment that at least one SRF member will reflect Council's commitment to incorporating mana whenua representation at a governance level
- f. **Appoints** the following elected members as Council's interim representatives on the SRF: *To be populated at meeting*

3.0 Background - Ngā Tuāpapa:

- 3.1 The Local Government (Water Services) Act 2025 and associated establishment process requires participating councils to put in place governance arrangements for the HBWSCCO.
- 3.2 As part of this, the shareholding councils (Hastings District Council, Napier City Council and Central Hawke's Bay District Council), along with the HBWSCCO establishment team have developed the key foundational documents, the Constitution and Shareholders' Agreement.
- 3.3 The Shareholders' Agreement provides for the establishment of a Shareholders' Representative Forum (SRF) as a joint committee of the shareholding councils.
- 3.4 Each shareholder council has the ability to appoint, remove and replace its SRF members at any time through written notice.
- 3.5 The SRF terms of reference require at least one appointed SRF member per council be an elected member.
- 3.6 The SRF plays a central role in the governance and accountability framework for the HBWSCCO, acting as the primary interface between the shareholding councils and the organisation.
- 3.7 The Shareholders' Agreement sets out that SRF decisions are made by a majority of members present, provided quorum requirements are met. This means that each appointed member participates directly in decision-making, and the level of representation from each council directly influences its ability to contribute to SRF decisions.

4.0 Discussion - Ngā Whakamārama:

- 4.1 The SRF is responsible for providing governance oversight of the HBWSCCO and coordinating shareholder input. Key responsibilities include:
 - Monitoring the performance of the HBWSCCO
 - Providing input into the Water Services Strategy and annual budget
 - Preparing the Statement of Expectations

- Appointing and reviewing the performance of the Board
 - Providing coordinated feedback and recommendations to shareholders
- 4.2 Given these responsibilities, SRF members require a mix of governance capability, strategic oversight, and an understanding of infrastructure, finance and local government.

Interim appointments (establishment/transition phase)

- 4.3 To enable the SRF to be established quickly and support key workstreams, it is recommended that Council appoint three elected members on an interim basis.
- 4.4 This approach:
- Enables immediate establishment of the SRF
 - Avoids delays associated with recruiting external members
 - Supports timely development of the first Statement of Expectations
 - Ensures strong democratic accountability during the establishment/transition phase
- 4.5 It is also proposed that one of the appointed members be a Māori ward councillor, reflecting Council's commitment to incorporating mana whenua engagement at governance levels.
- 4.6 This is intended to be a temporary arrangement, with the permanent appointment process outline below, and to be implemented prior to day one of operations for the HBWSSCO (1 July 2027).

Permanent appointments process (proposal for approval)

- 4.7 To support effective governance of the HBWSSCO over the longer term, it is proposed that Council adopts a formal appointments process for its SRF representatives.
- 4.8 This process is intended to ensure that SRF membership reflects an appropriate balance of governance capability, sector expertise, and community representation.

Composition

- Up to three members appointed by Council
- At least one elected member
- Remaining positions may be filled by either elected members or independent members appointed on a skills basis

Skills based approach

Appointments will be guided by a skills matrix, developed to reflect the SRF's roles and responsibilities.

The skills matrix is expected to include capability across:

- Understanding of Te Ao Māori and community perspectives
- Governance and board experience
- Infrastructure and/or water services knowledge
- Financial and commercial expertise

This approach ensures that SRF membership collectively has the capability to fulfil its governance and oversight responsibilities.

Recruitment process (for independent members)

Where Council chooses to appoint independent members, a transparent and merit-based recruitment process will be undertaken, including:

- Development of a position description
- Public advertising and targeted engagement (including with mana whenua and relevant sector networks)
- Shortlisting of candidates
- Interviews and assessments against the skills matrix
- Recommendations presented to Council for decision making

Interview panel

- Council will appoint an interview panel of elected members, supported by officers, to:
- Assess candidates against the agreed criteria
- Conduct interviews
- Recommend preferred candidates to Council

Mana Whenua representation

Council has committed to ensuring that at least one SRF member reflects its commitment to incorporating mana whenua perspectives at a governance level.

This will be achieved through:

- Appointment of a member who brings strong understanding of Te Ao Māori and/or established relationships with mana whenua; and/or
- Appointment of a member who can appropriately represent and reflect mana whenua interests and perspectives in SRF discussions and decision-making

This requirement will be applied to both interim and permanent appointments, ensuring that mana whenua perspectives are included in SRF governance from establishment through to long-term operations.

Appointment and tenure

Final appointment decisions will be made by Council.

Council may remove and replace SRF members at any time but may also choose to establish term lengths and review mechanisms to support continuity and orderly succession.

SRF Voting and attendance requirements

4.9 Under the Shareholders' Agreement each SRF member has a deliberative vote. This means that decisions are made by a majority of members present, with quorum being met by having at least one representative from each shareholder council present.

4.10 This has important implications as Council's influence is directly linked to the number of members it has present. Each member contributes individually to decision-making and therefore consistent attendance is critical to ensure Council is represented.

4.11 The SRF is responsible for making a number of key governance decisions on behalf of shareholding councils, including:

- Appointing and removing directors of the HBWSCCO Board
- Approving director remuneration
- Making decisions on Board tenure (including any extensions)
- Determining when shareholder decisions are required (outside those that are already listed in reserved matters requiring shareholder decisions)
- Appointing the independent (non-voting) Chair of the SRF (and determining their remuneration for the role)

4.12 In addition to these decision-making functions, the SRF also plays a central role in monitoring organisational performance, providing strategic input, and developing the Statement of Expectations.

4.13 Given the significance of these responsibilities, it is important that Council maintains consistent and active representation at SRF meeting to ensure it can effectively contribute to, and influence, these decisions.

4.14 To mitigate this risk, SRF members should prioritise attendance and when necessary use proxies to maintain quorum and representation.

Reporting to Council

4.15 The SRF will meet regularly (at least quarterly), and it is recommended that:

- The SRF provides quarterly reports to the Performance and Monitoring Committee
- When needed additional reporting is provided to Council for key decisions
- The HBWSCCO Board Chair and CEO report back to the Performance and Monitoring Committee, in a similar manner as other CCOs when needed.

5.0 Options - He kōwhiringa anō:

5.1 Option One - Recommended Option

Approve interim appointments and adopt a permanent appointments process

Council appoints three elected members immediately and adopts the permanent appointments process outlined in Section 4.8

Advantages

- Enables immediate establishment of the SRF once incorporation of the HBWSCCO is confirmed
- Provides a clear and transparent long-term appointments framework
- Aligns with approaches already developed by partner councils
- Supports skills-based and representative governance
- Avoids need for further decision-making reports

Disadvantages

- Limits flexibility to refine the process after establishment (noting Council can still amend this in future if desired)

5.2 Option Two

Option Two - Te Kōwhiringa Tuarua

Approve interim appointments only and defer permanent process

Council appoints interim members but does not adopt a permanent process at this stage

Advantages

- Allows additional time to refine the process

Disadvantages

- Delays recruitment processes of independent members
- Creates uncertainty around long-term governance

6.0 Next Steps - Te Koke

Subject to Council approval:

- Appointed members will participate in the initial SRF meetings once the HBWSCCO is incorporated
- Skills matrices and position descriptions will be finalised for permanent SRF members
- If required, a recruitment process for independent members will be initiated
- Recommendations for independent appointments will be brought to Council for decision
- The SRF, with its interim members, will commence key responsibilities, including the development of the Statement of Expectations

7.0 Attachments

Nil

Summary of Considerations - *Tuhinga Whakarāpopoto:*

Fit with purpose of Local Government - *Ngā aronga tā te Kaunihera- ā-rohe kōrero*

Council is required to give effect to the purpose of local government as set out in Section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf) of communities in the present and for the future.

Māori Impact Statement - *He kōrero whaitake tā te māori kōrero:*

Climate Change - *Te Huringa o te āhuarangi*

This decision does not have an impact on:

- Greenhouse gas emissions (from council operations, community activities, or associated infrastructure),
- Napier's adaptation to a changing climate (e.g. flooding, sea level rise, coastal erosion, inundation, drought, heatwaves),
- Or is it itself likely to be impacted by these climate-related risks

LTP/ Annual Plan/ Financial Strategy/ Infrastructure Strategy - *Te Pae Tawhiti/ ā-tau / ā- Taunaki Ahumoni /ā- Taunaki Hanganga*

Financial considerations - *Whai whakaaro Ahumoni:*

Significance and Engagement - *Ko te Hiranga me te Hiwaia o te whakaaro:*

Consultation (internal/external) - *Ngā Uiuinga (Ki te Kaunihera /ki ngā tāngata katoa)*

Risks: Legal/ Health and Safety etc. - *Whaktūpato Ture/ Hauora me te Haumaru*

7. DANGEROUS, AFFECTED AND INSANITARY BUILDINGS POLICY

<i>Type of Report:</i>	Legal
<i>Legal Reference:</i>	Building Act 2004, Local Government Act 2002
<i>Document ID:</i>	1903746
<i>Reporting Officer/s & Unit:</i>	Alexandra Shrubsall, Building Systems Analyst Malcolm Smith, Building Consents Manager

1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

1.1 The purpose of this report is to propose the attached drafted updates to Napier City Council's (NCC) public policy on Dangerous, Affected and Insanitary Buildings, as well as special consultative actions to meet legislative requirements. The updates are founded on corrective actions and recommendations received from the Ministry of Business, Innovation and Employment (MBIE) during their performance monitoring assessment, along with advice sought from Selwyn District Council and NCC's Strategy & Policy team. By adopting the proposed updates, the NCC will adhere to Section 131-132A of the Building Act 2004 and Section 83 of the Local Government Act 2002.

2.0 Recommendations - Ngā Tūtohunga

That Council

- a. **Receives** the report titled Dangerous, Affected and Insanitary Buildings Policy dated 09 April 2026.
- b. **Approves** the specific changes highlighted in the attached Draft Dangerous, Affected and Insanitary Buildings Policy.
- c. **Endorses** the proposed special consultative procedure to meet legislative requirements.

3.0 Background - Ngā Tuāpapa:

3.1 The Dangerous, Affected and Insanitary Buildings Policy (DAI Buildings Policy) outlines how the NCC identifies and manages buildings that are dangerous, affected, or insanitary, to protect public safety and property. It is a mandatory requirement under Section 131 of the Building Act 2004, is subject to the special consultative procedure under Section 83 of the Local Government Act 2002 and must be reviewed every 5 years. The policy was originally adopted on 8 October 2013 and was due for review on 25 March 2026.

3.2 The DAI Buildings Policy is used predominately by the Building Team, specifically operational and inspection staff. However, the wider Strategy & Urban Development Directorate may also use it when other areas of regulation or compliance are involved. MBIE reviews each Territorial Authority's (TA's) DAI Buildings Policy as part of their TA Performance Monitoring assessments. The frequency depends on the level of risk as set by MBIE.

3.3 The policy forms a benchmark for the operational procedure, which is owned by the Building Team. This includes:

- Receiving the notification of a potential DAI Building and completing an initial assessment.

- Carrying out an inspection using a specific checklist to confirm whether it is a DAI Building.
 - Issuing notices restricting entry and ordering remedial work to be carried out to make it safe.
 - Monitoring to ensure remedial work is carried out within a specific timeframe.
- 3.4 The DAI Buildings Policy is not used for resolving tenancy and landlord disputes, instead this should be dealt with by Tenancy Services. It also cannot be used when a state of emergency has been declared under the Civil Defence Emergency Management Act 2002, instead the rapid building assessment process would be initiated.
- 3.5 During MBIE's last TA Performance Monitoring assessment, the NCC DAI Buildings Policy was reviewed, and two corrective actions were identified relating to:
- The inclusion of how priority levels are considered.
 - How heritage buildings are considered.
 - There were also several recommendations offered including:
 - Stating whether the Council have a 'proactive' or 'passive' approach to identifying DAI Buildings.
 - A statement covering the recording of the status of DAI Buildings via a register and whether this information will be disclosed in any land information memorandum (LIM) or, where it affects any proposed building work, whether the information should be disclosed in a project information memorandum (PIM).
 - The implications for other Council policies.
 - Confirmation there are no conflicts of interest with other Council policies.
 - Confirmation that the policy is reviewed at intervals of no more than five years, a copy is provided to MBIE, the special consultative procedure is followed, and a version history is kept.
- 3.6 When drafting the changes, advice was sought from Selwyn District Council (SDC), as the NCC's Building Team have an established working relationship with SDC's Building Team and they shared their policy (which had been confirmed appropriate by MBIE) to use as a guide. The NCC Building Team also liaised with the NCC Strategy & Policy Team to confirm that our drafted changes aligned with NCC's approach to heritage buildings and that it did not contradict any other Council policies.

4.0 Discussion - Ngā Whakamārama:

- 4.1 The Summary of Considerations section below demonstrates that the legislative requirements of updating the DAI Buildings Policy limits the discussion of alternative content and methods of updating the policy.

5.0 Options - He kōwhiringa anō:

There are no options to consider due to the legislative requirements of the DAI Buildings Policy.

6.0 Next Steps - Te Koke

- 6.1 Carry out the proposed special consultative actions to meet legislative requirements.

7.0 Attachments

1 [Down Arrow](#) Dangerous, Affected and Insanitary Buildings Policy 2021 with draft changes

Doc Id:
1903761

Summary of Considerations - *Tuhinga Whakarāpopoto:*

Fit with purpose of Local Government - *Ngā aronga tā te Kaunihera- ā-rohe kōrero*

Council is required to give effect to the purpose of local government as set out in Section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf) of communities in the present and for the future.

The drafted changes to the DAI Buildings Policy adhere to the requirements of the Building Act 2004 and Local Government Act 2002. As it is a mandatory requirement to have this policy and the NCC Building Team has been instructed by MBIE as the governing body to include specific information, there are limitations on the content of the policy.

Māori Impact Statement - *He kōrero whaitake tā te māori kōrero:*

There are no known impacts for tangata whenua.

Climate Change - *Te Huringa o te āhuarangi*

This decision does not have an impact on:

- Greenhouse gas emissions (from council operations, community activities, or associated infrastructure),
- Napier's adaptation to a changing climate (e.g. flooding, sea level rise, coastal erosion, inundation, drought, heatwaves),
- Or is it itself likely to be impacted by these climate-related risks

LTP/ Annual Plan/ Financial Strategy/ Infrastructure Strategy - *Te Pae Tawhiti/ ā-tau / ā- Taunaki Ahumoni /ā- Taunaki Hanganga*

There are no known implications on LTP/ Annual Plan/ Financial Strategy/ Infrastructure Strategy.

Financial considerations - *Whai whakaaro Ahumoni:*

There are no known financial implications, as all actions required to implement the drafted changes to the DAI Buildings Policy are a part of the NCC Building Team's usual responsibilities.

Significance and Engagement - *Ko te Hiranga me te Hiwaia o te whakaaro:*

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

Under the guidance of the Communications and Engagement Team, the consultation process will focus on full community communication, with the submission period available for one month to meet legislative requirements.

Public feedback will be summarised and used to refine the DAI Buildings Policy where appropriate. Any resulting changes and the next review date will be communicated back to the community to close the loop.

Consultation (internal/external) - *Ngā Uiuinga (Ki te Kaunihera /ki ngā tāngata katoa)*

As noted under point 3.6 above, external and internal expert consultation has already been undertaken. However, due to the special consultative procedure requirement of this policy, external public consultation will need to be carried out before the drafted changes can be published. This will likely be done in conjunction with other consultations already planned for the Strategy & Policy Team. A clear message will need to be conveyed that there are strict limitations on the policy content.

Risks: Legal/ Health and Safety etc. - *Whaktūpato Ture/ Hauora me te Haumarū*

Risk lies in not updating the DAI Buildings Policy with the drafted changes, specifically the corrective actions noted under point 3.5, as the NCC will be in violation of the Building Act 2004.

PUBLIC POLICY



Dangerous, Affected and Insanitary Buildings Policy			
Adopted By	Council 25 March 2021 (at Future Napier Committee)		
Department	City Strategy		
Original Adoption Date	08/10/2013	Review Adoption Date	25/03/21
Next Review Deadline	25/03/26	Control Document ID	345876
Relevant Legislation	Building Act 2004		
NCC Docs Referenced	na	Published Document ID	na

Purpose

This policy is to meet the requirements of sections 131, 132 and 132A of the Building Act 2004 (the Act) for territorial authorities to adopt a policy on dangerous, affected and insanitary buildings. This is a review of existing policy under Schedule 1AA of the Building (Earthquake-prone Buildings) Amendment Act 2016.

These and other provisions relating to dangerous, affected and insanitary buildings are contained in the following sections of the Building Act 2004.

- Section 121 defines meaning of dangerous building.
[Meaning of dangerous building](#)
- Section 121A defines the meaning of affected building.
[Meaning of affected building](#)
- Section 123 defines meaning of insanitary building.
[Meaning of insanitary building](#)
- Section 123A defines the application of this subpart to parts of buildings.
[Application of this subpart to parts of buildings](#)
- Section 124 describes powers of territorial authorities in respect of dangerous, affected or insanitary buildings.
[Dangerous, affected, or insanitary buildings: powers of territorial authority](#)
- Sections 125–130 describe procedures to be applied in the exercise of those powers.
[Requirements for notice requiring building work or restricting entry](#)
[Territorial authority may carry out work](#)
[Building work includes demolition of building](#)
[Prohibition on using dangerous, affected, or insanitary building](#)
[Offences in relation to dangerous, affected, or insanitary buildings](#)
[Measures to avoid immediate danger or to fix insanitary conditions](#)

Territorial authority must apply to District Court for confirmation of warrant

- Section 131 provides that a territorial authority must adopt policy on dangerous and insanitary buildings.

Territorial authority must adopt policy on dangerous and insanitary buildings

- Section 132 describes procedures in relation to the adoption and review of policies on dangerous and insanitary buildings.

Adoption and review of policy

- Section 132A states policy must take into account affected buildings.

Policy must take into account affected buildings

These sections of the Act are reproduced in the Hyperlinks above for convenience of reference, but the full provisions of the Act should be referred to on matters of law.

Throughout this policy “Council” refers to the Napier City Council.

In this policy “Private Residential” means private dwellings classed as category SH under the Building Act 2004 but excludes those buildings classed under category SR¹.

Footnotes are provided to explain Council’s reasons for certain aspects of policy and further expand on the provisions of the policy.

Policy

In general Napier City Council takes a passive approach to identifying DAI buildings by responding to complaints or information provided to Council.

Priorities for Action

Council will actively respond to and assess all complaints received and identify from these assessments any buildings that are dangerous, affected, or insanitary. Council uses a matrix to determine the timeframe within which the assessment will be completed.

Table 1. Definitions

Level of risk/likelihood	
Very high	Accessed daily by large groups of people (e.g. medical centre, education facility, police station, community centre, supermarket, apartment building).
High	Accessed regularly by small groups of people (e.g. office, retail, hospitality)
Medium	Access daily (e.g. dwelling)
Low	Infrequent access, or exposure to hazard (e.g. detached domestic garage, workshop, sleepout).
Very low	Unlikely to be occupied, space typically used for storage only (e.g. farm shed, hay barn).

Consequence of failure	
Negligible	No injuries, no inconvenience to building uses, no impact on adjacent buildings/property.
Minor	No injuries, some inconvenience to building uses, likely impact on adjacent buildings/property.
Moderate	Minor injuries, inconvenience to building uses, likely impact on adjacent buildings/property.
Major	Serious injury or death (including injurious to health), evacuation or short term sheltering may be required.
Extreme	Multiple serious injuries/deaths, failure of building likely to impact on adjacent building/property, evacuation or short/long term sheltering is required.

Table 2. Assessment Priority Matrix

Determine the level of risk/likelihood and the consequence of failure using the definitions provided in Tables above inputted in to the table below (level of risk/likelihood multiplied by consequence of failure).

	Negligible (1)	Minor (2)	Moderate (3)	Major (4)	Extreme (5)
Very high (5)	5	10	15	20	25
High (4)	4	8	12	16	20
Medium (3)	3	6	9	12	15
Low (2)	2	4	6	8	10
Very low (1)	1	2	3	4	5

Table 3. Assessment timeframe

The score from Table 2 informs the timeframe in which initial action shall be taken.

Priority	Score	Working days
Immediate	>15	1
High	10-14	3
Medium	6-9	10
Low	<5	20

Approach for Dangerous Buildings

Policy Statement

Once buildings that are dangerous come to the attention of Council it will act promptly to ensure they are made safe.

Dangerous Buildings may come about due to a change of use (for example a commercial building used for residential purposes, unauthorised alterations being made, from a fire, from a natural disaster or as a result of its use by an occupant). Once buildings that are dangerous come to the attention of Council, Council has a statutory responsibility to act promptly to ensure the safety of persons or property. Napier City Council will use the process set out in the Building Act 2004 in dealing with dangerous buildings. Following consultation, this policy has been developed in accordance with Section 83 of the Local Government Act 2002.

Identification of Dangerous Buildings

In order to identify dangerous buildings Council will respond to and investigate all building complaints or notification from internal sources or third parties. However Council may not respond to anonymous complaints. Where those investigations reveal that the building is in a dangerous state the owner and occupier of the building will be informed and required to reduce or remove the danger. Council will seek advice from the Fire and Emergency New Zealand on making an assessment of a dangerous building where appropriate, for example on a complex building.

Council will assess dangerous buildings against the provisions of section 121(1) of the Building Act 2004 (see Hyperlinks above).

Taking Action on Dangerous Buildings

Where the danger is assessed as immediate, Council may undertake any of those measures outlined in section 129 of the Act to remove the danger. Due to the urgent nature of the risk that dangerous buildings pose to users, Council will in the first instance act to ensure no person uses or occupies the building until such work is undertaken to reduce or remove the danger. Council will seek cost recovery for work carried out under this section.

Where the danger is assessed as not being immediate, in accordance with sections 124 and 125 of the Act Council may:

- Advise and liaise with the owner(s) of the building(s);
- Request a written report on the building from the Fire and Emergency New Zealand;
- If the building is found to be dangerous attach a written notice to the building requiring remedial work to be carried out within a time stated in the notice being not less than 10 days, to reduce or remove the danger. Copies of the notice will be provided to the building owner, the occupier and every person who has an interest in the land, or is claiming an interest in the land, as well as Heritage New Zealand, if the building is a heritage building;
- Consider enforcement action under the Act if the requirements of the notice are not met with a reasonable period of time as well as any other non-compliance matters.

All owners have a right to object to Council for a review of its decision or the Ministry of Business, Innovation & Employment (MBIE) for a determination under Section 177 (3) of the Act (see

Hyperlinks below).

[Application for determination](#)

¹ SH means Single Detached Dwelling. SR means Multi-Unit Dwellings, Flats or Apartments

Policy Approach for Affected Buildings

Policy Statement

Once buildings that are dangerous come to the attention of Council it will act promptly to ensure they are made safe.

Any buildings adjacent to, adjoining, or nearby to a dangerous building or dam shall be assessed to determine if they are affected by the dangerous building or dam in question.

Once any buildings are deemed to be affected, Council has a statutory responsibility to act promptly to ensure the safety of persons or property. Napier City Council will use the process set out in the Building Act 2004 in dealing with affected buildings. **Following consultation, this policy has been developed in accordance with Section 83 of the Local Government Act 2002**

Policy Approach for Insanitary Buildings

Policy Statement

Once buildings that are insanitary come to the attention of Council it will act promptly to ensure they are made safe.

Buildings may become insanitary due to a number of reasons, such as following a natural disaster, as a result of poor maintenance, or misuse by an occupant. Once buildings that contain insanitary conditions come to the attention of Council, Council will follow the process laid down in the Building Act 2004 in dealing with insanitary conditions. **Following consultation, this policy has been developed in accordance with Section 83 of the Local Government Act 2002**

Identification of Insanitary Buildings

In order to identify insanitary buildings, Council will respond to and investigate all building complaints or notification from internal sources or third parties. However, Council may not respond to anonymous complaints. In situations where natural disasters have occurred Council will institute an active approach to assessing the sanitary state of affected buildings.

Where any investigations reveal that a building is in an insanitary state the owner and occupier of the building will be informed and the owner required to address those conditions contributing to the insanitary state.

Taking action on Insanitary Buildings

Where immediate action is required to prevent the building from remaining insanitary, Council will undertake those measures in section 129 of the Act to fix the insanitary conditions. Due to the urgent nature of the risk that insanitary buildings pose to users, Council will in the first instance act to ensure no person uses or occupies the building or permits another person to use or occupy the building until such work is undertaken to fix the insanitary conditions.

Where immediate action is not required Council may:

- Advise and liaise with the owner(s) of the building(s);
- If the building is found to be insanitary attach a written notice to the building requiring remedial work to be carried out within a time stated in the notice being not less than 10 days, to reduce or remove the conditions contributing to the insanitary state. Copies of the

notice will be provided to the building owner, the occupier and every person who has an interest in the land, or is claiming an interest in the land, as well as Heritage New Zealand, if the building is a heritage building;

- Consider enforcement action under the Act if the requirements of the notice are not met with reasonable period of time as well as any other non-compliance matters.

Heritage Buildings (Pohera Toanga)

In the implementation of procedures under the Act with regards to dangerous, affected or insanitary buildings, Council will consider any special traditional or cultural aspects of the intended use of a building and the need to facilitate the preservation of buildings of significant cultural, historical or heritage value. This will be achieved by:

1. Recognising the range of heritage buildings that exist in the District, including the New Zealand Heritage List /Rārangi Kōrero (the List) and statutory protection through listing in the District Plan;
2. Consultation with owners and Heritage New Zealand (Pohera Toanga) in relation to any proposed written notice requiring work;
3. Informing and involving relevant statutory organisations, including Heritage New Zealand (Pohera Toanga), with regard to any heritage building identified as at risk;
4. Considering heritage values when developing and managing upgrading proposals;
5. Consideration of alternative methods to avoid unnecessary demolition of heritage buildings including:
 - a. partial demolition;
 - b. temporary propping/support of the structure;
 - c. hoardings to restrict access;
 - d. partial deconstruction to make safe and salvage materials.

After undertaking the actions outlined above, Council will serve notices requiring upgrading or removal within specific timeframes, in consultation with building owners.

Record Keeping, LIM and PIM Information

Council holds an internal register of dangerous, affected or insanitary buildings for staff to efficiently identify relevant buildings, contacts and status. Where dangerous, insanitary conditions or affected building status is confirmed, the following information will be recorded on the relevant property file:

1. Any written notice issued under s 124(2) of the Act and;
2. Any supporting documentation relating to the notice (e.g. photos, inspection reports, letters to the owner/occupier)

For the purpose of land information memorandum (LIM) and project information memorandum (PIM), only written notice(s) issued under s124(2) of the Act will be included.

All owners have a right to object to Council for a review of its decision or the Ministry of Business, Innovation & Employment (MBIE) for a determination under Section 177(3) of the Act (see Hyperlinks above).

Policy Review

The review timeframe of this policy will be no longer than every five years. If amended, a copy is to be provided to the chief executive of MBIE as specified by s132(3) of the Act.

Document History

Version	Reviewer	Change Detail	Date
2.0	Malcolm Smith	Internal review only, not yet adopted	05 June 2018
3.0	Malcolm Smith	Full review	25 March 2021
3.0.2	Malcolm Smith	Hyperlinks added by gatekeeper, version updated	29 July 2024
4	Malcolm Smith	Amendments made as instructed by MBIE.	16 April 2025

8. AHURIRI INVESTMENT MANAGEMENT - STATEMENT OF INTENT

Type of Report: Operational and Procedural

Legal Reference: Local Government Act 2002

Document ID: 1905091

Reporting Officer/s & Unit: Craig Kenny, Head of Commercial Communications & Economic Development

1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

1.1 To receive and approve the final version of Ahuriri Investment Management (AIM) Statement of Intent (SOI) for 1 July 2025 to 30 June 2028. The SOI has been updated with feedback following the Corporate and Performance Committee Meeting held 4 March 2026.

2.0 Officer's Recommendation

That Council:

- a. **Receive** the report titled Ahuriri Investment Management - Statement of Intent 09 April 2026.
- b. **Approve** the Ahuriri Investment Management - Statement of Intent.

3.0 Background

The AIM SOI has been updated to include a Stakeholder Engagement Matrix following feedback from elected members at the Corporate and Performance Committee meeting held 4 March 2026.

4.0 Attachments

- 1 [↓](#) 2026-04-09 AIM Statement of Intent - FINAL signed Doc Id: 1905473

Ahuriri Investment Management | Interim Statement of Intent

30 March 2026

NOT FOR CIRCULATION

Ahuriri Investment Management Limited (AIM)

For the period 1 July 2025 – 30 June 2028

1. Introduction

This Statement of Corporate Intent (SOI) is prepared by Ahuriri Investment Management Limited (AIM) in accordance with Section 64(1) and Schedule 8 of the Local Government Act 2002.

AIM is a newly established council-controlled trading organisation (CCTO) responsible for the commercial management of Napier City Council's ringfenced NCC Investment Portfolio.

This SOI represents AIM's first formal expression of its purpose, direction, activities, and performance expectations, covering the years 1 July 2025 to 30 June 2028 – with a clear caveat given the stage of reporting that this is an interim update, with a more formal and detailed SOI to be prepared towards the end of the current financial year.

AIM enters its establishment phase with a diverse portfolio, a clear intergenerational purpose from Council, and a mandate to act commercially while reflecting Council values. The content of this SOI acknowledges that AIM is still in its formative year, and where required, placeholders or evolving elements are carried forward in square brackets.

2. Objectives of the Organisation

(Schedule 8, Part 1(a))

AIM's primary objective is to operate an intergenerational investment portfolio that:

- builds long-term financial resilience for Napier
- reduces future reliance on ratepayers for funding Council activities
- generates a predictable annual cash return to Council
- delivers sustainable capital growth over decades
- manages portfolio risk, and enhances risk-adjusted returns across the portfolio
- demonstrates responsible investment consistent with NZ institutional norms

These objectives reflect Council's Statement of Expectations and underpin how AIM will develop its Investment Strategy, manage risk, prioritise investment decisions, and partner with others.

2.1 AIM's key objectives for 2025–2028

- Deliver to the proposed annual distributions of \$4.4m (FY26), \$4.8m (FY27) and \$5.3m (FY28).
- Develop and execute a portfolio-wide Investment Strategy balancing income, growth, and diversification.
- Lift commercial performance across all asset classes, particularly leasehold land and Parklands.
- Build trusted partnerships locally, regionally, and nationally, including iwi and Crown investment entities.
- Apply an ethical, responsible investment approach aligned with large NZ funds and Council values.
- Strengthen internal capability, governance, financial systems, and reporting frameworks.

3. Governance Approach

(Schedule 8, Part 1(b))

AIM is governed by a Board appointed by Napier City Council. The Board comprises independent directors and up to two elected members, with an independent Chair.

The Board's governance approach includes:

- strategic oversight over the NCC Investment Portfolio
- commercial independence consistent with CCTO expectations
- "no surprises" communication with the shareholder
- prudent management of debt, risk, and capital
- oversight of responsible investment practices
- ensuring AIM is a good employer
- compliance with statutory and contractual reporting obligations

The Board is responsible for embedding a commercial, disciplined culture while recognising AIM's public purpose and Council values.

AIM operates under a Management Services Agreement with Napier City Council, which provides operational support while AIM builds its own capability.

4. Nature & Scope of Activities

(Schedule 8, Part 1(c))

AIM manages the NCC Investment Portfolio on a commercial, arm's-length basis. The ringfenced portfolio includes:

4.1 Leasehold Land

A portfolio of ~66 perpetually renewable ground leases across Ahuriri, Pandora, Onekawa, Westshore and Napier City, indicatively valued at \$89.1m. This long-standing portfolio has historically delivered strong performance but is now experiencing structural pressures, including lessee affordability, ageing improvements, hazard constraints, and arrears.

AIM is undertaking a full Strategic Review, which includes historical performance analysis, a Buy-Hold-Sell framework, and a long-term retention/disposal strategy.

4.2 Parklands Residential Development

The remaining Council-owned development land in Parklands includes Area 4 (212 lots) and a proposed Plan Change Area (303 lots in total if approved). Feasibility modelling indicates strong development margins and commercial viability.

AIM will advance the plan change in early 2026 and manage development sequencing, cost control, sales cadence, and market positioning.

4.3 Surplus Land

A tranche of seven surplus land titles forms part of the portfolio. Development assessments are underway for:

- the former Ahuriri Bowling Club site (mixed-use potential)
- Mataruahou (Hospital Hill) property (co-development potential with Council Water Services)

4.4 Hawke's Bay Airport Shareholding (26%)

AIM will act as an active shareholder, supporting Council's expectation for ongoing dividends (\geq FY24 level) and exploring co-investment opportunities aligned with HBAL's strategy.

4.5 Managed Fund Portfolio

AIM has seeded \$5.15m with Russell Investments under an 80/20 growth/defensive SIPO. This provides essential diversification and long-term balance.

4.6 Investment Strategy Development

AIM will develop a comprehensive Investment Strategy in 2026, determining:

- asset mix
- diversification
- distribution policy
- volatility management
- risk appetite
- long-term capital growth and resilience settings

4.7 Additional Activities

Consistent with direction from Council, AIM may:

- evaluate and recommend additional assets for transfer into the NCC Investment Portfolio
- provide commercial advice to Council on projects with investment characteristics
- explore partnerships and co-investment structures
- manage up to \$30m in debt facilities to support development and investment

5. Performance Targets and Measures

(Schedule 8, Part 1(d))

Performance measures cover all major asset classes. The financial targets listed below are per the initial modelling conducted by Council. Council is reviewing the underlying assumptions behind those targets alongside the AIM Board and intends to update Financial Targets early in the New Year as development timelines, leasehold strategy, interest rate settings, and investment structure mature.

5.1 Indicative Financial Performance Targets

Measure	FY26	FY27	FY28
Cash Return to Council	\$4.4m	\$4.8m	\$5.3m
Leasehold Income Yield	2.7%	2.7%	2.7%
Leasehold Capital Growth	2.5%	2.5%	2.5%
Leasehold Divestment Rate	2% p.a.	2% p.a.	2% p.a.
Parklands Sales (lot equivalents)	17	14	24
Managed Fund Net Growth	6.5%	6.5%	6.5%
HBAL Dividend	\$258k	\$258k	\$258k
Debt Balance	[TBC]	[TBC]	[TBC]

(NB: Initial Indicate figures – currently under review by NCC Staff)

5.2 Non-Financial Performance Measures

- Leasehold Land Strategic Review completed before June 2026.
- Parklands Plan Change lodged in H1 2026.
- Investment Strategy prepared and adopted by June 2026.
- Partnership engagement framework in place by March 2026.
- Risk, policy and governance frameworks fully implemented by June 2026.
- Quarterly reporting delivered with no exceptions to the "no surprises" approach.
- Stakeholder Engagement Matrix

Stakeholder Group	Engagement Objective	Engagement Approach	Frequency
Napier City Council (Shareholder)	Maintain alignment with Council expectations	Formal reporting, workshops, briefings, and ongoing governance interface	Quarterly (formal) + ongoing
Mayor & Elected Members	Ensure awareness of AIM activities and strategic direction	Chair and Board engagement, briefings as required	As required
Council Executive & Staff	Enable effective operational interface and support delivery of the Investment Portfolio	Regular working engagement via Management Services Agreement	Ongoing
Lessees (Leasehold Portfolio)	Maintain constructive relationships while implementing commercial strategy	Direct engagement, structured communication programme.	[Biannual / as required]
Development Partners & Contractors	Deliver projects efficiently and commercially	Procurement processes, project governance, performance monitoring	Project-based
Iwi / Mana Whenua	Build meaningful, long-term partnerships and support co-investment opportunities	Early engagement, partnership discussions, joint project exploration	Ongoing
Hawke's Bay Airport Ltd (HBAL)	Act as an informed, engaged shareholder	Shareholder engagement, performance review, strategic discussions	Ongoing / annual cycle
Investment Partners (e.g. Managed Fund Manager)	Ensure performance and alignment with SIPO and AIM strategy	Performance monitoring, review meetings	Quarterly
Local Community / Ratepayers	Maintain transparency and trust in AIM's role and activities	Public reporting via Council, contribution to communications	Annual / as required
Regulators / Government (incl. climate reporting)	Ensure compliance with legislative requirements	Reporting and compliance processes	As required

6. Additional Information Required by Shareholder

(Schedule 8, Part 1(e))

AIM will provide:

- Quarterly performance reports

- Half-year and annual financial statements
- Annual Report (audited)
- Ad-hoc reporting of material events or emerging issues
- Advice on commercial opportunities, partnership proposals, and asset transfers
- Assistance with climate reporting obligations relating to the NCC Investment Portfolio

7. Major Accounting Policies

(Schedule 8, Part 2(a))

AIM follows Napier City Council's Public Benefit Entity (PBE IPSAS) accounting policies. A full schedule of policies will be appended prior to final adoption.

8. Forecast Financial Statements

(Schedule 8, Part 2(b))

Forecast statements for FY26–FY28 will include:

- Statement of Revenue and Expense
- Statement of Financial Position
- Statement of Cashflows
- Capital Expenditure Summary

These will be populated once baseline modelling and the Parklands staging plan are finalised.

Ngā mihi,



Signed by: Hamish Bell
Date & Time: 31 Mar, 2026 11:29:46 NZDT
Hamish Bell | Chair

Ahuriri Investment Management Limited

9. HAWKE'S BAY CIVIL DEFENCE EMERGENCY MANAGEMENT GROUP JOINT COMMITTEE TERMS OF REFERENCE

Type of Report: Procedural

Legal Reference: Civil Defence Emergency Management Act (2002)

Document ID: 1905428

Reporting Officer/s & Unit: Mike Cannon, Emergency Management Lead

1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

1.1 The report seeks approval from Council to adopt the Terms of Reference for the Hawke's Bay Civil Defence Emergency Management Group Joint Committee.

2.0 Officer's Recommendation

That Council:

- a. **Receive** the report titled Hawke's Bay Civil Defence Emergency Management Group Joint Committee Terms of Reference 09 April 2026.
- b. **Adopts** the Terms of Reference for the Hawke's Bay Civil Defence Emergency Management Group Joint Committee as proposed (Doc ID: 1905429).

3.0 Background

- 3.1 The Hawke's Bay Civil Defence Emergency Management Group Joint Committee is required by the Civil Defence Emergency Management Act (2002) section 12.
- 3.2 The Terms of Reference (TOR) was agreed at the Joint Committee meeting on 24 November 2025 and recommended to all the HB CDEM Group partner councils for adoption.
- 3.3 It was acknowledged at the November meeting that a review of the TOR will need to be undertaken once the Emergency Management Bill is enacted.

4.0 Attachments

- 1 [2025 HB CDEM Group Joint Committee Terms of Reference recommended for Council adoption.pdf](#)

Doc Id:
1905429



Hawke's Bay Civil Defence Emergency Management Group Joint Committee

Terms of Reference

1. Preamble

- 1.1 The Hawke's Bay Civil Defence Emergency Management Group was originally established in 2002 as required by the Civil Defence Emergency Management Act 2002, Section 12.

2. Parties

- 2.1 Each of the following local authorities is a Member of the Hawke's Bay Civil Defence Emergency Management Group and is a party to this Terms of Reference:

- Central Hawke's Bay District Council
- Hastings District Council
- Hawke's Bay Regional Council
- Napier City Council
- Wairoa District Council

3. Definitions

For the purpose of this Terms of Reference:

- 3.1 **Act** means the Civil Defence Emergency Management Act 2002.
- 3.2 **Administering Authority** means the Hawke's Bay Regional Council.
- 3.3 **Coordinating Executive Group** (the CEG) means the Coordinating Executive Group to be established under section 20 of the Civil Defence and Emergency Management Act 2002.
- 3.4 **Group** means the Hawke's Bay Civil Defence Emergency Management Group.
- 3.5 **Group Controller** means a person appointed under section 26 of the Civil Defence and Emergency Management Act 2002 and clause 10.1 of this Terms of Reference as a Group Controller.
- 3.6 **Group Plan** means the Hawke's Bay Civil Defence Emergency Group Plan prepared by the Group in accordance with the Act.
- 3.7 **Hawke's Bay Region** for the purposes of this document means the Hawke's Bay region as defined in the Local Government (Hawke's Bay Region) Reorganisation Order 1989, excluding the parts of Rangitikei and Taupo District Councils falling within the area administered by the Hawke's Bay Regional Council.
- 3.8 **Local authority member or Partner Council** means a Local Authority that is a member of the Civil Defence Emergency Management Group that is the subject of this document.
- 3.9 **4Rs** means Reduction, Readiness, Response, and Recovery.

4. The purpose and term of this Terms of Reference

- 4.1 The purposes of this Terms of Reference are to:
- 4.1.1 set out the purposes, functions, powers, and duties of the Group and its members in accordance with the requirements of the Act
 - 4.1.2 define the responsibilities of the Group as delegated to the Group by the Members, and
 - 4.1.3 provide for the administrative arrangements of the Group.

5. Joint Committee

- 5.1 Pursuant to section 12 of the Act the Parties were united in August 2003 to establish a Group as a Joint Standing Committee now under clause 30(1)(b) of Schedule 7 of the Local Government Act 2002. This choice is irrevocable under section 14(3) of the Act.
- 5.2 In accordance with section 12(2) of the Civil Defence Emergency Management Act 2002, neither clause 30(5) nor (7) of Schedule 7 of the Local Government Act 2002 which provides for a committee to be discharged or reconstituted, or be discharged following the triennial general election, shall apply to the Joint Committee.

6. Membership of the Group

- 6.1 The members of the Group are the Hawke's Bay Regional Council and all those territorial authorities that lie wholly within the boundaries of the Hawke's Bay region. Each member is to be represented on the Group by one person only, being the Mayor or Chairperson of that local authority, or if they are unavailable an alternate representative who has been given the delegated authority to act for the Mayor or Chairperson.
- 6.2 Under section 13(4) of the Act, the alternate representative must be an elected person from that local authority.
- 6.3 Under clause 30(9) of Schedule 7 of the Local Government Act 2002, the powers to discharge any representative of the Group and appoint his or her replacement shall be exercisable only by the local authority member that appointed the representative being discharged.
- 6.4 Tangata whenua representatives appointed as advisory, non-voting members representing:
- 6.4.1 Mana Ahuriri Trust
 - 6.4.2 Maungaharuru-Tangitu Trust
 - 6.4.3 Tamatea Pōkai Whenua
 - 6.4.4 Tatau Tatau o Te Wairoa
 - 6.4.5 Ngati Kahungunu Iwi Incorporated.

7. Local Authority representatives to have full Delegated Authority

- 7.1 Each local authority member agrees to confer full delegated authority on its representative, or in their absence the alternate representative in order for the Group to exercise the functions, powers, and duties of members under the Act within approved Group budgets.
- 7.2 At meetings of the Group, each local authority member's representative is to have full authority to vote and make decisions on behalf of that local authority without further recourse in respect of the authority granted under 7.1 above.
- 7.3 If a local authority member's representative to the Group is not re-elected at the triennial Local Government Elections that representative will cease to be a member of the Group and will be replaced by the elected Mayor or Chairperson of the relevant local authority.

- 7.4 It is the responsibility of each member of the Group to ensure that they have a representative available to participate in the Group, as soon as practicable after their representative is no longer able to represent that member for whatever reason, with the same delegated functions, duties and powers as their predecessor.

8. The Group to give effect to the purposes of the Act

The functions, powers and duties of the Group are specified in sections 16, 17 and 18 the Act. To assist the Group to meet these requirements, the Group adopts the following objectives.

- 8.1 To ensure that hazards (as defined in the Act) and the consequential risks are identified and assessed.
- 8.2 Improve and promote the sustainable management of identified hazards in a way that contributes to the long term social, economic, cultural, and environmental well-being and safety of people and communities.
- 8.3 Encourage and enable communities to achieve acceptable levels of risk (as risk is defined in the Act), including, without limitation:
- 8.3.1. identifying, assessing, and managing risks, and
 - 8.3.2. consulting and communicating about risks, and
 - 8.3.3. identifying and implementing cost-effective risk reduction, and
 - 8.3.4. monitoring and reviewing the risk management process.
- 8.4 To require local authorities to co-ordinate, through regional groups, planning, programmes, and activities related to civil defence emergency management across the 4Rs and encourage co-operation and joint action within those regional groups.
- 8.5 To encourage through partnership and co-ordination, emergency management planning and civil defence emergency management activities amongst the organisations represented on the Co-ordinating Executive Group, other CDEM partners and the Lifeline utility operators that operate within the region.
- 8.6 To ensure an effective and efficient region-wide civil defence emergency management capability to respond to and recover from emergencies.

9. Obligations of local authority members

- 9.1 Each local authority member of the Group will:
- 9.1.1 In accordance with section 7 and 8 above, appoint their Mayor or Chairperson to the Joint Committee; and
 - 9.1.2 appoint its chief executive officer to the Co-ordinating Executive Group (CEG); and
 - 9.1.3 participate in the preparation of and agree to the content of a Group Plan; and
 - 9.1.4 contribute technical expertise and resources to maintain an effective Group and local level response capability; and
 - 9.1.5 provide to the Group the information or reports that may be required by the Group to discharge its powers, functions and duties under the Act and the Group Plan.
- 9.2 Each local authority member of the Group will be responsible for the risk reduction, readiness, response and recovery arrangements required of it under the Act, and under the Group Plan or as otherwise agreed by the Group, to the standards agreed by the Group.

10. Delegated Authority

- 10.1 Power to appoint Group Controller. The Group will appoint one or more suitably qualified and experienced persons or person to be the Group Controller for the CDEM Group pursuant to by section 26 of the Act and in accordance with the Governance and Management section of the current Group Plan. The powers delegated to the Group Controller(s) are as defined in the Group Plan.
- 10.2 Appointment of Local Controllers. The Group may from time to time appoint, in accordance with section 27 of the Act and following consultation with the relevant members, one or more persons to be a Local Controller in accordance with the Governance and Management section of the current Group Plan.
- 10.3 Appoint persons who may Declare a State of Local Emergency. The Group will appoint at least one person as a person authorised to declare a state of local emergency for its area and in accordance with the Governance and Management section of the current Group Plan.

11. Civil Defence Emergency Management Group Plan

- 11.1 The Group will prepare, approve, adopt and review a Group Plan in accordance with sections 48 to 57 of the Act.
- 11.2 For the avoidance of doubt each and every obligation, agreement, covenant, responsibility and liability under the Group Plan is binding on and will continue to bind each and every Member of the Group and is and will continue to be enforceable as between each of the Members, against each of the other Members, and every Member of the Group agrees and covenants to carry out and perform all of its obligations under the Group Plan.

12. Maintain the Coordinating Executive Group

In accordance with section 20 of the Act, establish and maintain a Co-ordinating Executive Group consisting of:

- 12.1. The chief executive officer of each Member or a senior person acting on that person's behalf, and
- 12.2. A senior representative of the Police assigned for the purpose by the Commissioner of Police; and
- 12.3. A senior representative of Fire and Emergency New Zealand assigned for the purpose by their Chief Executive; and
- 12.4. The chief executive of a District Health Board in Hawke's Bay representing the District Health Board in Hawke's Bay, or a person acting on their behalf; and
- 12.5. Any other persons that may be co-opted by the CDEM Group to assist the CEG to undertake its responsibilities.

13. Remuneration

- 13.1 Each local authority member of the Group shall be responsible for remunerating its representative on the Group for the cost of that person's participation in the Group.
- 13.2 Each tangata whenua member will be remunerated \$452 per meeting attended, plus reimbursed mileage to travel to/from meetings at the rate of \$0.83/km. These costs will be divided proportionally among the local authority members.

14. Meetings

- 14.1 The Hawke's Bay Regional Council standing orders will be used to conduct Group meetings.
- 14.2 Other standing orders may be used, subject to the agreement of the Group, and in accordance with section 19(1) of the Act.
- 14.3 The Group shall hold all meetings at such frequency, times and place(s) as agreed for the performance of the functions, duties and powers delegated under this Terms of Reference.

However, there will be at least two meetings per year.

- 14.4 In accordance with clause 23 of Schedule 7 of the Local Government Act 2002 the quorum of the Group is all local authority members.
- 14.5 A representative may attend any meeting of the Joint Committee by means of audio or audio-visual link unless lawfully excluded.
- 14.6 A representative may attend a meeting by means of audio or audio-visual link despite –
- 14.6.1 clauses 25A(1) and (4) and 27(5)(a) of the Local Government Act 2002, and
 - 14.6.2 any limitation or condition on the use of an audio or audio-visual link, or other contrary provision, that is contained in any standing orders that apply to the meeting.
- 14.7 A representative who attends a meeting by means of audio or audio-visual link in accordance with this Terms of Reference is to be counted as present for the purposes of (the quorum) clauses 23 and 30A of Schedule 7 of the Local Government Act 2002.
- 14.8 In the event that a quorum cannot be achieved, the business at any meeting convened for the Joint Committee may be considered without further notice by a subcommittee of the Joint Committee. The recommendations of this subcommittee will be reported for final decision at the next Joint Committee meeting.

15. Voting

- 15.1 Each local authority member has one vote at a meeting of the Group or when the Group is required at any time to make a decision in respect of an action to be taken by the Group.
- 15.2 All actions (other than the entering into of contracts within the authorised Group budget) to be taken by the Group must first be approved by way of a majority vote of all members that are present and voting.
- 15.3 The National Emergency Management Agency shall have observer status on the Group and also the Coordinating Executives Group.

16. Election of Chairperson and Deputy Chairperson

- 16.1 The Group may elect a Group Chairperson and Deputy Chairperson for the Group at the first meeting following the triennial local government elections, from amongst the local authority representatives, and appoint replacements when any of those offices become vacant between elections.
- 16.2 The Group's Chairperson and Deputy Chairperson shall hold office until the first meeting following the triennial general election.

17. Administering Authority

- 17.1 In accordance with section 23 of the Act, the Administering Authority for the Group will be the Hawke's Bay Regional Council. The Administering Authority is responsible for the provision of administrative and related services that may from time to time be required by the Group.

18. Group Emergency Management Office

- 18.1 The Hawke's Bay Regional Council will establish and manage a Hawke's Bay Emergency Management Group Office on behalf of the Group.
- 18.2 The Group Office shall coordinate technical expertise, planning and operational functions, performance monitoring, coordination of Group wide projects and any other functions as are assigned to it by the Group.
- 18.3 The Hawke's Bay Regional Council will employ staff for the Group Office as authorised by the Group and manage the office's expenditure in accordance with the principles of the Local Government Act 2002 and amendments.

19. Group Funding and Budget

- 19.1 The proposed annual Group work programme and budget will be signed off by the Group no later than 30 November of the year preceding the year to which the programme and budget will apply.
- 19.2 The Group work programme, and administrative and related services pursuant to section 24 of the Act, will be funded by way of a Targeted Rate Uniform General Charge (UGC) across the area of the Group and administered by the Hawke's Bay Regional Council. In order to set the Targeted Rate UGC, the Group will communicate its agreed programme and budget to the Hawke's Bay Regional Council no later than 1 February of the year which the programme and budget applies.
- 19.3 The Joint Committee is responsible for deciding the civil defence and emergency management levels of service and outcomes to be provided to the community. As the Administering Authority the Hawke's Bay Regional Council is responsible for providing the resources to achieve these outcomes.

20. Good Faith

- 20.1 In the event of any circumstances arising that were unforeseen by the parties at the time of adopting this Terms of Reference, the parties hereby record their intention that they will negotiate in good faith to add to or vary this Terms of Reference so to resolve the impact of those circumstances in the best interests of:
- 20.1 the members of the CDEM Group collectively; and
 - 20.2 the Hawke's Bay community represented by the members of the Group collectively.

21. Variations

- 21.1 Any member may propose a variation, deletion or addition to the Terms of Reference by putting the wording of the proposed variation, deletion or addition to a meeting of the Group.
- 21.2 Amendments to the Terms of Reference may only be made with the unanimous agreement of all local authority members.

22. Review of the Terms of Reference

- 22.1 The Terms of Reference will be reviewed and if appropriate amended by the Group at its first meeting following the following the triennial local government elections.
- 22.2 The adoption of an amended Terms of Reference revised under clause 22.1 will be undertaken in accordance with section 21 above.
- 23.3 Amendments to the Terms of Reference will come into effect once agreed, by resolution, by all partner councils in accordance with Schedule 7, clause 30A of the Local Government Act.

23. Adopted

_____ by resolution of the
Central Hawke’s Bay District Council
Mayor Will Foley

_____ by resolution of the
Hastings District Council
Mayor Wendy Schollum

25 March 2026 by resolution of the
Hawke’s Bay Regional Council
Chair Sophie Siers

_____ by resolution of the
Napier City Council
Mayor Richard McGrath

_____ by resolution of the
Wairoa District Council
Mayor Craig Little

10. ELECTED MEMBER APPOINTMENTS

<i>Type of Report:</i>	Procedural
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1904262
<i>Reporting Officer/s & Unit:</i>	Anna Eady, Governance Manager

1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

- 1.1 The purpose of this report is for Council to consider elected member appointments to the Delivery & Regulatory Performance Standing Committee, an external community group appointment (Great Wine Capitals Steering Group) and a liaison role with an external community group (Ahuriri Estuary Protection Society).

2.0 Recommendations - Ngā Tūtohunga

That Council:

- a. **Receives** the report titled 'Elected Member Appointments' dated 09 April 2026.
- b. **Approves** the appointment of Councillor Price as Chair of the Delivery & Regulatory Performance Standing Committee.
- c. **Approves** the appointment of Councillor Mawson as the Deputy Chair of the Delivery & Regulatory Performance Standing Committee.
- d. **Approves** the appointment of Councillor Crown as the Napier City Council representative on the Great Wine Capitals Steering Group.
- e. **Approves** Councillor Isaac-Sharland as a Liaison Councillor to the Ahuriri Estuary Protection Society.

3.0 Discussion - Ngā Whakamārama:

3.1 Delivery & Regulatory Performance Standing Committee

Deputy Mayor Graeme Taylor was appointed as the Chair of the Delivery & Regulatory Performance Standing Committee at the start of the triennium, and Councillor Price was appointed as Deputy Chair.

With the appointment into the Deputy Mayor role, Graeme Taylor has elected to stand down from his Chair appointment, and a new Chair is required.

The Mayor has nominated Councillor Price to be appointed as the new Chair of the Committee. This has created a vacancy for a Deputy Chair, which the Mayor has nominated Councillor Mawson to be appointed to.

3.2 Great Wine Capitals Steering Group

Hawke's Bay is one of only 11 capitals in the world able to brand itself as a Great Wine Capital of the world. This is a Steering Group manages the direction of that international brand initiative.

Hawke's Bay Tourism has requested a new Napier City Council (NCC) representative to sit on the Steering Group. Mayor McGrath, in consultation, has put forward Councillor Crown to be the NCC representative.

3.3 *Ahuriri Estuary Protection Society*

The Ahuriri Estuary Protection Society aims to increase public recognition of Ahuriri Estuary as a breeding and feeding ground for flora and fauna. It also aims to assist in developing management plans, improve passive recreational use and raise awareness of the Estuary whilst discouraging pollution.

The Society has previously had a NCC Liaison Councillor to meet with the Society on a regular basis to discuss issues relating to the Estuary. Mayor McGrath, in consultation, has put forward Councillor Isaac-Sharland to be the NCC Liaison Councillor for the Society.

4.0 Options - *He kōwhiringa anō*:

4.1 Option One - Recommended Option

- a) Approve the appointment of Councillor Price as Chair of the Delivery & Regulatory Performance Standing Committee; and
- b) Approve the appointment of Councillor Mawson as Deputy Chair of the Delivery & Regulatory Performance Standing Committee; and
- c) Approve the appointment of Councillor Crown as the Napier City Council representative on the Great Wine Capitals Steering Group; and
- d) Approve Councillor Isaac-Sharland acting as a Liaison Councillor to the Ahuriri Estuary Protection Society.

4.2 Option Two

- a) Nominate alternative appointees for consideration for the positions discussed in the report.

4.3 Option Three

Chose not to accept the invitations to appoint NCC representation to the Great Wine Capitals Steering Group and/or a Liaison Councillor to the Ahuriri Estuary Protection Society.

5.0 Next Steps - *Te Koke*

5.1 Delegations and the Terms of Reference for the Delivery & Regulatory Performance Standing Committee will be updated.

5.2 Relevant meeting invitations will be forwarded to appointees.

6.0 Attachments

Nil

Summary of Considerations - *Tuhinga Whakarāpopoto*

Fit with purpose of Local Government - *Ngā aronga tā te Kaunihera- ā-rohe kōrero*

Council is required to give effect to the purpose of local government as set out in Section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf) of communities in the present and for the future.

Having NCC representation on external groups ensures the Napier community is represented and has a voice in the decisions being made.

Māori Impact Statement - *He kōrero whaitake tā te māori kōrero:*

These appointment decisions are administrative decisions.

However elected members can take the views expressed to them by Māori to the meetings and in interactions with community groups to consider those as part of decision making.

Climate Change - *Te Huringa o te āhuarangi*

These appointment decisions are administrative decisions with no climate-related implications.

LTP/ Annual Plan/ Financial Strategy/ Infrastructure Strategy - *Te Pae Tawhiti/ ā-tau / ā- Taunaki Ahumoni /ā- Taunaki Hanganga*

No implications.

Financial considerations - *Whai whakaaro Ahumoni:*

This decision has no financial implications

Significance and Engagement - *Ko te Hiranga me te Hiwaia o te whakaaro:*

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

Consultation (internal/external) - *Ngā Uiuinga (Ki te Kaunihera /ki ngā tāngata katoa)*

There is no requirement for consultation outside of the elected member group.

Risks: Legal/ Health and Safety etc. - *Whaktūpato Ture/ Hauora me te Haumaru*

The decision to have NCC representation and liaison contact with external groups mitigates the risk of decisions being made by these groups without the Napier community voice being part of them.

There are no other known risks.

11. ELECTED MEMBERS' 2025/2026 REMUNERATION POOL REALLOCATION

<i>Type of Report:</i>	Legal and Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1900401
<i>Reporting Officer/s & Unit:</i>	Anna Eady, Governance Manager

1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

- 1.1 To provide Council with the opportunity to redistribute the 2025/2026 pool, set by the Remuneration Authority for Napier City Councillors, based on changes to elected member responsibilities.

2.0 Recommendations - Ngā Tūtohunga

That Council

- a. **Receives** the report titled Elected Members' 2025/2026 Remuneration Pool Reallocation dated 09 April 2026.
- b. **Endorse** the reallocation of the 2025/2026 remuneration pool of \$921,322, set by the Remuneration Authority, for Napier City Councillors (noting that the Mayoral remuneration is set directly by the Remuneration Authority):

Deputy Mayor; Chair Specialist Committees (1)	\$105,439
Chair Standing Committee; Deputy Chair Specialist Committee (1)	\$93,463
Chair Standing Committee; Senior Councillor (1)	\$93,463
Deputy Chair Standing Committee; Chair Sub-Committee (1)	\$86,928
Deputy Chair Standing Committee (1)	\$86,928
Deputy Chair Specialist Committee; Chair Subcommittee (1)	\$84,451
Portfolio Holder (5)	\$74,130

- c. **Note** that the base rate for Councillors has been set by the Remuneration Authority at \$65,809.

3.0 Background - Ngā Tuāpapa:

- 3.1 The Local Government Act 2002 (clause 7 of Schedule 7) mandated the Remuneration Authority (the Authority) to set the remuneration for all elected members nationally. This is reviewed annually.

- 3.2 The Local Government Elected Members (2025/26) Determination 2025 sets out the current governance remuneration pool for members of Napier City Council (NCC) as **\$921,322**.
- 3.3 The total remuneration for the Mayor of Napier City as set separately by the Remuneration Authority is **\$171,317**.
- 3.4 The remuneration allocated to each council reflects:
- the size of the governance role of each council. This is calculated by considering:
 - Population (Stats NZ estimated resident population)
 - Total operating expenditure (Stats NZ local authority financial statistics)
 - Total asset value (Stats NZ local authority financial statistics)
 - Socioeconomic deprivation index (University of Otago Socioeconomic Deprivation Indices.)
 - the average time required by a local government member on a council of a particular size, and
 - a general comparison with parliamentary salaries.
- 3.5 Post-election, each new Council is responsible for allocating its remuneration pool and advising the Remuneration Authority of the recommended breakdown of the remuneration for the remainder of the financial year.
- 3.6 Councils are able to reallocate the pool during a financial year but require the Authority's approval for a change arising from the establishment or disestablishment of a position. Because the pool will already be fully allocated a change in positions will require a reallocation of the pool paid to other positions.
- 3.7 The Authority will review the Council's recommendations before determining and gazetting the remuneration payable to members. The process to create and gazette an amendment determination takes several weeks and the next one is scheduled to be issued in May 2026.
- 3.8 Council is not able to action the new remuneration until the amending determination is gazetted. Once that step is complete any change in remuneration will be backdated to the Council decision.

4.0 Discussion - Ngā Whakamārama:

- 4.1 As per the decision on 17 March 2026, a new Deputy Mayor has been appointed for the 2025-2028 triennium. This has triggered a review of the elected member remuneration pool distribution.
- 4.2 As part of accepting the appointment to Deputy Mayor, Graeme Taylor has decided to step down as Chair of the Delivery and Regulatory Performance Standing Committee, which is a senior role in the governance structure for NCC. This is another reason for a review of the elected member remuneration pool distribution.
- 4.3 As stated previously the increase in remuneration for a member based on additional responsibilities may require other member's remuneration to be decreased.

5.0 Options - He kōwhiringa anō:

The options available to Council are as follows:

- a) Endorse the proposed recognition of responsibilities culminating in the proposed allocation of the remuneration pool; or
- b) Negotiate changes to the proposed allocation, noting that there may be impacts on the timing that the allocation is able to be gazetted by the Remuneration Authority.

6.0 Next Steps - Te Koke

- 6.1 The new remuneration rates will not be paid until an amended determination is gazetted and published. At that point the changes in remuneration will be backdated to the Council decision.

7.0 Attachments

Nil

Summary of Considerations - *Tuhinga Whakarāpopoto:*

Fit with purpose of Local Government - *Ngā aronga tā te Kaunihera- ā-rohe kōrero*

This report advises on matters under the Local Government Act 2002 and the 2025/26 Determination of the Remuneration Authority.

Māori Impact Statement - *He kōrero whaitake tā te māori kōrero:*

No known impacts.

Climate Change - *Te Huringa o te āhuarangi*

This decision does not have an impact on:

- Greenhouse gas emissions (from council operations, community activities, or associated infrastructure),
- Napier's adaptation to a changing climate (e.g. flooding, sea level rise, coastal erosion, inundation, drought, heatwaves),
- Or is it itself likely to be impacted by these climate-related risks

LTP/ Annual Plan/ Financial Strategy/ Infrastructure Strategy - *Te Pae Tawhiti/ ā-tau / ā- Taunaki Ahumoni /ā- Taunaki Hanganga*

No known implications.

Financial considerations - *Whai whakaaro Ahumoni:*

No known implications. The elected member remuneration pool is still the same size and is accounted for in existing budgets.

Significance and Engagement - *Ko te Hiranga me te Hiwaia o te whakaaro:*

This report advises on matters under the Local Government Act 2002 and the 2025/26 Determination of the Remuneration Authority and does not trigger the Significance and Engagement Policy.

Consultation (internal/external) - *Ngā Uiuinga (Ki te Kaunihera /ki ngā tāngata katoa)*

There is no requirement for consultation outside of the elected member group.

Risks: Legal/ Health and Safety etc. - *Whaktūpato Ture/ Hauora me te Haumaru*

There are no known risks.

12. LOCAL GOVERNANCE STATEMENT

Type of Report: Legal and Operational

Legal Reference: Local Government Act 2002

Document ID: 1900939

Reporting Officer/s & Unit: Anna Eady, Governance Manager

1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

1.1 To present the 2025-2028 Local Governance Statement prior to it being made public as required under the Local Government Act 2002.

2.0 Officer's Recommendation

That Council:

- a. **Receive** the report titled Local Governance Statement 09 April 2026.
- b. **Adopt** the 2025-2028 Local Governance Statement (Doc ID 1904722), recognising that it is a live document which will be maintained over the triennium.
- c. **Note** that the document will be made publicly available via Council's website, and a copy held at each Library and the Customer Service Centre.

3.0 Background Summary

3.1 The Local Government Act 2002 requires that a local authority prepare and make publicly available a Local Governance Statement within 6 months of any triennial election.

3.2 A Local Governance Statement must provide information on:

- the functions, responsibilities, and activities of the local authority
- any local legislation that confers powers on the local authority
- the bylaws of the local authority, including for each bylaw, its title, a general description of it, when it was made, and, if applicable, the date of its last review
- the electoral system and the opportunity to change it
- representation arrangements, including the option of establishing Māori wards or constituencies, and the opportunity to change them
- members' roles and conduct (with specific reference to the applicable statutory requirements and code of conduct)
- governance structures and processes, membership, and delegations
- meeting processes (with specific reference to the applicable provisions of the Local Government Official Information and Meetings Act 1987 and standing orders)
- consultation policies
- policies for liaising with, and memoranda or agreements with, Māori

- the management structure and the relationship between management and elected members
- the remuneration and employment policy, if adopted
- equal employment opportunities policy
- key approved planning and policy documents and the process for their development and review
- systems for public access to it and its elected members
- processes for requests for official information

3.3 The most up-to-date iteration of the Local Governance Statement is **attached**. The changes made since the Local Government elections are minor and include such things as the adopted governance structure, Elected Member and Executive Leadership Team details, bylaw version updates and date changes.

The update of elected member appointments being considered at this meeting will be reflected in the published version.

The Statement must be updated as the local authority considers appropriate; the Napier document is treated as a live document and updated as regularly as possible to ensure its correctness.

4.0 Attachments

- | | | |
|----|--|---------|
| 1 | 2025-2028 Local Governance Statement.pdf (Under separate cover | Doc Id: |
| 1) | | 1904722 |

13. NGĀ MĀNUKANUKA O TE IWI RECOMMENDATIONS FOR APPROVAL

Type of Report:	Procedural
Legal Reference:	N/A
Document ID:	1905090
Reporting Officer/s & Unit:	Anna Eady, Governance Manager

1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

- 1.1 The purpose of the report is to provide recommendations that require ratification by Council from the Ngā Mānukanuka o te Iwi Committee meeting held on 1 April 2026.
- 1.2 To view the full Ngā Mānukanuka o te Iwi Committee agenda and minutes for 1 April 2026 please refer to Napier City Council's website at <https://napier.infocouncil.biz>

2.0 Officer's Recommendation

That Council:

- a) **Receive** the report titled Ngā Mānukanuka o te Iwi Recommendations for Approval 09 April 2026.
- b) **Ratify** the following recommendations from 1 April 2025 Ngā Mānukanuka o te Iwi Committee meeting:

Item 2 – Appointment of Deputy Chair for Ngā Mānukanuka o te Iwi

COMMITTEE RECOMMENDATION

Kirk Leonard / Darren Tareha

That Ngā Mānukanuka o te Iwi (Māori Committee):

- a) **Receive** the report titled Appointment of Deputy Chair for Ngā Mānukanuka o te Iwi Committee dated 01 April 2026.
- b) **Approve** Mayor Richard McGrath be appointed as Deputy Chair of Ngā Mānukanuka o te Iwi Committee for the 2025-2028 triennium.

Carried

Item 3 – Nomination of Appointed Members to Standing Committees and a Specialist Committee for the 2025-2028 Triennium

COMMITTEE RECOMMENDATION

Jason Wawatai / Darren Tareha

That Ngā Mānukanuka o te Iwi (Māori Committee):

- a. **Receives** the report titled Nomination of Appointed Members to Standing Committees and a Specialist Committee for the 2025-2028 Triennium dated 01 April 2026.

- b. **Approves** Kirk Leonard and Evelyn Ratima to be appointed to the Delivery and Regulatory Performance Committee.
- c. **Approves** Shayla Kora and Jason Wawatai to be appointed to the Corporate and Performance Committee.
- d. **Approves** Shayla Kora to be appointed to the Risk and Assurance Committee.
- e. **Notes** that the appointments will apply from the meeting cycle commencing on the 9 April 2026.
- f. **Notes** that the appointees should attend the Council workshops relating to the Committee on which they have been appointed to have the opportunity to set early direction with elected members.

Carried

3.0 Attachments

Nil

14. RISK AND ASSURANCE COMMITTEE RECOMMENDATIONS FOR RATIFICATION - 6 MARCH 2026

Type of Report:	Procedural
Legal Reference:	N/A
Document ID:	1899736
Reporting Officer/s & Unit:	Anna Eady, Governance Manager

1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

- 1.1 The purpose of this report is to present the Risk and Assurance Committee minutes (Doc Id 1901214) of the meeting held on 6 March 2026, and to provide recommendations from the meeting which require ratification by Council.
- 1.2 The Risk and Assurance Committee agenda for 6 March 2026 can be viewed on Napier City Council's website at <https://napier.infocouncil.biz>.

2.0 Officer's Recommendation

That Council:

- a) **Receive** the report titled 'Risk and Assurance Committee Recommendations for Ratification - 6 March 2026' dated 09 April 2026.
- b) **Receive** for information the minutes of the 6 March 2026 Risk Assurance Committee meeting (Doc Id 1901214).
- c) **Ratify** the following recommendations from the 6 March 2026 Risk and Assurance Committee meeting below:

ITEM 2 – AUDIT PLAN FOR THE 2025/26 ANNUAL REPORT

- a) **Endorse** the Audit Plan (Doc Id 1900176), for the 2025/26 Annual Report.
- b) **Endorse** the Audit Proposal Letter (Doc Id 1900177) and Engagement Letter (Doc Id 1900178) for signing by the Mayor.

ITEM 5 – RISK MANAGEMENT REPORT

- a) **Receives** the report titled Risk Management Report dated 06 March 2026.
- b) **Approves** the proposal for a new Risk & Assurance management framework (Doc Id 1899145).
- c) **Approves** the proposal for the 3-year Internal Audit Plan (FY26 - FY28) (Doc Id 1899144)

3.0 Attachments

Ordinary Meeting of Council - 09 April 2026 - Open Agenda

- | | | |
|---|--|-----------------|
| 1 | ↓ Minutes of Risk and Assurance meeting held 6 March 2026 | Doc Id: 1901214 |
| 2 | ↓ EY 2026 Audit Plan for Napier City Council.pdf | Doc Id: 1900176 |
| 3 | ↓ 2026-28 Napier City Council Audit Proposal Letter.pdf | Doc Id: 1900177 |
| 4 | ↓ 2026-03-06 New Risk and Assurance Management Framework.pdf | Doc Id: 1899145 |
| 5 | ↓ 2026-03-06 Internal audit Plan FY262728 .pdf | Doc Id: 1899144 |



NAPIER
CITY COUNCIL

Te Kaunihera o Ahuriri

Napier Civic Building
231 Hastings Street
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RISK AND ASSURANCE COMMITTEE

Open Minutes

Meeting Date: Friday 6 March 2026

Time: 9.30am – 10.45am (*Open*)
11.05am – 12.16pm (*Public Excluded*)

Venue Breakout Room 2
War Memorial Centre
Marine Parade
Napier

Recording available on Council's YouTube page

Present **Chair:** Bruce Robertson
Members: Mayor McGrath, , Councillors Crown, Lawrence and Taylor
Ngā Mānukanuka o te Iwi representative: Kirk Leonard

In Attendance Deputy Chief Executive / Executive Director Corporate & Commercial (Jessica Ellerm)
Executive Director Strategy & Urban Development (Rachel Bailey)
Executive Director Water Services (Russell Bond)
Executive Director Community Services (Thunes Cloete)
Head of Finance, Data & Digital (Caroline Thomson)
Head of Commercial Communications & Economic Development (Craig Kenny)

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Risk and Assurance Committee - 06 March 2026 - Open Minutes

	Communications, Marketing & Engagement Manager (Julia Stevens) [online]
	Acting Chief People Officer (Alison Carnaby)
	Financial Controller (Talia Foster)
	Internal Audit & Controls Advisor (Sandile Khenisa) [online]
	Risk Controls & Risk Assurance Manager (Hans Pottstock-Vidal)
	Quality & Business Improvement Analyst (Marat Basyrov) [online]
	Building Contracts & Asset Manager (Andrew Clibborn)
	Strategic Programmes Manager (Darran Gillies)
Also in attendance	Ernst Young Zealand (David Borrie) [online]
	Councillors Raihania, Simpson and Isaac-Sharland [online]
Administration	Governance Advisor (Carolyn Hunt)

Risk and Assurance Committee - 06 March 2026 - Open Minutes

RISK AND ASSURANCE COMMITTEE – Open Minutes

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Risk and Assurance Committee - 06 March 2026 - Open Minutes

ORDER OF BUSINESS

Karakia

The meeting opened with the Council karakia.

Apologies

COMMITTEE RESOLUTION

Bruce Robertson / Councillor Crown

That the apology for absence from Raveen Jaduram be accepted.

Carried

Conflicts of interest

Nil

Public forum

Nil

Announcements by the Mayor

Nil

Announcements by the Chairperson

Nil

Announcements by the management

Nil

Confirmation of minutes

COMMITTEE RESOLUTION

Bruce Robertson / Kirk Leonard

That the Minutes of the meeting held on 4 December 2025 were taken as a true and accurate record of the meeting.

Carried

Risk and Assurance Committee - 06 March 2026 - Open Minutes

AGENDA ITEMS

1. H&S QUATERLY REPORT

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1897979
<i>Reporting Officer/s & Unit:</i>	Andrew Wallace, Health and Safety Operations Manager

1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

For the period Between 1st November 2025 to 31st January 2026.

- 1.1 There has been no change to the current risk profile for operational risks OR183, OR328 & SR32. All risks now sit within the organisation's risk appetite following the completion of all treatment actions. While this reflects continued improvement in their management, ongoing monitoring will be required to maintain this position.
- 1.2 Continued work is still necessary to effectively manage these risks. Health & Safety, in collaboration with risk and control owners will continue to monitor performance and identify opportunities to strengthen existing controls, implementing improvements where appropriate.

At the meeting

- The Acting Chief People Officer, Ms Carnaby, presented the report on behalf of Mr Wallace, who was unable to attend the meeting. Ms Carnaby advised that the Council's Wellbeing Strategy and Policy would be presented to the Executive Leadership Team for approval prior to implementation.
- She noted an increase in reports of poor public behaviour and advised that targeted training to support staff in managing such situations would be undertaken.
- The Executive Director Water Services reported that WorkSafe had approved the Confined Space procedure. He outlined plans to roll out changes to staff regarding confined space identification, including updated signage. Following implementation of the rollout plan, the next step would be to verify compliance.
- It was noted that the Wellbeing Strategy was not required to be presented to the Committee; however future oversight of its direction would be provided.

COMMITTEE RESOLUTION

Bruce Robertson / Councillor Crown

The Risk and Assurance Committee:

- a) **Receives** the report titled "Health and Safety Update Report" dated 6 March 2026.

Carried

Risk and Assurance Committee - 06 March 2026 - Open Minutes

2. AUDIT PLAN FOR THE 2025/26 ANNUAL REPORT

<i>Type of Report:</i>	Procedural
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1898382
<i>Reporting Officer/s & Unit:</i>	Talia Foster, Financial Controller

1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

- 1.1 The Local Government Act 2002 requires Council to adopt an audited Annual Report by 31 October each year. Previously, Audit New Zealand complete the audit of the Annual Report, however for 2025/26 David Borrie of Ernst & Young (EY) has been appointed by the Auditor-General.
- 1.2 EY have provided the Audit Plan (Doc Id 1900176), Audit Proposal Letter (Doc Id 1900177), and Engagement Letter (Doc Id 1900178), for review and endorsement.
- 1.3 The Audit Plan discusses the timeframes, the audit approach, and key focuses for the audit team. Key focus areas from the plan include:
 - Infrastructure assets
 - Rates
 - Grants and subsidies
 - Performance reporting
 - Expenditure and procurement

At the meeting

The Financial Controller, Ms Foster introduced David Borrie of Ernst Young (EY) who was online for this meeting. Ms Foster took the Audit Plan and Proposal Letter as read.

Mr Borrie spoke to the Audit Plan, outlining the key audit focus areas. He noted that infrastructure assets are revalued periodically and confirmed that no valuation is scheduled for the current year. The audit team would also be reviewing the rates for the 2026/27 year.

He advised that the audit team is mindful of the ongoing transition process and continues to work through this with the Council's management team. A further element of the transition is the shift from Audit New Zealand, and he confirmed that the audit team had reviewed the 2025 files as part of that process.

Although not specifically noted in the plan, Mr Borrie provided a forward-looking comment that the audit team would need to begin engaging with the Council's team regarding the Long Term Planning process in the second half of the year.

Risk and Assurance Committee - 06 March 2026 - Open Minutes

In response to questions the following was clarified:

- The Council team acknowledged the historical challenges with meeting audit deadlines. It was noted that maintaining continuous communication on the proposed timeline, as outlined in the Audit Plan, is essential to ensure key milestones are achieved.
- The dates included in the audit timeline have been agreed by both Council and EY.
- Officers acknowledge that resourcing remains a risk. The financial accounting team is newly formed, and the primary staff member responsible for audit engagement is yet to commence. It was also noted that additional time is available this year to complete the process
- Additional time will be required to compile the Ahuriri Investment Management (AIM) accounts due to their use of different workpapers, reports, and templates. AIM retains its own accounting staff who report directly to AIM, but retain close proximity to the Council team.
- The three waters response time performance measure, which have previously resulted in qualified audit opinions, has undergone an internal audit which will be completed shortly. The systems for these measure, have not yet been replaced or updated
- Mr Borrie outlined privacy and security considerations relating to the exchange of information between EY and Council. EY uses its own secure proprietary tool for uploading information and conducting audit work, reducing the need to move information between systems and therefore minimising transfer risks.
- It was confirmed that EY does not use any public AI tools within its private and secure audit environment.
- Ms Foster confirmed that the assumptions underpinning the audit fee are reasonable and achievable.

The Chair requested a brief update be provided to the next Risk and Assurance Committee meeting on 12 June 2026 on planned resource and that progress is on track.

COMMITTEE RESOLUTION

Bruce Robertson / Councillor Taylor

The Risk and Assurance Committee:

- a) **Endorse** the Audit Plan (Doc Id 1900176), for the 2025/26 Annual Report.
- b) **Endorse** the Audit Proposal Letter (Doc Id 1900177) and Engagement Letter (Doc Id 1900178) for signing by the Mayor.

Carried

Risk and Assurance Committee - 06 March 2026 - Open Minutes

3. EXTERNAL AUDIT RECOMMENDATIONS UPDATE

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1898776
<i>Reporting Officer/s & Unit:</i>	Talia Foster, Financial Controller

1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

- 1.1 Napier City Council is required to prepare an Annual Report each year and have it audited. In 2025/26 our Annual Report was audited by Audit NZ who identified eight recommendations to improve our processes.
- 1.2 The agreed actions are now being followed up with the relevant Council officers and progress on actions to date is being tracked. The attached report provides updates on each action.

At the meeting

The Financial Controller, Ms Foster spoke to the report advising that the recommendations were from Audit New Zealand last year and EY would now address them as part of their review.

In response to questions the following was clarified:

- Quality assurance checks for the rates resolution had been strengthened for this year, with different staff involved and changes made to the processes.
- A legal review of the rates resolution had not been undertaken for several years; completing one in the future would be prudent.
- The integration of the finance team with the business data performance team has delivered benefits in terms of workflow efficiency. However, there continue to be challenges relating to resourcing.

The Chair requested that an update on resourcing in terms of the Annual Report be provided for the 12 June 2026 Risk and Assurance Committee meeting.

COMMITTEE RESOLUTION

Bruce Robertson / Councillor Crown

The Risk and Assurance Committee:

- a) **Receive** the report titled External Audit Recommendations Update 06 March 2026.

Carried

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4. SENSITIVE EXPENDITURE - MAYOR AND CHIEF EXECUTIVE

<i>Type of Report:</i>	Operational and Procedural
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1898385
<i>Reporting Officer/s & Unit:</i>	Talia Foster, Financial Controller

1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

- 1.1 The Sensitive Expenditure Policy requires a report of all sensitive expenditure by the Chief Executive and by the Mayor to the Risk and Assurance Committee meetings (clause 6.3 and 6.4). The policy also states that the expenditure items will be reviewed by the Chairperson or the Deputy Chairperson of the Audit and Risk Committee for compliance with this policy. This report is provided to fulfil that requirement, and a copy of the policy (Doc Id 349335) was attached to the agenda report for reference.
- 1.2 This report outlines only those items for which the Chief Executive or Mayor directly received the benefit of the expenditure, rather than instances where they approved the expenditure or where the expenditure was sourced from their budget. Where there were multiple recipients of a transaction, an estimate of the Chief Executive or Mayor's portion has been made.
- 1.3 All sensitive expenditure transactions for the quarter are compliant with Council's Sensitive Expenditure Policy.

At the meeting

The Financial Controller, Ms Foster spoke to the report confirming that all items identified in the report for this quarter complied with Council Policy.

COMMITTEE RESOLUTION

Bruce Robertson / Councillor Taylor

The Risk and Assurance Committee:

- a) **Receive** the report titled Sensitive Expenditure - Mayor and Chief Executive 06 March 2026 and confirm compliance with the Sensitive Expenditure Policy.

Carried

Risk and Assurance Committee - 06 March 2026 - Open Minutes

5. RISK MANAGEMENT REPORT

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1897708
<i>Reporting Officer/s & Unit:</i>	Sandile Khenisa, Internal Audit & Controls Advisor Hans Pottstock-Vidal, Risk Controls & Risk Assurance Manager Marat Basyrov, Quality & Business Improvement Analyst

1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

- 1.1 The purpose of this report is to provide the Risk and Assurance Committee with an overview and update on Council's risk and assurance management for the past quarter.
- 1.2 The Risk, Controls & Assurance (RC&A) team will be presenting the following two proposals for consideration, endorsement, and approval by the Committee:
 - A new Integrated Risk & Assurance Management System (the Framework) (Doc Id 1899145), and
 - The 3-year Internal Audit Plan for FY26 to FY28 (Doc Id 1899144), following adoption of the Internal Audit Charter.
- 1.3 This report will also present the Committee with an overview of the activity by the Quality Assurance and Business Improvement function of the RC&A team.

At the meeting

The Risk Controls and Risk Assurance Manager, Mr Pottstock-Vidal provided a summary of the report and the new Enterprise Risk and Assurance Framework. The framework would establish a standardised and co-ordinated risk approach for Council.

In response to questions the following was clarified:

- It was noted that developing and rolling out the Framework will take approximately four to six months, due to resourcing constraints and timing requirements.
- The overarching purpose is to develop an enterprise-wide framework for risk management and assurance.
- Once established, the EPMO strategic programmes and Health and Safety functions will need further discussions to align terminology, processes, and treatment of risks. These functions will operate as subsidiary frameworks, noting that Health and Safety risks are identified separately due to their unique nature.
- There is currently one risk recorded under the Chief Executive (SR32) and a broad, high-level Health and Safety risk.
- Following the recent events in Tauranga, lessons learned discussions have taken place. Council has commenced the scoping and approach of a preliminary risk assessment focused on identifying existing or known to Council risk areas, including landslip-prone areas and assessment whether these are located on private or Council-owned land.

Risk and Assurance Committee - 06 March 2026 - Open Minutes

A Project Team has been established, with Craig Kenny leading the scoping work. The approach and scope will be brought back to the next Risk and Assurance Committee meeting.

- It was acknowledged that there are several risk areas across Council-owned land that require further investigation. Work will progress to develop a consistent process and approach for identifying and managing these risks.

Mr Pottstock-Vidal advised that two workshops were planned with elected members on 16 April and 7 May 2026 on the current status of risks and risk appetite.

COMMITTEE RESOLUTION

Councillors Taylor / Lawrence

The Risk and Assurance Committee:

- a. **Receives** the report titled Risk Management Report dated 06 March 2026.
- b. **Approves** the proposal for a new Risk & Assurance management framework (Doc Id 1899145).
- c. **Approves** the proposal for the 3-year Internal Audit Plan (FY26 - FY28) (Doc Id 1899144).

Carried

Minor matters

There were no minor matters to discuss.

Risk and Assurance Committee - 06 March 2026 - Open Minutes

RESOLUTION TO EXCLUDE THE PUBLIC

COMMITTEE RESOLUTION

Bruce Robertson / Councillor Taylor

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

1. Inner Harbour Evolving Risk
1. Strategic Risk Analysis
3. External Auditor - Verbal Update
4. Chief Executive - Verbal Update

Carried

The general subject of each matter to be considered while the public was excluded, the reasons for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution were as follows:

General subject of each matter to be considered.	Reason for passing this resolution in relation to each matter.	Ground(s) under section 48(1) to the passing of this resolution.	Plain English reason for passing this resolution in relation to each matter.
1. Inner Harbour Evolving Risk	7(2)(h) Enable the local authority to carry out, without prejudice or disadvantage, commercial activities	48(1)(a) That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist: (i) Where the local authority is named or specified in Schedule 1 of this Act, under section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.	Commercial activity
1. Strategic Risk Analysis	7(2)(h) Enable the local authority to carry out,	48(1)(a) That the public conduct of the whole or	Enable Council to continue

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General subject of each matter to be considered.	Reason for passing this resolution in relation to each matter.	Ground(s) under section 48(1) to the passing of this resolution.	Plain English reason for passing this resolution in relation to each matter.
	without prejudice or disadvantage, commercial activities	the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist: (i) Where the local authority is named or specified in Schedule 1 of this Act, under section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.	commercial activities
3. External Auditor - Verbal Update	7(2)(h) Enable the local authority to carry out, without prejudice or disadvantage, commercial activities	48(1)(a) That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist: (i) Where the local authority is named or specified in Schedule 1 of this Act, under section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.	Commercial activities
4. Chief Executive - Verbal Update	7(2)(h) Enable the local authority to carry out, without prejudice or disadvantage, commercial activities	48(1)(a) That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist: (i) Where the local authority is named or	Commercial activities

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General subject of each matter to be considered.	Reason for passing this resolution in relation to each matter.	Ground(s) under section 48(1) to the passing of this resolution.	Plain English reason for passing this resolution in relation to each matter.
		specified in Schedule 1 of this Act, under section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.	
Public Excluded Text			
Council has considered the public interest in the information above and balanced those interests with the reason(s) for withholding this information. This ensures Council has met the requirements for withholding information under section 7(2) of the Local Government and Official Information and Meetings Act 1987.			

The meeting adjourned at 10.45am and reconvened in Public Excluded at 11.05am

The meeting closed with a karakia at 12.16pm

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

Chairperson

Date of approval



Napier City Council

Audit Plan for the year ending
30 June 2026



Shape the future
with confidence



The better the question. The better the answer. The better the world works.

EY | Napier City Council | For the Year ending 30 June 2026

Welcome

Dear Risk & Assurance Committee Members

We are pleased to present our Audit Plan ("Plan") for Napier City Council ("NCC") for the year ending 30 June 2026. Our meeting with you on 6 March 2026 is a forum to discuss our Plan, the scope of our work, your current expectations and to ensure that our efforts are aligned with your expectations.

Our audit is designed to express an audit opinion on the 30 June 2026 financial statements and service performance information.

Our Audit Plan has been prepared acknowledging, and with consideration of, NCC's current and emerging business risks and the resultant financial statement impacts. It is designed to be responsive to the unique needs of NCC, to maximise audit effectiveness and to deliver the high-quality audit you expect.

Should you have any questions or comments, please do not hesitate to David at David.Borrie@nz.ey.com or on 021 923 431. We look forward to discussing our Plan with you at the Risk & Assurance Committee meeting on 6 March 2026.

Yours faithfully



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EXECUTIVE SUMMARY



Areas of Audit Focus

Key areas of focus where there are potential risks and exposure. The areas of audit focus and level of complexity or management judgement applied will be:

- Infrastructure assets HIGH
- Rates MEDIUM
- Grants and subsidies MEDIUM
- Performance reporting MEDIUM
- Expenditure and procurement MEDIUM

We acknowledge that FY26 will be the first year NCC prepares group financial statements, consolidating Ahuriri Investment Management Limited ("AIM"). This isn't expected to have a significant impact on our audit work given the magnitude of the expected transactions in AIM.



Audit Approach

We continue to invest in transforming to an increasingly data-driven audit, leveraging our technology through data analytics and automation. We will look to apply this where appropriate, focusing on opportunities that will provide audit efficiencies and insights.

We seek to develop an understanding of controls and design testing that is appropriate and reflective of those controls. Our audit processes will be primarily substantive.



Engagement Letter and Audit Fee

Our audit proposal letter and engagement letter will be provided separately. The fees in our audit proposal letter will be based on Audit New Zealand's time and cost incurred previously and will be subject to consistency review by the Office of the Auditor General.



Planning Materiality

\$5.9M

Information is material if omitting, misstating or obscuring that information could reasonably be expected to influence decisions of the users.

Our planning materiality has been set at \$5.9m, calculated at 3% of forecast expenditure from the 2025/26 Annual Plan. We will report all audit differences over \$297k.



Audit Timing

Our expected audit timeline is as follows:

- Audit planning: March 2026
- Interim procedures: June 2026
- Year-end procedures: September to October 2026

We will work with management to agree a timing that will be suitable for your and our team.



Independence

We will confirm our independence throughout the audit and remain in compliance with NZICA Code of Ethics and the Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand)* independence requirements and the Auditor-General's independence standards.

EY | Napier City Council | For the Year ending 30 June 2026

AREAS OF AUDIT FOCUS

Infrastructure Assets

HIGH

Infrastructure Assets	30 June 2025 (in 000s)
Three waters	743,807
Roading	740,517
Total	1,484,324

Our Understanding

- Infrastructure assets represent a significant component of the Council's balance sheet.
- The Council's Infrastructure Assets are valued externally on a three yearly valuation cycle, with the last valuation completed as at 30 June 2024. The carrying values are also reviewed each balance sheet date to check that those values are not materially different from fair value. Road infrastructure and three waters assets are valued at optimised depreciated replacement cost.
- There is a risk that the useful life assumptions used in the valuations are not reflective of up-to-date information maintained in the Council's Asset Management Plans.
- Misclassification of repairs and maintenance and useful life assessments of infrastructure assets remain key risks associated to the valuation process of infrastructure assets.
- As part of Local Water Done Well a new WSCCO is expected to be established later in 2026 and the Council's drinking water, wastewater and stormwater assets are expected to be transferred at a later date.

Planned Audit Approach

- We will test, on a sample basis, the accounting for significant additions and disposals / write-offs of assets during the year.
- We will obtain and review the Council's external valuers assessment of the fair value as at 30 June 2026 and whether a full valuation is required.
- For any asset classes that are not being revalued in the current year, we will examine the assumptions underlying the historical valuation against current asset management plans to assess whether the value remains materially correct.
- We will test on a sample basis the classification procedures relating to capital, renewal and maintenance work as well as cut off at year end for capital works to check it is consistent with work completed at that point.
- We will maintain a watching brief on the progress made by central government in relation to reforms to three waters. We will work with Council to ensure appropriate disclosures are included in the financial statements.
- We will consider any land acquired through the category 3 property buy-out processes relevant to the 2026 financial statements.

EY | Napier City Council | For the Year ending 30 June 2026

Medium Risk Focus Areas



FOCUS AREAS



BACKGROUND



PLANNED AUDIT APPROACH

Rates Strike

MEDIUM

- Rates income levied represents the Council's primary revenue source. There is specific legislation in place which must be adhered to for the rates set to be lawful. In the local authority context, failure to comply with rating law and the associated consultation requirements can create significant risks to the integrity of rates revenue.
- The requirement for there to be consistency between the rates resolution, Funding impact statement and the Finance Policy in the LTP is fundamental because this is the thread that links community consultation to the rates levied by NCC forming the core of the Council's revenue.
- The accuracy of a rates strike is dependent on the integrity of the rates database. The reliability of the rates billing system should ensure rates are billed appropriately.
- There is a history of legal challenges against certain local authorities that give rise to questions associated with Rates strikes.

- We will review NCC's rate resolution for the financial year and its linkage to the Long Term Plan.
- We will review NCC's procedures for checking the rates set are compliant with the Local Government Rating Act and test that the rates set are being applied appropriately to the rating database and invoiced accordingly. We obtain an understand of the design and implementation of relevant controls over the rates levying process.
- On a sample basis, we will undertake a review of billing to specific ratepayers and subsequent collection.
- Certain rate paying groups represent a higher collection risk. We will examine any provision for doubtful rates debtors to consider whether it is appropriate in the circumstances.
- We will engage early with management as the rates strike is being developed to ensure any comments we have can be considered on a timely basis.

Grants and subsidies

MEDIUM

- Councils receive Waka Kotahi /NZTA funding to subsidise costs associated with local roads. Such funding is provided on the basis the work will return the roads to the previous condition and not improve the level of service from the damaged road. Waka Kotahi has monitoring and compliance requirements in order to provide funding, which is claimed in arrears based on actual amounts incurred.
- Council have a number of considerations to make including:
 - Assessment of the anticipated costs and priorities of work to be completed;
 - Funding the shortfall of any costs not recoverable from central government or other funding, including how this funding source aligns with Council's funding and treasury policies;
 - The ability and reporting available to monitor recovery works funding in line with the requirements of each funding provider.

- Obtain any new agreements, amendments or correspondences between NCC and funding providers in respect of approved funding.
- We will review NCC's procedures for revenue recognition and monitoring the conditions of the various grants.
- We will check, on a sample basis, that revenue is being recognised in line with obligations/undertakings being satisfied.
- We will examine cost claims to NZTA/Waka Kotahi, on a sample basis, to check the expenditure is allowed to be claimed and funding assistance rate applied is appropriate.
- For a sample of revenue recognised in the year across all grants, we will vouch receipt of funds to cash received.

EY | Napier City Council | For the Year ending 30 June 2026

Medium Risk Focus Areas



FOCUS AREAS



BACKGROUND



PLANNED AUDIT APPROACH

Performance reporting

MEDIUM

- NCC is required to report its performance against levels of service expectations and performance measures included in the LTP. These measures are key to the Council providing a “performance story” to the community.
- Our audit opinion on the service performance information covers compliance with generally accepted accounting practice, and whether the service performance report fairly reflects the Council’s actual service performance for the period.
- Council is required to report on mandatory measures in relation to drinking water, as governed by DIA. New Drinking water Quality Assurance Rules, Drinking Water Standards and Aesthetic Values came into effect in November 2022.

- Our audit procedures will focus on assessing completeness and effectiveness of NCC’s non-financial performance reporting.
- We will obtain an understanding of key performance reporting processes and review methodologies applied by NCC
- We will check, on a sample basis, the measures have been accurately reported on and outputs have been achieved where stipulated
- Review mandatory performance measures stipulated by the Non-Financial Performance Measures rules 2013 and ensure all required measures have been appropriately included in NCC’s reporting.
- Provide feedback on the overall annual report and the summary annual report

Expenditure and procurement

MEDIUM

- Appropriateness of Councillor and management expenditure is an area of interest to ratepayers.
- Council’s capital works procurement programme involves significant cash flows and complex long term contract management.
- Areas of expenditure such as travel, accommodation, training and catering can present opportunities for personal benefit (or perceived personal benefit)

- In considering expenditure and procurement, we will review Council’s policies to check if there is adequate guidance regarding the procedures for handling sensitive expenditure and conflicts of interest within the organisation and policies are consistent with best practice guidelines issued by the OAG in 2020. This includes the following types of expenses; travel, training, consultant fees, use of credit cards and Councillor expenses. We will also give consideration to Procurement and Contract tendering processes.

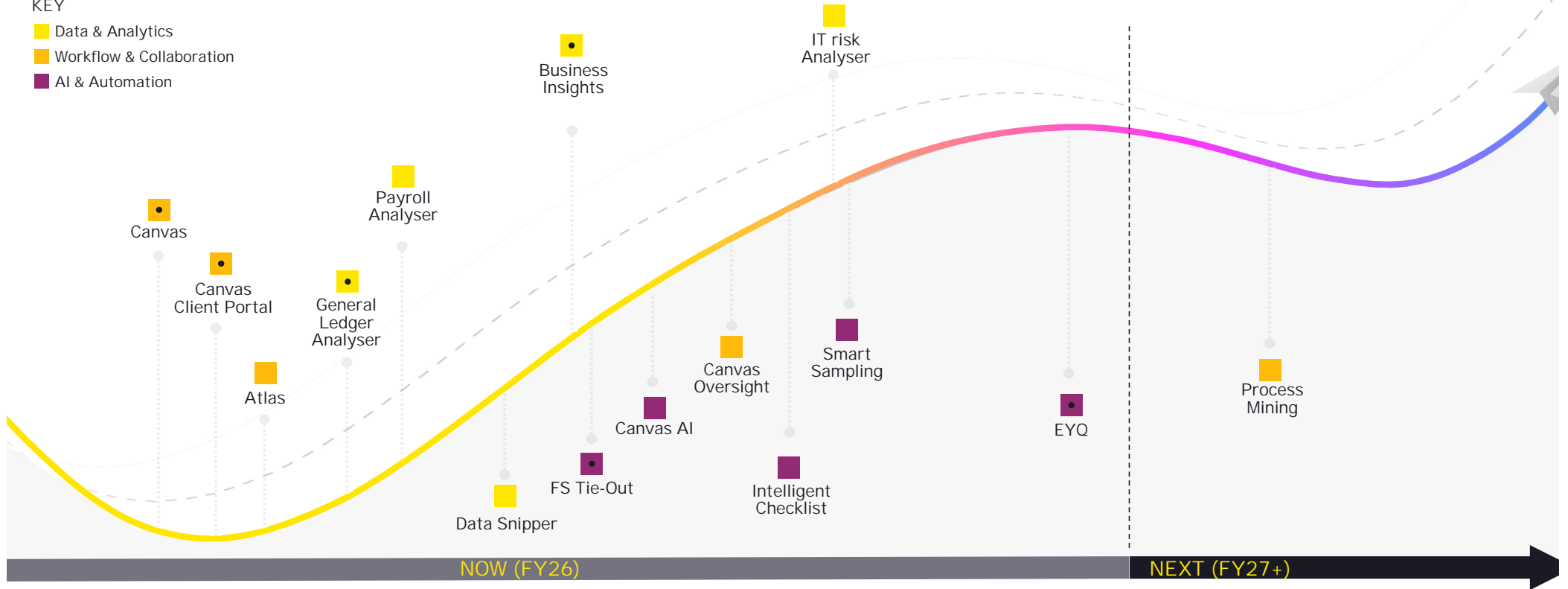
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Digital Audit Roadmap

During our planning for the Napier City Council audit each year we will set-out a Digital Audit Roadmap covering the technologies most applicable to the risks of the organisation, for the Now and Next.

KEY

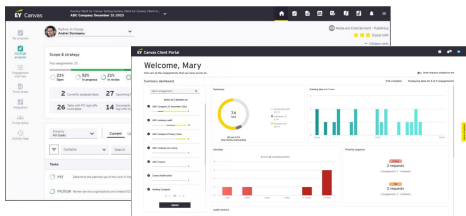
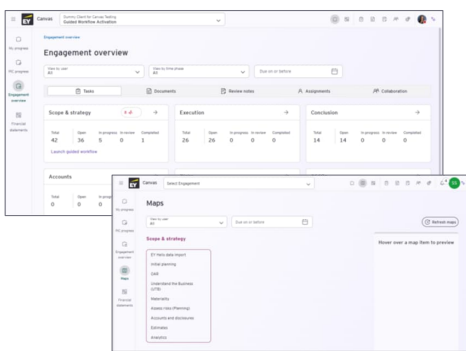
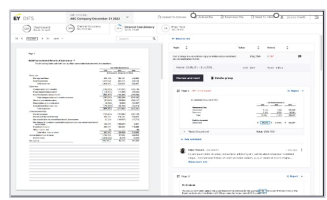
- Data & Analytics
- Workflow & Collaboration
- AI & Automation



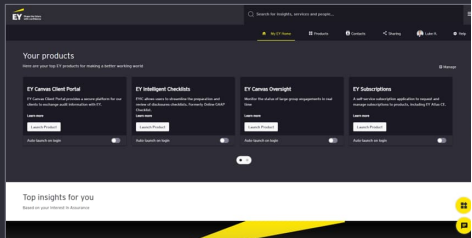
Workflow & Collaboration

Rather than simply sampling transactions, we leverage technology to analyse entire datasets, uncovering key drivers and risk areas with precision.

Our audit methodology is structured yet dynamic, ensuring we deliver a high-quality, risk-focused audit that aligns with Napier City Council's ways of working. By embedding data analytics, automation, and AI at every stage, we work smarter—not harder—to provide a seamless, insight-driven audit experience.

EY Canvas	Guided Workflow	Automation Hub
<p>Connecting NCC with EY</p> <ul style="list-style-type: none"> Canvas Client Portal One stop shop for secure and purposeful communication between EY and NCC, allowing the collaboration of our teams and providing real time status visibility. Enables access to EY Helix which allows our clients to engage directly with our tools. Canvas Oversight Sharing of information with our teams and tracking of audit status and progress across all locations to support proactive collaboration and timely actions. 	<p>Providing a structured audit approach for NCC</p> <ul style="list-style-type: none"> Guided Workflow Guided workflows in EY Canvas are designed to streamline the audit process for teams, providing a structured and standardised method for executing and documenting audit procedures via integrated standard work programs. 	<p>Automating routine audit tasks to deliver key insights to NCC</p> <ul style="list-style-type: none"> Canvas AI & EYO Assurance Knowledge EY's generative AI brings the collective knowledge of EY in a secure, confidential environment. FS Tie Out & Intelligence Checklist AI-based automation that guides the audit team through the end-to-end financial reporting process, including ensuring financial disclosures are accurate. 

Secure portal for you to collaborate with us



My EY

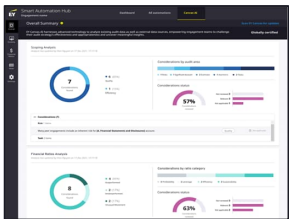
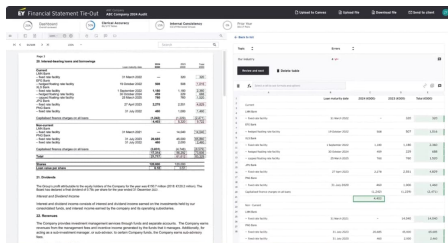
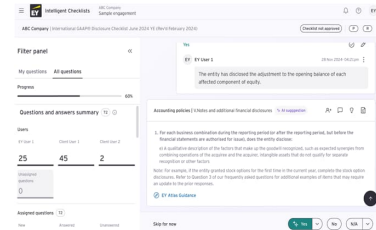
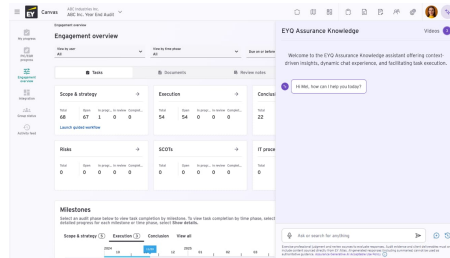
EY Client Portal gives you on-demand visibility of audit requests and status, in a central portal with total transparency for us and you.

EY Client Portal provides a secure way of transferring and storing your data. All parties can securely create, assign and track requests to facilitate effective project management and timely delivery and request of information, giving:

- ✓ **Confidence** in a quality audit execution and delivery
- ✓ Improved day-to-day **customer experience** through streamlined communication and customer notifications
- ✓ Total **oversight** of the status of all audit requests and progress
- ✓ **Easy to use interface** and restricted access tagging for sensitive documents

AI & Automation

EY has committed to an investment over five years to transform assurance technology, with the launch of further AI tools, including integrating the existing EYQ AI Capabilities directly into our Global Canvas Platform. This represents the evolution of our long-term effort to enhance audit efficiency and quality for NCC.

EY Canvas AI	FS Tie Out	Intelligent Checklists	EYQ Assurance Knowledge
<p>Embedding AI in the end-to-end audit delivery. Canvas.AI identifies outlier scoping & audit strategy decisions.</p> <p>Key Benefits:</p> <ul style="list-style-type: none"> Harnessing collective knowledge from across the EY organization to help EY teams evaluate the effectiveness of their audit strategy and bring greater trust and confidence to the audit Advanced pattern recognition that helps to identify risk indicators, by comparing financial metrics against prior year trends. 	<p>Financial Statement Tie-out leverages AI to bring intelligence & automation to financial statement tie-out procedures. It is designed to enhance accuracy and reduce the manual recalculation, perform internal consistency checks and comparisons to prior periods and versions. The solution is designed to assist auditors in addressing components of the "Presentation and Disclosure" assertion on the Financial Statements.</p> <p>Key Benefits</p> <ul style="list-style-type: none"> Quick identification of action items – powered by AI – accelerates transparent and timely interactions with clients, contributing to a better client experience. 	<p>The EY Intelligent Checklist is an interactive online platform that helps streamline the preparation and review of financial statements and disclosures which can be assessed by both audit team and NCC.</p> <p>Key Benefits:</p> <ul style="list-style-type: none"> Intuitive navigation, workflow-driven process and leverage the roll forward capabilities. Assign questions to individual users and track progress through filters Provide better collaboration between EY and NCC's teams Links in each question available in relation to supporting Standards for guidance on disclosure requirements. 	<p>EYQ Assurance Knowledge is a dynamic chat interface integrated directly into EY Canvas, the EY cloud-based global audit platform. It responds to EY teams' questions based on authoritative guidance from EY Atlas, the EY accounting and auditing knowledge repository.</p> <p>Key Benefits:</p> <ul style="list-style-type: none"> Enabling EY teams to easily obtain the right guidance to execute high-quality audits in compliance with global and local regulations. Provides EY teams access to relevant sources to evaluate technical topics and facilitate decision-making. 

EY | Napier City Council | For the Year ending 30 June 2026

Internal Control Environment

Internal Controls

The primary responsibility for the design and operating effectiveness of the internal control environment, including the prevention and detection of fraud and error, rests with those charged with governance and management.

We obtain an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit is not designed to express an opinion on the effectiveness of internal control we are required to communicate significant deficiencies in internal control to you.

Our assessment of internal controls covers:

- The control environment including entity level controls
- Napier City Council's risk assessment procedures
- The design and implementation effectiveness of internal controls
- Monitoring of controls (internal audit and self-assessment).

We provide management with an report to management on internal controls during the audit process, outlining our findings and our recommendations on where improvements in internal controls can be made. Where significant deficiencies come to our attention, we will communicate these to the Risk & Assurance Committee.

Assessing the Risk of Fraud

Our responsibility as the external financial statement auditor is to consider the risk of fraud and the factors that are associated with it so as to provide reasonable assurance that the financial statements are free from material misstatement resulting from fraud. However, it is important to note that while our external financial statement audit work is not primarily directed towards the detection of fraud or other irregularities, we will report any matters identified during the course of our work.

When developing our Audit Plan we use professional judgement in determining whether a fraud risk factor is present. We determine fraud risk factors in the context of the three conditions generally present when fraud occurs (i.e., incentive/pressure, opportunity and attitude/rationalisation).

Our approach to fraud risks are outlined below:

Understanding the business and the control environment - We will enhance this understanding to provide a foundation for our risk assessment. Our understanding includes the business model as well as external factors and internal factors, including the governance and monitoring structures in place.

Identification of risks of material misstatement due to fraud - we will challenge risk assessments in line with the current environment, applying the fraud triangle when making these risk assessments, focusing on sources of fraud risk factors.

Responding to risks of material misstatements due to fraud - we will take into account our understanding of the entity's business and its control environment, designing tailored responses to identified risks of fraud and evaluating the reliability of audit evidence obtained.

Fraud programs and controls - We will identify and obtain an understanding of the entity's fraud risk management programs, including whistleblower programs and the role of internal audit in preventing and detecting fraud.

Identifying and responding to fraud risks in an audit - We will apply data analytics to enhance identification of and response to identified fraud risks.

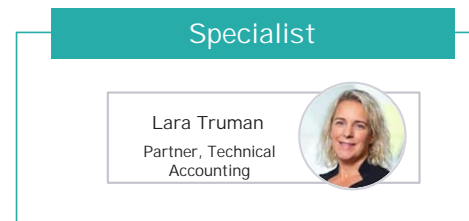
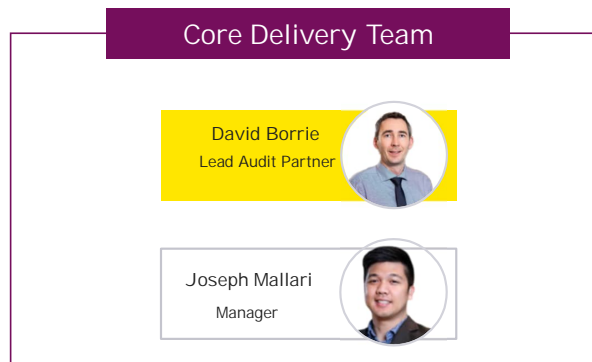
Communicating identified or suspected fraud - We will report any instances of suspected fraud to management and the audit committee in accordance with obligations under both auditing and ethics standards.

EY | Napier City Council | For the Year ending 30 June 2026

Your EY Team

We understand that our team is the most important element of your relationship with us.

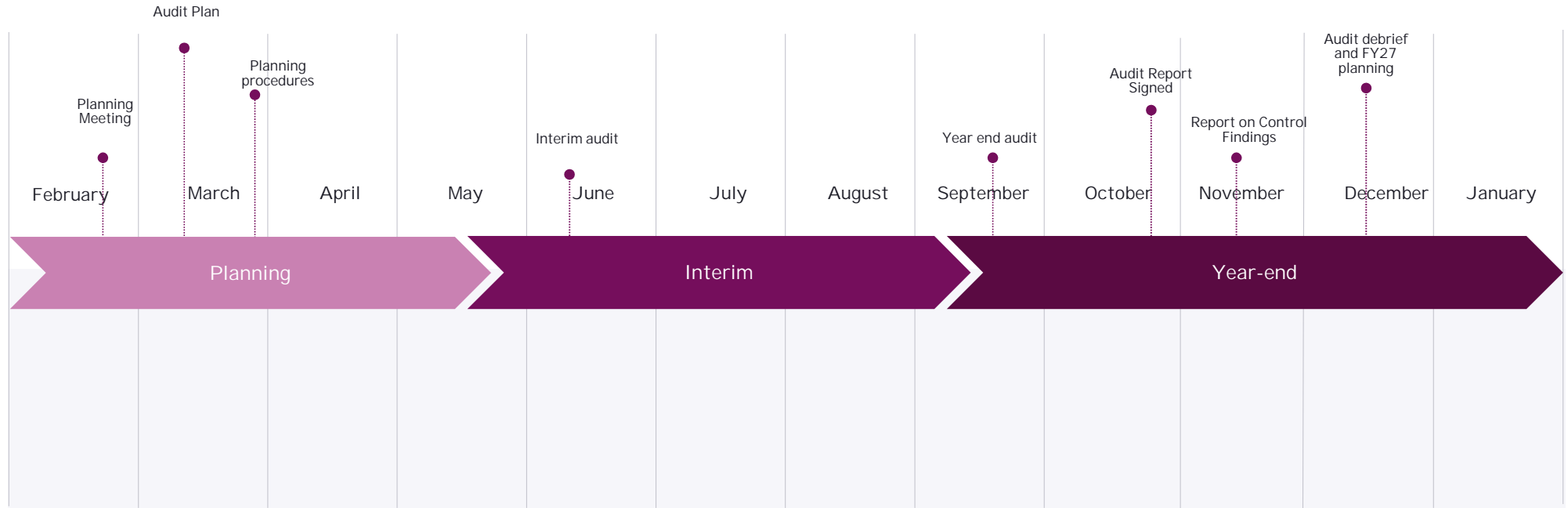
Our team has been involved in the audit of other councils for a number of years. This audit experience provides NCC with knowledge of your organisation and industry expertise. These combined factors enable us to focus on the relevant issues for your business. Further we have incorporated specialists to assist us in addressing the financial risks relevant to NCC.



EY | Napier City Council | For the Year ending 30 June 2026

Engagement Execution

FY26 Audit Timeline



∞ Continuous communication approach

We will have continuous communication with management and the finance team throughout the year. We anticipate meeting to discuss business operations, financing and transactions, as well as perspectives on other key matters as we collaboratively progress the audit.

Appendices

A. Independence	14
B. Data Security and Privacy	15
C. System of Quality Management	16

A. Independence

Independence is fundamental to the role of the auditor and success in this regard is connected to our ability to meet both Napier City Council's and broader regulatory independence requirements.

We consistently comply with all professional regulations relating to auditor independence including those outlined in:

- NZICA Code of Ethics
- Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand)*

Accordingly, we ensure that there are controls in place and actions taken on a regular basis that mitigate any risks to our independence.

There are no matters that, in our professional judgement, bear on our independence and which need to be disclosed to the Risk & Assurance Committee at this time.

We will confirm our independence throughout the audit in accordance with auditing standards and remain in compliance with NZICA Code of Ethics and the Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand)* independence requirements.

Meeting your independence requirements



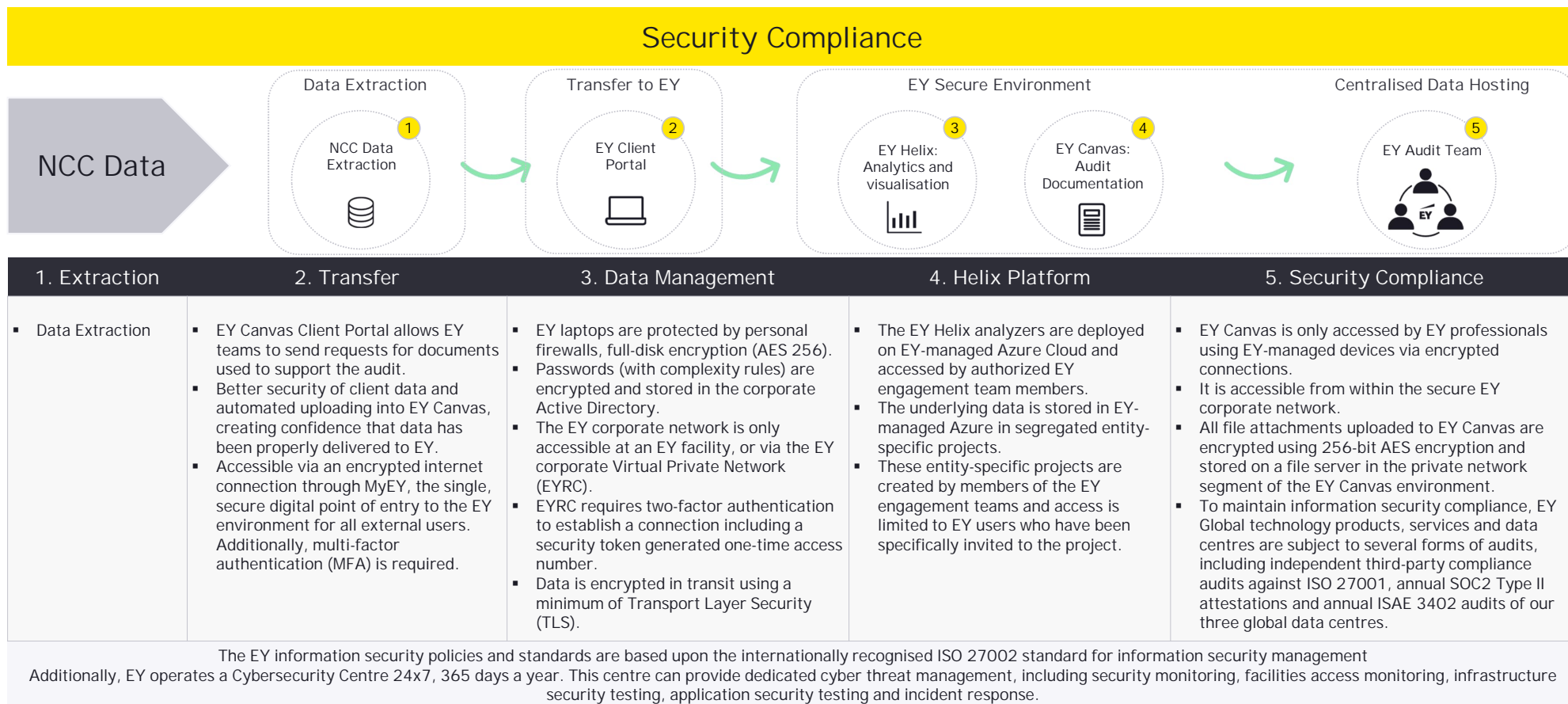
- We will bring differences in opinion to management and Risk & Assurance Committee.
- We will adhere to the independence requirements of NCC.
- We will not provide any prohibited services.
- We will comply with all independence legislation and guidelines.



- We have no actual, potential or perceived conflicts of interest.
- All team members have personally confirmed their independence.
- We will adhere to strict confidentiality requirements.
- We will ensure that EY, its Partners and current service team members do not hold any financial interests in NCC.

B. Data Security and Privacy

Protecting your data



C. System of Quality Management

The annual evaluation conclusion for EY New Zealand is that the objectives of the System of Quality Management are being achieved as of 30 June 2025 and that they support the consistent performance of quality audits and related engagements.

EY's approach to quality management

Professional and Ethical Standard 3 ("PES 3", which is the NZ version of ISQM 1) is applicable to all firms that perform audits and other similar engagements. As a result, we are required to design, implement and operate a system of quality management ("SQM") to provide reasonable assurance that:

- The member firm and its personnel fulfil their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements.
- Engagement reports issued by the member firm or engagement partners are appropriate in the circumstances.

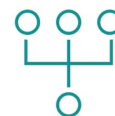
We are also required to monitor, remediate and annually evaluate the SQM as well as communicate to those charged with governance how the SQM supports the consistent performance of quality engagements. The following slides explain our approach and the results of our most recent assessment.

Individuals with SQM roles have the appropriate experience, knowledge, influence and authority, and sufficient time to fulfil their System of Quality Management roles and are accountable for fulfilling their responsibilities.

Note: In the context of the annual evaluation of the SQM, EY New Zealand refers to the following member firms performing audits or reviews of financial statements or other assurance or related services engagements: Ernst & Young (partnership), Ernst & Young Limited and EY-Parthenon Limited.

EY is dedicated to delivering high-quality audits and assurance engagements and serving the public interest.

Key elements of EY's SQM



Common processes, policies, programs and technologies



Consistent quality objectives, quality risks and responses



Commitment to conduct high-quality audits across the EY organisation

EY member firms, which include the relevant New Zealand firms, are ultimately responsible for the design, implementation, and operation of their SQM, and have the responsibility to:

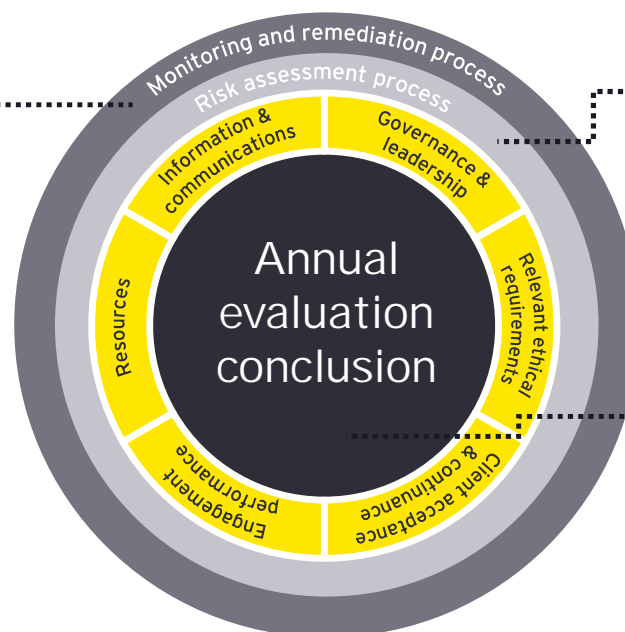
- Evaluate policies, technologies, strategies, programs and baseline elements provided to them, and
- Determine if they need to be supplemented by the member firm to be appropriate for use.

C. System of Quality Management (cont.)

SQM processes to support quality audits

Monitoring and remediation process

- Provide relevant, reliable and timely information about the design, implementation and operation of the SQM and a basis for the identification of deficiencies in the SQM.
- Monitoring activities include monitoring the entire SQM (e.g., testing SQM controls, internal inspections of completed engagements, assessing member firm and personnel's compliance with ethical requirements related to independence).
- If deficiencies are identified, they are corrected on a timely basis and an action plan is designed, implemented and evaluated for effectiveness.



Risk assessment process

- Establishing quality objectives (based on PES 3 requirements).
- Identifying and assessing quality risks.
- Designing and implementing responses (including policies, technologies and key controls).

Annual evaluation conclusion

The annual evaluation conclusion:

- Is as of 30 June for all EY Member Firms performing engagements in the scope of PES 3.
- Considers the results of monitoring activities.

Key roles within the SQM include:

- The Country Managing Partner: assigned ultimate responsibility and accountability for the SQM by concluding on its effectiveness.
- The Country Assurance Managing Partner: assigned operational responsibility for the System of Quality Management. This includes recommending the System of Quality Management annual evaluation conclusion to the Country Managing Partner.
- The Country Independence leader: assigned operational responsibility for compliance with independence requirements.
- The Country Professional Practice Director: assigned operational responsibility for monitoring the SQM including concurring with or proposing changes to the recommended SQM annual evaluation conclusion.

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All in to shape the future with confidence.

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ED None

This report is intended solely for the information and use of the Risk and Assurance Committee, other members of the senior management of Napier City Council, and should not be used for any other purpose nor given to any other party without our prior written consent. We disclaim all responsibility to any other party for any loss or liability that the other party may suffer or incur arising from or relating to or in any way connected with the contents of this report, the provision of this report to the other party or the reliance upon this report by the other party.

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25 February 2026

Richard McGrath
Mayor
Napier City Council
Private Bag 6010
Napier 4142

Copy: Manager Auditor Appointments
Office of the Auditor-General
PO Box 3928
Wellington

Dear Richard

Proposal to conduct the audit of Napier City Council on behalf of the Auditor-General for the 2026, 2027 and 2028 financial years

1. Introduction

The Auditor-General proposes to appoint me to carry out the audit of your organisation for the next three years. As required by the Office of the Auditor-General (OAG), I set out below information relating to the audit for the three financial years ending 30 June 2026, 2027 and 2028. The purpose of this proposal is to provide information on:

- the statutory basis for the audit and how audit fees are set;
- the entities covered by this proposal;
- key members of the audit team;
- the hours we plan to spend on the audit and reasons for any change in hours;
- our proposed fees for the audit for the financial years ending 30 June 2026 and 2027 and reasons for any change. The Council's Water Services Delivery Plan anticipates a new Council Controlled Organisation ('CCO') being established for water services delivery for the 2028 financial year. Given this is a notable change we will set audit fees for this year closer to the time once more details are known;
- assumptions relating to the proposed audit fees, including what we expect of your organisation;
- what the OAG Audit Standards and Quality Support charge provides;
- certification required by the Auditor-General; and
- our commitment to conduct the audit in accordance with the Auditor-General's Auditing Standards.



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with confidence**

2. Statutory basis for the audit and how audit fees are set

The audit of your organisation is carried out under Section 15 of the Public Audit Act 2001, which states that “the Auditor-General must from time to time audit the financial statements, accounts, and other information that a public entity is required to have audited”.

Fees for audits of public entities are set by the Auditor-General under section 42 of the Public Audit Act 2001. However, your Council and I have the opportunity to reach agreement first and recommend those fees for approval. The Auditor-General, with assistance from the OAG, will set audit fees directly only if we fail to reach agreement.

Our proposed audit fees are set out in this letter and include an estimate of the reasonable cost of disbursements (including travel and accommodation where necessary).

3. Entities covered by this proposal

This proposal covers the audit of Napier City Council (“the Council”).

4. Key members of the audit team

Appointed Auditor	David Borrie
Audit Manager	Joseph Mallari
Technical Accounting Partner	Lara Truman
IT Assurance Director	Moiz Bachani

5. Estimated audit hours

We estimate that the following hours will be required to carry out the audits (compared to budgeted hours from the previous financial year):

Audit team member	2025 budget	2026	2027
Appointed Auditor	120	120	120
Audit Manager	130	130	130
Other CA qualified staff	200	200	200
Non CA qualified staff	520	520	520
Accounting and IT specialists	81	81	81
Total audit hours	1,051	1,051	1,051



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This is EY's first year as the Council's auditor. We have used Audit New Zealand's budgeted audit hours for the 2025 year as a basis for our proposed hours for the audits of the 2026 and 2027 years.

5.1 Reasons for changes in audit hours

There are no changes to audit hours for the 2026 and 2027 years.

6. Proposed audit fees

Our proposed fees for the next two audits (compared to budgeted data from the previous financial year) are:

Structure of audit fees	2025 budgeted fees \$	2026 \$	2027 \$
Net audit fee (excluding OAG Audit Standards and Quality Support charge and disbursements)	254,676	263,590	272,815
OAG Audit Standards and Quality Support charge	20,888	21,819	21,819
Total audit fee (excluding disbursements)	275,565	285,409	294,634
Estimated Disbursements	20,000	20,500	21,000
Total billable audit fees and charges	295,565	305,909	315,634
GST	44,335	45,886	47,345
Total (including GST)	339,900	351,795	362,979

The audit fees allow for the audit team to carry out specific tasks identified in the OAG Sector Brief and for the OAG Audit Standards and Quality Support charge. We have also estimated the reasonable cost of disbursements (including travel and accommodation where necessary). Disbursement costs are indicative only and will be charged on an actual and reasonable basis.

We note historically Audit New Zealand have exceeded their budgeted hours. While we have taken the previously budgeted hours as a reasonable estimate of the time to complete audits going forward we may need to revisit audit hours, through discussion with you, if our initial experience indicates the hours aren't sufficient to complete the needed audit work.



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6.1 Reasons for changes in audit fees

The reasons for changes in your organisation's audit fee are shown in the table below.

Reasons for increased or decreased audit fees compared to previous period budgeted fees.	2026	2027
Predicted staff salary cost movements	8,914	9,225
Total increase (decrease) in audit fees	8,914	9,225

Staff salary cost movements

We have included a direct cost increase of 3.5% per annum. This reflects expected increases in costs which are primarily salaries for accounting and auditing staff. The expectation is based on both what we have experienced recently in the market for this group of workers and also estimates of cost pressures for the coming years.

7. Assumptions relating to our audit fee

You are responsible for the production of your financial statements, statement of service performance and anything else that must be audited. Our proposed audit fees are based on the assumption that:

- You will provide to us, in accordance with the agreed timetable, the complete information required by us to conduct the audit.
- Your staff will provide us with an appropriate level of assistance.
- Your organisation's annual report and financial statements (including Statements of Service Performance) will be subject to appropriate levels of quality review by you before being submitted to us for audit
- Your organisation's financial statements will include all relevant disclosures.
- We will review up to two sets of draft annual reports, one printer's proof copy of the annual report, and one copy of the electronic version of the annual report (for publication on your website).
- There are no significant changes to the structure and/or scale of operations of the entities covered by this proposal (other than as already advised to us).
- There are no significant changes to mandatory accounting standards or the financial reporting framework that require additional work.
- There are no significant changes to mandatory auditing standards that require additional work.



**Shape the future
with confidence**

- There are no significant changes to the agreed audit arrangements (set out in an annual letter we will send you) that change the scope of, timing of, or disbursements related to, this audit.
- As outlined in Section 1 the impact of Local Water Done Well has been excluded from this fee proposal. The most notable impact of the Council's Water Services Delivery Plan will be in the first year of the new CCO operating. For this reason audit fees for 2028 are not included in this proposal and will be agreed with Council once more details are available.

If the scope and/or amount of work changes significantly, we will discuss the issues and any implications for our audit costs and your audit fees with you and the OAG at the time.

8. What the OAG Audit Standards and Quality Support charge provides

Parliament has indicated that it expects the full cost of annual audits under the Public Audit Act (including an OAG Audit Standards and Quality Support charge) to be funded by public entities.

The OAG Audit Standards and Quality Support charge partially funds a range of work that supports auditors and entities, including:

- development and maintenance of auditing standards;
- technical support for auditors on specific accounting and auditing issues;
- ongoing auditor training on specific public sector issues;
- preparation of sector briefs to ensure a consistent approach to annual audits;
- development and maintenance of strategic audit plans; and
- carrying out quality assurance reviews of all auditors, and their audits and staff on a regular (generally, three-year) cycle.

Appointed Auditors are required to return the OAG Audit Standards and Quality Support charge portion of the audit fee, to the OAG.

9. Certifications required by the Auditor-General

We certify that:

- the undertakings, methodology, and quality control procedures that we have declared to the OAG continue to apply;
- our professional indemnity insurance policy covers this engagement; and



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- the audit will be conducted in accordance with the terms and conditions of engagement set out in the audit engagement agreement and schedules.

10. Conclusion

As the Appointed Auditor, I am committed to providing you and the Auditor-General with the highest level of professional service. I intend to work with you, the OAG, and the Auditor-General in a partnership environment to resolve any issues that may arise.

If you require any further information, please do not hesitate to contact me.

Please counter-sign this letter (below) to confirm that you, and the governing body of your organisation, agree with its contents. This letter will then form the basis for a recommendation to the Auditor-General on the audit fee that should be set. The schedules of audit hours and fees will also be incorporated into my audit engagement agreement with the Auditor-General to carry out the audit of your organisation as the agent of the Auditor-General.

Yours sincerely

David Borrie
Partner
Ernst & Young



I accept the audit fees for the audit of the two financial years as stated above.

Full name: _____ Position: _____

Authorised signature: _____ Date: _____

Entity name: _____



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Actions to take when agreement has been reached:

- 1 Make a copy of this signed proposal and keep it for your file.
- 2 Send the original to: David Borrie
Ernst & Young
PO Box 490
Wellington 6140

PROPOSAL:

A NEW RISK & ASSURANCE MANAGEMENT FRAMEWORK

1. BACKGROUND

Napier City Council (NCC) is currently undergoing a process of change, working towards the implementation of its vision and strategic priorities.

To enable the strategy, continuously improve its processes, focus on the things that matter, and control the uncertainties arising from this change, NCC have committed time, people and resources to set up a new Risk, Controls & Assurance team.

The RC&A team has been tasked with lifting the current risk and assurance management capabilities of the organisation, providing an extra layer of confidence to the Committee, wider Council, and NCC's key partners and stakeholders.

2. PURPOSE

To develop, implement, maintain and improve a bespoke, integrated Risk & Assurance Management System for NCC at an enterprise level.

3. OBJECTIVES

- i. To establish a standardised and coordinated risk and assurance management function across NCC, which supports and informs decision-making, and is in alignment with the strategic goals and objectives of Council, the Risk & Assurance Committee, and the Executive Leadership Team (ELT).
- ii. To improve NCC's ability of providing consistent risk and assurance advice, guidance and services that meet internal and external stakeholders' requirements, as well as statutory and regulatory responsibilities; and by doing so, facilitating opportunities to enhance partnerships and relationships (commercial, and non-commercial), as well as the overall performance of the organisation.

- iii. To capture and visualise opportunities for improvement regarding risk management (identification, analysis, prioritisation and control), workplace organisation, leadership commitment, culture and strategy implementation.

The main expected outcome once these objectives are achieved, will be for NCC to have an established risk and assurance management system, which will include an integrated risk and assurance management framework; tools and techniques; new and revised 4Ps (Plans, Policies, Processes and Procedures); and a risk and assurance “as a service” function, that will provide consistent and consolidated advice and guidance on the management of risk, and internal assurance services to the rest of the organisation.

4. SCOPE

The development and implementation of the risk and assurance management system will involve and include all relevant key processes from each Directorate / Group. While key people leaders and members of the staff will be engaged throughout the process, it is expected that every member of NCC will contribute to identify relevant issues and opportunities for improvement.

5. DESCRIPTION

The purpose of risk and assurance management is the creation and protection of value. Managing the risks of a system —understood as a network of interconnected processes— will provide a common structure and enable NCC’s teams and members to have better control over their activities, performance and outcomes.

The principles that will be the base and foundation for this management system are:

- Leadership commitment
- Risk-based thinking
- Customer / Client focus
- Stakeholder Engagement
- Relationship Management
- Process approach
- Evidence-based decision making
- Continuous improvement

There are three major steps in setting up a management system like this one. Namely:

BENCHMARKING: In this stage, a Discovery phase and Gap Analysis will be conducted to identify the strengths, weaknesses, concerning issues and opportunities for NCC (as a whole), and for each Group as applicable. This will inform the development of the Framework.



NCC's risk and assurance 4Ps will be assessed against the requirements and guidelines of relevant international standards (e.g., ISO 9001:2015; ISO 31000:2018; ISO 37301:2021; ISO 45001:2018, etc.) using the following capability indicators:

I.	CONTEXT	<i>how the different teams interact internally and externally</i>
II.	LEADERSHIP	<i>the current knowledge base and commitment to risk and assurance</i>
III.	PLANNING	<i>provisions for risk assessment, monitoring and reporting</i>
IV.	SUPPORT	<i>awareness, competence, resourcing and organisational knowledge</i>
V.	OPERATION	<i>operational planning and control of risks and opportunities</i>
VI.	PERFORMANCE	<i>management review; monitoring, analysis and evaluation</i>
VII.	IMPROVEMENT	<i>non-conformity management, corrective actions, continuous improvement</i>

DEVELOPMENT & IMPLEMENTATION: This is the main step of this project and critical for correct functioning of a risk and assurance management system. This stage includes activities such as:

- applying (agreed upon) changes, requests, and recommendations from the Committee
- preparation of a roadmap (activities and deliverables)
- designing and developing a new Risk & Assurance Management Framework
- preparing new documentation and records
- setting action-plans and establishing responsibilities and accountabilities
- rolling out new and revised 4Ps.

Some processes may take several practice-runs before they are embedded into the daily workflow. As the new system is implemented, auditable records and evidence will be generated which will be properly documented and kept for internal and external assurance purposes.

MAINTENANCE & IMPROVEMENT: The maintenance and improvement of a management system is a permanent commitment and a never-ending endeavour.

During the process of implementation and after the system has been integrated successfully into the different teams' routine activities, the necessary actions for correcting, preventing, and reducing continuity risks need to be taken to address any new identified issues, inform any changes in planning and/ or strategy, and continually improve the performance of NCC's new strategy.

6. TIMEFRAME

The development and primary implementation of this new Framework and ways of working, i.e., being able to establish and complete some risk management cycles, is expected to take between six and nine months approximately (**March – September / November 2026**). The following diagram (Figure 1) provides a summary of the three stages of implementation mentioned above.

IMPORTANT NOTE: While this timeframe is thought to be appropriate, key personnel's and our team's availability (shared services), access to information, access to sites, and any other imponderables need also to be kept in mind.



Figure 1. Proposed breakdown of the three stages of development and implementation of the new Risk & Assurance Framework for Napier City Council. The duration of the different activities are for reference only, as they can vary.

7. EXPECTED OUTCOMES

The success of the Framework will be based and measured through the following indicators:

- there is a unified, consolidated understanding of what risk management means to NCC, as an organisation
- a new R&A Framework (including tools and techniques) is in place for NCC. This is reflected by a common understanding amongst the different teams –and clarity– around:
 - **risk appetite and risk tolerance** – per team and NCC as a whole
 - **risk governance** – responsibilities and accountabilities across all lines of defence
 - incorporation of **risk-based thinking into decision making** and strategic planning
 - **monitoring, assessment and reporting** – Who, what, when, and how.
- risk & assurance management review meetings, and reporting, are set to occur periodically
- agreed new, and changed 4Ps –*Policies, Plans, Processes and Procedures*– are embedded into daily functions
- roles and responsibilities for the maintenance and constant improvement of the system are understood. The agreed actions are taken, and auditable records are kept.

Any other criteria for success or requirement that may arise during implementation can be included in this document later.

IMPORTANT NOTE: The success of this function and framework depends directly on the involvement and contribution of all the interested parties, and it is the Council's and ELT's responsibility to facilitate and provide the right environment for this system to be implemented.

8. NEXT STEPS

The RC&A team is currently working under best-practice principles—which would be formalised in the Framework but are being applied daily in our practice and advice.

The Committee may expect to receive a fully developed Framework, including tools, techniques, and descriptors next time they meet.



The RC&A team will be looking to develop subsidiary risk management plans for P3 management (portfolio, programmes, and projects), and health and safety, jointly with the EPMD, Strategic Programmes, and Health & Safety teams.

Document owner:	Risk, Controls & Assurance
Prepared by	Risk, Controls & Assurance Manager
Reviewed by	Head of Finance, Data & Digital
Approved by:	Risk and Assurance Committee
Date approved:	TBC

---- End of Script ----



3-year Internal Audit Plan (FY26 – FY28)

Napier City Council

Executive Summary

This paper presents the proposed annual internal audit plan for FY26 and an indicative three-year internal audit plan for FY27 and FY28 for Napier City Council (NCC).

The plan has been developed prior to detailed discussion with management and is based on the following inputs:

- Provides oversight of key controls over critical business processes
- Focuses on key enterprise risks and alignment to Council strategy
- Reflects current and emerging risks within the local government sector
- Aligns with work performed by other assurance providers to reduce duplication and improve overall assurance coverage.

Objective

The objective of Internal Audit is to provide independent, objective, and value-focused assurance over the risks impacting Council's objectives. This supports management and the Risk and Assurance Committee in:

- Managing risk
- Monitoring compliance with policies, procedures, and legislation
- Improving the efficiency and effectiveness of internal controls

The internal audit assurance model continues to provide strong coverage over financial and key IT controls while expanding focus to major business risks, core processes, and strategic alignment. Work performed by other assurance providers is considered to ensure efficient coverage.

Approach to developing the plan

The internal audit plan has been developed using the following inputs, with management involvement where appropriate:

- Council's strategic goals and Long-Term Plan
- Council's key strategic, operational, and emerging risks
- Results and coverage from recent internal and external assurance activity

Planning Methodology

The following steps were applied when developing the plan:

Steps	Key planning steps	Description
1	Scan of key functional activities and operating environment	Using NCC's key functional activities as the basis to ensure all activities are considered when preparing the audit plan.
2	Align assurance activity with NCC's LTP, Strategy and Risk Profile	NCC LTP (3-year plan), strategy and risk profile to identify activities of higher relative importance.
3	Internal audit observations and/or hot topics	<ul style="list-style-type: none"> Consider internal audits recently completed. Consider industry or local government trends/emerging risks to determine if any activities overlooked during preliminary audit planning meetings
4	Meet with key stakeholders (CE, external auditor, risk and assurance committee chair etc) to discuss approach and get agreement on potential scope of audits	Using steps 1 -3 stakeholders to provide scope of audits identified.
5	Prioritise and agree	<p>Using the information sources as per steps 1-4 above to produce a list of potential internal audits to prioritise and develop internal audit plan.</p> <p>As part of the InfoCouncil approval process, meet with the Executive Director Corporate, Communications and Economic Development, the Chief Executive, and the Chair of the Risk and Assurance Committee to discuss the plan and obtain feedback before finalising it for agreement by the Risk and Assurance Committee.</p>



Proposed Internal Audits

FY26 to FY28 audits are scheduled on a quarterly basis and cover financial and probity, governance and enabling services, operational and regulatory areas. Each audit includes clear objectives and alignment to Council's strategic and operational risks.

Period	NCC Function Areas	Internal Audit areas	Objectives	Risk reference (s)
Q3 (Jan - Mar) 2026	Financial & Probity	Conflict of interest	Assess the council's conflict of interest framework and disclosures to confirm staff and elected member interests are identified, declared, managed, and monitored in line with policy and good practice.	SR22 SR25 OR244
Q3 (Jan - Mar) 2026	Governance and enabling services	HR Practices	Review key HR processes and controls to confirm recruitment, onboarding, disciplinary procedures, succession planning, staff retention, training and development, and the security of personal information are managed consistently, approved appropriately, and aligned with council policy and employment requirements.	SR22 OR354 OR289
Q4 (Apr – Jun) 2026	Financial & Probity	Procurement	Assess procurement controls to confirm purchasing follows policy, approvals are appropriate, supplier selection is fair and transparent, and spend is supported by valid contracts and evidence.	SR36 OR241 OR290
Q4 (Apr – Jun) 2026	Financial & Probity	Contract management	Review contract governance and day-to-day management to confirm contracts are approved, documented, monitored, and managed through to completion, including performance oversight, variations, invoice approval, and renewal or close-out.	SR36 OR241 OR93
Q1 (Jul – Sep) 2027	Financial & Probity	Rates Management	Review the council's rates management policies, processes, and controls to confirm rates are set and billed accurately and on time, property and rating data is complete and reliable, exemptions and remissions are approved and applied correctly, arrears and collection actions are managed consistently, and reporting supports effective oversight and decision-making.	SR23
Q2 (Oct – Dec) 2027	Financial & Probity	Sensitive expenditure	Review the council's sensitive expenditure policy and controls to confirm spending is appropriate, business-related and within delegated authority, approvals are obtained where required, documentation and receipts are complete, conflicts of interest are managed, and monitoring and reporting support transparency and accountability.	SR22 OR244

Risk, Controls & Assurance
Internal Audit Plan
February 2026



Period	NCC Function Areas	Internal Audit areas	Objectives	Risk reference (s)
Q3 (Jan – Mar) 2027	Governance and enabling services	Business Continuity and Disaster Recovery Planning	Review business continuity and disaster recovery arrangements to confirm critical services and systems are identified, plans are documented and current, roles and responsibilities are clear, backups are reliable, and testing is performed to support timely recovery following disruption.	SR33 SR41 OR210
Q4 (Apr - Jun) 2027	Financial & Probity	Payroll and leave management	Review payroll and leave controls to confirm pay processing is accurate and complete, changes are authorised and supported, access to payroll systems is appropriate, and key reconciliations and exception checks are performed on time.	SR22 OR354
Q1 (Jul - Sep) 2028	Operational	Capital Works Management	Review of the policies, procedures and controls in place for developing, approving and monitoring performance of capital works programmes. Review capital works governance and project controls to confirm projects are appropriately approved, planned, and monitored, budgets and timelines are managed, procurement and contract controls are followed, and progress reporting supports informed decision-making.	SR36 SR15 OR93
Q2 (Oct - Dec) 2028	Financial & Probity	Cash Handling	Review cash receipting and banking controls to confirm cash is collected, recorded, reconciled, and deposited accurately and on time, with appropriate segregation of duties and oversight. At selected Council locations: (Kennedy Park Resort, National Aquarium NZ, iSite & Mini Golf, Ocean Spa)	SR23
Q3 (Jan - Mar) 2028	Governance and enabling services	Risk Management Process review	Review the council's risk management framework and practices to confirm risks are identified, assessed, recorded, and monitored consistently, risk ownership and escalation are clear, and reporting supports informed decision-making.	OR244
Q3 (Jan – Mar) 2028	Governance and enabling services	IT Security Management	Review the council's IT security governance and controls to confirm systems and data are protected through effective access management, security monitoring, patching, backup and recovery arrangements, and incident response processes.	SR41 OR269 OR278
Q4 (Apr - Jun) 2028	Regulatory	Resource and Building Consents	Review of the resource and building consent processes covering: <ul style="list-style-type: none"> • Compliance with the Resource Management Act (RMA) and Building Act and Building Consent Authorities (BCA) • Fee setting, invoicing, and collection • Compliance with the City Plan 	SR15 OR46
Q1 (Jul - Sep) 2029	Governance and enabling services	Health, safety, and wellbeing	Review the council's health, safety and wellbeing framework and controls to confirm compliance with the Health and Safety at Work Act 2015, risks are identified and managed, incidents are reported and investigated, and performance reporting supports a safe work environment.	OR366 OR152

Risk, Controls & Assurance
Internal Audit Plan
February 2026



Period	NCC Function Areas	Internal Audit areas	Objectives	Risk reference (s)
Q2 (Oct - Dec) 2029	Governance and enabling services	Records Management	Review records management controls to confirm information is created, stored, retained, and disposed of appropriately, access is controlled, and practices support compliance with the Public Records Act 2005 and Official Information Act requirements.	OR243

Depending on the scope of each audit, external providers may be engaged where the required skills or expertise are not available internally. Approvals will be sought in line with the Internal Audit Charter.

Appendix A – Administration

Document owner:	Internal audit function
Prepared by	Internal Audit and Controls Advisor
Reviewed by	Risk, Controls & Assurance Manager
Feedback	Head of Finance, Data & Digital
Feedback	Executive Director Corporate, Communications and Economic Development
Feedback	Chief Executive
Approved by:	Risk and Assurance Committee
Date approved:	TBC
Date or parameters for next review:	Annually from date of approval

---- End of Script ----

15. ACTION REGISTER AS AT 24 MARCH 2026

Type of Report: Operational

Legal Reference: Enter Legal Reference

Document ID: 1902343

Reporting Officer/s & Unit: Anna Eady, Governance Manager

1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

1.1 The purpose of this report is to provide an extract from the Actions Register for Council to note. It does not include action points that were requested in public excluded Council or Committee meetings. The Action Points Register (Register) records the actions requested of Council officials in Council and Committee meetings.

2.0 Officer's Recommendation

That Council:

- a) **Receive** the report titled Action Register as at 24 March 2026 09 April 2026.

3.0 Background - Ngā Tuāpapa:

- 3.1 Officers have prepared the Action Points Register (Register) to keep track of action points raised at Council and Committee meetings in this triennium.
- 3.2 The Register includes action points from all Council and Committee meetings, including public excluded sessions of those meetings. The attached extract from the Register includes all action points of this triennium, other than those that were requested in a public excluded Council or Committee meeting. Action points from public excluded meetings are provided to Council for noting in the public excluded session.
- 3.3 The Register does not include actions that flow from Council and Committee meetings if those actions are part of Council's 'business as usual'. For example, if Council agrees to increase an application fee, it does not include the action that Council staff would need to implement that increase. However, if staff, for example, agree to arrange a further meeting or make additional information publicly available after a meeting, those actions would be included in the Register.
- 3.4 Once Council has noted that an action point has been completed, it will be removed from the Register. Action points that have not been completed will continue to be provided to Council until they have been completed.
- 3.5 A traffic light system allows readers to see at a glance which actions are yet to be started (red), which actions are underway (orange), and which actions have been completed (green).

4.0 Attachments

- 1 [2026-04-09 Open Action Points Register.pdf](#) Doc Id: 1904373

Open Action Points Register – 2022/2025 triennium meetings – as at 24 March 2026

Ref. number	Meeting raised		Topic	Who is responsible?		Action points	Progress/Completed	Traffic Light
	Name	Date		ED	Officer			
180	Audit and Risk Committee	13/03/2025	Policy Update	Jess Ellerm	JayJay Kettle	Officer to provide a table of policies with review dates to elected members as a memo for information.	10 February 2026: In progress for June Risk & Assurance Committee meeting.	
203	Future Napier	21/08/2025	Senior Parking	Rachael Bailey	Luke Johnson	Officers to explore the practicalities, risks and opportunities of Free Parking for seniors as outlined in the petition presented by Grey Power on 21 August 25.	24 March 2026: Complete. Paper brought to Council 19 March 2026.	

Action Points Register – 2025/2028 triennium – as at 24 March 2026

1	Council	6/11/2025	Waste Minimisation Contestable Funding Framework	Jess Ellerm	Stefni Wilson	Provide a copy of the Waste Levy Assessment Criteria for the fund to elected members.	17 February 2026: Completed. Criteria sent to elected members.	
3	Council	11/12/2025	Minor Matter	Jess Ellerm	Roading Team	Officers to investigate the safety concerns raised in relation to the Meeanee and Murphy Roads intersection and including access for Bledisloe School and report back to Council.	23 March 2026: Completed. Issues with access to Bledisloe Primary School addressed and Council notified. Accessway and wider area to be reviewed after school term one.	

Traffic Light

	Actioned		In progress		To be started
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Ref. number	Meeting raised		Topic	Who is responsible?		Action points	Progress/Completed	Traffic Light
	Name	Date		ED	Officer			
6	Council	24/02/2026	Minor Matter – Council Communications	Rachael Bailey	Anna Eady	Staff to bring a paper with a communications training and leadership development plan for the mayoral role, that this be funded from the allocated professional development budget.	25 February 2026: Officers exploring available options.	
7	Corp & Performance Committee	4/03/2026	Napier Social Monitor Report	Thunes Cloete / Rachael Bailey	Michele Grigg / Margot Wilson	Officers to confirm the boundaries used throughout the report.	5 March 2026: Completed and email sent to elected members: The previous years' Social Monitor results were re-analysed using the newly established ward boundaries to allow for comparisons with the most recent results.	
8	Corp & Performance Committee	4/03/2026	Napier Social Monitor Report	Rachael Bailey	Steph Murphy / Danica Rio	Strategic risk reset to be an agenda item for the upcoming Elected Member Strategy day.	24 March 2026: Completed. Incorporated into the agenda for the Strategy Day.	
9	Corp & Performance Committee	4/03/2026	Ahuriri Investment Update	Jess Ellerm	Craig Kenny	Officers to clarify process for elected members to provide feedback toward the Draft SOI.	4 March 2026: Completed. Elected members were emailed to provide feedback to officers by 13 March 2026. This would be consolidated in a report with the updated draft SOI to Council for 9 April meeting.	
10	Corp & Performance Committee	4/03/2026	Ahuriri Investment Update	Jess Ellerm	Craig Kenny	Officers to confirm the date that a report will be brought to Council to approve the AIM Draft SOI.	4 March 2026: Being brought back to Council.	

Ref. number	Meeting raised		Topic	Who is responsible?		Action points	Progress/Completed	Traffic Light
	Name	Date		ED	Officer			
13	Delivery & Regulatory Performance Committee	5/03/2026	Minor Matter: NZ Police	Rachael Bailey	JayJay Turner	Officers to prepare and forward a letter of congratulations and thanks to HB Area Commander, Inspector Lincoln Sycamore, acknowledging his contribution to the successful campaign for a new Taradale Police Station.	24 March 2026: Completed – letter sent.	
14	Delivery & Regulatory Performance Committee	5/03/2026	Minor Matter: LG Reforms and Mayoral Forum	Louise Miller		That a report be presented to elected members on how the Mayoral Forum process is progressing.	10 March 2026: Complete. Response emailed to elected members. An Interim Regional Office is being set up 26 April. LGLF have yet to confirm how or what information could be shared and how.	

16. INFORMATION - DRAFT MINUTES OF JOINT COMMITTEES

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1899735
<i>Reporting Officer/s & Unit:</i>	Anna Eady, Governance Manager

1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

1.1 The purpose of this report is to present to Council the unconfirmed minutes from recent Joint Committee meetings.

To view the full agendas relating to these minutes please refer to the following websites:

- Hastings District Council <https://hastings.infocouncil.biz>
- Hawke's Bay Regional Council <https://www.hbrc.govt.nz/our-council/meetings>

2.0 Officer's Recommendation

That Council:

- Receive** the report titled 'Information - Draft Minutes of Joint Committees' 09 April 2026.
- Receive** the unconfirmed minutes of the following Joint Committee meetings:

26 November 2025	Transitional Governance Group (Doc Id 1890331)
27 January 2026	Transitional Governance Group (Doc Id 1899682)
27 February 2026	Joint Waste Project Steering Group (Doc Id 1902135 and 1902136)
16 March 2026	Ahuriri Regional Park Joint Committee (Doc Id 1902102)

3.0 Background Summary

The Joint Committees meet as detailed in the table above.

Napier City Council appointees to the Joint Committees will be able to speak to the matters discussed in the attached minutes.

4.0 Attachments

1 ↓ Minutes of TGG meeting 26 November 2025	Doc Id: 1890331
2 ↓ Minutes of TGG meeting 27 January 2026	Doc Id: 1899682
3 ↓ Minutes - Joint Waste Project Steering Group 27 February 2026	Doc Id: 1902135

Ordinary Meeting of Council - 09 April 2026 - Open Agenda

- | | |
|--|--------------------|
| 4 Attachment to minutes Joint Waste Project Steering Group 27
February 2026 | Doc Id:
1902136 |
| 5 Ahuriri Regional Park Joint Committee minutes of 16 March 2026 | Doc Id:
1902102 |



Wednesday, 26 November 2025

Administered by Hastings District Council

Joint Hastings District, Central Hawke’s Bay District & Napier City Councils

Transitional Governance Group Meeting

(Hawke’s Bay Water Services Council Controlled Organisation (WSSCO) Project)

Ngā Minitī

Minutes

Te Rā Hui:
Meeting date: **Wednesday, 26 November 2025**

Te Wāhi:
Venue: **Council Chamber
Ground Floor
Civic Administration Building
Lyndon Road East
Hastings**

Time start – end: **3:00 PM – 4.01PM**

Go to
www.hastingsdc.govt.nz
to see all documents

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

Wednesday, 26 November 2025



Administered by Hastings District Council

Joint Hastings District, Central Hawke's Bay District & Napier City Councils

Transitional Governance Group Meeting

(Hawke's Bay Water Services Council Controlled Organisation (WSSCO) Project)

Ngā Minitī

Minutes

Te Rārangi Upoko

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Wednesday, 26 November 2025

Administered by Hastings District Council

Joint Hastings District, Central Hawke's Bay District & Napier City Councils

Transitional Governance Group Meeting

(Hawke's Bay Water Services Council Controlled Organisation (WSSCO) Project)

Ngā Minitī

Minutes

Kua Tae ā-tinana:

Present:

Independent Chair: Jon Nichols

Deputy Chair: Cr Keith Price (NCC)

Members:

Hastings District Council

Mayor Wendy Schollum (HDC)

Cr Michael Fowler (HDC)

Napier City Council

Mayor Richard McGrath (NCC)

Central Hawke's Bay District Council

Mayor Will Foley (CHBDC)

Cr Brent Muggeridge (CHBDC)

Chief Executive - Nigel Bickle (HDC)

Deputy Chief Executive - Bruce Allan (HDC)

Group Manager: Infrastructure - Craig Thew (HDC)

Chief Financial Officer - Graham Watson (HDC)

Strategic Financial Advisor - Jess Noiseux (HDC)

Senior Advisor: Democracy & Governance Services - Lynne Cox (HDC)

Kua Tatū:

In attendance:

Chief Executive - Doug Tate (CHBDC)

Director – Organisational Planning - Donna Harvey (CHBDC)

Project Convenor, HB Regional Recovery Agency (HBRRA)- Andrew Lebioda

Programme Manager, HB Regional Recovery Agency (HBRRA)- Chris Gordon

Chief Executive - Louise Miller (NCC)

Executive Director Water Services - Russell Bond (NCC)

Manager Regional Waters, Bevan Trotman (NCC)

Kei Konei:

Also present: Julia Haydon-Carr (HB Regional Recovery Agency)
Wendie Harvey (Water Establishment Board Chair)

Hastings District Council Mayor, Wendy Schollum opened the meeting with a karakia.

1. APOLOGIES – *NGĀ WHAKAPĀHATANGA*

There were no apologies.

2. CONFLICTS OF INTEREST - *HE NGĀKAU KŌNATUNATU*

There were no declarations of conflicts of interest.

3. CONFIRMATION OF MINUTES - *TE WHAKAMANA I NGĀ MINITI*

As this was the first meeting of the new triennium there were no Minutes to confirm.

4. CHAIR'S VERBAL UPDATE

(Document 25/461)

The Chair, Jon Nichols gave the Transitional Governance Group a verbal update on the progress since the last meeting as outlined in the PowerPoint presentation (CG-18-10-00006).

Mayor Schollum/Mayor McGrath

That Council receive the report titled Chair's Verbal Update dated 26 November 2025.

CARRIED

5. HBWSSCO - TRANSITIONAL GOVERNANCE GROUP ELECTION OF DEPUTY CHAIR

(Document 25/455)

The Chair, Jon Nichols called for nominations for the role of Deputy Chair.

Councillor Price (NCC) was nominated by Councillor Fowler (HDC) and seconded by Mayor Foley (CHBDC).

As there were no other nominations, Councillor Price was duly elected unopposed as Deputy Chair.

Councillor Fowler/Mayor Foley

A) That the Transitional Governance Group receive the report titled HBWSSCO - Transitional Governance Group Election of Deputy Chair dated 26 November 2025.

B) That the Transitional Governance Group:



- a. Elect Councillor Price (NCC) as Deputy Chair of the Transitional Governance Group (TGG) pursuant to clause 7.1(b) of the Terms of Reference.

CARRIED

6. HBWSSCO OUTLINE OF COUNCIL ENGAGEMENTS

(Document 25/454)

Project Convenor, HBRRA, Andrew Lebioda spoke to the report and gave a PowerPoint presentation (CG-18-10-00005) and responded to questions from the Group.

Councillor Fowler/Councillor Muggeridge

- A) That the Transitional Governance Group receive the report titled HBWSSCO Outline of Council Engagements dated 26 November 2025.
- B) That the Transitional Governance Group:
- i. Note the key engagements outlined in this report.
 - ii. Note that the dates of the engagements will be confirmed closer to the time.
 - iii. Note that the programme team, in conjunction with the shareholding councils, will endeavour to ensure as close alignment of timing of engagements across the councils as possible.

CARRIED

7. HBWSSCO PROGRAMME RISK REPORT

(Document 25/453)

Programme Manager, HBRRA, Chris Gordon spoke to the report and responded to questions from the Committee.

Mayor Schollum/Councillor Price

- A) That the Transitional Governance Group receive the report titled HBWSSCO Programme Risk Report dated 26 November 2025.
- B) That the Transitional Governance Group:
- i) Note that the Risk Register has been formally endorsed by the Establishment Advisory Board.

CARRIED

8. HBWSSCO ADOPTION OF TRANSITIONAL GOVERNANCE GROUP MEETING SCHEDULE

(Document 25/460)

Project Convenor, HBRRA, Andrew Lebioda spoke to the report. It was agreed that further discussion would be held by the Mayors of each participating Council with regard to the location of future meetings.

Mayor Foley/Councillor Fowler



- A) That the Transitional Governance Group receive the report titled HBWSSCO Adoption of Transitional Governance Group Meeting Schedule dated 26 November 2025.
- B) That the Transitional Governance Group:
- i. Approves the proposed schedule of the next three TGG meetings, consistent with its authority under Clause 9.1 of the Terms of Reference.

Date	Time	Purpose
27 January 2026	15:00 – 17:00	Introduce Foundational Documents Discuss SRF Membership Outline Council debt guarantees
March 2026	15:00 – 17:00	Programme Report
April 2026 (NB, SRF may now be in place)	15:00 – 17:00	Introduce Statement of Expectation and Significance and Engagement Policy Confirm branding/marketing process for HBWSSCO

- ii. Notes that dates may be adjusted as required to accommodate potential scheduling conflicts, in line with Clause 3.4(b)(i) of the Heads of Agreement, which allows Councils to request timeline adjustments to manage resource constraints.
- iii. Notes that a further meeting schedule will be developed and brought to the TGG for approval.

CARRIED

9. MINOR ITEMS - NGĀ TAKE ITI

There were no additional business items.

10. URGENT ITEMS - NGĀ TAKE WHAKAHIHIRI

There were no extraordinary business items.

The meeting closed at 4.01pm

Confirmed:

Chair:

Date:



Tuesday, 27 January 2026

Administered by Hastings District Council

Joint Hastings District, Central Hawke's Bay District & Napier City Councils

Transitional Governance Group Meeting

(Hawke's Bay Water Services Council Controlled Organisation (WSSCO) Project)

Ngā Miniti

Minutes

Te Rā Hui:
Meeting date: **Tuesday, 27 January 2026**

Te Wāhi:
Venue: **Council Chamber
28-32 Ruataniwha Street
Waipawa**

Time start – end: **3:00 PM – 4.19 PM**

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TE KAUNIHERA Ā-ROHE O HERETAUNGA

Tuesday, 27 January 2026



Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Transitional Governance Group Meeting

Ngā Minitī

Minutes

Te Rārangi Upoko

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Tuesday, 27 January 2026

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Transitional Governance Group Meeting

Ngā Minitī

Minutes

Kua Tae ā-tinana:

Present:

Independent Chair: Jon Nichols

Deputy Chair: Cr Keith Price (NCC)

Members:

Hastings District Council

Mayor Wendy Schollum (HDC)

Cr Michael Fowler (HDC)

Napier City Council

Mayor Richard McGrath (NCC)

Central Hawke's Bay District Council

Mayor Will Foley (CHBDC)

Cr Brent Muggeridge (CHBDC)

Kua Tatū:

In attendance:

Chief Executive - Nigel Bickle (HDC)

Deputy Chief Executive - Bruce Allan (HDC)

Group Manager: Infrastructure - Craig Thew (HDC)

Chief Financial Officer - Graham Watson (HDC)

Strategic Financial Advisor – Jess Noiseux (HDC)

Chief Executive - Doug Tate (CHBDC)

Director – Organisational Planning - Donna Harvey (CHBDC)

Senior Communications Advisor – Audrey Malone (CHBDC)

Strategic Governance Manager – Jane Budge (CHBDC)

Chief Executive, Louise Miller (NCC)

Executive Director Water Services - Russell Bond (NCC)

Manager Regional Waters, Bevan Trotman (NCC)

Project Convenor, HB Regional Recovery Agency - Andrew Lebioda

Programme Manager, HB Regional Recovery Agency – Chris Gordon

Kei Konei: **Establishment Advisory Board**
Also present: Chair - Wendy Harvey, invited to join the table
 Interim Chief Executive, Chris O'Reilly
 Member – John Loughlin
 Member – Steven Joyce

Chief Executive, Central Hawke's Bay District Council (CHBDC), Doug Tate opened the meeting with a karakia.

1. APOLOGIES – NGĀ WHAKAPĀHATANGA

2. CONFLICTS OF INTEREST - HE NGĀKAU KŌNATUNATU

There were no declarations of conflicts of interest.

3. CONFIRMATION OF MINUTES - TE WHAKAMANA I NGĀ MINITI

Councillor Fowler/Councillor Price

That the minutes of the Transitional Governance Group held Wednesday 26 November 2025 be confirmed as an accurate record.

CARRIED

The Chair, Jon Nichols gave an update on progress since the last meeting as outlined in the PowerPoint presentation (CG-18-10-00012) noting the appointment of the new interim Chief Executive, and the following key points:

- Project Plan: First cut produced. Programme currently rated green at this early stage, but momentum and milestones are critical.
- Budget & funding: A working capital facility exists pending detailed numbers and documentation.
- Workstreams: Standing up the six major programme workstreams is underway; a focus on clarity of structure, resourcing, milestones and associated budgets.
- Reporting: Weekly with the PSG (CEs), with an intent to provide clear milestones and transparent reporting; fortnightly to TGG updates were also discussed later for consistency.
- Risks and readiness: Need to stand up corporate capabilities (legal, funding/financing, change management, etc.) alongside programme delivery; the Chair highlighted several "yellow flags" and the need to "go now".
- Name and branding: Need to start thinking about what the new entity is to be called.



4. UPDATE FROM THE INTERIM ESTABLISHMENT CHIEF EXECUTIVE

(Document 26/19)

The Interim Establishment Board Chief Executive, Chris O'Reilly spoke to the report and led the discussion noting need for action, clarity on structure and budget, and what needs to be contracted vs. in-house. Engagement with peer entities to avoid reinventing the wheel and to share templates/approaches.

Issue was raised concerning handover, and what is in place should a council not deliver on their programme prior to vesting into the new entity. There are rules contained in the Act to cover these issues.

Mayor Schollum/Mayor Foley

That the Transitional Governance Group receive the report titled Update from the Interim Establishment Chief Executive dated 27 January 2026.

CARRIED

5. STATUS REPORT UPDATE

(Document 26/18)

The Programme Manager, Hawke's Bay Regional Recovery Agency - Chris Gordon, spoke to the report and led the discussion, noting the following key points:

- Traffic-light approach: Everything is currently green, highlighting the early stages of the programme.
- High-level risks: overview page discussed noting some items may shift from green to amber/red as work decomposes into tasks.
- Key risk focus: standing up the organisation and corporate structure (incl. pricing model, roles and governance for incorporation).

Councillor Muggerridge/Mayor Foley

A) That the Transitional Governance Group receive the report titled Status Report Update dated 27 January 2026.

B) That the Transitional Governance Group note the status report.

CARRIED



6. PROGRAMME PLAN UPDATE

(Document 26/20)

The Programme Manager, Hawke's Bay Regional Recovery Agency – Chris Gordon spoke to the report and led the discussion, noting additional clarity to be inserted into the plan on governance/management structure, change control, and decision-making processes; updated plan to go to Board/Transitional Governance Group and be signed off by PSG.

Mayor Schollum/Councillor Fowler

- A) That the Transitional Governance Group receive the report titled Programme Plan Update dated 27 January 2026.
- B) That the Transitional Governance Group note the process for approving the Programme Plan.

CARRIED

7. MINOR ITEMS - NGĀ TAKE ITI

There were no additional business items.

8. URGENT ITEMS - NGĀ TAKE WHAKAHIHIRI

There were no extraordinary business items.

The meeting closed with a karakia.

The meeting closed at 4.19pm

Confirmed:

Chair:

Date:



Friday, 27 February 2026

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Administered by Hastings District Council: Joint Waste Futures Project Steering Committee Meeting

Ngā Minitī

Minutes

Te Rā Hui:
Meeting date: **Friday, 27 February 2026**

Te Wāhi:
Venue: **Council Chamber
Ground Floor
Civic Administration Building
Lyndon Road East
Hastings**

Time start – end: **10:30 AM – 12.04PM**

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TE KAUNIHERA Ā-ROHE O HERETAUNGA

Friday, 27 February 2026



Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Joint Waste Futures Project Steering Committee Meeting

Ngā Minitī

Minutes

Te Rārangi Upoko

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Friday, 27 February 2026

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Joint Waste Futures Project Steering Committee Meeting

Ngā Minitī

Minutes

Chair:	Councillor Hana Montaperto -Hendry (HDC)
Deputy Chair:	Councillor Whare Isaac-Sharland (NCC)
Present:	Councillors Nicholas Ratcliffe, Siiam Daniel (HDC) Councillors Greg Mawson and Te Kira Lawrence (NCC)

Kua Tae ā-tinana:	Group Manager: Infrastructure - Craig Thew (HDC)
Present:	Interim Group Manager: Waste, Parks & Cemeteries - Martin Jarvis (HDC)
	Waste Manager – Angela Atkins (HDC)
Kua Tatū:	Management Accountant - Jeff Tieman (HDC)
In attendance:	Senior Advisor - Democracy and Governance - Lynne Cox (HDC)
	Waste Minimisation Lead – Stefni Wilson (NCC)
	Contractor - Stuart McKinnon (NCC)

The meeting opened with the Waste Manager, Angela Atkins in the Chair, Angela Atkins remained in the Chair until the Joint Committee had elected its Chair for the Committee.

Councillor Siiam Daniel gave an opening karakia.

1. APOLOGIES – NGĀ WHAKAPĀHATANGA

There were no apologies.

2. CONFLICTS OF INTEREST - HE NGĀKAU KŌNATUNATU

There were no declarations of conflicts of interest.

3. CONFIRMATION OF MINUTES - TE WHAKAMANA I NGĀ MINITI

As this was the first meeting of the triennium, there were no previous Minutes to confirm.



4. ELECTION OF CHAIR AND DEPUTY CHAIR

(Document 26/87)

The Waste Manager, Angela Atkins, called for nominations for the role of Chair

Election of Chair:

Councillor Montaperto-Hendry (HDC) was nominated by Councillor Mawson (HDC) and seconded by Councillor Ratcliffe (HDC).

As there were no other nominations, Councillor Montaperto-Hendry accepted the role and was duly elected unopposed as Chair.

Councillor Montaperto-Hendry then assumed the Chair and called for nominations for the role of Deputy Chair.

Election of Deputy Chair:

Councillor Isaac-Sharland (NCC) was nominated by Councillor Daniel (HDC) and was seconded by Councillor Mawson (NCC).

As there were no other nominations, Councillor Isaac-Sharland was duly elected unopposed as Deputy Chair.

Councillor Daniel/Councillor Ratcliffe

- A) That the Joint Waste Futures Project Steering Committee receive the report titled Election of Chair and Deputy Chair dated 27 February 2026.
- B) That Councillor Montaperto-Henry be appointed as Chair of the Joint Waste Futures Projects Steering Committee for the next triennium 2025-2028.
- C) That Councillor Isaac-Sharland be appointed as Deputy Chair of the Joint Waste Futures Projects Steering Committee for the next triennium 2025-2028.

CARRIED

The Chair, Councillor Montaperto-Hendry called for introductions from committee members and staff around the table.



5. HASTINGS JOINT WASTE MANAGEMENT AND MINIMISATION PLAN IMPLEMENTATION UPDATE

(Document 26/7)

Waste Manager, Angela Atkins spoke to the report, gave a PowerPoint presentation (CG-18-16-00007), took the Committee through the background of the Joint Waste Minimisation & Management Plan, and responded to questions from the Committee.

The Chair, Councillor Montaperto-Hendry also spoke to the Committee on the Local Waste Contestable Funding as outlined in the report.

Councillor Daniel/Councillor Ratcliffe

That the Joint Waste Futures Project Steering Committee receive the report titled Hastings Joint Waste Management and Minimisation Plan Implementation Update dated 27 February 2026.

CARRIED

Attachments

- 1 Implementation update to Joint Waste Futures Committee, 27 February 2026 (under separate cover)

6. NAPIER JOINT WASTE MANAGEMENT AND MINIMISATION PLAN IMPLEMENTATION UPDATE

(Document 26/70)

Waste Minimisation Lead, Stefni Wilson, spoke to the report and responded to questions from the Committee.

Lawrence/Councillor Mawson

That the Joint Waste Futures Project Steering Committee receive the report titled Napier Joint Waste Management and Minimisation Plan Implementation Update dated 27 February 2026.

CARRIED

7. INFORMATION UPDATE REPORT - CENTRAL GOVERNMENT UPDATES RELATING TO THE WASTE SECTOR

(Document 26/9)

Waste Manager, Angela Atkins, spoke to the report and updated the Committee on the following points and responded to questions from the Committee:

- Proposed Amendments to Waste Legislation
- Rural Recycling Product Stewardship Scheme
- Container Return Scheme
- Emergency Management Bill Consultation



Other Updates – Ministry for the Environment released a national construction & demolition waste baseline & tracking methodology report.

Councillor Ratcliffe/ Lawrence

That the Joint Waste Futures Project Steering Committee receive the report titled Information Update Report - Central Government updates relating to the waste sector dated 27 February 2026.

CARRIED

8. MINOR ITEMS - NGĀ TAKE ITI

There were no additional business items.

9. URGENT ITEMS - NGĀ TAKE WHAKAHIHIRI

There were no extraordinary business items.

Councillor Siam Daniel closed the meeting with a karakia.

The meeting closed at 12.04pm

Confirmed:

Chair:

Date:

Friday, 27 February 2026



Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Joint Waste Futures Project Steering Committee Meeting

Ngā Minitī

Open Minutes Attachments

Te Rā Hui:

Meeting date: **Friday, 27 February 2026**

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TE KAUNIHERA Ā-ROHE O HERETAUNGA

Friday, 27 February 2026



Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Joint Waste Futures Project Steering Committee Meeting

Ngā Minitī

Open Minutes Attachments

Te Rārangi Upoko

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Implementation update to Joint Waste Futures Committee, 27 February 2026

Attachment 1

Joint Waste Management and Minimisation Plan Overview

Joint Waste Futures Project Steering Committee
27 February 2026

HERETAUNGA HASTINGS DISTRICT COUNCIL
NAPIER CITY COUNCIL
Te Kauhanga o Ahuriri

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Points to be covered

- What is a WMMP
- The development process
- Waste Assessment findings
- WMMP 2025-2031

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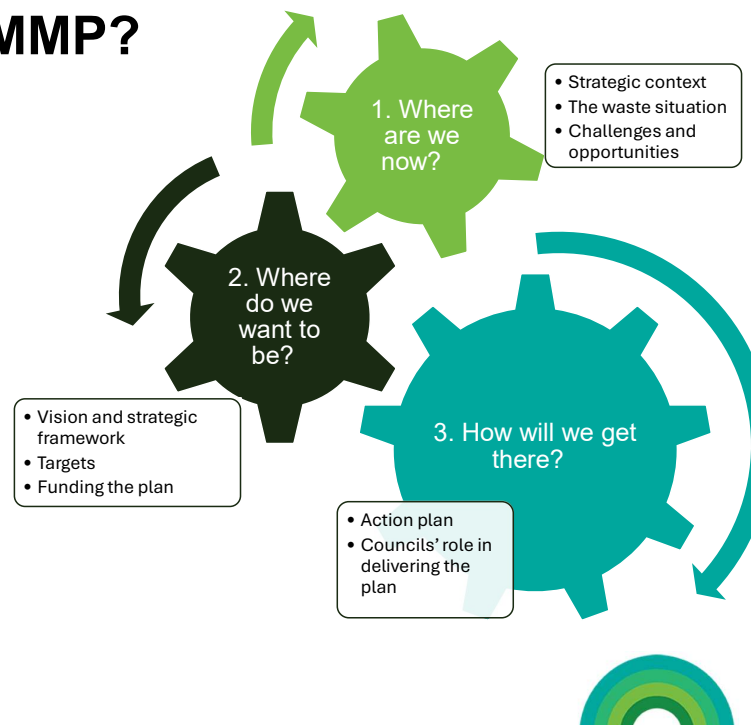
NAPIER
CITY COUNCIL
Te Kōwhiri o Aotearoa



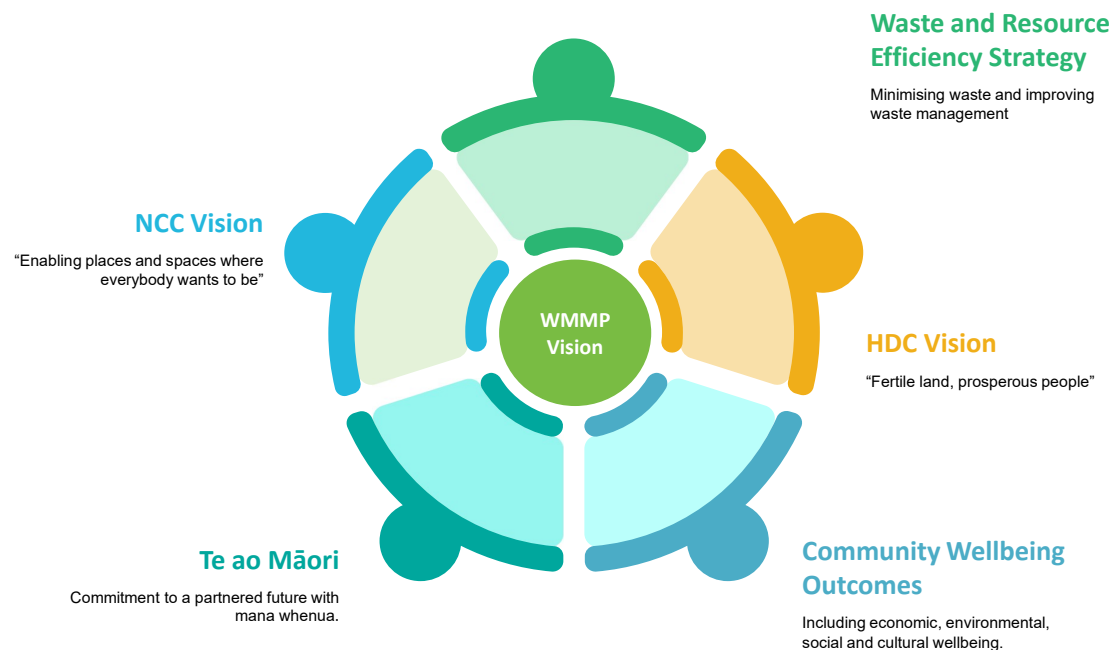
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What is a WMMP?

- Waste Management and Minimisation Plan
- Outlines how the Councils will progress efficient and effective waste management and minimisation
- Outlines approach to achieving our vision
- Contributes Waste and resource efficiency strategy



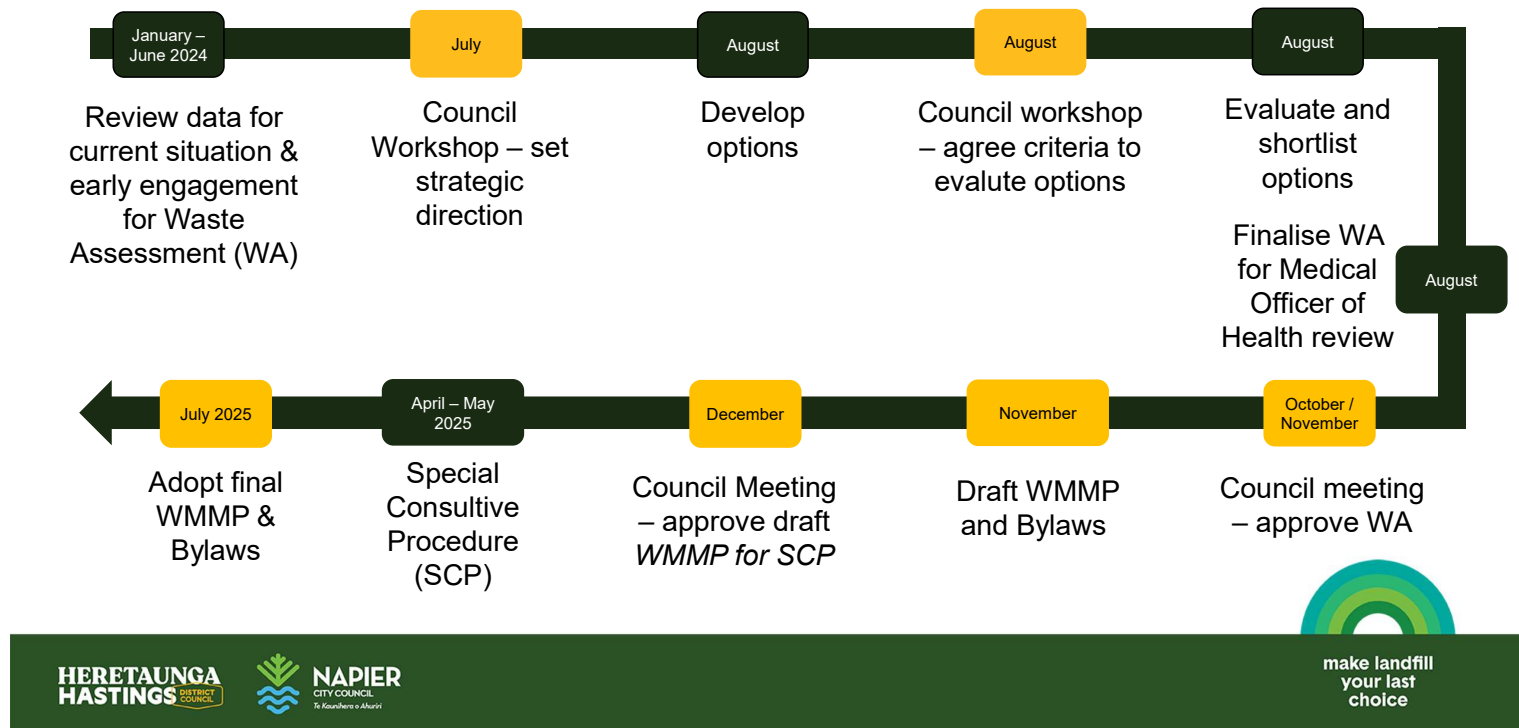
Alignment with councils' visions



Item 5 ITEM 5/26 Hastings Joint Waste Management and Minimisation Plan Implementation Update
Implementation update to Joint Waste Futures Committee, 27 February 2026

Attachment 1

Timeline



Waste Assessment findings



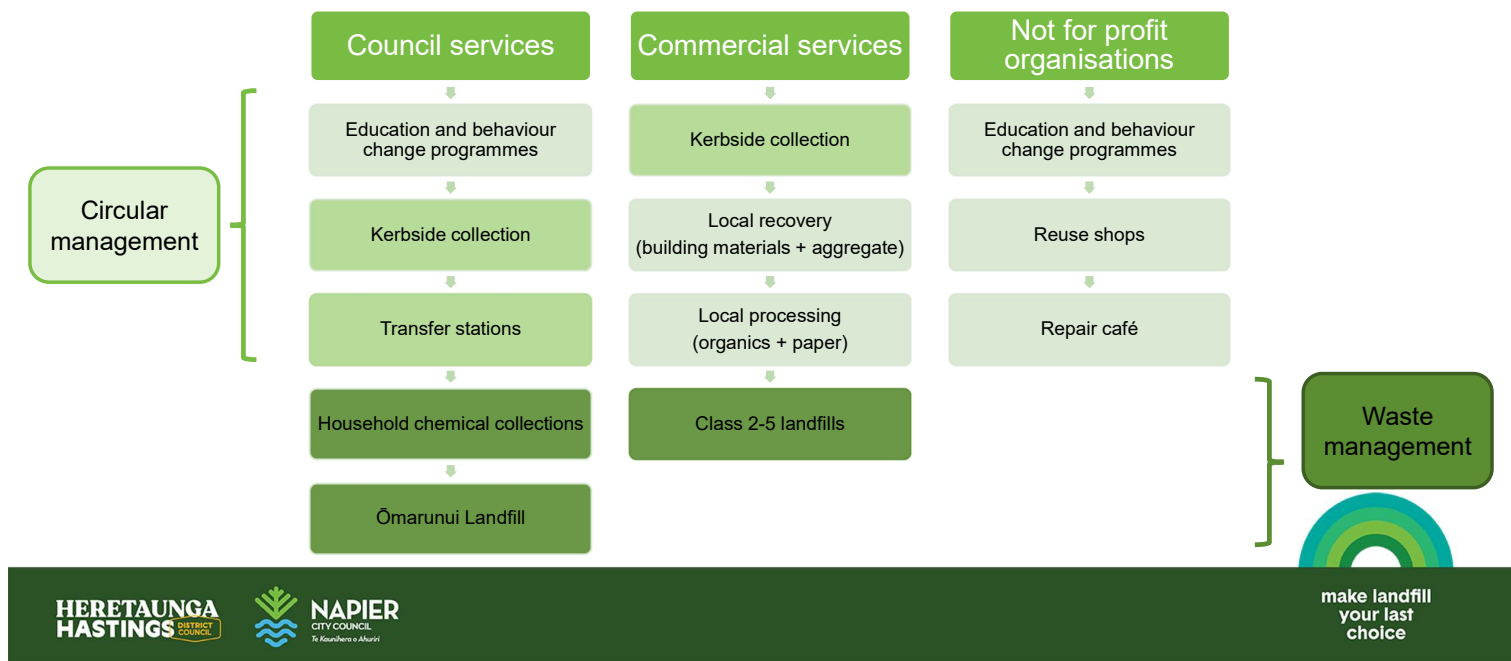
**HERETAUNGA
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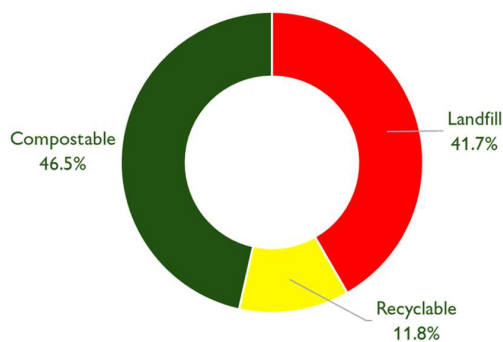
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Waste infrastructure and services

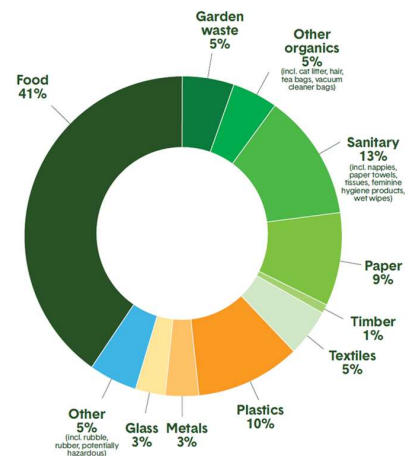


Kerbside collection

Rubbish bin composition*



Rubbish bin composition detailed*



*Based on NCC/HDC kerbside rubbish wheelie bin SWAP audits 2024

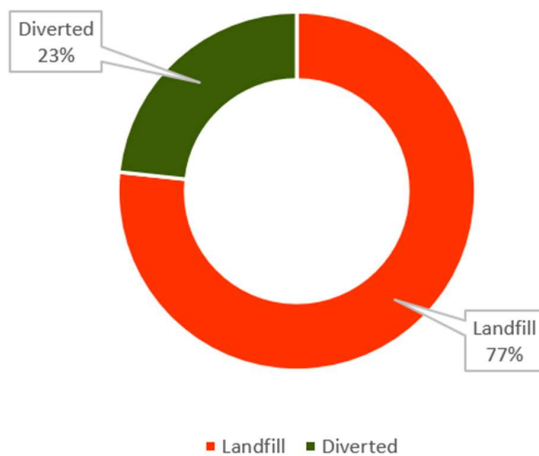




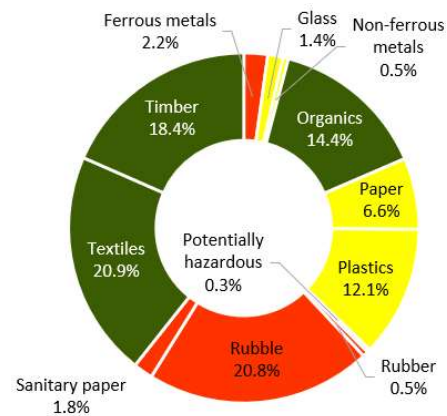

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Transfer stations

Transfer station waste quantities



Transfer station waste composition



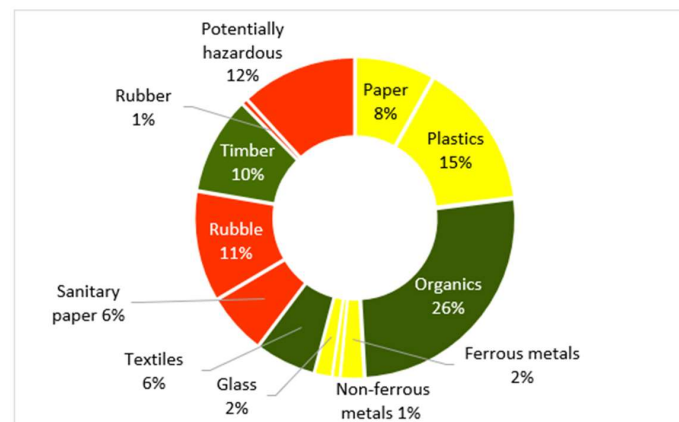
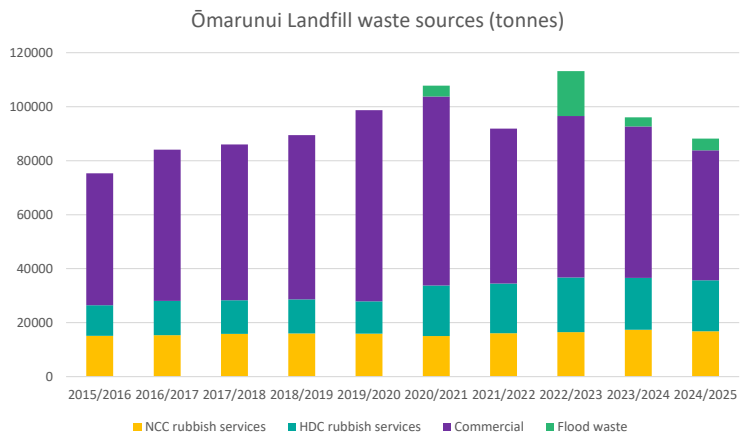





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Landfill disposal

Ōmarunui Landfill waste sources and composition

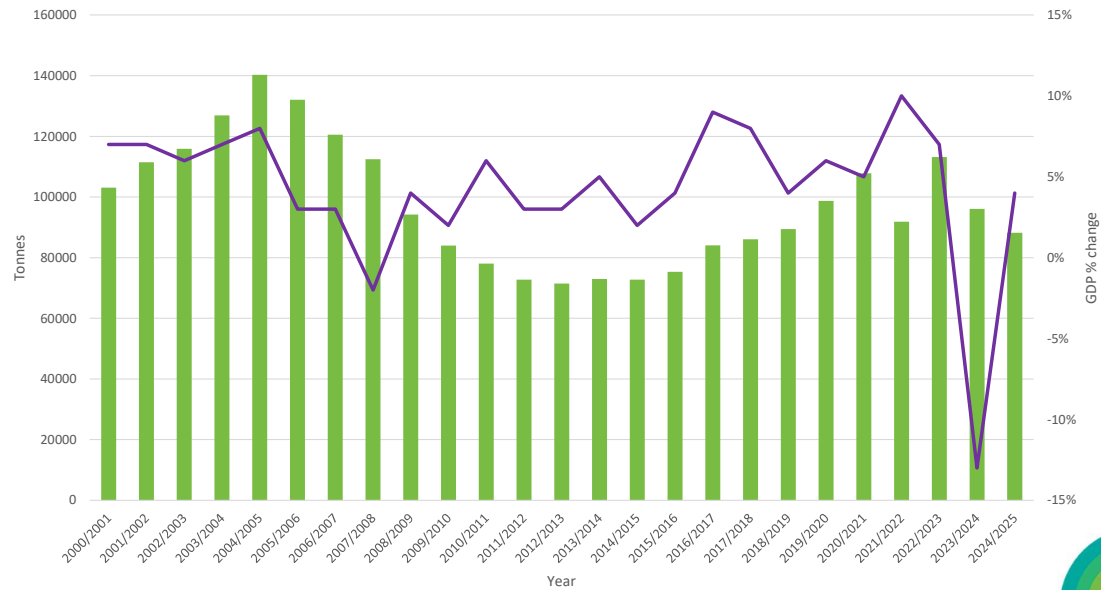







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Annual waste disposed of at Ōmarunui Landfill compared to GDP



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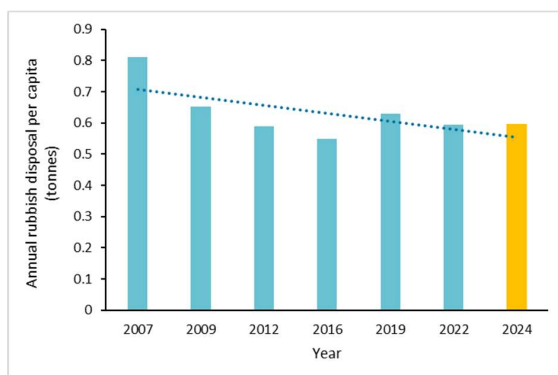
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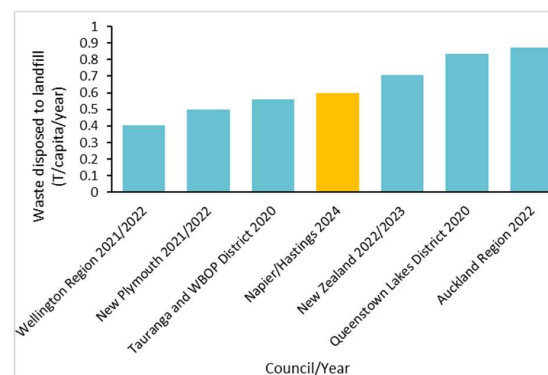
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Waste disposal per capita

Total waste disposed to landfill per capita



Waste per capita relative to other councils



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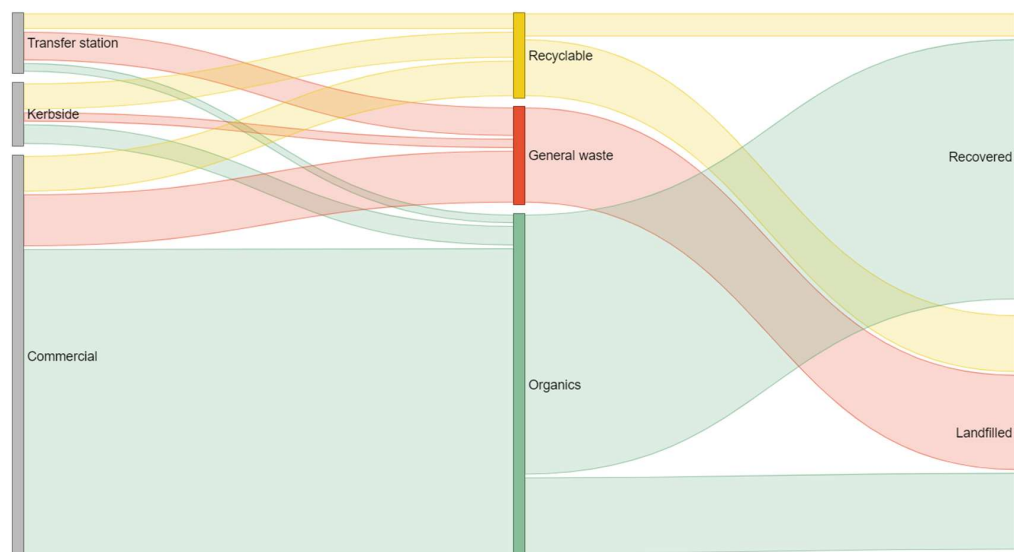
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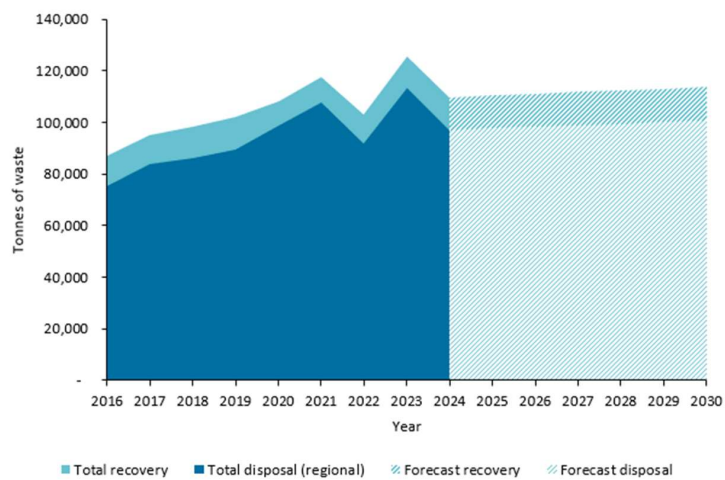
Material flows

Overall waste streams from kerbside, transfer stations and commercial sources



Forecast demand

Projections of future waste disposal and recovery to 2030








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Previous WMMP

- WMMP performance is tracked via waste surveys, landfill data, and annual reports, with the next survey in 2027.
- Out of 55 WMMP actions from 2018, 30 completed, 13 in progress, and 10 showed limited progress.
 - The key achievement was the implementation of the new kerbside recycling crate and rubbish wheelie bin services.
- Recyclable diversion increased by 15%, close to the 20% target; organics to landfill rose by 8% due to special waste.
- Progress was affected by the Covid-19 pandemic, Cyclone Gabrielle, and product stewardship delays.



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Item 5 ITEM 5/26 Hastings Joint Waste Management and Minimisation Plan Implementation Update
Implementation update to Joint Waste Futures Committee, 27 February 2026

Attachment 1

WMMP 2025 - 2031



**HERETAUNGA
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Vision

“It is normal for our communities to waste less, work in partnership, and value our resources in order to protect te taiao.”

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HASTINGS** DISTRICT
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Goals & Objectives

page 30

<p>Goal 1 Improve resource recovery and diversion of waste from landfill by working in partnership.</p> <hr/> <p>Objective 1 Deepen our connection with mana whenua partners for collaborative governance and decision-making.</p> <hr/> <p>Objective 2 Partner with communities, commercial sector, and government agencies for greater impact across priority waste streams.</p>	<p>Goal 2 Support the development of a circular economy where the building blocks are in place to enable change.</p> <hr/> <p>Objective 3 Enable robust data collection and management to (efficiently) track and report waste trends. Includes recyclable, recoverable, reusable waste from both council and (where possible) commercial sector activities, aligning with national standards.</p> <hr/> <p>Objective 4 Maximise existing waste and resource recovery infrastructure and services to deliver cost-effective solutions that improve and protect public health and promote circular management of materials.</p> <hr/> <p>Objective 5 Maximise future opportunities for a circular economy by incorporating the evaluation of new technologies, understanding of material markets, advocacy for national policy changes and compliance with upcoming legislative requirements.</p>	<p>Goal 3 Prioritise circular activity in line with the waste hierarchy so our community produces less waste.</p> <hr/> <p>Objective 6 Promote measurable change in waste and resource recovery behaviours utilising behaviour change principles.</p> <hr/> <p>Objective 7 Collaborate with the commercial and primary sectors to develop circular solutions for products and materials.</p> <hr/> <p>Objective 8 Advocate for and support using fewer products and materials and using them for longer, by prioritising repair, reuse, sharing and repurposing.</p>	<p>Goal 4 Support our community to minimise emissions from waste and regenerate nature.</p> <hr/> <p>Objective 9 Support the reduction of emissions from waste in line with our domestic and international commitments.</p> <hr/> <p>Objective 10 Increase council's awareness of the practices used locally to manage and remediate contaminated land and soils.</p>
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Item 5 ITEM 5/26 Hastings Joint Waste Management and Minimisation Plan Implementation Update
Implementation update to Joint Waste Futures Committee, 27 February 2026

Attachment 1

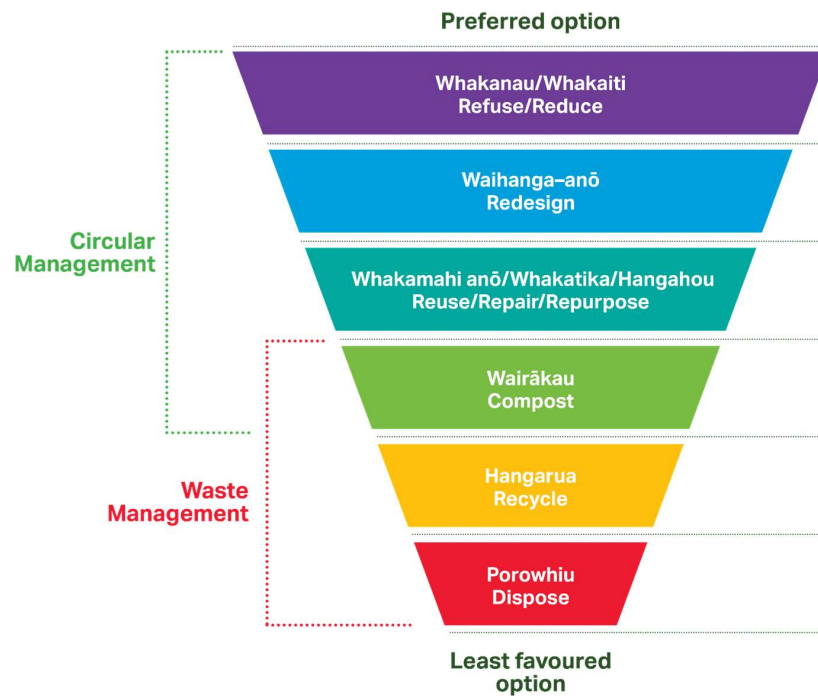
Key focus areas

page 34

	Increasing recovery of materials		Driving local circular initiatives
	Partnering with mana whenua and te ao Māori		Driving change in a challenging economic climate
	Understanding commercial and industrial waste		Climate change preparedness
	Identifying and addressing data gaps and technology		Anticipating and responding to future national policy changes
	Addressing infrastructure gaps		Understanding materials flows to Class 2-5 Landfill disposal facilities

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Waste hierarchy



HERETAUNGA HASTINGS DISTRICT COUNCIL | NAPIER CITY COUNCIL Te Kōwhiri o Ahuriri

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Item 5 ITEM 5/26 Hastings Joint Waste Management and Minimisation Plan Implementation Update
Implementation update to Joint Waste Futures Committee, 27 February 2026

Attachment 1

Targets



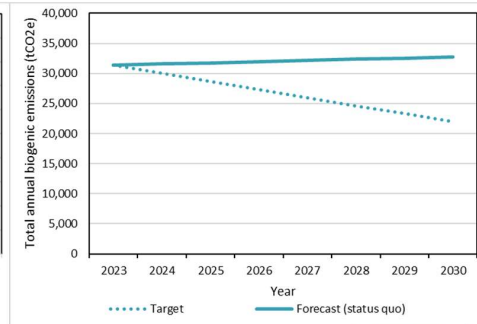
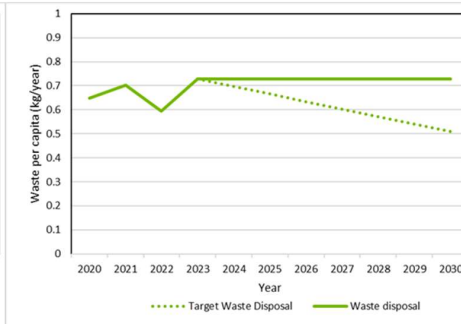
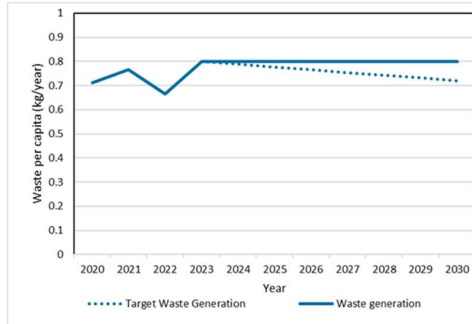
Waste generation
Reduce per capita waste generation by **10%** by **2030**



Waste to landfill
Reduce total waste disposal to landfill by **30%** by **2030**



Waste emissions
Reduce biogenic methane gas by at least **30%** by **2030**



make landfill
your last
choice

Implementation approach for WMMP

Years 1-3

- Focus on enabling actions
- Collaboration
- Utilise increasing waste levy revenue
- Look for alternative funding approaches

Years 4-6 (next LTP)

- Build infrastructure improvements (If feasible and through partnerships)
- Grow supporting behaviour change and policy initiatives

Councils' role



Overview of WMMP Implementation Progress, 1st six months

- Key Achievements
 - Upgraded bylaws
 - Landfill expansion, construction completed
 - Waste diversion trials
 - Over 40 engagement activities
 - Joint Waste Education Officer

**HERETAUNGA
HASTINGS**
DISTRICT
COUNCIL



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your last
choice

Compliance and risks

- All waste-related compliance and reporting obligations have been met, audited regularly for transparency and funding eligibility.
- Economic downturn impacts waste generation and engagement, with limited mitigation strategies available currently.
- Lower initial expenditure with full compliance ensures sustained funding and readiness for accelerated implementation



HERETAUNGA
HASTINGS DISTRICT
COUNCIL



NAPIER
CITY COUNCIL
Te Kōwhiri o Aotearoa



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Item 5 ITEM 5/26 Hastings Joint Waste Management and Minimisation Plan Implementation Update
Implementation update to Joint Waste Futures Committee, 27 February 2026

Attachment 1





NAPIER
CITY COUNCIL
Te Kaunihera o Ahuriri

Napier Civic Building
231 Hastings Street
t +64 6 835 7579
e info@napier.govt.nz
www.napier.govt.nz

AHURIRI REGIONAL PARK JOINT COMMITTEE

Open Minutes

Meeting Date: Monday 16 March 2026

Time: 9.30am - 10.10am

Venue Large Exhibition Hall
War Memorial Centre
Marine Parade
Napier

Present: **Chair:** Cr Isaac-Sharland
Cr Simpson (NCC), Crs McIlroy and Parsons [online] (HBRC),
Joseph Reti, Parris Greening and Evelyn Ratima [online] (Mana
Ahuriri Trust)

In Attendance: **Napier City Council**
Executive Director Water Services (Russell Bond)
Strategic Project Lead (Laura Rolls)
Strategic Project Lead (Phillipa Tocker)
Portfolio Lead – Open Spaces (Antony Rewcastle)
Head of Strategy and Investments (Stephen Moratti)
Regional Park Planner (Bart Leslie) (HBRC)
Environmental Manager Gareth Boyt) (Mana Ahuriri Trust)

Also in Attendance Cameron Drury (Strategy) Consultant
Cr Morley

Administration Governance Advisor (Carolyn Hunt)

Ahuriri Regional Park Joint Committee - 16 March 2026 - Open Minutes

AHURIRI REGIONAL PARK JOINT COMMITTEE – Open Minutes

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Ahuriri Regional Park Joint Committee - 16 March 2026 - Open Minutes

ORDER OF BUSINESS

The meeting was opened by the Executive Director Water Services, Mr Bond in the Chair, pending the election of the Chair of the Ahuriri Regional Park Joint Committee.

Karakia

The meeting opened with the Council karakia.

Apologies

COMMITTEE RESOLUTION

Parris Greening / Councillor Isaac-Sharland

That the apology for absence from Peter Eden (MAT) be accepted.

Carried

Conflicts of interest

Nil

Public forum

Nil

Announcements by the management

Nil

Confirmation of minutes

Nil

Ahuriri Regional Park Joint Committee - 16 March 2026 - Open Minutes

AGENDA ITEMS

1. APPOINTMENT OF CHAIR AND DEPUTY CHAIR

<i>Type of Report:</i>	Procedural
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1897512
<i>Reporting Officer/s & Unit:</i>	Phillipa Tocker, Strategic Project Lead

1.0 Executive Summary - Te Kaupapa me te Whakarāpopotanga:

- 1.1 The purpose of this report is to appoint a Chair and Deputy Chair for the Ahuriri Regional Park Joint Committee in line with the existing Terms of Reference for the 2025-2028 triennium.

At the meeting

The Executive Director Water Services, Mr Bond called for nominations for the position of Chair of the Ahuriri Regional Park Joint Committee.

Election of Chair

Councillor Isaac-Sharland was nominated as Chair by Parris Greening and seconded by Councillor McIlroy.

Councillor Isaac-Sharland accepted the nomination as Chair of the Ahuriri Regional Park Joint Committee. There being no other nominations, Councillor Isaac-Sharland was duly elected unopposed as Chair.

Councillor Isaac-Sharland assumed the role of Chair at 9.40am

Election of Deputy Chair

The newly appointed Chair, Councillor Isaac-Sharland called for nominations for the position of Deputy Chair of the Ahuriri Regional Park Joint Committee.

Peter Eden was nominated as Deputy Chair by Councillor McIlroy and seconded by Joseph Reti. There being no other nominations, Peter Eden was duly elected unopposed as Deputy Chair.

COMMITTEE RESOLUTION

Joseph Reti / Councillor McIlroy

The Ahuriri Regional Park Joint Committee:

- Receive** the report titled Appointment of Chair and Deputy Chair dated 16 March 2026.
- Approve** Councillor Isaac-Sharland (Napier City Council) be appointed as Chair of the Ahuriri Regional Park Joint Committee for the 2025-2028 triennium.

Ahuriri Regional Park Joint Committee - 16 March 2026 - Open Minutes

- c) **Approve** Peter Eden (Mana Ahuriri Trust) be appointed as Deputy Chair of the Ahuriri Regional Park Joint Committee for the 2025-2028 triennium.

Carried

2. AHURIRI REGIONAL PARK - PROJECT UPDATE

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1901269
<i>Reporting Officer/s & Unit:</i>	Phillipa Tocker, Strategic Project Lead

1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

1.1 This report is to provide context and update the Committee on current status of the project.

At the meeting

The Strategic Project Lead, Ms Tocker supported by Mr Rewcastle spoke to the report summarising key points.

Ms Tocker advised that issues had emerged with the current Masterplan concept regarding:

- Preliminary results of permeability and infiltration testing suggest further interrogation of the current wetland concept will be required.
- Further investigation required on bird strike risk in conjunction with concept review.
- In addition, Napier City Council Waters group are investigating in-stream stormwater treatment options.

In response to questions the following was clarified:

- The draft bird strike assessment report, although complete, requires peer review due to the project's associated risks.
- The peer review is required because it is not fully clear whether the report reflects what is proposed in the Masterplan or whether it is intended to provide broader guidance.
- Additional specialist expertise may then be needed to clarify the report's implications for the Masterplan. Ahuriri Regional Park (ARP) was established to help restore the health and wellbeing of the Ahuriri Estuary, working Lagoon Farm Diversion project.
- The concept was to run stormwater through a wetland over a period of 48 hours. During that time, vegetation would draw nutrients and contaminants from the water. Initial geotechnical investigations found that on the eastern side, the ground proved too permeable, causing the water to pass through too quickly before reaching the Estuary. Further testing at sixteen sites has been undertaken, including one further west to determine whether the high permeability was widespread.
- The site testing will inform suitability for a low-permeability barrier. Initial concept design assumed the use of a clay liner as the primary method for reducing permeability. Further assessment is required to confirm whether sufficient clay material is available on-site or

Page 5

nearby. A clay liner would be approximately 500mm deep, subject to design refinement. Alternative solutions may need to be explored if clay proves unsuitable or insufficient.

- Tonkin+Taylor have provided an update on recent geotechnical test results, noting that there is still a process to work through before the results can be released. It is anticipated that the groundwater and permeability reports will be available in April.
- Ms Tocker confirmed that Hawke's Bay Regional Council (HBRC) had deferred its capital funding contribution to after 2027, noting that no further detail was available at this stage as the funding had been included in the now superseded 2027 Long Term Plan. She advised that current project funding was being met through the Council's operational budgets, and that only very preliminary work had been undertaken on potential funding sources for future stages of the plan.
- Mr Rewcastle advised that the stormwater consent requirements were not contingent on the ARP, and that associated stormwater management would not necessarily occur on this site. He noted that HBRC has provided clear guidance regarding the treatment feasibility study.

COMMITTEE RESOLUTION

Councillor McIlroy / Councillor Simpson

The Ahuriri Regional Park Joint Committee::

- a) **Receive** the memo titled Ahuriri Regional Park - Project Update and Lagoon Farm Stormwater Briefing dated 2 March 2026. (Doc Id 1901325)
- b) **Receive** the presentation titled Lagoon Farm Stormwater Diversion and Ahuriri Regional Park (Doc Id 1901325) to Napier City Council elected members (dated 15 December 2125).
- c) **Note** that investigations are in progress on bird strike risk and land treatment approach to inform design and costings for Lagoon Farm stormwater treatment.
- d) **Provide guidance** on the following considerations that may inform project activity or priorities:
 - Review the bird strike and geotechnical assessment reports and circulate as soon as possible.
 - Project officers to provide a forward meeting schedule for 2026 and planned effective work programme
 - Provide information on any other stormwater treatment work that can be done concurrently.
 - Officers to organise induction workshops, including external experts in Wetland and environmental restoration on the Ahuriri Regional Park for the Committee.
 - Officers to organise a site visit for Committee members of Lagoon Farm, led by mana whenua guide, to hear the cultural side as well as technical information.

Carried

Minor matters

Ahuriri Regional Park Joint Committee - 16 March 2026 - Open Minutes

There were no minor matters to discuss.

Joseph Reti closed the meeting with a karakia at 10.10am

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

Chairperson

Date of approval

17. INFORMATION - OFFICIAL INFORMATION REQUESTS AS AT 17 MARCH 2026

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	Local Government Official Information and Meetings Act 1987
<i>Document ID:</i>	1902342
<i>Reporting Officer/s & Unit:</i>	Anna Eady, Governance Manager

1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

1.1 The purpose of this Report is to inform Council of the number of requests under the Local Government Official Information and Meetings Act 1987 (LGOIMA) received for the 2026 year to date.

2.0 Officer's Recommendation

That Council:

- a. **Receive** the report titled 'Information - Official Information Requests as at 17 March 2026' dated 09 April 2026.

3.0 Background Summary

- 3.1 The Local Government Official Information and Meetings Act 1987 (LGOIMA) aims to increase the availability of official information held by local authorities:
 - to enable members of the public to participate in decision making more effectively; and
 - to promote accountability of local authorities.
- 3.2 LGOIMA requires that, unless there is a good reason for withholding information, it must be made available on request.
- 3.3 Local authorities must answer official information requests within 20 working days. Extensions to the due date can be made if officers require more time to gather and assess information for the response.
- 3.4 Statistics on the Official Information requests received by Napier City Council are attached.
- 3.5 This is an administrative report to ensure that Council is aware of the number and types of information requests received and to provide assurance the Council is meeting its legislative obligations in relation to the LGOIMA.

4.0 Attachments

- 1 [2026-04-09 LGOIMA Reporting for Council Meetings.pdf](#) Doc Id: 1903412

Requests made to Napier City Council, under the Local Government Official Information and Meetings Act 1987

For the year **2026**:

- 57 LGOIMA requests have been received to date (there were 228 requests in 2025).
- Council currently has two active preliminary Ombudsman enquiries.

LGOIMA requests completed or being worked on by officers as of 17 March 2026:

Tracking no.	Requester	Topic	Responsible Directorate	Working days taken until release
25115	Individual	Napier Hill Roads	Corporate & Commercial Services	48 (Had an extension)
25121	Individual	Rough sleeper	Strategy and Urban Development	20
25122	Individual <i>Privacy request</i>	Noise complaint	Strategy and Urban Development	20
25125	Organisation	Lease arrangements	Strategy and Urban Development	20
25128	Association	Third party correspondence	Strategy and Urban Development	17
25129	Individual	Property / rates / historical records – in 11 parts	Strategy and Urban Development / Corporate & Commercial Services	29 (Had an extension)
25134	Organisation	2026 Ratepayers' Report 1/3	Corporate & Commercial Services	17
25135	Organisation	2026 Ratepayers' Report 2/3	P&C Strategy and Urban Development / Corporate & Commercial Services	20
25136	Organisation	2026 Ratepayers' Report 3/3	Corporate & Commercial Services	18
25137	Individual	CCTV footage from 5-6 December 2025	Strategy and Urban Development	7
25138	Individual <i>Privacy request</i>	Recruitment documentation	P&C	20
25139	Organisation	Art portfolio and expenditure	Community Services	11
25140	Individual	Marine Environment Monitoring and Wildlife incidents	Water Services	20

25141	Media	Unpaid rates, cost of recovery, council disputes	Strategy and Urban Development / Corporate & Commercial Services	20
25142	Individual	Parking tickets financial information	Strategy and Urban Development	30
25143	Organisation	RM220056A	Strategy and Urban Development	19
25144	Legal Firm	Licence renewal	Strategy and Urban Development	6
25145	Individual	19 Enfield Road	Water Services	14
25146	Organisation	Māori Partnerships Director	P&C	13
25147	Individual	Contact for Staff Engagement Proposal	P&C	2
25148	Individual	Meeanee Road roundabout	Corporate & Commercial Services	9
25149	Individual	Vehicle Complaint (REG PAB970)	Strategy and Urban Development	17
25150	Organisation	Payment to consultancy/ advisory firms	Corporate & Commercial Services / Te Waka Rangapū	18
25151	Individual	Letters Patent for the Grant of Arms	Corporate & Commercial Services	18
25152	Society	Parklands Records	Corporate & Commercial Services	20
25153	Organisation	Traffic Footage	Strategy and Urban Development	2
25154	Individual	NANZ ROI	Water Services	13
25155	Political Party	NCC Submission	Water Services	6
25156	Organisation	RM220056A	Strategy and Urban Development	
25157	Individual	Audio Recording/Transcript	Strategy and Urban Development	3
25158	Individual	Property and rates database	Corporate & Commercial Services	
25159	Individual	Containers on properties	Strategy and Urban Development	18
25160	Individual	Products released into air	Water Services	6
25161	Media	BUD Payments	Corporate & Commercial Services	14
25162	Organisation	Botanical Gardens	Community Services / Corporate &	

			<i>Commercial Services</i>	
25163	<i>Individual</i>	Ferguson St	<i>Strategy and Urban Development</i>	17
25164	<i>Organisation</i>	Approved Contractors	<i>Corporate & Commercial Services / Water Services</i>	10
25165	<i>Organisation</i>	Waterfront apartments	<i>Corporate & Commercial Services</i>	
25166	<i>Individual</i>	Craven Terrace: Traffic data and supporting analysis	<i>Corporate & Commercial Services</i>	
25167	<i>Individual</i>	Bar documentation	<i>Strategy and Urban Development</i>	
25168	<i>Individual</i>	Transferable Development Rights	<i>Strategy and Urban Development</i>	6
25169	<i>Individual</i>	Redclyffe transfer station	<i>Corporate & Commercial Services</i>	5
25170	<i>Organisation</i>	Legal opinion	<i>Strategy and Urban Development</i>	8
25171	<i>Individual</i>	Euthanising Animals	<i>Strategy and Urban Development</i>	10
25172	<i>Organisation</i>	BC230766	<i>Strategy and Urban Development</i>	Withdrawn
25173	<i>Individual</i>	NCC Libraries	<i>Corporate & Commercial Services</i>	4
25174	<i>Individual</i>	EA to Mayor resignation	<i>Strategy and Urban Development</i>	
25175	<i>Individual</i> <i>Privacy request</i>	Complaints and correspondence	<i>Strategy and Urban Development</i>	5
25176	<i>Individual</i>	CCTV Footage	<i>Corporate & Commercial Services</i>	3
25177	<i>Individual</i>	Ferguson St – follow up	<i>Strategy and Urban Development</i>	
25178	<i>Individual</i>	Site visit: 6 Gloucester Street	<i>Strategy and Urban Development</i>	5
25179	<i>Media</i>	Signed documents	<i>Strategy and Urban Development</i>	
25180	<i>Organisation</i>	Consultancy firms	<i>Corporate & Commercial Services / Te Waka Rangapū</i>	
25181	<i>Media</i>	Meeting minutes/correspondence	<i>Strategy and Urban Development</i>	
25182	<i>Organisation</i>	Investment / Cooperation	<i>Strategy and Urban Development /</i>	

			<i>Corporate & Commercial Services</i>	
25183	<i>Individual</i>	Barking and Noise Complaints	<i>Strategy and Urban Development</i>	
25184	<i>Individual</i>	District Plan	<i>Strategy and Urban Development</i>	
25185	<i>Individual</i>	Dog Control Act	<i>Strategy and Urban Development</i>	
25186	<i>Organisation</i>	Wharerangi Road Properties	<i>Water Services</i>	
25187	<i>Individual</i>	Connexa Acoustic Report	<i>Strategy and Urban Development</i>	

RECOMMENDATION TO EXCLUDE THE PUBLIC

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

Agenda Items

1. Community Initiatives Fund Subcommittee Recommendations
2. Action Register (Public Excluded) as at 24 March 2026
3. Risk and Assurance Committee Public Excluded Recommendations for Ratification - 6 March 2026

The general subject of each matter to be considered while the public was excluded, the reasons for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution were as follows:

General subject of each matter to be considered.	Reason for passing this resolution in relation to each matter.	Ground(s) under section 48(1) to the passing of this resolution.	Plain English reason for passing this resolution in relation to each matter
Agenda Items			
1. Community Initiatives Fund Subcommittee Recommendations	7(2)(a) Protect the privacy of natural persons, including that of a deceased person	48(1)(a) That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist: (i) Where the local authority is named or specified in Schedule 1 of this Act, under section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.	Protect the Privacy of unsuccessful applicants.
2. Action Register (Public Excluded)	7(2)(h) Enable the local authority to carry out, without prejudice or	48(1)(a) That the public conduct of the whole or the relevant part of the	This report is in Public Excluded due to the commercial sensitivity

<p>as at 24 March 2026</p>	<p>disadvantage, commercial activities</p>	<p>proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist: (i) Where the local authority is named or specified in Schedule 1 of this Act, under section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.</p>	<p>of the material the actions were generated from.</p>
<p>3. Risk and Assurance Committee Public Excluded Recommendations for Ratification - 6 March 2026</p>	<p>7(2)(a) Protect the privacy of natural persons, including that of a deceased person</p>	<p>48(1)(a) That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist: (i) Where the local authority is named or specified in Schedule 1 of this Act, under section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.</p>	<p>Privacy</p>
<p>Public Excluded Text</p>			
<p>Council has considered the public interest in the information above and balanced those interests with the reason(s) for withholding this information. This ensures Council has met the requirements for withholding information under section 7(2) of the Local Government and Official Information and Meetings Act 1987.</p>			

ORDINARY MEETING OF COUNCIL

Open Minutes

Meeting Date: Thursday 19 March 2026

Time: 11.30am – 11.56am (Adopt A/P Consultation Doc)

Venue Large Exhibition Hall
War Memorial Centre
Marine Parade
Napier

Livestreamed via Council's YouTube Channel

Present **Chair:** Mayor McGrath
Members: Deputy Mayor Taylor, Councillors Brownlie, Chrystal, Crown, Lawrence [online], Mawson, Morley, Simpson, Isaac-Sharland, and Raihania.

In Attendance Chief Executive (Louise Miller)
Executive Director City Strategy & Urban Development (Rachael Bailey)
Executive Director Water Services (Russell Bond)
Executive Director Community Services (Thunes Cloete)
Head of Finance, Data & Digital (Caroline Thomson)
Head of Strategy & Investments (Stephen Moratti)
Head of Regulatory Delivery (Simon Bradshaw)
Team Leader Animal Control (Dave Whyte)
Head of Commercial Communications & Economic Development (Craig Kenny)
Senior Advisor Corporate Planning (Danica Rio)
Financial Controller (Talia Foster)

Senior Financial Strategy & Treasury Lead (Alister Edie)
Manager, Arts, Culture and Heritage (Elizabeth Caldwell)

Administration Governance Advisors (Carolyn Hunt and Jemma McDade)

ORDINARY MEETING OF COUNCIL – Open Minutes

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ORDER OF BUSINESS

Karakia

The meeting opened with the Council karakia.

Apologies

COUNCIL RESOLUTION

Councillors Mawson / Brownlie

That the apology from Councillor Price, who was away on Council business, be accepted.

Carried

Conflicts of interest

Nil

Public forum

Nil

Announcements by the Mayor

Nil

Announcements by the management

Nil

Confirmation of minutes

COUNCIL RESOLUTION

Councillor Chrystal / Deputy Mayor Taylor

- a) That the Draft Public Excluded Minutes of the Ordinary meeting held on **12 February 2026**, previously circulated, be confirmed as a true and accurate record of the meeting.
- b) That the Draft Minutes of the Ordinary meeting held on **24 February 2026**, previously circulated, be confirmed as a true and accurate record of the meeting.
- c) That the Draft Minutes of the Ordinary meeting held on **3 March 2026**, including the Public Excluded minutes previously circulated, be confirmed as a true and accurate record of the meeting.
- d) That the Draft Minutes of the Extraordinary meeting held on **11 March 2026**, including Public Excluded minutes previously circulated be confirmed as a true and accurate record of the meeting.

Carried

AGENDA ITEMS

1. ADOPT THE REVENUE AND FINANCING POLICY FOR 2027/27 ANNUAL PLAN

Type of Report: Legal

Legal Reference: Local Government Act 2002

Document ID: 1902195

Reporting Officer/s & Unit: Alister Edie, Senior Financial Strategy & Treasury Lead

1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

1.1 Following resolution from the 3 March 2026 Council Meeting, the draft Revenue & Financing Policy is being presented for adoption in the 2026/27 AP consultation.

The amendments to the Revenue & Financing Policy support the 2026/27 AP consultation preferred option for review:

- i. Introduction of a new Transportation targeted rate on Capital Value with differentials:
 1. Residential at 1.0
 2. Commercial (including industrial and utilities) at 2.6
 3. Rural at 0.85
- ii. Introduction of a new City Ambassadors and CCTV fixed targeted rate to fund the CBD CCTV service, split between commercial and residential SUIP's:

Commercial 75% = 3.0 differential
Residential 25% = 1.0 differential
- iii. Removal of the rural/residential rating differential, as agreed previously by Council. The remaining general rate differentials are:

Residential at 1.0
Commercial (including industrial and utilities) at 2.6
Rural at 0.85
- iv. Some amendments to activity funding target percentages, based on LGA section 101(3)(a) activity funding needs analysis. These amendments align funding target percentages to updated benefits, costs and community impacts of the activities.

At the meeting

The Senior Financial Strategy & Treasury Lead, Mr Edie, supported by Ms Foster, took the report as read, noting that it did not introduce new information for Council but included the draft Revenue and Financing Policy, which had not been available at the 3 March 2026 meeting.

Mr Edie advised that a further legal review of the rates had been undertaken following completion of the report. This review identified minor requirements and wording changes, which feed into the Policy. He noted that the consultation document would need to be more explicit that the Revenue and Financing Policy is being changed, and an Executive Summary will be included to address this.

There were no questions of this item.

COUNCIL RESOLUTION

Councillor Morley / Deputy Mayor Taylor

That Council:

-
- a) **Receive** the report titled Adopt the Revenue and Financing Policy for 2027/27 Annual Plan.
- b) **Adopt** the draft Revenue & Financing Policy, noting it will be provided as supporting information for consultation on the 2026/27 Annual Plan, subject to any grammatical and minor changes.

Carried

2. ADOPTION OF THE ANNUAL PLAN 2026/27 CONSULTATION DOCUMENT

Type of Report: Legal

Legal Reference: Local Government Act 2002

Document ID: 1901038

Reporting Officer/s & Unit: Danica Rio, Senior Advisor Corporate Planning

1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

- 1.1 To present the consultation document and supporting information for consultation on Napier City Council's Annual Plan 2026/27.

At the meeting

The Senior Advisor Corporate Planning, Ms Rio, supported by Ms Foster, presented the report and advised that the consultation document had been prepared based on the underlying information adopted by Council on 3 March 2026. She noted that the design version of the consultation document would be circulated prior to the commencement of consultation.

Ms Foster confirmed that a further legal review had been undertaken in response to the Risk and Assurance Committee meeting held on 6 March 2026, where issues previously identified by auditors in last year's rates were discussed. The review aimed to ensure these matters had been addressed for the current year. Council's lawyer advised that it was prudent to review the consultation document itself, not only the subsequent documents. This review resulted in minor wording changes to improve legal clarity and remove ambiguity.

The paragraph titled "Updating how we allocate funding to activities" will be made more prominent in the consultation document to reflect the proposed changes to the Revenue and Finance Policy.

Ms Rio advised that an additional paragraph could be included in the consultation document to explain to the community that some of the drivers of rates increases relate to regulatory requirements, insurance costs, inflation and its impact on infrastructure, and the effects of Government reform.

COUNCIL RESOLUTION

Councillors Crown / Mawson

That Council

-
- a. **Adopt** Annual Plan 2026/27 Draft Financial Statements (including Draft Rating System) (Doc Id 1902801) as supporting information for consultation on Napier City Council's Annual Plan 2026/27.
 - b. **Note** the below documents will also be provided as supporting information for consultation on the Annual Plan 2026/27.
 - i. Draft Schedule of Fees & Charges 2026/27 (Doc Id 1900026).adopted at the 3 March Council meeting.
 - ii. Draft Revenue & Financing Policy (Doc Id 1902411) included as part of agenda item 'Adopt Revenue and Financing Policy'.
 - c. **Note** that these supporting documents are subject to minor corrections and any changes arising from the consultation process.
 - d. **Adopt** Annual Plan 2026/27 Consultation Document (Doc Id 1902698), subject to any grammatical and minor changes.

Carried

3. ANIMAL CONTROL FEES AND CHARGES 2026/2027

Type of Report: Operational

Legal Reference: Dog Control Act 1996

Document ID: 1898675

Reporting Officer/s & Unit: Luke Johnson, Customer & Compliance Manager

1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

- 1.1 To consider the amended Animal Control fees and charges for the year commencing 1 July 2026, as a separate process to the current Annual Plan public consultation for fees and charges.

At the meeting

The Head of Regulatory Delivery, Mr Bradshaw, supported by Mr Whyte, presented the report and advised that the Dog Control Act 1996 requires dog registration fees to be publicly notified one month prior to the start of the dog registration year.

The Team Leader Animal Control, Mr Whyte, advised that the Animal Control team is working with Vet Services and the SPCA at an upcoming event, where the focus is to improve dog health and registration. Vet Services will provide 100 free dog vaccines and microchipping on Saturday, 21 March 2026, at Whitmore Park, Napier. The SPCA is supplying desexing vouchers, and Council is offering discounted dog registration to support dog owners experiencing financial hardship, enable our community to be safe through understanding the dog population, and to help protect dogs against the prevalent parvovirus.

COUNCIL RESOLUTION

Councillors Chrystal / Raihania

That Council:

- a) **Receive** the report titled Animal Control Fees and Charges for 2026/27 dated 19 March 2026.
- b) **Approve** the minor amendments to Animal Control Fees and Charges for 2026/27 as set out in the table (Doc Id 1900695) of the agenda report.
- c) **Note** the changes, if approved, are effective from 1 July 2026

Carried

4. PETITION - FREE PARKING FOR RESIDENT DRIVERS AGED OVER 65 IN NAPIER CENTRAL BUSINESS DISTRICT

Type of Report: Operational

Legal Reference: N/A

Document ID: 1897127

Reporting Officer/s & Unit: Sarah Loader, Senior Business Analyst
Simon Bradshaw, Head of Regulatory Delivery
Luke Johnson, Customer & Compliance Manager

1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

- 1.1 To explore the practicalities, risks, and opportunities associated with implementing free parking for senior residents, as directed by the Future Napier Committee at its meeting held on 21 August 2025, and to report the findings back to Council in response to correspondence from Grey Power Napier and Districts (17 July 2025).

At the meeting

The Head of Regulatory Delivery, Mr Bradshaw, took the paper as read and noted that the recommendation was to decline Grey Power's request for free parking for senior residents. He provided a brief summary of the reasons for this decision.

Petitions are not attached to agenda items to protect the privacy of the petitioners. For reference, the petition of 151 signatories had originally been presented in the Public Forum of the Future Napier Committee meeting on 31 August 2025.

It was noted that future petitions would be circulated via electronic devices to Elected members and/or referred to via a summary within the paper.

COUNCIL RESOLUTION

Councillor Crown / Deputy Mayor Taylor

That Council

- a. **Receive** the report titled Petition - Free Parking for Resident Drivers Aged Over 65 in Napier Central Business District dated 19 March 2026.
- b. **Decline** the proposal for free parking for Napier residents aged 65 and over.
- c. **Note** that Officers will advise Greypower Napier and Districts of Councils' decision.

Carried

5. ARTS ADVISORY PANEL SUMMARY OF RECOMMENDATIONS AND MINUTES FOR INFORMATION

Type of Report: Operational

Legal Reference: N/A

Document ID: 1901991

Reporting Officer/s & Unit: Elizabeth Caldwell, Manager Arts, Culture and Heritage

1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

- 1.1 The purpose of this report is to receive the minutes of the Arts Advisory Panel (Doc Id 1901272) meeting held on 9 March 2026 and advise recommendations requiring ratification by Council.

At the meeting

The Manager, Arts, Culture and Heritage, Ms Caldwell, provided a brief summary of the minutes of the Arts Advisory Panel and outlined the request for the proposed mural at the Le Quesne Road Toilet Block, confirming that no funding was required from Council

There were no questions at the meeting.

COUNCIL RESOLUTION

Councillors Brownlie / Chrystal

That Council:

- a) **Receive** the report titled Arts Advisory Panel Summary of Recommendations and Minutes for Information 19 March 2026.
 - b) **Receive** for information the minutes of the Arts Advisory Panel meeting held on 9 March 2025 (Doc Id 1901272).
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- c) **Ratify** the following recommendation from the Arts Advisory Panel meeting held on 9 March 2026:

Item 1 - Proposed Mural

- a) **Approve** the Bay View Charitable Trust proposal to paint a mural on the Le Quesne Road toilet block.

Carried

Minor matters

There were no minor matters to discuss.

The meeting closed with a karakia at 11.56am

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

Chairperson

Date of approval