



# ORDINARY MEETING OF COUNCIL

## Open Attachments (Under separate cover 1)

---

Meeting Date: Thursday 9 April 2026

---

Time: 9:30 am

---

Venue: Large Exhibition Hall  
War Memorial Centre  
Marine Parade  
Napier

---

### TABLE OF CONTENTS

<b>Item 1</b>	<b>Recommendations From Napier's First Citizens' Assembly</b>
Attachment 1	Recommendations from the Citizens Assembly .....2
<b>Item 3</b>	<b>Adoption of Hawke's Bay Water's CCO Foundational Documents</b>
Attachment 1	2026-04-09 HB WSCCO - Constitution.pdf..... 17
Attachment 2	2026-04-09 HB WSCCO - Shareholder's Agreement.pdf.....38
<b>Item 12</b>	<b>Local Governance Statement</b>
Attachment 1	2025-2028 Local Governance Statement.pdf .....74

# Recommendations from the Assembly

September - October 2025

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

Napier's First  
**Citizens'  
Assembly**



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

## Introduction:

**A citizens' assembly is a form of public involvement in decision making where a representative sample of the public is invited to deliberate and develop recommendations in response to a remit question on an issue affecting the community. The organisation that posed the question then commits to taking on board the recommendations in future decision making.**

Napier's first Citizens' Assembly took place over four consecutive Saturdays in September and October 2025. Planning for the Assembly was overseen by a group of advisors including representatives from mana whenua, youth and the multicultural association, disability advocates, elected members and Council officers.

Recruitment for Assembly members began in July 2025, with targeted and wide-reaching communications distributed throughout Napier, encouraging people to apply. By 11 August 652 people applied, and a final Assembly of 40 people representative of Napier's demography was confirmed on 3 September. A group of different ages, genders, ethnicities, living situations and experience with political engagement - the objective being 'Napier in a room'. All members attended an orientation and pōwhiri at Pukemokimoki Marae, followed by the four Saturday Assembly sessions.

## Overview

### Day 1 of the Assembly on 13 September was 'Immersion Day'

#### Speakers (day 1)

**Derryn Finlayson**

Napier Aquatic Centre Manager

**Tina Haslett**

Regional Lead, Spaces and Places – Sport Hawke's Bay

**Blanche Paewai-Ashcroft**

Disability and Inclusion Advisor

**Sioned Oliver**

Deputy Principal Fairhaven School

**Andrew Clibborn**

Building Contracts & Asset Manager

**Tipene Cottrell**

Director & Owner Pā Environmental

**Talia Foster**

Financial Controller Napier City Council

**Paul Lloyd**

Executive Director Apollo Construction

On Day One, the Assembly heard presentations from various professionals who have vested interests in the local aquatic facility from local and regional perspectives. The Assembly took particular interest in how our facility fits within the local, regional and national structure of aquatic sports facilities. We also heard about the costs, the services delivered, and the accessibility of those services. There were a lot of questions for each speaker. These presentations set the way forward for the Assembly to determine the needs, values and priorities of the Napier community and where the facility should be located.

Derryn Finlayson, Tipene Cottrell and Tina Haslett spoke on how to best meet Napier's needs with respect to maximising the social returns of our recommendations. We were given financial and technical advice from Andrew Clibborn and Paul Lloyd and financial sustainability information from Talia Foster. Lastly, Sioned Oliver and Blanche Paewai-Ashcroft advised on how to best meet the needs of all, including those with disabilities or neurodiversities.

### **Day 2 on 20 September was 'Discovery Day'**

The Assembly toured various aquatic centres: Ocean Spa, Hastings Regional Aquatic Centre, Clive Pool and Napier Aquatic Centre. We asked each manager about what was and wasn't working. Hearing the specific operating and maintenance costs of these facilities was confronting for some Assembly members. It was good to hear from each manager about what they would do differently if they were to build the facility today.

Upon return, we heard from leading representatives of various groups that currently use the facilities at the Napier Aquatic Centre. The discussions highlighted that the pools are viewed as essential to community health, wellbeing, and connection, with a strong emphasis on ensuring facilities are accessible for all ages and abilities. Key priorities included keeping shallow and accessible pools, providing more suitable changing rooms, and planning for increased future demand.

Pool specifications were discussed, with interest in a 50m facility but acknowledgment that a 25m, 10-lane pool may be a more practical compromise, alongside the need for adequate seating, waterproof infrastructure, and club or meeting rooms for broader community use. Each speaker had a diverse set of wants and needs specific to their need set. For example, Rhian Tamanui recommended that a learn-to-swim pool would provide high value for money because a small and

shallow pool would provide space for many young children *and* provide valuable social good such as happiness and safety for young children and parents.

Finally, Richard Munneke summarised Napier City Council's information on possible locations. He gave valuable information about the strengths and weaknesses of the main locations, mainly information about the current Onekawa site and the previous location choice Prebensen Drive, then briefed us quickly on seventeen other locations. Many Assembly members felt there was not enough information to recommend a specific location. In the intervening week, clarity came from the organisers that we were to give guiding recommendations about location but would not be expected to choose a specific site. Given this, our report has provided location priorities but not specific location guidance.

#### **Panel participants and speaker (day 2)**

##### **Brendon Rope**

Active Recreation and Sport Facilities Consultant specialising in aquatic facilities  
Co-owner Dolphin Academy Swim School, Taradale

##### **James McNally**

Hawke's Bay Gannets coach

##### **Rachel Gunson and Vee**

Team Lead Active Living Advisor in the Green Prescription Team for 17 years

##### **Rhian Tamanui**

Community Service Coordinator for Whānau Āwhina Plunket

##### **Andrew Torrens**

Aquahawks Grants & Funding Manager

##### **Richard Munneke**

Commercial & Property Manager Napier City Council

**Day 3 of the Assembly on 27 September was 'Deliberation Day'**

On Day 3 we worked collectively to turn all that information into a draft recommendation document. Working in groups, we deliberated on the various components of our proposal. This included our initial list of wants and needs, along with our shared values, priorities, and considerations regarding the location and type of facility. Each group engaged in collective discussion to form the first iteration of the recommendations. These drafts were then presented to the wider Assembly, where we assessed the level of support for each recommendation. Feedback was gathered on the different elements, and this input informed the development of a second draft.

**Day 4 of the Assembly on 4 October was 'Delivery Day'**

Day 4 was finalising recommendations as best we could. This topic is complicated and has historically been quite contentious. There are a variety of issues at play and the Assembly has done the best it can with the information and time available. We found drafting recommendations in the allotted time to be quite challenging.

NB: The Citizen's Assembly was provided a large amount of research and studies in guiding its decisions. These materials can be found on the Napier Citizen's Assembly website.

## **Napier Community Priorities, Values, and Needs for the Future Aquatic Facility**

The Assembly would like the Napier City Council to use the following priorities, values, and needs to guide the process of designing and building our future aquatic centre:

### **Leisure and Functionality**

The facility must be a vibrant community resource, balancing leisure and recreation, health and wellbeing. The new facility should provide a variety of cost-effective activities.

### **Affordability**

Affordability for both users and ratepayers is a top priority. Upfront investment in sustainable infrastructure can lower operating costs long-term. A balance must be struck between capital costs and lifetime value.

### **Accessibility**

Location must be central and well-connected, ideally in close proximity to an arterial route. Design must meet accessibility standards of the facility both internally and externally. Additionally, the new aquatic facility needs to be built with security and safety in mind.

### **Cultural Awareness**

It is important that we honour our Te Tiriti o Waitangi obligations and respect culturally significant locations, resources and narratives in the design and maintenance of the pools. The Assembly respects that water and the environment is of cultural significance.

### **Sustainability**

The new aquatic facility should be designed with a focus on the future, being able to adapt to technological advancements, with the ability to expand and to continue to ensure energy efficiency.

## Napier Assembly Recommendations for the Type of the Future Aquatic Facility

### Recommendation:

The Assembly has determined that our future aquatic centre be built with the following considerations.

At a high level, we recommend the pool is community focused and should have leisure and recreation spaces, and health and wellbeing areas (acknowledging Mason Durie's Te Whare Tapawha model). Furthermore, we recommend that it is multipurpose and includes multifunctional spaces.

The Assembly group's shared understanding of the terms are:

**Community focused.** This means the facility is designed and managed with the needs, wellbeing and engagement of the local community in mind, rather than just being a place for swimming, as per the Aquatic Facility Development Guidelines.

**Leisure.** This could include relaxation, lifestyle, spa, outdoor activities and pool.

**Recreation.** May include water play, slides, fun, a bbq area.

**Health and Wellbeing.** For example, supporting Green Prescription, hydrotherapy, lane swimming, etc.

We acknowledge that the key areas above often intersect and may contribute to one or more or all areas.

We would like to express that we do not want anything taken away from the services currently provided at NAC. Competitive facilities (such as those provided at Hastings Sports Park) are out of scope for this project.

The Assembly has used the QEII as a reference point, adopting from that design ideas about how to meet our community needs.

Must haves (in order of priority):

25 x 25m lane pool (multiple use, e.g. lane swimming, aquaerobics, inflatables)

Learn to swim 25 x 10m / neurodiverse pool (separate area enabling quiet, low stimulation space)

Large hydrotherapy pool (one body of water with chairlifts, appropriate water temperature, ramps, handrails)

A shallow pool for young children with splash and play options

BBQ area, tables as well as outdoor play e.g. volleyball, chess

Universal accessibility - must include adequate supply to meet the needs of changing population and projected growth. Building should be above code and standard for truly accessible facilities (National Aquatic Facilities Strategy) including ramps, chairlift / hoists, handrails, and accessible changing rooms (2+), family room (2+) and unisex bathrooms.

Adequate safe parking for disability, families, buses (school groups etc), safe drop off zones.

Hydroslides

Water bombing pool

Outdoor pool

Spa pool

Medium Priority: (Nice to haves)

Aqua climbing wall

Sauna, steam room

Low Priorities: (Seen as not needed)

Lazy river

Gym

Cafe

**Rationale:**

There are a couple of reasons why the Assembly has made these recommendations.

We have an ageing population and therefore a need for therapeutic facilities such as hydrotherapy pools. Data on our community suggests that currently we have plenty of water space overall, but an over representation of competition facilities. This is based on the Napier Disability Strategy 2019-2023. Over half of Napier is over 55, and many have disability needs. Furthermore, only 15% have been accessing the Onekawa Pool which may refer for better accessibility for this demographic.

Recommendations from a 2023 survey from Sport Hawkes Bay outlined that the major demand is leisure, recreation, and health and wellbeing. Furthermore, aquatic facility development guidelines indicate the market sways 60 to 70% towards recreation and leisure.

As above we need to provide **more** leisure and recreation facilities that provide recreation for kids, families, teenagers (event specific or fun stuff: manu comps, outdoor pools, and activity based fun).

**References:**

Tina Haslett's presentation Sport Hawkes Bay (2023 demand)  
Quarterly visitation reporting Napier aquatic centre and NCC  
2015 aquatic facility guidelines  
Paul Hasset QE2 facility  
National Aquatic Facilities Strategy

## Napier Assembly Recommendations for the Location of the Future Aquatic Facility

### Recommendation:

The Assembly determined that it didn't have enough information to identify preferred sites or locations.

Given this, we recommend that the Napier City Council continues to explore and study alternative sites to the current location as discussed in the Citizens' Assembly. We have given the following principles, ordered from most to least important, for the City Council to consider when determining a location.

Accessible to those who will use it - close to schools, sports groups, close to homes, e.g., young people with families, older and retired people, high population density areas

Able to safely use both private and affordable public transport (current or built).

High value for money: maximise the social return on the money spent to deliver it (cost to ratepayer)

And we would also like to specify the following technical requirements that should be considered:

Capable of supporting the recommended facilities and services providing opportunities for future development.

Safe from natural hazards (lower risk)

We have agreed to individual site consideration guidance based on information provided by NCC. Based on the information received to date, we invite NCC to consider further information/assessment and possible feasibility studies on sites that meet the following principles:

Overall traffic in the area  
Natural hazards  
Bus/bike routes  
Sites of special significance to local iwi

Should the NCC determine that moving the location away from its current site is best, we ask that consideration of reuse should be given to smaller outlier buildings at the current site (e.g. could Allan Pool be given to Plunket, gym leased, etc.)

**Rationale:**

We make the above recommendations because our purpose is to create a community pool that promotes the health and happiness of as many community members as possible. By choosing to build where demand is highest, we maximize social returns. Working towards manageable costs ensures the burdens on ratepayers is worth paying.

The location of the aquatic facility is essential for accessibility and assurance of use. The following further addresses what needs to be considered under the guiding principles:

Transport - bus routes, bikes, walk, car  
Sufficient parking, to meet standard of sustainable Napier  
Space to grow / room for expansion  
Walking distance of approximately 6 schools  
Close to shopping centre  
Original site or close proximity to the current site due to its central location

For future consideration by NCC:

Investigate the demographic profile and land expansion of Napier over the next 30 years to determine where intended users of the facility will live, go to school, and retire. This information can help determine the central area within which individual sites can be identified and assessed for affordability and maximum access by intended users.

**References:**

We have used the guiding principles provided to assess and consider potential sites. As examples: Park Island, Onekawa and Marewa appear to meet the principles based on the information provided to date.

Supporting Information Documentation: ***Locations Additional information.***

**Minority Report 1)****Minority Recommendation 1:**

That the Council retain the Citizens' Assembly Voice and representation to continue assisting the Council and the community to determine the final outcome for the Napier Aquatic Centre.

**Rationale:**

This assembly has gone through a huge learning process and we now have significant knowledge to contribute to the development of the aquatic centre within the regional aquatic strategy.

This will also address the necessary local knowledge and information required to make realistic recommendations to Council on behalf of the community.

An ongoing working community ADVOCACY group which represents the public throughout the process and final decision making.

Community representation should be involved in the professional consultancy process engaged by Council as well as the Sport HB regional plan and other interested parties. This will guarantee assured continuity as council staff and representatives change over time.

**References:**

It is vitally important that research be carried out on behalf of the community to access the needs versus wants listed above

Please reference the appendices attached.

Additional research and recommendations by C Boulton.

Information Overview - Considerations and Discussion Topics.

**Minority Report 2)**

**Minority Recommendation 2:**

Facilities need to be sustainable over time with regards to the building and the costs to run it including size, products and design.

**Rationale:**

Example of engineering considerations could include:

Cost effective engineering design.  
Sustainable & efficient products  
Longevity & maintenance costs are reflected in the materials are critical  
Investigate a retractable roof on potential secondary pool  
Design can reflect Napier's past.

Examples to offset the financial burden on the Napier rate payer:

NCC Assets/lands that can be sold to contribute to the funding of the project. Eg.Ocean Spa  
Apply for central Government funding.  
Interest rates as low as possible or even exemptions/tax break  
NCC sell bonds to Napier city ratepayers to help fund and also give the community a stronger sense of ownership for now and the future. Similar Napier Port ratepayer vested interest  
Enduring Sponsorship/Donations from Local entities eg. Utility companies like Unison etc  
Maximise natural light in the overall design which reduces energy costs.

**References:**

# Constitution of [Water Hawke's Bay] Limited

---

## CONTENTS

1. DEFINITIONS AND INTERPRETATION .....	2
2. CAPACITY AND OBJECTIVES .....	5
3. WATER ORGANISATION REQUIREMENTS .....	6
4. SHARES .....	6
5. CALLS ON SHARES .....	7
6. LIEN OVER SHARES .....	7
7. TRANSFER OF SHARES .....	8
8. DISTRIBUTIONS .....	8
9. COMPANY ACQUIRING ITS OWN SHARES .....	9
10. SHAREHOLDER MEETINGS .....	9
11. REPORTING REQUIREMENTS .....	9
12. DIRECTORS .....	10
13. INTERESTS OF DIRECTORS .....	13
14. NOTICES .....	14
15. LIQUIDATION .....	14
16. METHODS OF CONTRACTING .....	15
17. AMENDMENTS .....	15
SCHEDULE 1 .....	16
Rules for Shareholder Meetings .....	16
SCHEDULE 2 .....	19
Rules for Board Proceedings .....	19

## 1. DEFINITIONS AND INTERPRETATION

1.1 In this Constitution, unless the context otherwise requires:

**"Board"** means Directors who number not less than the required quorum, acting together as a board of Directors.

**"Board Skills Matrix"** means the matrix setting out the skills which the Shareholders' Representative Forum determines are required by the Board as a whole, and as may be amended from time to time in accordance with clause 12.7(c).

**"Business Day"** means a day (other than a Saturday, a Sunday or a public holiday) on which registered banks are open for business in Hawke's Bay, New Zealand.

**"Chair"** means the chair of the Board appointed in accordance with clause 12.10.

**"Companies Act"** means the Companies Act 1993.

**"Company"** means [Water Hawke's Bay] Limited

**"Constitution"** means this constitution of the Company (including the Schedules) and all amendments to it from time to time.

**"Director"** means a person appointed as a director of the Company in accordance with this Constitution.

**"Financial Year"** has the meaning set out in the LG(WS) Act.

**"Independent Director"** means a person who, in the determination of the Shareholders Representative Forum, is free from any association that could materially interfere with the exercise of their independent judgement as a director of the Company, including that the person:

- (a) is not an elected member of any Shareholder;
- (b) is not employed, and has not previously been employed, in an executive capacity by any Shareholder unless there has been a period of at least two years between ceasing such employment and serving on the board;
- (c) is not employed, and has not previously been employed, in an executive capacity by the Company unless there has been a period of at least two years between ceasing such employment and serving on the board; and

**"LGA"** means the Local Government Act 2002.

**"LG(WS) Act"** means the Local Government (Water Services) Act 2025.

**"Local Authority"** has the meaning set out in the LGA.

**"Operational Date"** means the first Completion Date reached under a Transfer Agreement between the Company and a Shareholder in accordance with the terms of that Transfer Agreement.

"**Ordinary Resolution**" has the meaning set out in the Shareholders' Agreement.

"**Reserved Matters**" has the meaning given to it in the Shareholders' Agreement.

"**Service Area**" has the meaning set out in the LG(WS) Act.

"**Shares**" means the shares in the Company on issue from time to time.

"**Shareholder**" means any person for the time being registered in the Company's share register as the holder of one or more Shares in the Company.

"**Shareholders' Agreement**" means the shareholders' agreement relating to the Company between the Company and the Shareholders dated on or about the date of adoption of this Constitution.

"**Shareholders Representative Forum**" has the meaning set out in the Shareholders' Agreement.

"**Significance and Engagement Policy**" means the significance and engagement policy referred to in section 35 of the LG(WS) Act.

"**Special Resolution**" means a resolution that is approved by a majority of 75% of the votes of those Shareholders entitled to vote and voting on the question.

"**Statement of Expectations**" has the meaning given to it in LG(WS) Act.

"**Subsidiary**" has the meaning set out in the Companies Act.

"**Transfer Agreement**" means the transfer agreement to be entered into between each Shareholder and the Company in accordance with the requirements of the LG(WS) Act and the Shareholders' Agreement.

"**Water Organisation**" has the meaning set out in the LG(WS) Act.

"**Water Services**" has the meaning set out in the LG(WS) Act, which shall be the water services transferred by the Shareholders to the Company in accordance with the Transfer Agreement between each Shareholder and the Company.

"**Water Services Annual Budget**" has the meaning set out in the LG(WS) Act.

"**Water Services Annual Report**" has the meaning set out in the LG(WS) Act.

"**Water Services Half-yearly Report**" means the report referred to in section 248 of the LG(WS) Act.

"**Water Services Strategy**" has the meaning set out in the LG(WS) Act.

1.2 **Interpretation:** In this Constitution, the following rules of interpretation apply, unless the context requires otherwise:

- (a) headings are for convenience only and do not affect interpretation;
- (b) the singular includes the plural and vice versa, and a gender includes other genders;

- (c) another grammatical form of a defined word or expression has a corresponding meaning;
- (d) words in this Constitution have the same meaning as in the Companies Act unless inconsistent with the context;
- (e) a reference to a party, person or entity includes:
  - (i) an individual, firm, company, trust, partnership, joint venture, association, corporation, body corporate, estate, state, government or any agency thereof, municipal or local authority and any other entity, whether incorporated or not (in each case whether or not having a separate legal personality); and
  - (ii) an employee, agent, successor, permitted assign, executor, administrator and other representative of such party, person, entity;
- (f) a reference to dollars or \$ is to New Zealand currency and excludes every tax and duty;
- (g) a reference to a clause or schedule is to a clause or schedule of this Constitution;
- (h) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (i) references to the word 'include' or 'including' are to be construed without limitation;
- (j) references to any form of law is to New Zealand law, including as amended or re-enacted;
- (k) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (l) "written" and "in writing" include any means of reproducing words, figures or symbols in a tangible and visible form;
- (m) any obligation falling due for performance on or by a day other than a Business Day shall be performed on or by the Business Day immediately following that day; and
- (n) an obligation not to do something includes an obligation not to allow or cause that thing to be done.

1.3 If there is any conflict:

- (a) between a provision of this Constitution and the provisions of the Shareholders' Agreement, the terms of the Shareholders' Agreement will prevail (other than to the extent prohibited by the Companies Act) and the Shareholders must pass such resolutions as may be necessary to amend

the provisions of this Constitution to make it consistent with the Shareholders' Agreement;

- (b) between a provision in this Constitution and a mandatory provision in the Companies Act, the LG(WS) Act or the LGA, then the mandatory provision in the Companies Act, the LG(WS) Act or the LGA will prevail; and
- (c) between:
  - (i) a provision in this Constitution and a provision in the Companies Act which is expressly permitted to be altered by this Constitution; or
  - (ii) a word or expression defined or explained in the Companies Act and a word or expression defined or explained in this Constitution,

then the provision, word or expression in this Constitution will prevail.

## **2. CAPACITY AND OBJECTIVES**

- 2.1 As at the date of its incorporation, the Company is a Water Organisation.
- 2.2 The Company must not carry on any business other than the provision of Water Services and activities that are related to, or necessary for, the provision of Water Services. Such business must be carried on in order to:
  - (a) meet the objectives set out in section 17 of the LG(WS) Act for each Shareholders' Service Area; and
  - (b) maximise the cost efficiency of providing the Water Services.
- 2.3 The Company must not enter into any franchise or concession agreement that grants a private entity operational control or long-term rights over Water Services infrastructure, as prohibited under section 21 of the LG (WS) Act.
- 2.4 The Company may contract with third parties for the provision of Water Services only where:
  - (a) such contracts do not compromise public ownership or accountability;
  - (b) the requirements of sections 22–24 of the LG (WS) Act are met, including public consultation and transparency obligations; and
  - (c) the Board has assessed and documented that the contract is in the public interest and consistent with the Company's objectives.
- 2.5 All water services infrastructure and related assets owned by the Company shall remain in public ownership. This does not preclude the Company from accessing or benefiting from private funding or financing arrangements, provided such arrangements do not result in any transfer of ownership of those assets.
- 2.6 Any proposed contract or arrangement involving third-party service provision must be disclosed to all Shareholders and made publicly available in accordance with the Company's Significance and Engagement Policy.

- 2.7 Subject to the Shareholder's Agreement, this Constitution, the Companies Act, the LG(WS) Act, the LGA and the Statement of Expectations, the Company has full capacity, rights, powers and privileges to carry on or undertake any business or activity, do any act, or enter into any transaction.

### 3. WATER ORGANISATION REQUIREMENTS

- 3.1 The Company must comply with:
- (a) its obligations under the LGA and LG(WS) Act, including preparing, adopting and publishing its Water Services Strategy, Water Services Annual Budget and Water Services Half-yearly Report;
  - (b) all applicable statutory and regulatory obligations relating to Māori and the Treaty of Waitangi, including those set out in the LGA and LG(WS) Act; and
  - (c) the applicable parts of the Local Government Official Information and Meetings Act 1987.
- 3.2 In preparing the Company's Water Services Strategy and Water Services Annual Budget, the Shareholders Representative Forum will be able to provide comments on each of the draft strategy and draft budget, but will not have the power to require changes or approve the final strategy or final budget.
- 3.3 In accordance with the LGA, the auditor for the Company shall be the Auditor-General.

### 4. SHARES

- 4.1 **Initial Shares:** The Shares on issue at the date of adoption of this Constitution are ordinary shares. Subject to the Shareholders' Agreement and the rights of Shares which confer special rights, each Share confers on the holder the right to:
- (a) one vote on a poll at a meeting of the Shareholders on any resolution;
  - (b) an equal share in dividends authorised by the Board; and
  - (c) an equal share in the distribution of the surplus assets of the Company.
- 4.2 **Issue of Shares:** Subject to this Constitution, the Shareholders' Agreement and the LG(WS) Act and approval by Ordinary Resolution, the Board may:
- (a) issue Shares at any time, to any Shareholder or to any other person permitted to hold Shares in accordance with the LG(WS) Act and in such numbers as it thinks fit;
  - (b) issue Shares in different classes which have different rights;
  - (c) issue Shares which are redeemable (as defined in section 68 of the Companies Act); and
  - (d) divide existing Shares into different classes which have different rights.

## 5. CALLS ON SHARES

5.1 **Board may make calls:** Subject to the Shareholders' Agreement, the Board may make calls on any Shareholder in respect of any money unpaid on their Shares, and not previously made payable at a fixed time, by prior written notice to the relevant Shareholder specifying the time and date for payment (such time and date to be no earlier than 10 Business Days after the notice is given to the relevant Shareholder). The relevant Shareholder must comply with the terms of any call made by the Board. A call may be payable by instalments. The Board may revoke or postpone a call.

5.2 **Interest and expenses:** A person who fails to pay a call on the due date must pay:

- (a) interest on that money from the day payment was due to the day of actual payment at a rate fixed by the Board; and
- (b) all expenses which the Company has incurred or may incur because of non-payment,

provided that the Board may waive payment of all or part of that interest or those expenses.

5.3 **Joint Shareholders:** Joint Shareholders are jointly and severally liable to pay all calls in respect of Shares registered in their names.

## 6. LIEN OVER SHARES

6.1 **Existence and subject matter of lien:** If a Shareholder fails to pay any call on the due date, the Board may at any time by written notice to the Shareholder require payment of the unpaid amount together with any amount payable under clause 5.2. Such notice must specify a further date (not earlier than 10 Business Days from the date of the notice) by which payment is required to be made, and must state that if such payment is not made on or before the specified date, clause 6.2 will apply.

6.2 **Company has first lien:**

- (a) The Company has a first lien over:
  - (i) each Share and the proceeds of sale of the Share; and
  - (ii) all distributions made in respect of the Share,for:
  - (iii) all unpaid calls owing in respect of the Shares and any amount payable under clause 5.2; and
  - (iv) sale expenses owing to the Company in respect of the Shares.
- (b) The registration of any transfer of a Share will not operate as a waiver of any lien the Company may have on that Share, unless notice to the contrary is given by the Company to the transferee.

## 7. TRANSFER OF SHARES

- 7.1 **Right to transfer:** Subject to any restrictions set out in this clause 7, the LGA, the LG(WS) Act and the Shareholders' Agreement, a Share may be transferred by entry of the name of the transferee in the share register for the Company following receipt by the Company of a validly signed form of transfer.
- 7.2 **Prior approval required:** No Shareholder may sell, assign, transfer or dispose of, directly or indirectly, the legal or beneficial ownership of any of its Shares except in accordance with the provisions of this clause 7 and unless such sale, assignment, transfer or disposal:
- (a) has first been approved in writing by all Shareholders; or
  - (b) is otherwise permitted or contemplated by this agreement.
- 7.3 **No delay:** The Board may not exercise any powers conferred by this Constitution to refuse or delay the registration of any sale, assignment, transfer or disposal of Shares completed in accordance with clause 7.2.
- 7.4 **Board may refuse to register:** The Board may refuse or delay the registration of any transfer of a Share to any person if:
- (a) the transfer would result in a breach of law, this Constitution or the Shareholders' Agreement;
  - (b) any money payable on that Share is due for payment and has not been paid;
  - (c) the Shares are not fully paid and the Board is not satisfied in its sole discretion with the ability of the transferee to pay any call that may be made in the future (whether or not contemplated at that time);
  - (d) the Company has an unsatisfied lien on that Share or the proceeds of sale of that Share;
  - (e) the transferee is a person without legal capacity to contract or the transfer has not been properly executed;
  - (f) the transfer is not accompanied by proof (reasonably required by the Directors) of the right of the transferor to make the transfer;
  - (g) the Directors acting in good faith determine that registration of the transfer would not be in the best interests of the Company; or
  - (h) the transfer document is not in the usual or common form or otherwise in the form prescribed by the Board from time to time (if any),

provided that the Board must at all times comply with section 84 of the Companies Act.

## 8. DISTRIBUTIONS

- 8.1 **Distributions:** The Board, if satisfied on reasonable grounds that the Company will, immediately after the distribution, satisfy the solvency test under section 4 of the Companies Act, may, subject to the Companies Act, the Shareholder's Agreement and the LG(WS) Act,

authorise distributions by the Company at times, and of amounts, and in such form, as it thinks fit and may do everything which is necessary or expedient to give effect to any such distribution.

## 9. COMPANY ACQUIRING ITS OWN SHARES

- 9.1 **Company may acquire its own Shares:** The Company may purchase or otherwise acquire its own Shares only if it has first been authorised to do so by Special Resolution or any other threshold specified in the Shareholders' Agreement, in which case the Shares purchased or otherwise acquired shall be deemed to be cancelled immediately on acquisition.

## 10. SHAREHOLDER MEETINGS

- 10.1 **Annual meeting:** The Board must hold an annual Shareholders' meeting in accordance with section 120 of the Companies Act unless in the case of any annual meeting, everything required to be done at that meeting (whether by way of resolution or otherwise) is done by written resolution in accordance with section 122 of the Companies Act.
- 10.2 **Special meetings:** A special Shareholders' meeting:
- (a) may be called at any time by the Board; and
  - (b) must be called by the Board on the written request of the Shareholders Representative Forum.
- 10.3 **Proceedings at Shareholders' meetings:** The provisions of the First Schedule to the Companies Act as modified by this Constitution, including the rules set out in Schedule 1, govern proceedings at Shareholders' meetings.

## 11. REPORTING REQUIREMENTS

- 11.1 **Reporting:**
- (a) The Board must prepare the reports required by the Shareholders Representative Forum by notice in writing to the Company (such notice must comply with the requirements in section 249(4) of the LG(WS) Act), in accordance with the requirements specified in that notice;
  - (b) within eight months of the start of each Financial Year of the Company, the Board must prepare and adopt a Water Services Half-yearly Report in accordance with the LG(WS) Act, which must include information required to be included by the Statement of Expectations; and
  - (c) within three months of the end of each Financial Year of the Company, the Board must prepare, adopt and deliver to the Shareholders, and publish in accordance with the LG(WS) Act, its Water Services Annual Report for that Financial Year, which must include the information required to be included by:
    - (i) the Statement of Expectations;

- (ii) the Companies Act; and
- (iii) sections 245 to 248 of the LG(WS) Act.

## 12. DIRECTORS

- 12.1 **Directors:** On registration of the Company, the Directors are the persons named as Directors in the application for registration of the Company.
- 12.2 **Chair:** The Shareholder Representative Forum will appoint a Chair from the Directors. The Chair will remain as the chair of the Board until a Chair is appointed in accordance with clause 12.10. The Chair at the date of the adoption of this Constitution is Wendie Harvey.
- 12.3 **Independent Directors:** All Directors will be Independent Directors. A Director who ceases to be an Independent Director at any time must be removed as soon as practicable, in accordance with the Shareholders' Agreement.
- 12.4 **Number of Directors:** From the Operational Date, the minimum number of Directors will be three and the maximum number of Directors will be five.
- 12.5 **Appointment and removal by Shareholders Representative Forum:**
- (a) Subject to clause 12.1, the Shareholders Representative Forum will appoint up to the number of Directors set out in clause 12.4, by notice in writing to the Company. Directors may be removed and replaced by the Shareholders Representative Forum in the same way.
  - (b) The Shareholders and the Company shall promptly take such steps as may be necessary to effect the appointment, replacement or removal of any individual (including if a Director fails to vacate office when required to do so) in accordance with this clause 12.5 if applicable, including, in the case of the Shareholders, by exercising their voting rights in the relevant Shareholders' meeting (or by way of written resolution).
- 12.6 **Insufficient Number of Directors:** If and so long as the number of Directors holding office is less than the minimum number in clause 12.4, the continuing Directors may act only for the purposes of calling a meeting of the Shareholders Representative Forum to appoint Directors.
- 12.7 **Skills of Directors:**
- (a) A person may only be appointed to be a Director if the person has, in the opinion of the Shareholders Representative Forum, the skills, knowledge, or experience to:
    - (i) guide the Company, given the nature and scope of its activities; and
    - (ii) contribute to the achievement of the objectives of the Company.
  - (b) All Director appointments must be made in accordance with the Board Skills Matrix, with the aim of ensuring that the Board as a whole has the skills required by the Board Skills Matrix.

- (c) The Shareholders' Representative Forum, in consultation with the Chair, is responsible for preparing, and regularly reviewing and updating as required, the Board Skills Matrix, subject to the provisions of this Constitution, the Shareholders' Agreement, and the Local Government (Water Services) Act 2025.

#### 12.8 **Term of Appointment:**

- (a) Directors may be initially appointed for a term of less than three years, as determined by the Shareholders Representative Forum at the time of appointment, to ensure appropriate Board rotation taking into account the term restriction set out in this clause 12.8.
- (b) The Directors as at the date of the adoption of this Constitution are [insert names].
- (c) No person may be appointed as a Director for a term of more than three years ("Term").
- (d) A Director may be reappointed at the expiry of his or her Term of appointment, provided that no Director may be appointed for more than three consecutive Terms or a consecutive period of more than 9 years, except where the Shareholders' Representative Forum determines that due to extraordinary circumstances a one-off extension to a Director's Term beyond 9 years is appropriate.

#### 12.9 **Vacation of office:** A Director vacates office if that Director:

- (a) resigns by written notice of resignation to the Company. The notice is to be effective when it is received at that address or at a later time specified in the notice;
- (b) is removed from office by in accordance with clause 12.5(a);
- (c) becomes disqualified from being a Director pursuant to section 151 of the Companies Act; or
- (d) dies.

#### 12.10 **Appointment of Chair:**

- (a) From the Operational Date, the Board must appoint a Chair by majority vote of the Board.
- (b) The Chair will hold office until:
  - (i) they cease to be a Director of the Company; or
  - (ii) a new Chair is appointed by the Board.

#### 12.11 **Powers of the Board:**

- (a) Subject to clause 12.11(b) and any restrictions in the Companies Act, the LG(W) Act, the Shareholders' Agreement and this Constitution, the

business and affairs of the Company must be managed by or under the direction or supervision of the Board.

- (b) The Board has, and may exercise, all the powers necessary for managing, directing and supervising the management of the business and affairs of the Company except to the extent that this Constitution, the Shareholders' Agreement, the Companies Act or the LG(WS) Act expressly requires those powers to be exercised by the Shareholders or any other person.

12.12 **Prohibited Matters:** Notwithstanding clause 12.11(b), the Board must not, and must not cause the Company to:

- (a) incur indebtedness to any person other than the New Zealand Local Government Funding Agency Limited, except where permitted by the LG(WS) Act; or
- (b) grant a security interest over any of the assets of the Company,

except to the extent permitted by the LG(WS) Act and the Shareholders' Agreement.

12.13 **Shareholder Reserved Matters:** Notwithstanding clause 12.11(b), but subject to any restrictions in the LG(WS) Act, the Board must not, and must not cause the Company to enter into any transaction or matter that is a Reserved Matter, unless first approved in writing by the Shareholders in accordance with the Shareholders' Agreement.

12.14 **Solvency test:** Notwithstanding any approval attained pursuant to clause 12.12, the Board must not cause the Company to borrow or raise any money, or enter into or incur any guarantee or other liability of any nature, if the effect of doing so would be that the Company will not satisfy the solvency test (as that term is defined in the Companies Act).

12.15 **Proceedings of the Board:** The provisions of the Schedule 3 to the Companies Act as modified by this Constitution, including the rules set out in Schedule 2, govern proceedings at meetings of Directors.

12.16 **Directors duties:** In addition to the duties set out in the Companies Act, the Directors must assist the Company to meet the objective set out in clause 2.2 and any other requirements set out in the Statement of Expectations or the LG(WS) Act.

12.17 **Directors to act in good faith:** A Director, when exercising powers or performing duties, must act in a manner which that Director believes to be in the best interests of the Company (notwithstanding that it may not be in the best interests of any particular Shareholder) and consistent with section 59 of the LGA.

12.18 **Indemnity and insurance of Directors and employees:** The Company may indemnify and effect insurance in accordance with any part or all of section 162 of the Companies Act provided that:

- (a) the Board must ensure that particulars of any indemnity given to, or insurance taken out for, any director, or employee of the Company are immediately entered in the interests register; and
- (b) the Board may impose any conditions in relation to any indemnity or insurance if the conditions do not contravene the Companies Act.

For the purposes of this clause 12.18 "director" includes any former director, "employee" includes any former employee and "Company" includes any related company.

12.19 **Disqualification of Directors:** A person will be disqualified from holding the office of Director if he or she:

- (a) is or becomes disqualified from being a Director under any provision of the Companies Act or the LG(W.S) Act; or
- (b) dies; or
- (c) becomes a protected person under the Protection of Personal and Property Rights Act 1988; or
- (d) is an undischarged bankrupt.

12.20 **Remuneration of Directors:**

- (a) The Shareholders Representative Forum shall determine the total sum available to the Board each year to make remuneration payments in accordance with clause 12.20(b).
- (b) The Board may not authorise any form of remuneration to be paid to a Director without Board approval and unless such payment is made and authorised in accordance with the provisions of the Companies Act and the approval of the Shareholders Representative Forum.
- (c) The Board may authorise the reimbursement by the Company of reasonable travelling, hotel and other expenses incurred by Directors in attending Board meetings, Shareholder meetings or in relation to any other affairs of the Company.

12.21 **Other offices held by Director:** Any Director may act by himself or herself or by the Director's firm in a professional capacity for the Company, and the Director or the Director's firm will be entitled to remuneration for professional services as if the Director were not a Director. Nothing in this clause authorises a Director or the Director's firm to act as auditor of the company.

### 13. INTERESTS OF DIRECTORS

13.1 **Disclosure of interests:** A Director must disclose particulars of any interest in a transaction or proposed transaction of the Company in accordance with section 140 of the Companies Act.

13.2 **Interested Directors may act:** A Director who is interested in a transaction entered into, or to be entered into, by the Company must not do any of the following:

- (a) sign a document relating to that transaction on behalf of the Company; or
- (b) do any other thing in their capacity as a Director in relation to that transaction,

provided that a Director may vote, sign documents and otherwise do any other thing in their capacity as a Director with regard to any matter relating to the following:

- (c) any payment or other benefit of the kind referred to in section 161 of the Companies Act in respect of that Director in accordance with clause 12.20;
- (d) the entry into an indemnity or insurance arrangement in respect of that Director in their capacity as a director of the Company in accordance with clause 12.18; or
- (e) transactions in which a Director is interested solely in their capacity as a director of a Subsidiary of the Company.

13.3 **Interests register review:** The Board shall review the interests register at the beginning of every Board meeting.

13.4 **No prohibition re quorum:** No prohibition under this clause 13 will prevent the attendance of a Director at a Board meeting from counting for quorum purposes.

#### 14. NOTICES

14.1 **Service:** Notices may be served by the Company upon any Director or Shareholder, either by personal delivery, by electronic means or by posting it in a prepaid envelope or package addressed to the recipient at his or her last known address (or, in the case of a company, its registered office). A notice may be given by the Company to joint Shareholders by giving the notice to the joint Shareholder named first in the Share Register in respect of the Share, or to such other person as the joint Shareholders may in writing direct.

14.2 **Time of service:** Notices are deemed served at the following times:

- (a) when given personally, on delivery;
- (b) when sent by post or document exchange, five Business Days after (but exclusive of) posting; and
- (c) when sent by email, at the time of transmission, if (in the event receipt is disputed) the sender produces a printed copy of the email which evidences that the email was sent to the email address of the recipient.

Any notice which has been served on a Saturday, Sunday or public holiday is deemed to be served on the first Business Day after that day.

#### 15. LIQUIDATION

15.1 If the Company is liquidated, the liquidator may, with the approval of the Shareholders by Special Resolution and any other approval required by the Companies Act or the LG(W.S) Act, but subject to the requirements of the Shareholders' Agreement (as notified by any Shareholder to the liquidator) and, if applicable, the rights or restrictions attached to the different classes of shares issued by the Company:

- (a) distribute to the Shareholders in kind the whole or any part of the assets of the Company; and

- (b) vest the whole or any part of any such assets in trustees upon such trusts for the benefit of the persons so entitled as the liquidator thinks fit, but so that the Shareholders are not compelled to accept any Shares or other securities on which there is any liability.

## **16. METHODS OF CONTRACTING**

- 16.1 A deed which is to be entered into by the Company may be signed on behalf of the Company by:
  - (a) two or more Directors;
  - (b) a Director, and any person authorised by the Board, whose signatures must be witnessed; or
  - (c) one or more attorneys appointed by the Company.
- 16.2 Subject to clause 16.1, an obligation or contract which is required by law to be in writing, and any other written obligation or contract which is to be entered into by the Company, may be signed on behalf of the Company by two people acting under the express or implied authority of the Company.
- 16.3 Subject to clause 16.1, any other obligation or contract may be entered into on behalf of the Company in writing or orally by two people acting under the express or implied authority of the Company.

## **17. AMENDMENTS**

- 17.1 The Shareholders may, by Special Resolution, alter or revoke this Constitution in accordance with the requirements of the Companies Act. Any alterations or replacements may be proposed by the Board to the Shareholders.

## SCHEDULE 1

### Rules for Shareholder Meetings

#### 1. CHAIR

- 1.1 If the Chair is present at the meeting, he or she must chair the meeting.
- 1.2 If there is no Chair or if the Chair is not present at the meeting within 15 minutes of the start time, the Directors present may elect a chair for that meeting, failing which, the Shareholders (or their representatives) present may elect a chair for that meeting.

#### 2. NOTICE OF MEETINGS

- 2.1 Each Shareholder and every Director of the Company must be sent written notice of the time and place of the meeting at least 10 Business Days before the meeting.
- 2.2 The notice must state:
- (a) the nature of the business to be discussed at the meeting in sufficient detail to enable the Shareholders to form a reasoned judgment in relation to it; and
  - (b) the text of any Special Resolution to be put to the meeting.
- 2.3 An irregularity in a notice of a meeting is waived if:
- (a) the Shareholders attend the meeting without protest as to the irregularity; or
  - (b) if each Shareholder agrees to the waiver.
- 2.4 If a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of an original meeting. It is not otherwise necessary to give any new notice for an adjourned meeting.
- 2.5 The accidental omission to give a notice of a meeting to, or the non-receipt of a notice of a meeting by, any person entitled to receive notice does not invalidate the proceedings at that meeting.

#### 3. METHODS OF HOLDING MEETINGS

- 3.1 A Shareholders' meeting may be held either:
- (a) at the place, date, and time appointed for the meeting; or
  - (b) by means of audio, or audio and visual, communication. The Shareholders (or their representatives) participating must constitute a quorum and must all be able to simultaneously hear all participants throughout the meeting.

#### **4. QUORUM**

- 4.1 No business may be transacted at a Shareholder meeting if a quorum is not present.
- 4.2 A quorum for a Shareholder meeting is present if at least one representative from each Shareholder (or their proxy) is in attendance, whether in person or via an approved virtual platform.
- 4.3 If a quorum is not present within the 30 minutes after the start time for the meeting:
- (a) the meeting is adjourned to:
    - (i) the same day in the following week at the same time and place, or
    - (ii) to another date, time and place to be fixed by the Directors; and
  - (b) at the adjourned meeting, those Shareholders present shall constitute a quorum, regardless of the number of Shareholders represented.

#### **5. ADJOURNMENTS**

- 5.1 The Chair:
- (a) may adjourn the meeting from time to time and from place to place, but no business can be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place; and
  - (b) must adjourn the meeting as above if directed to do so by the meeting.

#### **6. VOTING**

- 6.1 If a Shareholder meeting is held under rule 3.1(b), unless a poll is demanded, voting at the meeting will be by:
- (a) voting by voice; or
  - (b) voting by show of hands,
- and the Chair of the meeting will decide which method is used.
- 6.2 A declaration by the Chair of the meeting that a resolution is carried by the necessary majority is conclusive evidence of that fact unless a poll is demanded.
- 6.3 Subject to the Shareholders' Agreement and to any rights or restrictions attached to any Share:
- (a) where voting is by voice or a show of hands, every Shareholder present in person or by representative has one vote; and
  - (b) on a poll every Shareholder present in person or by representative has one vote in respect of every Share held by that Shareholder which entitles a Shareholder to vote; and

- (c) in the case of an equality of votes, the chair of the meeting does not have a casting vote.

## **7. PROXIES AND POSTAL VOTES**

- 7.1 Subject to the terms of the Shareholders' Agreement, each Shareholder has the right to appoint a representative as its proxy to attend and vote at Shareholder meetings on its behalf. Any such representative so appointed is entitled to attend and be heard at Shareholder meetings and to demand or join in demanding a poll, as if that representative was the relevant Shareholder.
- 7.2 A Shareholder may not cast a postal vote at a Shareholders' meeting unless the Board has previously authorised postal votes for that meeting in which case:
  - (a) the notice of that meeting must state whether postal votes are authorised; and
  - (b) postal voting must be carried out in accordance with clause 7 of Schedule 1 to the Companies Act.

## **8. MINUTES**

- 8.1 The Board must ensure that minutes are kept of all proceedings at Shareholder meetings.
- 8.2 Minutes which have been signed correct by the Chair of the meeting are prima facie evidence of the proceedings.

## **9. SHAREHOLDER PROPOSALS**

- 9.1 The Shareholders or may give written notice to the Board of a matter the Shareholder proposes to raise for discussion or resolution at the next Shareholder meeting. The provisions of clause 9 of Schedule 1 of the Companies Act apply to any notice given under this rule 9.1.
- 9.2 The Chair of a Shareholder meeting will allow a reasonable opportunity for the Shareholders to question, discuss or comment on the management of the Company.

## **10. OTHER PROCEEDINGS**

- 10.1 Except as provided in this Schedule 1, and subject to this Constitution, a Shareholder meeting and the Shareholders Representative Forum may regulate its own procedure.

## SCHEDULE 2

### Rules for Board Proceedings

#### 1. NOTICE OF MEETING

- 1.1 A Director or, if requested by a Director to do so, an employee of the Company, may convene a meeting of the Board by giving notice in accordance with this rule 1.
- 1.2 At least five Business Days' notice of a meeting of the Board must be given to every Director. The notice must include the date, time and place of the meeting and the matters to be discussed.
- 1.3 An irregularity in the notice of the meeting is waived if all Directors attend the meeting without protest as to the irregularity or if all Directors entitled to receive notice of the meeting agree to the waiver.
- 1.4 Notice of a meeting may be given by any means, including by telephone or email. Notice given by a letter addressed to a Director at his or her last known residential address in New Zealand will be deemed to have been given on the next Business Day after the letter is posted.

#### 2. METHOD OF HOLDING MEETINGS

- 2.1 The Board may meet in person or by any technological means that allow participating Directors to be in communication with other participating Directors in a manner that is relatively contemporaneous. Where Directors are not all in attendance in one place but are holding a meeting through such a system of communication:
- (a) the participating Directors will be taken to be assembled together at a meeting and present at that meeting (including for the purposes of quorum requirements);
  - (b) the meeting will be taken to be held at the place agreed to by the participating Directors so long as at least one participating Director is physically present at that place; and
  - (c) all proceedings at meetings conducted in such a manner will be valid and effective as if conducted at a meeting at which all of them were physically present.

#### 3. QUORUM

- 3.1 At any meeting of Directors:
- (a) a quorum will only be present if at least three Directors are present; and
  - (b) any resolution, unless otherwise specified in this Constitution or the Shareholders' Agreement, will be passed if a majority of the votes cast on it are in favour of it.

- 3.2 If a quorum is not present within 30 minutes of the time appointed for the commencement of the Board meeting, the Board meeting must be adjourned to the same day in the following week at the same time and place, or to such other date, time and place as the Chair may appoint, and if at the adjourned meeting a quorum is not present within one hour after the time appointed for the commencement of the meeting, the Directors present (regardless of the person who appointed them) will constitute a quorum. No business may be transacted at a meeting of Directors if a quorum is not present.

#### **4. VOTING**

- 4.1 Every Director has one vote.
- 4.2 The Chair does not have a casting vote.
- 4.3 Subject to clause 12.12, a resolution of the Board is passed if it is agreed to by all Directors present without dissent or if a majority of the votes cast on it are in favour of it.
- 4.4 A Director who abstains from voting is not presumed to have voted in favour of the relevant resolution of the Board.

#### **5. MINUTES**

- 5.1 The Board must ensure minutes are kept of all proceedings at meetings of the Board.

#### **6. RESOLUTIONS**

- 6.1 A resolution in writing, signed or assented to by all Directors then entitled to receive notice of a Board meeting, is as valid and effective as if it had been passed at a meeting of the Board duly convened and held.
- 6.2 A resolution may consist of several documents (including facsimile or other similar means of communication) in like form each signed or assented to by one or more Directors.
- 6.3 A copy of all resolutions must be entered in the minute book of Board proceedings.

#### **7. NO NOTICE TO DIRECTORS OUTSIDE NEW ZEALAND**

- 7.1 It is not necessary to give notice of a meeting of the Board to any Director temporarily absent from New Zealand.

#### **8. OTHER PROCEEDINGS**

- 8.1 Except as provided in this Schedule 2 and this Constitution, the Board may regulate its own procedure.

# Shareholders' Agreement relating to [Water Hawke's Bay] Limited

---

## **PARTIES**

Central Hawkes Bay District Council

Hastings District Council

Napier City Council

[Water Hawke's Bay] Limited

## CONTENTS

SCHEDULE 1 .....	1
AGREEMENT DETAILS .....	1
SCHEDULE 2 .....	1
TERMS AND CONDITIONS .....	1
1. DEFINITIONS AND INTERPRETATION .....	1
2. ESTABLISHMENT OF COMPANY .....	4
3. PURPOSE OF COMPANY .....	5
4. BOARD AND DIRECTORS .....	5
5. SHAREHOLDERS' OBLIGATIONS .....	6
6. SHAREHOLDERS REPRESENTATIVE FORUM .....	6
7. LOANS AND GUARANTEES BY SHAREHOLDERS .....	7
8. STATEMENT OF EXPECTATIONS .....	8
9. ADDITIONAL SHARES AND ADJUSTMENTS TO SHAREHOLDINGS .....	9
10. SHAREHOLDER ENTRY AND EXIT .....	10
11. SECURITY INTERESTS, AMALGAMATION .....	10
12. TERM AND TERMINATION .....	10
13. CONSEQUENCES OF TERMINATION .....	11
14. DEFAULT .....	11
15. DISPUTE RESOLUTION .....	12
16. CONFIDENTIAL INFORMATION AND PUBLIC ANNOUNCEMENTS .....	13
17. NOTICES .....	14
18. GENERAL .....	15
SCHEDULE 3 .....	17
Matters requiring Shareholder approval .....	17
SCHEDULE 4 .....	18
Form of Shareholders Representative Forum Terms of Reference .....	18
SCHEDULE 5 .....	23
Statement of Expectations .....	23
SCHEDULE 6 .....	26
Shareholder Entry Principles .....	26
1. <b>Process for admission as new Shareholder</b> .....	26
2. <b>Terms of admission of new Shareholder</b> .....	26
3. <b>Merging with other Water Organisations</b> .....	27
SCHEDULE 7 .....	28
Shareholder Exit Principles .....	28

<b>1. Process for Exit</b> .....	28
<b>2. Terms of Exit</b> .....	28

**AGREEMENT** dated

2026

**PARTIES**

Central Hawke's Bay District Council

Hastings District Council

Napier City Council

(Each a "**Council**" and together the "**Councils**")

[Water Hawke's Bay] Limited

("Company")

**BACKGROUND**

- A. Central Hawke's Bay District Council, Hastings District Council and Napier City Council are Shareholders in the Company and have entered into this agreement to record how the parties will manage their shareholdings in the Company and their respective relationships with each other.
- B. The Company is party to this agreement to record certain obligations to it by, and owed by it to, the Shareholders.
- C. The terms and conditions of this agreement are set out in Schedule 1 (Agreement Details) and Schedule 2 (Terms and Conditions).

**SIGNATURES**

**CENTRAL HAWKE'S BAY DISTRICT COUNCIL**

By:

\_\_\_\_\_  
Signature of Authorised Signatory

\_\_\_\_\_  
Signature of Authorised Signatory

\_\_\_\_\_  
Name of Authorised Signatory

\_\_\_\_\_  
Name of Authorised Signatory

**HASTINGS DISTRICT COUNCIL**

By:

\_\_\_\_\_  
Signature of Authorised Signatory

\_\_\_\_\_  
Signature of Authorised Signatory

\_\_\_\_\_  
Name of Authorised Signatory

\_\_\_\_\_  
Name of Authorised Signatory

**NAPIER CITY COUNCIL**

By:

\_\_\_\_\_  
Signature of Authorised Signatory

\_\_\_\_\_  
Signature of Authorised Signatory

\_\_\_\_\_  
Name of Authorised Signatory

\_\_\_\_\_  
Name of Authorised Signatory

**[WATER HAWKE'S BAY] LIMITED**

By:

\_\_\_\_\_  
Signature of Authorised Signatory

\_\_\_\_\_  
Signature of Authorised Signatory

\_\_\_\_\_  
Name of Authorised Signatory

\_\_\_\_\_  
Name of Authorised Signatory

\_\_\_\_\_

**SCHEDULE 1**  
**AGREEMENT DETAILS**

<p><b>Initial share issue and shareholding</b></p> <p><i>(Clause 2.2, Schedule 2)</i></p>	<p>Shares on issue in the Company as at incorporation: [100] fully paid ordinary shares at an issue price of \$1.00 per share.</p> <p>Shareholdings as at incorporation:</p> <table border="1" data-bbox="600 622 1217 792"> <thead> <tr> <th>Shareholder</th> <th>Number of Shares</th> </tr> </thead> <tbody> <tr> <td>Central Hawke's Bay District Council</td> <td>[10] (10%)</td> </tr> <tr> <td>Hastings District Council</td> <td>[45] (45%)</td> </tr> <tr> <td>Napier City Council</td> <td>[45] (45%)</td> </tr> </tbody> </table>		Shareholder	Number of Shares	Central Hawke's Bay District Council	[10] (10%)	Hastings District Council	[45] (45%)	Napier City Council	[45] (45%)
Shareholder	Number of Shares									
Central Hawke's Bay District Council	[10] (10%)									
Hastings District Council	[45] (45%)									
Napier City Council	[45] (45%)									
<p><b>Other matters to be included in the Statement of Expectations</b></p> <p><i>(Clause 8.2(b), Schedule 2)</i></p>	<p>As set out in Schedule 5.</p>									
<p><b>Interest rate payable on payment default</b></p> <p><i>(Clause 14.3(a), Schedule 2)</i></p>	<p>Bill Rate plus [5]% per annum.</p>									
<p><b>Place of arbitration</b></p> <p><i>(Clause 15.5(c), Schedule 2)</i></p>	<p>Hawke's Bay.</p>									
<p><b>Address for notices</b></p> <p><i>(clause 17.1, Schedule 2)</i></p>	<p><b>Central Hawke's Bay District Council</b></p>	<p><b>Hastings District Council</b></p>								
	<p>28/32 Ruataniwha Street Waipawa 4210</p> <p>Email: [Insert details]</p> <p>Attention: [Insert details]</p>	<p>207 Lyndon Road East Hastings 4122</p> <p>Email: [Insert details]</p> <p>Attention: [Insert details]</p>								
	<p><b>Napier City Council</b></p>	<p><b>[Water Hawke's Bay Limited]</b></p>								

	<p>215 Hastings Street Napier South Napier 4110</p> <p>Email: [Insert details]</p> <p>Attention: [Insert details]</p>	<p>[insert physical and postal address details of Company]</p> <p>Email: [Insert details]</p> <p>Attention: [Insert details]</p>
<p><b>Shareholders Representative Forum membership</b></p> <p><i>(Schedule 4)</i></p>	<p>Each Shareholder will have the right to appoint up to 3 members of the Shareholders' Representative Forum.</p> <p>Each Shareholder shall appoint its members to the Shareholders' Representative Forum by notice to each other Shareholder as soon as practicable following the adoption of this Agreement.</p> <p>The SRF Members will appoint the Chairperson of the SRF as set out in Schedule 4.</p>	

## SCHEDULE 2

### TERMS AND CONDITIONS

#### AGREEMENT

#### 1. DEFINITIONS AND INTERPRETATION

1.1 **Definitions:** In this agreement the following definitions apply:

"**Board**" means the board of Directors of the Company.

"**Business**" means the business and activities set out in clause 2.2 – 2.5 of the Constitution.

"**Business Day**" means any day other than a Saturday, Sunday or statutory public holiday in Hawke's Bay, New Zealand.

"**Companies Act**" means the Companies Act 1993.

"**Confidential Information**" means the provisions of this agreement and all other information of a confidential nature (which, where the confidentiality of the information is not expressly stated, shall be determined by the recipient, acting reasonably) obtained by one party from the other party under or in connection with this agreement, including, in relation to the Company, trade secrets, proprietary information and confidential information belonging to the Company that are not generally known to the public, including information concerning business plans, financial statements and other information provided pursuant to this agreement, operating practices and methods, expansion plans, strategic plans, marketing plans, contracts, customer lists or other business documents which the Company treats as confidential, and any other information in respect of which the Company is bound by an obligation of confidence owed to a third party.

"**Constitution**" means the constitution of the Company as filed with the New Zealand Companies Office on the incorporation of the Company, as amended from time to time.

"**Director**" means a director of the Company.

"**Event of Default**" in respect of a Shareholder means where a Shareholder breaches or fails to observe any of the obligations under this agreement and:

- (a) if that breach or failure is capable of remedy, does not remedy that breach or failure within 20 Business Days of notice from any other Shareholder specifying the breach or failure and requiring remedy;
- (b) if that breach or failure is not capable of remedy, that breach or failure is material in the context of the obligations of that Shareholder under this agreement.

"**Financial Year**" means:

- (a) the period from the Incorporation Date to 30 June immediately following the Incorporation Date;
- (b) each subsequent period commencing on 1 July and ending on the next 30 June during the Term; and

- (c) the period from 1 July immediately preceding the end of the Term, to the end of the Term.

**"Heads of Agreement"** means the Regional WSCCO Heads of Agreement between the Shareholders dated 4 September 2025.

**"Incorporation Date"** means the date on which the Company is incorporated as determined by the date recorded by the New Zealand Companies Office.

**"Independent Director"** means a person who, in the determination of the Shareholders Representative Forum, is free from any association that could materially interfere with the exercise of their independent judgement as a director of the Company, including that the person:

**"LGA"** means the Local Government Act 2002.

**"LGFA"** means the New Zealand Local Government Funding Agency Limited.

**"LG(WS) Act"** means the Local Government (Water Services) Act 2025.

**"Local Authority"** has the meaning given to it in the LGA.

**"Material"** means material in the context of the Business and assets of the Company as a whole.

**"Operational Date"** has the meaning given to it in the Constitution.

**"Ordinary Resolution"** means a resolution approved by:

- (a) a majority of at least 67% of the votes (with one vote per Share) of the Shareholders; and
- (b) at least two of the three Shareholders,

entitled to vote and voting on the question.

**"Reserved Matters"** means matters of the nature listed in Schedule 3.

**"Security Interest"** includes a mortgage, debenture, charge, lien, pledge, assignment or deposit by way of security, bill of sale, lease, hypothecation, hire purchase, credit sale, agreement for sale on deferred terms, option, right of pre-emption, caveat, claim, covenant, interest or power in or over an interest in an asset and any agreement or commitment to give or create any such security interest or preferential ranking to a creditor including set off.

**"Service Area"** has the meaning set out in the LG(WS) Act.

**"Shares"** means shares in the Company on issue from time to time.

**"Shareholder"** means a shareholder in the Company and includes any person who subsequently becomes a shareholder. Where Shares are held by persons jointly, those persons are considered one Shareholder for the purpose of this agreement.

**"Shareholders Representative Forum"** or **"SRF"** means the joint committee formed by the Shareholders pursuant to clause 6.1.

"**SRF Member**" means a member of the Shareholders Representative Forum.

"**Special Resolution**" means a resolution that is approved by a majority of 75% of the votes of those Shareholders entitled to vote and voting on the question.

"**Statement of Expectations**" has the meaning given to it in LG(WS) Act.

"**Terms of Reference**" means the terms of reference of the Shareholders Representative Forum in the form set out in Schedule 4 as amended from time to time by agreement of the Shareholders.

"**Transfer Agreement**" means the agreement to be entered into between each Shareholder and the Company in accordance with the requirements of the LG(WS) Act.

"**Water Services Annual Budget**" has the meaning set out in the LG(WS) Act.

"**Water Service Connection**" means a physical connection to the drinking water network within the Service Area (excluding connections that are not serviced, whether or not such connections are serviceable).

"**Water Services Strategy**" has the meaning set out in the LG(WS) Act.

"**Water Services**" has the meaning set out in the LG(WS) Act, which shall be the water services transferred to the Water Organisation in accordance with the Transfer Agreement between the Water Organisation and each Shareholder.

1.2 **Interpretation:** In this agreement, unless the context otherwise requires:

- (a) headings are for convenience only and do not affect interpretation;
- (b) the singular includes the plural and vice versa, and a gender includes other genders;
- (c) another grammatical form of a defined word or expression has a corresponding meaning;
- (d) words in this agreement have the same meaning as in the Companies Act unless inconsistent with the context;
- (e) a reference to a party, person or entity includes:
  - (i) an individual, firm, company, trust, partnership, joint venture, association, corporation, body corporate, estate, state, government or any agency thereof, municipal or local authority and any other entity, whether incorporated or not (in each case whether or not having a separate legal personality); and
  - (ii) an employee, agent, successor, permitted assign, executor, administrator and other representative of such party, person, entity;
- (f) a reference to dollars or \$ is to New Zealand currency and excludes every tax and duty;
- (g) a reference to a clause or schedule is to a clause or schedule of this agreement;

- (h) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re enactments or replacements of any of them;
- (i) references to the word 'include' or 'including' are to be construed without limitation;
- (j) references to any form of law is to New Zealand law, including as amended or re-enacted;
- (k) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (l) "written" and "in writing" include any means of reproducing words, figures or symbols in a tangible and visible form;
- (m) any obligation falling due for performance on or by a day other than a Business Day shall be performed on or by the Business Day immediately following that day; and
- (n) an obligation not to do something includes an obligation not to allow or cause that thing to be done.

1.3 **Subsidiaries of the Company:** If at any time the Company has a subsidiary (as defined in the Companies Act) or subsidiaries, clauses 3.1, 5.1 and 6.1 shall be read so as to relate to the group of companies consisting of the Company and its subsidiaries, rather than to the Company alone.

1.4 **Constitution:** In the event of any inconsistency between this agreement and the Constitution, this agreement will (as between the parties) prevail over the Constitution to the extent of the inconsistency (and consistent with the Companies Act) and the Shareholders Representative Forum will take such steps necessary to resolve the inconsistency.

## 2. ESTABLISHMENT OF COMPANY

2.1 **Incorporation:** The Shareholders shall immediately after signing this agreement take all steps necessary (including signing documents) to incorporate the Company as a New Zealand registered company, as follows:

2.2 **Initial Issue of Shares:** The Company shall immediately upon incorporation have the number of shares set out in Schedule 1 which, on issue, will be held by the Shareholders set out in Schedule 1.

2.3 **Subsequent Adjustments to Shareholdings:** Subject to clause 2.4, the Shareholders agree that their intention is that each Shareholders' shareholding following the Operational Date will be calculated as follows:

- (a) the number of Water Service Connections that can be attributed to that Shareholder, as a percentage of the total number of Water Service Connections in the Service Areas, multiplied by 70%; plus
- (b) 33% (being an equal allocation to each of the Shareholders), multiplied by 30%.

2.4 **Minimum and Maximum Shareholdings:** If:

- (a) the application of the formula in clause 2.3 would at the relevant time result in any Shareholder holding 50% or more of the total Shares:
  - (i) that Shareholder's shareholding will be reduced to 49.9%; and
  - (ii) the remaining Shareholders percentages will be increased pro-rata as to their respective shareholdings to get to 100% in total shareholdings;
- (b) the application of the formula in clause 2.3 would at the relevant time result in any Shareholder having a shareholding of less than 10%:
  - (i) that Shareholder's shareholding will be increased to 10%; and
  - (ii) the remaining Shareholders shareholding percentages will be reduced pro-rata as to their respective shareholdings to get to 100% in aggregate of the percentage shareholdings of all of the Shareholders.

### 3. PURPOSE OF COMPANY

- 3.1 **Purpose:** It is the intention of the Shareholders that the Company is to carry on the Business, in accordance with the LG(WS) Act, the Constitution and this agreement.
- 3.2 **Treaty of Waitangi:** The Shareholders must comply with all applicable statutory and regulatory obligations relating to Māori and the Treaty of Waitangi, including those set out in the LGA and LG(WS) Act.
- 3.3 **Ringfencing:** The Company will ensure that it:
  - (a) operates the Business in a way that ringfences the operational and financing costs (including debt repayments) of its operations in respect of each Council's region; and
  - (b) sets its water charges in respect of each Council's region based on the funding required by the Company to deliver the Water Services in that region.
- 3.4 **Retention of Public Ownership:** The Shareholders agree that all water services infrastructure and related assets owned by the Company shall remain in public ownership. This does not preclude the Company from accessing or benefiting from private funding or financing arrangements, provided such arrangements do not result in any transfer of ownership of those assets. No Shareholder will take any steps to approve or otherwise give effect to any action which is inconsistent with this clause.

### 4. BOARD AND DIRECTORS

- 4.1 **Initial Directors:** The Directors of the Company as at incorporation are: [names]
- 4.2 **Board:**
  - (a) The Shareholder Representative Forum will appoint each Director in accordance with the Board Skills Matrix, with the aim of ensuring that the Board as a whole has the skills required by the Board Skills Matrix.

- (b) The Company will have the number of Directors that comply with in the Constitution.
- (c) The Directors will be appointed and removed in accordance with the Constitution.
- (d) All Directors will be Independent Directors. A Director who ceases to be an Independent Director must be replaced as soon as practicable, in accordance with the Constitution, by another person who satisfies the requirements of an Independent Director.

4.3 **Performance evaluation:** The Board will undertake an annual self-assessment of its performance, in accordance with good governance principles and practices.

## 5. SHAREHOLDERS' OBLIGATIONS

### 5.1 Voting and Shareholder reserved matters:

- (a) Subject to clause 5.1(b) and any resolution that is required by the Companies Act or the Constitution to be passed as a Special Resolution, all resolutions of the Shareholders may be passed by Ordinary Resolution.
- (b) The Company will not enter into any transaction or matter which is a Reserved Matter unless the entry into of that transaction or matter is approved in accordance with the applicable decision-making thresholds for that Reserved Matter set out in Schedule 3.

5.2 **Duty to comply with Constitution:** Each Shareholder shall comply with the Company's Constitution.

5.3 **Compliance with laws:** The Shareholders will each ensure they comply with their, and the Company complies with its, obligations under the LGA, Local Government (Water Services Preliminary Arrangements) Act 2024, the LG(WS) Act and the Companies Act.

5.4 **Spirit of collaborative working:** The Shareholders must at all times act in a spirit of co-operation and collaborative working, endeavouring to act together to allow for the effective communication of the Shareholders' intentions or requirements to the Company.

5.5 **No surprises:** The Shareholders shall use best endeavours to act under the principle of "no surprises", both with the Company and with each other in relation to their respective interests.

## 6. SHAREHOLDERS REPRESENTATIVE FORUM

6.1 **Establishment and Terms of Reference:** Promptly after the date of this agreement, the Shareholders will jointly establish, maintain and operate a Shareholders Representative Forum in accordance with the Terms of Reference to provide overarching governance of the Company, including:

- (a) in relation to the appointment of Directors to the Board of the Company;
- (b) to assist the Shareholders to fulfil their obligations under this agreement; and

(c) where the Company has any obligation to consult with the Shareholders under the LG(W/S) Act or other applicable law, to allow the Company to meet such obligation by consulting with the Shareholders Representative Forum.

6.2 **SRF Members:** Each Shareholder will appoint and may subsequently remove and replace its appointed SRF Members from time to time by that Shareholder providing written notice to the Shareholders Representative Forum and the other Shareholders.

6.3 **Delegations to a SRF Member:** Each Shareholder agrees to delegate to its appointed SRF Member those responsibilities and powers set out in the Appendix to the Terms of Reference.

6.4 **Authority of SRF Members:** Subject to the delegations under clause 6.3, the Shareholders agree that any matter for a Shareholder under this agreement may be exercised by a duly authorised SRF Member.

6.5 **Attendance of SRF Members at meetings:** Each Shareholder shall ensure that its appointed SRF Members attend each meeting of the Shareholders Representative Forum.

6.6 **SRF Meeting Arrangements:**

- (a) the SRF will meet at least quarterly, or at such other times and frequency as it determines;
- (b) the location of meetings will rotate between each of the Councils;
- (c) meetings will be rotated amongst the Councils and supported by Hastings District Council as set out in the Terms of Reference; and
- (d) agendas will be circulated at least three days in advance of a meeting, and minutes will be recorded and confirmed.

Agendas will be circulated at least three days in advance of a meeting, and minutes will be recorded and confirmed.

6.7 **Failure to attend:** If a Shareholder's appointed SRF Member is not present at [2] consecutive meetings of the Shareholders Representative Forum, then that Shareholder will be required, on notice by any other Shareholder, to replace that Shareholder's appointed SRF Member.

## 7. LOANS AND GUARANTEES BY SHAREHOLDERS

7.1 **Loans and guarantees:** No Shareholder will be required to make any loans to the Company or guarantee the obligations of the Company, to any creditor or other party except with the express prior agreement of such Shareholder or as set out in clause 7.2 and 7.3 below.

7.2 **Establishment Funding:** The Shareholders acknowledge and agree that, in advance of the Company receiving revenue from the Business, Hastings District Council will provide working capital funding to the Company for the purpose of meeting the establishment and operating costs of the Company. The terms on which such funding will be provided to the Company (which will include that this funding will be repaid by the Company upon the Company

entering into its own funding arrangements) will be as agreed in writing between the Shareholders and the Company. Each of Central Hawkes Bay District Council and Napier City Council guarantees, and is liable to Hastings District Council for, the amount of such funding, in proportion to its shareholding percentage as at the incorporation of the Company.

- 7.3 **Debt Guarantee:** Each Shareholder will guarantee the LGFA debt of the company on a pro-rata basis based on the number of Water Service Connections attributable to that Shareholder. This pro-rata allocation will be reassessed annually as at 30 June in each year. The guarantee to LGFA will be joint and several. .

## 8. STATEMENT OF EXPECTATIONS

- 8.1 **Preparation:** The Shareholders will be responsible for ensuring that a jointly prepared Statement of Expectations is adopted in accordance with the LG(WS) Act, within the time periods required by the LG(WS) Act. Each Council will provide input into the proposed form of the Statement of Expectations, which will be reviewed and refined by the Shareholders Representative Forum to ensure a jointly agreed Statement of Expectations is adopted by the Shareholders. The Shareholders acknowledge that the first Statement of Expectations needs to be adopted by a date that is not later than 6 months from incorporation of the Company.
- 8.2 **Process:** Unless the Shareholders agree otherwise, or an alternative process is provided for in the LG(WS) Act (in which case that alternative process will be followed):
- (a) the SRF will meet within the timeframes required for the Company to adopt a Water Services Strategy under the LG(WS) Act, to discuss and agree to the process for preparing the next Statement of Expectations, which will include the input provided by each Shareholder for the Statement of Expectations and will be consistent with the Constitution and include consulting with the Company;
  - (b) the SRF Members will ensure that one or more Shareholders publish the process agreed in accordance with clause 8.2(a) on their website in accordance with the LG(WS) Act;
  - (c) the SRF Members will prepare a draft Statement of Expectations in accordance with the process agreed under clause 8.2(a) and the requirements of this agreement and the LG(WS) Act;
  - (d) in addition to the requirements specified in the LG(WS) Act, the draft Statement of Expectations shall also include the matters set out in Schedule 5;
  - (e) the Shareholders must approve and adopt (as a Reserved Matter) the draft Statement of Expectations prepared in accordance with this clause, at least six months prior to the date on which the Company is required to adopt a Water Services Strategy under the LG(WS) Act.

Promptly after the Statement of Expectations has been approved and adopted in accordance with clause 8.2(e), the Statement of Expectations will be provided to the Chairperson of the Board, the Chief Executive of the Company and the Shareholders Representative Forum.

- 8.3 **Amendments to the Statement of Expectations:** If the SRF considers that the Statement of Expectations, or any part of it, should be amended at any time, either on its own initiative or after request by any Shareholder, the SRF will follow the process set out in clause 8.2(b) to (e) above (with all necessary modifications). If any amendments to the Statement of Expectations are made out of cycle with the timing anticipated by the LG(WS) Act, the Shareholders acknowledge that the amended Statement of Expectations may not inform the Water Services Strategy required to be adopted by the Company, and also acknowledge that the Company is not required to amend its Water Services Strategy as a result of the amendments made.
- 8.4 **Compliance:** As far as practicable, the Board will ensure that the business of the Company is conducted in a manner that gives effect to the Statement of Expectations.

## 9. ADDITIONAL SHARES AND ADJUSTMENTS TO SHAREHOLDINGS

- 9.1 **Share Issue:** Additional Shares in the Company may be issued:
- (a) with the written approval of all Shareholders;
  - (b) to an existing Shareholder in accordance with the process set out in clause 9.2; or
  - (c) to a third party in accordance with the process set out in clause 10.2.
- 9.2 **Periodic adjustment to Shareholdings:** The Shareholders agree that their intention is for each Shareholder's shareholding in the Company to be consistent with the provisions of clauses 2.3 and 2.4. To maintain this equivalency over time:
- (a) the Company will conduct a review of Water Service Connections across the Service Areas of the Shareholders every five years, with the first review to occur five years after the Operational Date. This review will ensure that the allocation of Shares continues to reflect the number of Water Service Connections and is adjusted to account for any material changes in a Shareholder's Service Area, including (but not limited to) changes arising from population growth, boundary adjustments, amalgamations, or other relevant factors. The requirement to carry out such a review may be waived by a Special Resolution of the Shareholders; and
  - (b) if there has been a material change in the number of Water Service Connections in the Service Areas of two or more Shareholders, including as a result of an amalgamation affecting an existing Shareholder or a change to the Service Area boundary, the Shareholders may, by a Special Resolution, agree to undertake a review of Water Service Connections and shareholdings at a time other than the scheduled five-yearly reviews under clause 9.2(a).
  - (c) at least 10 Business Days after notifying the Shareholders and the Shareholders Representative Forum under clause 9.2(b), but promptly thereafter, the Board and the Shareholders must take all steps necessary to issue and/or acquire and cancel Shares in the Company in such number and in respect of such Shareholders as is required to ensure that, immediately following such issuance and/or cancellation, each Shareholder holds the proportion of Shares calculated under clause 9.2(b); and

- (d) all shares acquired or issued under this clause 9.2 as part of any periodic adjustment to shareholdings shall be acquired or issued for nil consideration.

9.3 **Disputes:** Any dispute as to the operation of, and calculations under, clause 9.2 will be resolved in accordance with clause 15, provided that if the Board receives a notice of dispute pursuant to clause 15 within 5 Business Days after notice has been given under clause 9.2(b), the Board will not proceed to take any action under clause 9.2(c) until the dispute has been resolved under clause 15, following which the Board may take such action or make such adjustments as it deems necessary to give effect to any change in shareholdings, including in respect of transactions that may have occurred prior to the resolution of the dispute but on a basis consistent with the determined outcome of the dispute.

## 10. SHAREHOLDER ENTRY AND EXIT

- 10.1 **No sale:** No Shareholder shall directly or indirectly sell, transfer, or dispose of the legal or beneficial ownership of, or the control of, any of its Shares otherwise than in compliance with this clause 10, the Constitution and LG(WS) Act.
- 10.2 **New Shareholders:** A Local Authority who is not an existing Shareholder may be admitted as an additional Shareholder in accordance with the process and requirements set out in Schedule 6.
- 10.3 **Shareholder Exit:** A Shareholder who wishes to exit from its shareholding in the Company may do so in accordance with the process and requirements set out in Schedule 7.

## 11. SECURITY INTERESTS, AMALGAMATION

- 11.1 **No Security Interest:** A Shareholder must not grant a Security Interest over any of its Shares.
- 11.2 **Amalgamation of Local Authorities:** In the event of an amalgamation or any other change in the governance structure of a Shareholder, the Shareholders will meet and discuss the effect of the amalgamation on the shareholding structure of the Company and will exercise their voting rights to ensure that the shareholding percentages for the Shares remain reasonable as agreed by all Shareholders.

## 12. TERM AND TERMINATION

- 12.1 **Term:** This agreement commences on the date signed by all parties and continues until the first date on which:
- (a) only one Shareholder owns all Shares;
  - (b) none of the Shareholders hold Shares; or
  - (c) the date on which the Company is liquidated or otherwise wound-up.

### 13. CONSEQUENCES OF TERMINATION

- 13.1 **Effect of termination:** Any termination of this agreement with respect to a Shareholder does not affect any accrued rights that Shareholder may have against the other parties to this agreement or which the other parties to this agreement may have against it.
- 13.2 **Survival:** Termination of this agreement will not affect the rights and obligations of the Shareholders set out in clauses [1, 13, 15, 16, 17 and 18] which are intended to survive the termination of this agreement.

### 14. DEFAULT

- 14.1 **Suspension:** If an Event of Default occurs in respect of a Shareholder (the "**Defaulting Shareholder**") the Non-Defaulting Shareholders may, while that Event of Default continues, by notice in writing to the Defaulting Shareholder require that the Defaulting Shareholder is suspended as follows:

- (a) all rights of the Defaulting Shareholder under this agreement (including the right to vote on a Reserved Matter) and all rights attaching to the Defaulting Shareholder's Shares ("**Default Shares**") (including voting) are suspended and the Default Shares are not to be counted for the purpose of determining a quorum for a Shareholders meeting; and
- (b) all Director appointment rights of the Defaulting Shareholder are suspended; and
- (c) all voting rights of the Defaulting Shareholder's SRF Members are suspended.,

provided that such suspension will be lifted by the Non-Defaulting Shareholders if the Event of Default has been remedied to the reasonable satisfaction of the Non-Defaulting Shareholders.

- 14.2 **Non-Defaulting Shareholder:** For the purposes of clause 14.1:

- (a) "Non-Defaulting Shareholders" means all Shareholders which are not the Defaulting Shareholder, other than any such Shareholder which is a Related Party of the Defaulting Shareholder; and
- (b) any notice which may be given by the Non-Defaulting Shareholders may be given by a Shareholder or Shareholders which holds or hold more than half of the Shares held by all Non-Defaulting Shareholders.

- 14.3 **Default interest:** If any party does not pay any amount payable under this agreement on the due date for payment ("**Due Date**") that party shall pay to the party to which the amount payable, interest (both before and after judgment) on that amount. That interest:

- (a) shall be paid at the rate set out in Schedule 1;
- (b) shall be paid by instalments at intervals of ten Business Days from the Due Date; and
- (c) shall be calculated on a daily basis from and including the Due Date until the unpaid amount is paid in full.

The right of a party to require payment of interest under this clause does not limit any other right or remedy of that party.

- 14.4 **Other remedies:** Clauses 14.1 and 14.3 are without prejudice to any other right, power or remedy under this agreement, at law, or otherwise, that any Shareholder has in respect of a default by any other Shareholder.

## 15. DISPUTE RESOLUTION

- 15.1 **Notice in writing:** If a party claims that a dispute has arisen, that party must give written notice to the other parties. The written notice must specify the nature of the dispute.

- 15.2 **Interested Shareholder:** At any time following receipt of the Dispute Notice, a Shareholder may, where they are not directly involved in the dispute, provide notice to the other Shareholders:

- (a) that they are interested in the subject matter of the dispute, in which case they (along with the Shareholders which are directly involved in the dispute) will be considered to be "**Interested Shareholders**"; and
- (b) where they have previously given notice under clause 15.2(a), that they are no longer interested in the dispute, in which case, that Shareholder will not or no longer be considered to be an Interested Shareholder.

- 15.3 **Negotiation:**

- (a) On receipt of a notice delivered in accordance with clause 15.1 and before any party may refer a dispute to mediation, the Chief Executive of each shareholder Council (**CE**) must, in good faith and acting reasonably, do their best to resolve the dispute quickly and efficiently through negotiation.
- (b) If any CE considers that the dispute is not being resolved in a timely manner, that CE may serve written notice on the other parties' CEs to escalate the dispute to the SRF or equivalent (where the Representatives are not a member of the SRF or equivalent) of the applicable Shareholders for resolution.
- (c) If the dispute has not been resolved within 20 Business Days (or within such other period as agreed by the parties) of the date of the notice referred to in clause 15.3, any party may submit the dispute to mediation.

- 15.4 **Mediation:**

- (a) If the parties do not resolve the dispute by negotiation, the parties must, in good faith and acting reasonably, do their best to resolve the dispute by participating in mediation with an independent mediator.
- (b) If the parties do not agree on a mediator, then the mediator will be appointed by the New Zealand Dispute Resolution Centre.
- (c) The parties must mediate the dispute in accordance with principles agreed between them or, if no agreement can be reached, the New Zealand Dispute Resolution Centre Mediation Rules.

- (d) Unless the parties agree otherwise, the mediator's fee and any other costs of the mediation itself (such as for venue hire or refreshments) will be shared equally between the parties, but the parties will each pay their own costs of preparing for and participating in the mediation (such as for travel and legal representation).

## 15.5 Arbitration

- (a) If the dispute has not been resolved within 40 Business Days (or within such other period as agreed by the parties) of the dispute being referred to mediation, any party (the "**Initiating Party**") may refer such dispute to binding arbitration by issuing a written notice ("**Arbitration Notice**") to the other Party or Parties (together with the Initiating Party, the "**Disputing Parties**") for final resolution in accordance with the provisions of this clause 15.5 and in accordance with the provisions of the Rules of Arbitration of the New Zealand Dispute Resolution Centre, as amended or modified from time to time ("**NZDRC Rules**").
- (b) The arbitral panel shall consist of one arbitrator. The arbitrator will be appointed by the agreement of the Disputing Parties or, failing agreement within 10 Business Days of the date of the Arbitration Notice, in accordance with the NZDRC Rules.
- (c) The seat of arbitration shall be as set out in Schedule 1 and the arbitration shall be conducted in the English language.
- (d) The award of the arbitration shall be in writing and must include reasons for the decision.
- (e) The award of the arbitration shall be final and binding on the parties. No party may appeal to the High Court under Clause 5 of the Second Schedule of the Arbitration Act 1996 on any question of law arising out of an award.
- (f) The award shall allocate or apportion the costs of the arbitration as the arbitrator deems fair.
- (g) Neither the existence of any dispute nor the fact that any arbitration is pending hereunder shall relieve any of the Parties of their respective obligations under this agreement.

15.6 **Implementation of agreement:** The parties must do whatever is reasonably necessary to put into effect any negotiated or mediated agreement, arbitral award or other resolution. This includes exercising voting rights and other powers as required.

15.7 **Rights and obligations during a dispute:** During a dispute, each party must continue to perform its obligations under this agreement.

15.8 **Interlocutory relief and right to terminate:** This clause does not restrict or limit the right of a party to obtain interlocutory relief, or to immediately terminate this agreement where this agreement provides such a right.

## 16. CONFIDENTIAL INFORMATION AND PUBLIC ANNOUNCEMENTS

16.1 **Confidentiality:** Each party must keep confidential the Confidential Information, and must not disclose or permit the disclosure of such Confidential Information to any other person. If

a party becomes aware of a breach of this obligation, that party will immediately notify the other parties.

16.2 **Further permitted use and disclosure:** This agreement does not prohibit the disclosure of Confidential Information by a party in the following circumstances:

- (a) the other parties have consented to the disclosure of the relevant Confidential Information;
- (b) the disclosure is specifically contemplated and permitted by this agreement;
- (c) the disclosure of Confidential Information is to an employee, subcontractor, agent or representative who needs it for the purposes of this agreement;
- (d) the disclosure is to a professional adviser in order for it to provide advice in relation to matters arising under or in connection with this agreement;
- (e) the disclosure is required by a court or governmental or administrative authority; or
- (f) the disclosure is required by applicable law or regulation, including under the Local Government Official Information and Meetings Act 1987.

16.3 **Public announcements and media releases:** Each Shareholder agrees that it will not make any public announcements or issue media releases in connection with, or on behalf of, the other Shareholders or the Company in relation to the Company or Water Services, except with the written consent of the other Shareholders. Nothing in this provision shall prohibit or restrict a Shareholder from making a public announcements or media releases in connection with the Shareholder's own involvement with, or policies in relation to, the Company.

## 17. NOTICES

17.1 **Giving notices:** Any notice or communication given to a party under this agreement is only given if it is in writing and sent in one of the following ways:

- (a) Delivered or posted to that party at its address and marked for the attention of the relevant department or officer (if any) set out in Schedule 1.
- (b) Emailed to that party at its email address and marked for the attention of the representative set out in Schedule 1.

17.2 **Change of details:** If a party gives the other party three Business Days' notice of a change of its postal address or email address, any notice or communication is only given by that other party if it is delivered, posted or emailed to the latest postal address or email address.

17.3 **Time notice is given:** Any notice or communication is to be treated as given at the following time:

- (a) If it is delivered, when it is left at the relevant address.
- (b) If it is sent by post, five Business Days after it is posted.

- (c) If it is sent by email, when it is received in readable form addressed in the manner specified above.

However, if any notice or communication is given, on a day that is not a Business Day or after 5pm on a Business Day, in the place of the party to whom it is sent it is to be treated as having been given at the beginning of the next Business Day.

## 18. GENERAL

- 18.1 **Heads of Agreement:** The Heads of Agreement will be deemed to have been terminated agreement of the Shareholders on the date of this agreement, provide that nothing in this agreement will operate to affect any post-termination obligations on the parties under the Heads of Agreement.
- 18.2 **No partnership, joint venture:** Nothing in this agreement shall create or evidence any partnership, joint venture, agency, trust or employer/employee relationship between any of the Shareholders, and a Shareholder may not make, or allow to be made, any representation that any such relationship exists between any of the Shareholders. A Shareholder shall not have authority to act for, or to incur any obligation on behalf of, any other Shareholder, except as expressly provided for in this agreement.
- 18.3 **No privity:** Other than as expressly provided for in this agreement, this agreement is not intended to confer a benefit on any person or class of persons who is not a party to it.
- 18.4 **Board action:** Wherever this agreement requires the Board to do anything, each Shareholder shall take all steps available to it to ensure that the Director or Directors appointed by that Shareholder takes all necessary steps to do that thing.
- 18.5 **Counterparts:** This agreement is deemed to be signed by a Shareholder if that Shareholder has signed or attached that Shareholder's signatures to any of the following formats of this agreement:
- (a) an original; or
  - (b) a photocopy; or
  - (c) an electronic copy;
- and if every Shareholder has signed or attached that Shareholder's signatures to any such format and delivered it in any such format to the other Shareholders, the executed formats shall together constitute a binding agreement between the Shareholders.
- 18.6 **Entire agreement:** This agreement contains everything the parties have agreed in relation to the subject matter it deals with. No party can rely on an earlier written agreement or anything said or done by or on behalf of another party before this agreement was executed.
- 18.7 **Severance:** If any provision of this agreement is, or becomes unenforceable, illegal or invalid for any reason it shall be deemed to be severed from this agreement without affecting the validity of the remainder of this agreement and shall not affect the enforceability, legality, validity or application of any other provision of this agreement.

- 18.8 **Further assurance:** Each Shareholder shall make all applications, execute all documents and do or procure all other acts and things reasonably required to implement and to carry out its obligations under, and the intention of, this agreement.
- 18.9 **Variation:** No variation of this agreement will be of any force or effect unless it is in writing and signed by the parties to this agreement.
- 18.10 **Assignments and transfer:** A party must not assign or transfer any of its rights or obligations under this agreement without the prior written consent of each of the other parties.
- 18.11 **Costs:** Except as otherwise set out in this agreement, each party must pay its own costs and expenses, including legal costs and expenses, in relation to preparing, negotiating, executing and completing this agreement and any document related to this agreement.
- 18.12 **Waivers:**
- (a) A waiver of any right, power or remedy under this agreement must be in writing signed by the Council granting it. A waiver only affects the particular right, obligation or breach for which it is given. It is not an implied waiver of any other right, obligation or breach or an implied waiver of that right, obligation or breach on any other occasion.
  - (b) The fact that a party fails to do, or delays in doing, something the party is entitled to do under this agreement does not amount to a waiver.
- 18.13 **Governing law:** This agreement is governed by the laws of New Zealand.

### SCHEDULE 3

#### Matters requiring Shareholder approval

Matter or transaction	Approval requirement
<b><i>Special Resolution Matters</i></b>	
Any amendment to, revocation of, or adoption of, the Constitution.	Special Resolution
"Major transactions" as that term is defined in the Companies Act.	Special Resolution
Any resolution to put the Company into liquidation.	Special Resolution
Any resolution to amalgamate the Company with one or more other companies.	Special Resolution
<b><i>Statement of Expectations</i></b>	
A decision to approve and adopt the draft Statement of Expectations.	Ordinary Resolution
<b><i>Shareholdings/Shares</i></b>	
Any issue of Shares, securities that are convertible into or exchangeable for Shares, or options to acquire Shares.	Ordinary Resolution
Any alteration of rights, privileges or conditions attaching to the Shares	Ordinary Resolution
Any transfer by the Company of Shares held by the Company or any purchase or other acquisition by the Company of its own Shares;	Ordinary Resolution
Any consolidation, division, or subdivision of Shares.	Ordinary Resolution
Any cancellation, buy-back or reduction of Shares, securities that are convertible into or exchangeable for Shares, or options to acquire Shares.	Ordinary Resolution
The giving of any financial assistance for the purpose of, or in connection with, the purchase of Shares.	Ordinary Resolution
Making a material change in the nature of the Company's business or engaging in business activities other than the Business.	Ordinary Resolution
[Starting or settling any legal or arbitration proceedings, except in the ordinary course of business.]	Ordinary Resolution

## SCHEDULE 4

### Form of Shareholders Representative Forum Terms of Reference

#### Shareholders Representative Forum

##### Purpose

The Shareholders Representative Forum ("**Shareholders Representative Forum**") is established to:

- Provide governance oversight of the Company which provides Water Services in the Service Area set out in Schedule 1; and
- Provide a forum for the representatives of the Company's shareholders ("**Shareholders**") to meet, discuss and co-ordinate on relevant issues and, through their representatives, exercise their powers in respect of the Company.

##### Status

The Shareholders Representative Forum is a representative forum of the Shareholders. For clarity, it will be a "joint committee" for the purposes of the LGA.

##### Administration

Hastings District Council shall act as the administering Council for the Shareholders Representative Forum, providing administrative support and coordination, including (but not limited to) assisting the hosting Council with scheduling meetings, preparing agendas and minutes, and maintaining records, until the Shareholders Representative Forum resolves otherwise.

##### Specific responsibilities

The Shareholders Representative Forum's responsibilities are:

- receiving and considering the half-yearly and annual reports of the Company;
- receiving and considering such other information from the Company as the Shareholders Representative Forum may request on behalf of the Shareholders and/or receive from time to time;
- receiving, considering and providing comments on the draft Water Services Strategy and the Water Services annual budget;
- receiving, considering and providing comments and recommendations to the Company on any amendment to the Water Services Strategy;
- undertaking performance and other monitoring of the Company;
- considering and providing recommendations to the Shareholders on proposals from the Company;
- providing co-ordinated feedback, and recommendations as needed, on any matters requested by the Company or any Shareholder;

- providing recommendations to the Shareholders regarding the relevant network infrastructure owned by each Shareholder and/or the Company;
- providing recommendations to the Shareholders regarding water conservation;
- preparing the three yearly Statement of Expectations, with SRF Members to seek direction from their appointing Shareholder as required, in accordance with the process and other requirements of the Shareholders' Agreement and the LG(WS) Act;
- seeking and interviewing candidates for the Company's board as needed;
- monitoring the performance of the board of the Company and the Company itself and reporting to the Shareholders on the performance;
- providing recommendations to the Shareholders regarding changes to these terms of reference, the Shareholders' Agreement and the constitution of the Company; and
- develop and maintain a skills matrix for Directors of the Company.

#### Shareholders Representative Forum decision making responsibilities

Considering and making decisions on the following:

- approving director appointments and/or removals; and
- approving the remuneration of directors of the Company.

#### Shareholders' responsibilities

To the extent that each Shareholder delegates its relevant powers to the SRF Member it appoints, the Shareholders Representative Forum will provide a forum for the Shareholders to meet and exercise their powers in relation to the Company.

#### **Membership**

The membership of the Shareholders Representative Forum will total the number of persons set out in Schedule 1, with the initial members being as set out in Schedule 1.

At least one member of each Shareholder's appointed members to the SRF must be an elected member.

#### **Quorum**

No business may be transacted at an SRF meeting if a quorum is not present. A quorum for an SRF meeting is present if at least one representative from each Shareholder (or their proxy) is in attendance, whether in person or via an approved virtual platform. If a quorum is not present within 30 minutes after the scheduled start time for the meeting:

- (a) the meeting is adjourned to:
  - (i) the same day in the following week at the same time and place, or
  - (ii) to another date, time and place to be fixed by the Directors; and

- (b) at the adjourned meeting, those Shareholders present shall constitute a quorum, regardless of the number of Shareholders represented.

### **Independent Chairperson**

The Independent Chairperson of the SRF shall be appointed by the Shareholders' Representative Forum once all SRF Members have been appointed. The Chairperson will be an additional SRF Member, who must be independent of the shareholding Councils. The Chairperson shall have no right to vote on any matters. For the purposes of this Schedule, "appointing" means the formal selection and confirmation of a candidate through a structured and transparent recruitment process, which shall include:

- (a) assessment of candidates against an agreed criteria for independence, skills, and experience;
- (b) an interview and evaluation process conducted by the SRF; and
- (c) approval of the successful candidate by a 75% majority vote of SRF Members.

### **Decision-making**

The Shareholders Representative Forum will strive to make all decisions by consensus.

In the event that a consensus on a particular matter before the Shareholders Representative Forum is not able to be reached, each member of the Shareholders Representative Forum has a deliberative vote.

A vote of the Shareholders Representative Forum is passed if [a majority] of the votes cast are in favour of the matter. In the situation where there is an equality of votes cast on a matter, the matter subject to the vote is defeated and the status quo is preserved.

### **Policies**

The Shareholders Representative Forum will develop and agree:

- a process to manage actual, potential and perceived conflicts of interest of SRF Members and Shareholders;
- a code of conduct for all SRF Members;
- confidentiality protocols and disclosure policies;
- standing orders relating to the operation of Shareholders Representative Forum meetings; and
- such other policies as the Shareholders Representative Forum determines.

### **Remuneration**

Each Shareholder will be responsible for remunerating its members on the Shareholders Representative Forum for any costs associated with that person's membership of the Shareholders Representative Forum. To ensure consistency, where remuneration is to be paid to a member of the Shareholders Representative Forum, the amount of such remuneration must be agreed by the Shareholders Representative Forum.

### **Administration**

Reports to be considered by the Shareholders Representative Forum may be submitted by any of the Shareholders or the Company.

## Appendix to Schedule 4

### Common delegations

#### SRF responsibilities

- Each Shareholder will delegate to its appointed SRF Members all:
  - responsibilities and powers necessary to participate in and carry out those responsibilities in accordance with the Shareholders' Agreement and the Terms of Reference; and
  - other matters referred by the Board for approval, excluding those matters described in Schedule 3.

#### Shareholders' responsibilities

- Each Shareholder will delegate to its appointed SRF Members and, in accordance with the Terms of Reference, all responsibilities and powers in relation to agreement on:
  - when Shareholder meetings, or resolutions in lieu of Shareholder meetings, are required (without prejudice to Shareholder and Board rights to call meetings under the Company's Constitution); and
  - the appointment, removal and remuneration of directors.

## SCHEDULE 5

### Statement of Expectations

These are the Shareholders initial strategic priorities or intentions for the Company:

Topic	Initial priorities or intentions
<b>Overview of key expectations</b>	<p>Initial expectations are as follows:</p> <ul style="list-style-type: none"> <li>• Adopt a regional focus and approach to governance and general decision-making, which recognises and responds to the requirements of urban and rural communities.</li> <li>• Support existing strategic growth policies by aligning strategic planning and service delivery with shareholder Council Long-term plans, and all spatial and strategic growth related plans, including the Napier-Hastings Future Development Strategy, Central Hawke's Bay Integrated Spatial Plan 2050, as far as practicable.</li> <li>• Align strategic planning and service delivery with any future regional deal entered into for the Hawke's Bay region.</li> <li>• Adopt a 30-year timeframe when planning for future infrastructure and water service delivery requirements to provide for housing growth and urban development and comply with all required standards.</li> <li>• Support shareholder Council position on future reform proposals, including in relation to RMA reform.</li> <li>• Adopt policies and strategies that seek to fully recover the costs of growth.</li> <li>• Utilise all available funding tools that can reduce the cost of water services regionally.</li> </ul>

Topic	Initial priorities or intentions
<p><b>Regional focus and approach</b></p>	<p>Adopt a regional focus and approach to all governance arrangements and decision-making, including where applicable procurement processes.</p> <p>This is expected to include:</p> <ul style="list-style-type: none"> <li>• Ensuring that governance and senior leadership has a detailed understanding of the issues facing the wider region.</li> <li>• Emphasising engagement, and developing relationships, with communities and key stakeholders across the region.</li> <li>• Holding meetings across the region as required, with local issues to be canvassed with directly affected communities.</li> <li>• Developing principles to guide decision-making by the WSCCO, which place importance on achieving efficiencies, efficiency gains, community involvement and understanding local and sub-regional needs.</li> <li>• Developing strong working relationships with Māori, along with central government and other external partners.</li> </ul>
<p><b>Strategic planning, including in relation to urban growth</b></p>	<p>Ensure that strategic planning and decision-making is aligned, as far as practicable, with the intentions of shareholding Councils, by specifically considering and engaging with existing Long-term plans, and all spatial and strategic growth related plans, including the Napier-Hastings Future Development Strategy and Central Hawke's Bay Integrated Spatial Plan 2050.</p> <p>Develop a capital and growth programme so that it is aligned with intended sequencing of land release across the region, while also providing for some unanticipated growth to respond to externalities.</p> <p>Any decision-making in relation to new infrastructure should provide a thorough assessment against Long-term Plan strategic priorities, and ensure an integrated and efficient approach to investment.</p>

Topic	Initial priorities or intentions
<b>Service Delivery</b>	<p>Work to optimise service delivery across the region, by designing and delivering water services in a manner that is efficient, cost effective and responsive to local communities.</p> <p>Continue operating under the existing Napier City Council Napier City Services maintenance and delivery model for Napier's network, acknowledging that there is no fixed contractual term. A review will be scheduled to align with the contract renewal timeframes of other council providers in 2029.</p> <p>Accelerate efficiencies where possible in relation to capital and operational expenditure.</p> <p>When undertaking any procurement processes, encourage an open, competitive approach where practicable.</p>
<b>Affordability</b>	<p>When undertaking annual budgeting, financial and growth planning and when setting charges, WSCCO decision-making is to place emphasis on ensuring affordability for consumers (including vulnerable communities across the region).</p> <p>WSCCO, with support from shareholder Councils, is to progress engagement with the Commerce Commission to inform development of guidance that assists with defining and meeting affordability expectations.</p>
<b>Recognition of existing arrangements specific to each shareholder Council</b>	<p>The WSCCO will consider and recognise, as far as possible, any existing commercial or other arrangements entered into by shareholder Councils with third parties.</p> <p>This is particularly where existing arrangements facilitate or ensure ongoing delivery of core public services, or provide significant public economic benefit to shareholder Councils and their community.</p>

## SCHEDULE 6

### Shareholder Entry Principles

#### 1. Process for admission as new Shareholder

A Territorial Authority (as defined in the LG(WS)Act who is not an existing Shareholder (**Proposed Shareholder**) may be admitted as an additional Shareholder (**Admission**) in accordance with the following process:

- (a) a Proposed Shareholder must submit a proposal to the Board setting out the Proposed Shareholders' credentials and the rationale for its proposed shareholding (a **Proposal**);
- (b) following receipt of a Proposal, the Board will assess the merits of the Proposal, consider the implications of it for the Company, its then current Water Services Strategy under the LG(WS) Act and make a recommendation to the Shareholders Representative Forum as to whether or not the Shareholders should approve the Admission and any suggested terms and conditions of Admission (a **Recommendation**);
- (c) following receipt of a Recommendation:
  - (i) the Shareholders Representative Forum will consider the Proposal and the Shareholders will determine if the Recommendation should proceed to be consulted on as a change proposal in accordance with the requirements of the LG(WS)Act;
  - (ii) the Shareholders must comply with any required consultation in respect of the change proposal under the LG(WS)Act;
  - (iii) following completion of the change proposal requirements under the LG(WS)Act, the Shareholders may, at their discretion, approve the Admission as a Reserved Matter. The Proposed Shareholder will not be admitted if the Shareholders consider that its Admission would be likely to:
    - (aa) materially worsen the Company's financial position or forecast financial position; or
    - (bb) result in the Company failing to meet its regulatory obligations to be financially sustainable; and
- (d) the parties must comply with all applicable legislative requirements.

#### 2. Terms of admission of new Shareholder

Unless otherwise agreed by all Shareholders in writing, if the Shareholders approve the Admission of a new Shareholder under paragraph 1(c) of this schedule:

- (a) the Proposed Shareholder's shareholding in the Company as a proportion of total Shares will be calculated in accordance with clauses 2.2 and 2.4, as adjusted in accordance with the Recommendation;

- (b) on or shortly after Admission, the Proposed Shareholder will be required to transfer its relevant assets to the Company pursuant to a Transfer Agreement, with the terms of such transfer to be no more favourable to the Proposed Shareholder than the terms of transfer applying to the initial Shareholders under their respective Transfer Agreements and otherwise on terms that the Board is satisfied are fair and reasonable in the circumstances;
- (c) prior to (but conditional on) Admission, the parties will negotiate, agree and implement any changes to this agreement and the Constitution that may be necessary or desirable as a result of Admission, including to:
  - (i) maintain the intended balance of rights, powers and obligations of Shareholders and SRF Members; and
  - (ii) ensure appropriate iwi participation for the expanded Service Area, with each party to bear its own costs and expenses of negotiating, agreeing and implementing any changes, including legal costs and expenses;
- (d) prior to (and with effect on and from) Admission, the Proposed Shareholder must accede to this agreement (as amended in accordance with paragraph 2(c) of this schedule);
- (e) the Admission will be given effect by the issue of new Shares to the Proposed Shareholder, with the existing Shareholders to take all steps necessary to issue those Shares, with at least one year's lead time between the approval of Admission under paragraph 1(c), and the giving effect to of the Admission under this paragraph 2(e) (or such other period as the Parties may agree with the Proposed Shareholder); and
- (f) promptly after the approval of Admission under paragraph 1(c), the Board and Shareholders Representative Forum will develop and agree a transition plan which sets out the process and timeframes for giving effect to Admission, including the steps set out above.

### **3. Merging with other Water Organisations**

The Shareholder Representative Forum may also consider merging the Company with other water organisations under the LG(WS) Act, provided that any such proposal will require the unanimous consent of the Shareholders.

## SCHEDULE 7

### Shareholder Exit Principles

#### 1. Process for Exit

A Shareholder who wishes to exit from its shareholding in the Company (**Exit**) (**Exiting Shareholder**) may do so in accordance with the following process:

- (a) the Exiting Shareholder must submit at least [**12 months**] prior written notice to the Board and the Shareholders Representative Forum stating its intention to Exit (**Exit Notice**);
- (b) following receipt of an Exit Notice:
  - (i) the Shareholders Representative Forum will consider the proposal set out in the Exit Notice and the Shareholders will determine if the Exit should proceed to be consulted on as a change proposal in accordance with the requirements of the LG(WS)Act;
  - (ii) the Shareholders must comply with any required consultation in respect of the change proposal under the LG(WS)Act; and
  - (iii) following completion of the change proposal requirements under the LG(WS)Act, the Board and the Shareholders Representative Forum will work collaboratively to develop a detailed exit plan (**Exit Plan**) setting out a proposed process and timeline for Exit, including to address the treatment of assets and joint assets, consideration, stranded assets and liabilities and transactions costs, and reflecting the Terms of Exit set out in paragraph 2 of this schedule;
- (c) a finalised Exit Plan will be presented to the Shareholders Representative Forum who will consider the Exit Plan and the Shareholders may, at their discretion, approve the Exit as a Reserved Matter. The Exit will not be approved if the Shareholders consider that the Exit would be likely to:
  - (i) materially worsen the Company's financial position or forecast financial position; or
  - (ii) result in the Company failing to meet its regulatory obligations to be financially sustainable; and
- (d) the parties must comply with all applicable legislative requirements, including in respect of consultation, in respect of considering, approving, and giving effect to any proposed Exit.

#### 2. Terms of Exit

Unless otherwise agreed by all Shareholders in writing, if the Shareholders approve the Exit under paragraph 1(c) of this schedule:

- (a) the Exiting Shareholder will be entitled to transfer the relevant assets and debts out of the Company in respect of that Exiting Shareholder's Service Area for an agreed price based on the Exiting Shareholders Shareholding percentage (in each case, agreed as part of the Exit) at the time of transfer;

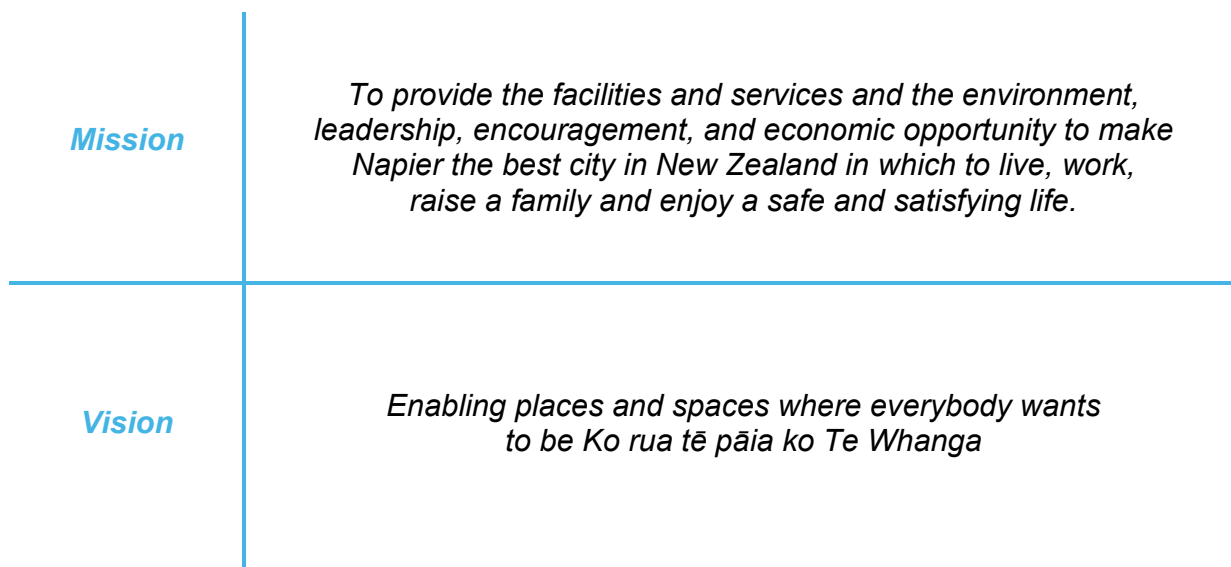
- (b) prior to (but conditional on) Exit, the parties will negotiate, agree and implement any changes to this agreement and the Constitution that may be necessary or desirable as a result of the Exit, including to:
  - (i) maintain the intended balance of rights powers and liabilities of Shareholders and SRF Members; and
  - (ii) ensure appropriate iwi participation for the reduced Service Area, with each party to bear its own costs and expenses of negotiating, agreeing and implementing any changes, including legal costs and expenses; and
- (c) on and from the date the Exit takes effect, the Exiting Shareholder will be released from its obligations under this agreement (except in respect of any breaches up to the date of Exit); and
- (d) the Exit will be given effect by the transfer of the Exiting Shareholder's Shares to the remaining Shareholders or by the Company acquiring and cancelling the Exiting Shareholder's Shares, with the remaining Shareholders to take all steps necessary to give effect to this step, with at least [two years] lead time between the giving of an Exit Notice under paragraph 1(a) and the giving effect to of the Exit under this paragraph 2(d).



# Local Governance Statement 2025 - 2028

**Guide for the Community  
on Council Processes**

## Our Vision and Mission



## Strategic Priorities (Community Outcomes)

### Our Strategic Priorities (Community Outcomes)

In 2023, Napier City Council adopted five strategic priorities to guide its decision-making over the coming years. These Strategic Priorities are also the Community Outcomes that underpin the contents of our Three-Year Plan. They are all equally important and they all helped us decide which projects, activities and budgets to prioritise in our Three-Year Plan 2024-27.



**Financially sustainable Council**

**He kainga ka awatea**

Council has an operating model and financial strategy that is affordable for ratepayers and enables us to achieve our objectives.



**A resilient city - the ability to thrive and withstand impacts, knocks and shocks**

**Te toka tū moana**

Council makes good future planning and investment decisions to prepare for a changing climate future and enables our community to build self-reliance. Our people, economy and infrastructure are resilient.



**Spaces and places for all**

**He wāhi taurikura**

Napier has spaces and places that everyone has access to and wants to use. We have a focus on accessibility, affordability, safety, and city vibrancy.



**Nurturing authentic relationships with our community and partners**

**Te takutai moana**

Council fosters meaningful relationships, demonstrating our commitment to listen to our community's needs, concerns, and aspirations. Developing strong partnerships with mana whenua and tangata whenua ensures we uphold our obligations under Te Tiriti o Waitangi.



**A great visitor destination**

**Te ūnga waka**

Napier is a destination aspiring to provide 'world class' facilities and attract visitors to our city. We make it easy for people to invest in our city and create experiences that attract widespread participation.

## Contents

<b>Our Vision and Mission</b> .....	<b>1</b>
<b>Strategic Priorities (Community Outcomes)</b> .....	<b>1</b>
<b>Contents</b> .....	Error! Bookmark not defined.
<b>1. Introduction – What is a Local Governance Statement?</b> .....	<b>4</b>
<b>2. Functions of Napier City Council</b> .....	<b>5</b>
Key Legislation .....	5
Other Legislation .....	6
Activities .....	6
<b>3. Bylaws</b> .....	<b>7</b>
What are Bylaws? .....	7
Napier City Council Bylaws .....	7
<b>4. Electoral Systems and Opportunity to Change Them</b> .....	<b>11</b>
When is the next election? .....	11
What is an ‘electoral system’? .....	11
First past the Post (FPP) .....	11
Single Transferable Vote (STV) .....	11
Changing the Electoral System .....	11
<b>5. Representation Arrangements</b> .....	<b>13</b>
What are ‘representation arrangements’? .....	13
Current Napier City Council representation structure .....	13
Map of Napier City Council wards .....	14
<b>Meet your Council</b> .....	<b>15</b>
Mayor .....	15
Ahuriri General Ward .....	15
Napier Central General Ward .....	15
Taradale General Ward .....	15
Te Whanga Māori Ward .....	16
<b>Review of Representation Arrangements</b> .....	<b>17</b>
Recent History .....	17
Matters to take into account in representation reviews .....	20
Māori Wards .....	20
Reorganisation proposals .....	20
Process for affecting change .....	21
Napier City Council’s recent history .....	21
<b>6. Roles and Conduct of Elected Members</b> .....	<b>22</b>
Role of the governing body of Napier City Council .....	22
Mayor of Napier City .....	22
Deputy Mayor .....	23
Committee Chairs .....	23
Deputy Committee Chairs .....	23
Napier City Elected Member Portfolio Guidelines .....	23
Role of the Chief Executive .....	23

Code of Conduct .....	24
Legislation relevant to conduct .....	25
<b>7. Governance Structure, Membership and Delegations.....</b>	<b>28</b>
Council Committee Structure.....	28
Quorum .....	28
Terms of Reference.....	28
<b>8. Meeting Processes.....</b>	<b>29</b>
Giving notice to members .....	29
Giving notice to the public.....	29
Agendas and minutes.....	29
Public access to agendas and minutes.....	30
Public attendance at meetings.....	31
When the public may speak at a meeting .....	32
Standing Orders .....	33
<b>10. Relationships with Māori .....</b>	<b>36</b>
<b>10a. International Relationships .....</b>	<b>37</b>
Sister Cities NZ Vision.....	37
Current Sister Cities with Napier.....	38
City of Napier Sister City Objective Statements .....	38
<b>11. Management Structure .....</b>	<b>39</b>
Management Organisation Chart – Executive Leadership Team .....	39
Employment policies.....	39
Equal opportunities policy.....	39
<b>12. Key Planning and Policy Documents .....</b>	<b>40</b>
Long Term Plan (LTP).....	40
Annual Plan.....	41
Annual Report .....	42
Napier District Plan.....	42
Key Joint Plans and Policies with Other Councils .....	43
<b>13. Requesting Official Information .....</b>	<b>45</b>
What is Official Information?.....	45
Requesting Information .....	45
Refusal of a request for information.....	46
Charging for official information requests.....	46
<b>14. Customer Enquiries .....</b>	<b>47</b>
General contact information.....	47
Service requests and complaints .....	47
<b>15. Appendix One.....</b>	<b>48</b>
National legislation particularly affecting Napier City Council.....	48
<b>16. Appendix Two .....</b>	<b>51</b>
NAPIER CITY COUNCIL GOVERNANCE STRUCTURE 2025-2028 .....	51
<b>17. Appendix Three.....</b>	<b>54</b>
Guidelines for Council Portfolio Holders .....	54

## 1. Introduction – What is a Local Governance Statement?

This Local Governance Statement provides information about the processes through which Napier City Council engages with the residents of Napier, how the Council makes decisions, and how citizens can influence these processes.

Local Governance Statements are a requirement under section 40 of the Local Government Act 2002 and must be adopted by a new Council within six months of an election. It may be updated at any point during the next three years after that to ensure that it remains accurate and up to date.

## 2. Functions of Napier City Council

The purpose of Napier City Council is to enable democratic local decision-making, and to promote the social, economic, environmental, and cultural well-being of the Napier community now and for the future.

### Key Legislation

The key legislation applying to Napier City Council, and the functions that the Council undertakes as a result of this legislation, include:

#### Local Government Act 2002 \*

- Provides for democratic and effective local government that recognises the diversity of New Zealand communities. It
  - States the purpose of local government; and
  - Provides a framework and powers for local authorities to decide which activities they will undertake and the manner in which they will undertake them; and
  - Promotes the accountability of local authorities; and
  - Making and enforcing bylaws.
  - Facilitating and building Māori capacity to get involved in local government decision making.

#### Local Government Act 1974

- Providing local roads, footpaths, cycle tracks, pedestrian malls.
- Naming local roads.
- Providing land drainage.

#### Local Government Official Information and Meetings Act 1987

- Management of council meetings, including how information about the timing of meetings, the topics of discussion and decisions made is provided to the public.
- Provision of official information held by council, including grounds about when information may be withheld.
- Provision of land information memoranda.

#### Resource Management Act 1991 \*

- Managing natural and physical resources sustainably through setting objectives, policies and rules that manage environmental effects of activities, and which are incorporated into district and regional plans.

#### Local Electoral Act 2001 \*

- Managing local authority (council) elections and polls.

\*Legislation currently subject to Central Government reform

## Other Legislation

### National Legislation

Local Authorities (councils) are affected by other legislation as well. While most legislation impacts on the activities of a council to some degree, some Acts are of direct relevance to how council undertakes its functions, responsibilities and activities.

### Local Legislation

Napier City Council is also affected by some local legislation.

Local legislation comprises Acts of Parliament that have come about through a Bill promoted by a particular council, and which affects a particular locality only. Some of this legislation is now of limited relevance; however, all of these enactments remain in force and confer various powers and responsibilities on Napier City Council either directly or as successor to the former Napier Borough Council, the Hawke's Bay County Council or the Hawke's Harbour Board.

A list of the national and local legislation for Napier City Council can be found at [Appendix One](#).

## Activities

In order to perform its functions, Napier City Council undertakes many different activities. Information is provided about these activities in Council's plans and reports, such as the Long-Term Plan, the Annual Plan and the Annual Report, which include associated financial information and key projects.

More detailed descriptions of these documents are outlined in Section 12 of this Local Governance Statement, along with the weblinks to the current documents.

The activities of Napier City Council are:

- Democracy and governance
- Transportation, roads and footpaths
- Stormwater, wastewater and water supply
- Other infrastructure
- City Strategy
- Community and visitor experiences
- Property assets

### 3. Bylaws

#### What are Bylaws?

Bylaws are rules that a Local Authority (council) has the power to make. They apply:

- to local issues that existing Acts of Parliament and Regulations do not cover,
- within the boundaries of the Local Authority,

and there are a range of options available to the Local Authority to enforce them.

A council may make bylaws to protect the public from nuisance, to protect, promote and maintain public health and safety, and to minimise potential for offensive behaviour in public places. If a bylaw is broken, a fine or prosecution may be incurred.

Bylaws are available on Council's website [Bylaws | Napier City Council](#)

The Local Government Act 2002 requires bylaws to be reviewed within 5 years of the date on which they are first made, with all further reviews carried out within 10 years<sup>1</sup>.

#### Napier City Council Bylaws

Bylaw	First Adopted	Reviewed	Next Review
<p><b>Introductory Bylaw 2021</b></p> <p>Identifies and clearly interprets the terms and expressions that are used throughout Napier City Council Bylaws. Outlines the serving of orders and notices, powers of delegation and entry, suspension and revocation of licences, removal of works, fees and charges, offences and penalties for breach of bylaws.</p>	2008	2021	2026
<p><b>Animal Control Bylaw 2021</b></p> <p>Controls the keeping of animals, poultry, bees and reptiles on private property and trapping activities in public and private places. Sets minimum necessary requirements on owners for maintaining the principles of animal welfare and for the protection of residents and the local community from potential nuisance, excess noise, and health hazard.</p>	2008	2021	2031

---

<sup>1</sup> Local Government Act 2002, sections 158-159

<b>Bylaw</b>	<b>First Adopted</b>	<b>Reviewed</b>	<b>Next Review</b>
<p><b>Cemeteries Bylaw 2021</b></p> <p>Controls activities within cemeteries to ensure acceptable standards of operation, and to ensure that convenience, safety, visual amenity and civic values are maintained for the wellbeing of residents, monumentalists, and funeral services.</p>	<b>2008</b>	<b>2021</b>	<b>2031</b>
<p><b>Dog Control Bylaw 2022</b></p> <p>Enhances the safety of the public and children by minimising the distress, nuisance and intimidation caused by dogs to the community, avoiding the inherent danger of uncontrolled dogs in public places and to provide dogs and their owners with the ability to satisfy their recreational needs.</p>	<b>2004</b>	<b>2022</b>	<b>2032</b>
<p><b>Freedom Camping Bylaw 2017</b></p> <p>The purpose of this Bylaw is to control freedom camping in the district in order to protect the area, protect the health and safety of people who may visit the area, and to protect access to the area.</p>	<b>2014</b>	<b>2025</b>	<b>2035</b>
<p><b>Integrated Trade Waste and Wastewater Bylaw 2022</b></p> <p>The Bylaw applies to those areas of the district which are serviced by the Public Wastewater System. It provides for the collection, treatment and discharge of Wastewater, including Domestic Wastewater and Trade Waste.</p>	<b>2022</b>		<b>2027</b>
<p><b>Mobile Sign Bylaw 2020</b></p> <p>The purpose of this Bylaw is to ensure that vehicle and trailer advertising signs are erected, maintained, positioned and displayed in such a manner that they do not present a hazard or a danger to public safety. The Bylaw also seeks to maintain aesthetic standards.</p>	<b>2013</b>	<b>2020</b>	<b>2030</b>
<p><b>Parking Control Bylaw 2021</b></p> <p>Controls parking activities and addresses parking issues which may have an adverse effect on other users of public places.</p>	<b>2008</b>	<b>2021</b>	<b>2031</b>

<b>Bylaw</b>	<b>First Adopted</b>	<b>Reviewed</b>	<b>Next Review</b>
<p><b>Parks &amp; Reserves Bylaw 2021</b></p> <p>Controls a diverse range of activities, and addresses behaviour in public facilities such as parks, reserves and beaches.</p>	2008	2021	2031
<p><b>Public Places Bylaw 2021</b></p> <p>Ensures that acceptable standards of convenience, safety, visual amenity, and civic values are maintained within the district. Addresses damage to public places such as roads, grass verges, garden areas and reserves and activities within public places and reserves which may have an adverse effect on other users of these facilities.</p>	2008	2021	2031
<p><b>Public Places Liquor Control Bylaw 2021</b></p> <p>Enhance safety and the public enjoyment of public places in a responsible manner, particularly within the central city, by providing for liquor control in specified public areas in order to reduce the incidence of alcohol related offences, particularly those of a violent and/or destructive nature.</p>	2004	2021	2031
<p><b>Speed Limits Bylaw 2022</b></p> <p>To set speed limits for roads in the urban traffic areas.</p>	2005	2022	2032
<p><b>Stormwater Bylaw 2020</b></p> <p>Prevents the misuse of Council's public stormwater network by controlling the discharge of contaminants into the network, requiring the use of the network for the discharge of stormwater only and to protect the network from damage or alteration.</p>	2020		2025
			<i>Review deferred as it will be part of the water services entity transition programme</i>
<p><b>Tattooists and Skin Piercers Bylaw 2021</b></p> <p>Prevents the transference of communicable diseases, and the development of wound infections, by skin piercing practices. Requires that premises at which skin piercing is practiced are registered, and provides constructional and operational standards to be complied with in accordance with the registration process.</p>	2008	2021	2031

Bylaw	First Adopted	Reviewed	Next Review
<p><b>Trading in Public Places Bylaw 2021</b></p> <p>Regulates the conduct of persons selling goods on streets, roads, footpaths and other public places, or using vehicles to sell goods and services to the general public. Prescribes fees where required.</p>	2008	2021	2031
<p><b>Waste Management and Minimisation Bylaw</b></p> <p>Regulates waste systems that reduce harm and maximise resource recovery. Supports innovative waste minimisation initiatives, and enable communities to change behaviours.</p> <p><i>This bylaw should be read in conjunction with the Hastings District Council/Napier City Council Joint Waste Management and Minimisation Plan.</i></p>	2025		2030
<p><b>Water Supply Bylaw 2022</b></p> <p>Provides protection for Council's water supplies and infrastructure. Defines the water supply areas and sets out conditions of supply.</p>	2008	2022	2032

## 4. Electoral Systems and Opportunity to Change Them

### **When is the next election?**

Local Government elections are run every three years on the second Saturday of October. The most recent election was 11 October 2025, and the next will be 7 October 2028.

### **What is an 'electoral system'?**

An "electoral system" describes the system used for voting at Local Authority elections. The Local Electoral Act 2001 provides for two types of electoral systems, First Past the Post and Single Transferable Vote.

#### **First past the Post (FPP)**

Under this system, each voter may cast one vote for a vacant position. Those candidates with the most votes are elected.

#### **Single Transferable Vote (STV)**

Under this system, voters rank candidates in order of their preference.

All voters' first preferences are counted and any candidates whose votes exceed an amount (called the "quota") is elected.

If not all positions are filled, the surplus votes for successful candidates are redistributed among the other candidates according to voters' preferences.

If the positions are not filled by redistributing surplus votes, the candidate with the fewest votes is excluded and that candidate's votes are then distributed among the remaining candidates according to voters' preferences. This process of redistributing votes continues until all positions are filled.

More detailed information on STV system is available on the website

<https://www.stv.govt.nz/>

### **Changing the Electoral System**

Napier City Council currently uses First Past the Post as its electoral system.

The option of STV was introduced in the early 2000's for potential use in the 2004 elections. In 2003, a valid demand from at least 5% of the voters in Napier City was made to consider which electoral system would be used in 2004 (STV or FPP) and a poll was undertaken later that year. The result of the poll was to retain FPP. Council has since resolved to continue with the FPP system each election.

Section 27 of the Local Electoral Act 2001 (LEA) provides that each local authority may resolve whether to change the electoral system from that used in the previous triennial general election. A decision whether to change the electoral system applies to the following two triennial elections.

On 31 August 2023 Council decided to retain the First Past the Post system for the 2025 and 2028 elections.

The electoral system to be used for future elections could be changed by the following methods:

- Council resolution prior to 12 September 2026
- Council holding a poll on whether there should be a change of electoral system (as long as this is decided before 21 February in the year prior to an election year)
- Voters demanding a poll:

At any time, the voting public of Napier City may demand a poll in writing on whether or not there should be a change of electoral system, as long as 5% of the electors clearly indicate that they want this.

To take effect for the 2028 and 2031 elections, a valid demand would need to have been received by 11 December 2026 and the ensuing poll undertaken within 89 days of the demand notification. For any demand received after 11 December 2026 the poll will be held after 14 March 2027 and the results would be applicable to the 2031 and 2034 elections.

If you want to find out more on how to demand a poll, please see the Local Electoral Act 2001, Part 2, sections 29-30.

If you would like to find out more about the matters discussed above, please contact the Governance Team at [governance@napier.govt.nz](mailto:governance@napier.govt.nz)

## 5. Representation Arrangements

### What are 'representation arrangements'?

Representation arrangements are the way representation of the public is configured for elections for a Local Authority such as Napier City Council, including:

1. The number of members that are elected to the governing body of Napier City Council (the legal requirement is no less than six and no more than 30 members, including the Mayor),
2. Whether the election of members other than the Mayor (also known as councillors) is by the entire electoral district (called 'at large'), or whether the district is divided into wards for electoral purposes, or whether there will be a mix of 'at large' and ward representation,
3. The boundaries of wards, the names of the wards, and the number of members that will represent each ward, if wards are used,
4. Whether to have Māori wards for electors on the Māori roll, and
5. Whether to have community boards, and if so, how many, and what their boundaries and membership will look like.
6. Local Authorities must review their representation arrangements at least every six years. Napier City Council completed a representation review in 2024; more information on the review can be found below.

### Current Napier City Council representation structure

Currently Napier City Council has one Mayor and eleven elected members (councillors).

On 20 October 2021, Napier City Council resolved to establish Māori wards in time for the 2025 elections. On 5 September 2025 Council reaffirmed its decision to establish Māori Wards.

Following Napier City Council's review of its representation arrangements in 2024, the final proposal of Council was confirmed by the Local Government Commission in October 2024.

In line with Council's final proposal, the election of councillors was restructured for the 2025 elections, with a change from four general wards to three, and the establishment of a Māori ward.

The allocation of councillors was as follows:

- Ahuriri General Ward                      3 Councillors
- Napier General Central Ward            3 Councillors
- Taradale General Ward                  3 Councillors
- Te Whanga Māori Ward                  2 Councillors

The Mayor will continue to be elected by the city as a whole.

### Map of Napier City Council wards

Napier City's current ward boundaries are shown here:



## Meet your Council

### Mayor



Richard McGrath

### Deputy Mayor



Graeme Taylor

### Ahuriri General Ward



Keith Price



Roger Brownlie

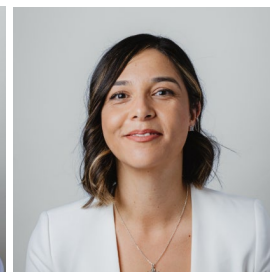


Sally Crown

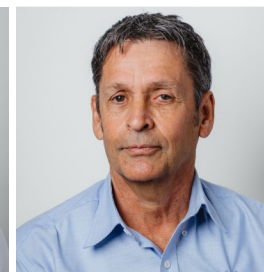
### Napier Central General Ward



Greg (Grego) Mawson



Te Kira Lawrence



Craig Morley

### Taradale General Ward



Graeme Taylor



Nigel Simpson



Ronda Chrystal

## Te Whanga Māori Ward



Whare Isaac-Sharland



Shyann Raihania

You can find more information on the Mayor and Councillors and how to contact them on our website <https://www.napier.govt.nz/our-council/mayor-and-councillors/>

## Review of Representation Arrangements

### Recent History

Year	Actions
------	---------

**2006** Napier City Council reviewed its representation arrangements at its meeting on 21 June 2006 and proposed that:

- members would be elected by the district as a whole rather than wards,
- there be 10 members (excluding the Mayor), and
- there be no community boards.

Public submissions received on this decision mostly supported a ward system.

Council met again on 6 September 2006 and decided that:

- members would still be elected by the district as a whole rather than ward on the basis that:
  - the 2005 National Research Bureau (NRB) survey indicated a 70% preference for 'at large' versus 28% for wards,
  - it was believed that Napier had many of the characteristics of 'one community of interest', for which election at large is most suitable, and
  - a ward system was not seen to provide fairer or more effective representation.
- there be 12 members (excluding the Mayor), on the basis that:
  - the 2005 NRB survey indicated a 59% preference for 12 (status quo at the time), a 3% preference for more and only a 31% preference for less,
  - public submissions received also mainly supported retaining the current level of representation, and
  - 12 members provides a wider range of viewpoints than 10 would.

The final proposal made in September 2006 was appealed by members of the public to the Local Government Commission, which makes the final decision on representation arrangements.

On 10 April 2007, the Commission decided that there would be 12 councillors and a Mayor. Of these, six councillors would be elected 'at large' and six would be elected from four wards – Ahuriri, Onekawa-Tamatea, Nelson Park, Taradale.

Year	Actions
2012	<p>Napier City Council reviewed its representation arrangements.</p> <p>Council decided in June 2012 to retain the arrangements adopted in 2007.</p> <p>This was due partly to the postponement of the 2011 Census which meant that no updated census information was available. The Census was eventually held in 2013.</p> <p>These same representation arrangements were also used for the 2013 and 2016 triennial elections.</p>
2017-2018	<p>Napier City Council reviewed its representation arrangements in a process involving significant levels of engagement with the community, the most in-depth analysis of current and historic data to that point and consideration of a variety of options by the Council.</p> <p>Based on the analysis, it was advised that a ward-only system may be most effective for Napier for a number of reasons. Following Council debate and ensuing initial proposal to maintain the status quo (specifically to continue with the mixed at large/ ward Councillor arrangement), the highest number of submissions on a representation review were received with a strong majority in favour of moving to a ward-only structure.</p> <p>In late 2018, as per the review process, Council considered all submissions, and made the decision to alter its final proposal to a ward-only system.</p> <p>Two public objections were received to the final proposal, meaning the final proposal and all associated information was required to be considered by the Local Government Commission who adjudicates and makes a final determination in these instances.</p>
Jan 2019	<p>The Local Government Commission ratified Council's final proposal to move to election of councillors by ward only, for the 2019 local government election. This determination was also in place for the 2022 election.</p>
Oct 2021	<p>Napier City Council reviewed its representation arrangements in regard to establishing Māori Ward seats for the 2025 elections. The process involved significant levels of engagement with the community.</p> <p>Based on analysis of public submissions it was advised that Māori Ward seats should be part of Napier City Council's representation structure. Council considered all submissions, and following debate, resolved to establish Māori Ward seats in 2025.</p> <p>On 5 September 2025 Council reaffirmed its to decision to establish Māori Wards.</p>

**Oct 2024** Napier City Council reviewed its representation arrangements and consulted with the public across an 18-month period. On 10 September 2024 hearings were held and Council voted to adopt the Initial Proposal as its Final Proposal with a minor boundary adjustment. No objections or appeals were received on the Final Proposal, and the Local Government Commission approved these arrangements in October 2024.

The finalised representation arrangements for Napier below were in place for the 2025 election.

One Māori ward – Te Whanga

- Covering the entire boundary of Napier City.
- Represented by two councillors.
- Only people enrolled on the Māori roll could vote for candidates in this ward.

Three general wards

- Three general wards, to be known as Ahuriri Ward, Napier Central Ward and Taradale Ward.
- Represented by three councillors each.
- Only people enrolled on the General roll could vote for candidates in these wards.

Community boards were not established.

**Oct 2025** In 2024, the New Zealand Government introduced legislation requiring councils to hold a binding poll at the 2025 Local Government Election if they had previously decided to establish Māori wards without a poll.

Napier City Council held a poll at the 2025 election. The poll asked the community whether Napier should keep or remove its Māori ward after the 2025-2028 council term.

The community's answer was to remove the Māori ward. The poll result is binding and will apply for Napier City Council elections to be held in 2028 and 2031.

A further representation review will need to be completed before 2028.

## **Matters to take into account in representation reviews**

Napier City Council must undertake a representation review at least every six years, following the procedure set out in the Local Electoral Act 2001 and guidelines published by the Local Government Commission.

In carrying out a representation review, a Local Authority should be guided by the principle of fair and effective representation for individuals and communities.

Fair representation relates to the number of persons represented per member.

The ratio of persons per member in each ward is required to be within +/-10% of the ratio for the district or region as a whole. This is designed to ensure approximate equality in representation i.e. votes of equal value.

Effective representation relates to representation for identified communities of interest. This needs to take account of the nature and locality of those communities of interest and the size, nature and diversity of the district as a whole.

## **Māori Wards**

The Local Electoral Act 2001 gives the Council the ability to establish separate wards for Māori voters. When Māori ward(s) are implemented the number of members to be elected would be determined according to the number of voters in the district who are registered on the Māori parliamentary roll in relation to the number of voters in the district who are registered on the General Parliamentary roll.

On 20 October 2021, Napier City Council resolved to establish Māori wards in time for the 2025 elections. On 5 September 2025 Council reaffirmed its decision to establish Māori Wards.

One ward was established in Napier's 2024 Representation Review for the 2025 local election.

In 2024, the New Zealand Government introduced legislation requiring councils to hold a binding poll at the 2025 Local Government Election if they had previously decided to establish Māori wards without a poll. Napier City Council held a poll at the 2025 election. The poll asked the community whether Napier should keep or remove its Māori ward after the 2025-2028 council term. The community's answer was to remove the Māori ward. The poll result is binding and will apply for Napier City Council elections to be held in 2028 and 2031.

## **Reorganisation proposals**

Local government reorganisation means changes to the structure of local authorities, including:

1. changes to boundaries,
2. the creation of a new Council,
3. the union of Councils,
4. the abolition of a Council, or
5. the transfer of functions and duties from one Council to another.

Schedule 3 of the Local Government Act 2002 sets out procedures which must be followed for local government reorganisation proposals. The Local Government Commission has also published a useful guide to understanding the process of reorganisation proposals

<https://www.lgc.govt.nz/our-work/local-government-reorganisation/>

### **Process for affecting change**

1. Lodge a proposal for reorganisation with the Local Government Commission<sup>2</sup>.
2. The Commission consults with affected local authorities, then decides whether to undertake a reorganisation investigation and notifies the parties of that decision.
3. If the Commission decides to undertake a reorganisation investigation, the Commission adopts and publishes a process for the investigation. During the investigation, the Commission may require a local authority to provide information, may consult any relevant parties, and may issue a report.
4. When preparing or after completing a reorganisation investigation, the Commission may develop and adopt a reorganisation plan, which it must publicly notify. A reorganisation plan must include information about the proposed changes.
5. A local authority may also develop and adopt a reorganisation plan and submit it to the Commission for approval.
6. A poll of electors must be held on a reorganisation plan that provides for a major transfer of responsibilities, duties or powers. The reorganisation plan only proceeds if more than 50% of valid votes support the plan. If the plan is supported, the Commission prepares a reorganisation implementation scheme.

### **Napier City Council's recent history**

1. On 15 September 2015, a poll was held to decide whether the Hawke's Bay Councils should amalgamate into one unitary Council for the region.
2. A majority of 66.18% of voters rejected the amalgamation proposal (33.55% voted for the proposal).
3. Within Napier City, 87.68% voted against amalgamation.

---

<sup>2</sup> Local Government Act 2002, Schedule 3, clause 3

## 6. Roles and Conduct of Elected Members

### Role of the governing body of Napier City Council

The elected members (Mayor and councillors) of Napier City Council have the following roles:

- setting the policy direction of Council
- monitoring the performance of Council
- representing the interests of Napier City as a whole (upon election all members must make a declaration that they will perform their duties faithfully and impartially, and according to their best skill and judgment in the best interests of the city)
- employing the Chief Executive (under the Local Government Act 2002, the Local Authority employs the Chief Executive, who in turn employs all other staff on its behalf).

### Mayor of Napier City

The Mayor is elected by Napier as a whole (“at large”), and as one of the elected members shares the same general responsibilities as other members of the governing body of Council. The Local Government Act 2002 clarifies the role of the Mayor and gives the holder of that position certain specific powers.

The role of the Mayor is to provide leadership to the other members of the governing body of Council, and the people in Napier. Further, it is the Mayor’s role to lead the development of Napier City Council’s plans, policies, and budgets for consideration by the members of the governing body. To be able to do these things, the Mayor has the following powers:

- to appoint the Deputy Mayor
- to establish committees of the governing body of Council
- to appoint the Chair of the committees established, including appointing themselves to that position if they wish

The Mayor also has the following roles:

- to chair meetings of the governing body of Council. The Mayor is responsible for ensuring the orderly conduct of business in accordance with Napier City Council’s standing orders (more about standing orders can be found in Section 8 below)
- to participate as a member of each committee established under the governing body
- to advocate on behalf of the community at local and national levels
- to represent Napier City Council at official functions
- to ensure that elected members properly perform their function and duties

## Deputy Mayor

The Deputy Mayor may be appointed by the Mayor or is otherwise elected by the members of the governing body of Council at its first meeting following the triennial.

The Deputy Mayor exercises the same roles as other elected members.

In addition, if the Mayor is absent or incapacitated, or if the office of Mayor is vacant, then the Deputy Mayor must perform all of the Mayor's responsibilities and duties and may exercise the powers of the Mayor.

## Committee Chairs

A Committee Chair presides over all meetings of the committee, ensuring that the committee acts within the powers delegated by the governing body and as set out in Council's terms of reference for the committee (see [Appendix Two](#)). A Committee Chair may have to act as an official spokesperson on a particular issue relevant to that committee.

## Deputy Committee Chairs

If the Chair is absent or incapacitated, or the office of Chair is vacant, then the Deputy Chair must perform all of the responsibilities and duties and may exercise the powers of the Chair.

## Napier City Elected Member Portfolio Guidelines

A Portfolio Holder is an elected member formally assigned responsibility for a specific portfolio area by the Council.

Portfolio Holders are expected to:

- Represent Council on matters relevant to their portfolio.
- Advocate for Council priorities within their assigned area.
- Maintain awareness of key Council issues and developments.
- Provide informed insights and feedback to other elected members and Council officers.

Portfolio Holders should remain focused on strategic matters. Operational activities remain the responsibility of Council staff.

For the 2025-2028 list of Portfolios and see [Appendix Two](#).

Guidelines for Council Portfolio Holders is found in [Appendix Three](#).

## Role of the Chief Executive

The Chief Executive is appointed by the governing body of Council in accordance with section 42, and clauses 33 and 34 of Schedule 7, of the Local Government Act 2002. The Chief Executive implements and manages Council's policies and objectives within the budget constraints established by Council.

Under section 42 of the Local Government Act 2002, the responsibilities of the Chief Executive are:

- implementing the decisions of Council
- providing advice to Council and community boards (where community boards exist)

- ensuring that all responsibilities, duties and powers delegated to the Chief Executive or to any person employed by the Chief Executive, or imposed or conferred by any Act, regulation or bylaw are properly performed or exercised
- managing the activities of Council effectively and efficiently, including facilitating and fostering representative and elector participation in elections and polls under the Local Electoral Act 2001
- maintaining systems to enable effective planning and accurate reporting of the financial and service performance of Council
- employing staff (including negotiation of the terms of employment for the staff) in accordance with any remuneration and employment policy adopted by the governing body
- providing leadership for the staff of Council

The governing body of Council has a duty as the Chief Executive's employer to maintain its obligations under the Employment Relations Act 2000. It agrees objectives with the Chief Executive and monitors performance against these annually. A committee may be established for this purpose, reporting back to Council on recommended terms and conditions of employment.

## Code of Conduct

Each Local Authority must adopt a Code of Conduct, which all councillors must follow<sup>3</sup>. The Code sets out Council's understanding and expectations of how the mayor and councillors will relate to one another, to staff, to the media and to the general public. It also covers disclosure of information that is received by or is in the possession of elected members.

All elected members are required to maintain a clear separation between personal interests and their duties. They are required to routinely declare any conflicts of interests whether real or perceived. Declarations are recorded in a public Register of Interests maintained by Council.

The Code contains details of the sanctions that Council may impose if an individual member breaches the requirements, as well as a clear process for the investigation of any complaints by an independent investigator.

Napier City Council adopted a Code of Conduct on 15 December 2022, based on the Local Government New Zealand model standard. *(This may be replaced by a standardised Code of Conduct being developed by the Local Government Commission, as required by central government legislation yet to gain Royal Assent.)*

The current Code of Conduct can be found at

<https://www.napier.govt.nz/assets/Documents/Governance-2022-2025/Elected-Members-Code-of-Conduct-Jan-2023.pdf>

---

<sup>3</sup> Local Government Act 2002, Schedule 7, Clause 15

## Legislation relevant to conduct

Elected Members have specific obligations as to their conduct in the following legislation:

Act	Rules
<p><b>Local Government Act 2002</b></p>	<p>The Act includes obligations to act as a good employer in respect of the Chief Executive and to abide by the current Code of Conduct and Standing Orders.</p> <p>Under section 46(1), councillors can be held liable for losses resulting from negligence or unlawful action by Council (reported by the Auditor-General under section 44 of the Act).</p> <p>Under Schedule 7 clause 1, an elected member (the Mayor, a councillor, or a community board member (where community boards exist) will be disqualified if</p> <p>they cease to be an elector or</p> <p>become disqualified for registration as an elector under the Electoral Act 1993 or</p> <p>are convicted of an offence punishable by a term of imprisonment of two years or more.</p> <p>Their position will also become vacant if they are absent without leave from Council or community board for four or more consecutive meetings<sup>4</sup>.</p> <p>Members must declare a variety of types of interests under this Act, including funding sources for international travel and gifts received.</p> <p>The obligations of this Act are extra to and do not replace those under the Local Authorities (Members' Interests) Act 1968.</p> <p>A register of interests must be held, and a summary of the register (to balance transparency and privacy) made publicly available.</p> <p>Council has appointed a Registrar as required by the Act; this is the Deputy Chief Executive / Executive Director Corporate Services.</p>

---

<sup>4</sup> Local Government Act 2002, schedule 7, clause 5

Act	Rules
<p><b>Local Government Official Information and Meetings Act 1987</b></p>	<p>This Act requires Agencies (including local authorities) to maintain transparency and availability in relation to the information they hold, and to promote the open and public transaction of business at meetings, in order to enable better participation by the public in the actions and decisions made, and to increase accountability.</p> <p>There are provisions within the Act to protect official information and business deliberations in some instances where making them public at that time would negatively affect the public interest or personal privacy.</p> <p>The Office of the Ombudsman acts as the advisory and adjudicating body in relation to queries or complaints under this Act.</p> <p>More information on Council's official information request processes can be found below.</p>
<p><b>Privacy Act 2020</b></p>	<p>The Privacy Act 2020 outlines Principles that must be followed by any Agency (and by association any representative of that Agency) in relation to personal information.</p> <p>These Principles guide the purpose, source and manner of collecting personal information, the storage and protection of personal information including length of storage, the expectations in relation to accuracy of and corrections to information held, and the limits on use and any disclosure of personal information.</p> <p>The Act also provides for complaints to be made to the Privacy Commissioner and outlines how these will be addressed, should someone feel these Principles have been breached.</p> <p>As representatives of Council as an Agency, members must abide by the expectations of the Act in relation to any personal information they are privy to.</p> <p>Council has appointed Privacy Officers as required under section 201 of the Act.</p>
<p><b>Local Authorities (Members' Interest) Act 1968</b></p> <p><i>*Under review by Central Government</i></p>	<p>This Act outlines that an elected member and their spouse/ partner cannot hold or have an interest in contracts with Council with a value of \$25,000 or more per year, with some caveats.</p> <p>An elected member may not discuss or vote on any matter in which they or their spouse/partner have a financial interest, with some caveats.</p> <p>Penalties include fines and or automatic disqualification from office</p>
<p><b>Secret Commissions Act 1910</b></p>	<p>This Act prohibits elected members from accepting gifts or rewards that could be seen to sway them to perform their duties in a particular way.</p>

Act	Rules
<b>Crimes Act 1961</b>	This Act prohibits all acts related to bribery and use of official information for private profit.
<b>Financial Markets Conduct Act 2013</b>	<p>This Act places elected members in the same position as company Directors whenever Council offers financial products (such as an issue of debt or equity securities).</p> <p>Elected members could be personally liable if documents that are registered under the Act (such as a product disclosure statement) contain false or misleading statements, and or requirements of the Act are not met in relation to offers of financial products.</p>

## 7. Governance Structure, Membership and Delegations

### Council Committee Structure

Information on Napier City Council's committees, sub-committees, advisory panels, joint committees and participation in external bodies can be found in [Appendix Two](#).

**The definition of a committee** includes:

- A committee comprising all the members of the Council;
- A standing committee or special committee appointed by the Council;
- A standing committee or special committee appointed by the Mayor;
- A joint committee appointed under clause 30 of Schedule 7 of the Local Government Act 2002;
- Any subcommittee of a committee described in items (a) (b), (c) or (d) above.

### Quorum

The terms of reference for each committee contain the quorum required. Generally (unless otherwise specified) a quorum is the presence of half of the members if the number of members is even, and a majority of members if the number of members is odd.

External, appointed members are included in calculating the quorum and are counted towards the quorum when present. This reflects the expectation that appointed members will attend those committees to which they are appointed.

### Terms of Reference

Terms of Reference and Council and Committee delegations can be accessed at the following link: <https://www.napier.govt.nz/our-council/council-committees/about-committees/>

## 8. Meeting Processes

### Giving notice to members

#### Ordinary meetings

For ordinary meetings, at least 14 days' notice of the time and place of the meeting must be given to the members of the meeting or given in accordance with an adopted meeting schedule. Notification of a schedule is notification of all meetings in the schedule.

#### Extraordinary meetings

Extraordinary meetings (meaning meetings for which notice as required for ordinary meetings cannot be given) can be called with three working days' notice, or a shorter period in exceptional circumstances, but no less than 24 hours' notice.

### Giving notice to the public<sup>5</sup>

#### Ordinary meetings

Public notice of all scheduled meetings in a month must be given at least five days and not more than 14 days prior to the end of the preceding month.

Alternatively, if a meeting is to be held after the 21st of the month, it can be notified not more than 10 working days nor less than five working days prior to the meeting.

#### Extraordinary meetings

Extraordinary meetings must be publicly notified as soon as practicable before the meeting is held. If this cannot be done, such a meeting must be notified as soon as is reasonable in the circumstances. The general nature of business to be conducted at the meeting must be included in the notice.

#### Where to view public notices

Napier City Council places public notices in the Hawke's Bay Today newspaper. Information about the schedule of meetings is also available on the Council's website.

If a meeting is notified and later cancelled, a cancellation notice will also be placed.

### Agendas and minutes

#### Pre-Agendas

A draft agenda is presented to the Chair and Deputy Chair for the following purpose (Standing Order 9.1, preparation of the agenda):

- The Chair/Deputy Chair have an opportunity to ask questions of Management to gain a better understanding of reports and any issues that may arise in the meeting on particular reports. This ensures the smooth running of an upcoming meeting.
- There is also an opportunity for Chair/Deputy Chair and Management to discuss the work programme for the Committee.

---

<sup>5</sup> Local Government Official Information and Meetings Act (LGOIMA) s46

- The Chair can put in a Chair's recommendation on a report and outline the reason why it is different from what the Officers have recommended (this can also be done outside of a pre-agenda, and even at a meeting – Standing Order 9.5).

## Agendas

Issues that need to be brought to the attention of elected members are contained in reports from Napier City Council staff that are collated into agendas.

The Chair of a meeting may also bring an issue to the attention of a meeting by way of a report.

As outlined in section 42(2) of the Local Government Act 2002, as it is a management function to provide advice to elected members the Chief Executive sets the agenda of a meeting. The Governance function is to make decisions.

Although the Public Service Commission does not cover local authorities, the principles enshrined in the Public Service Act 2020 on free and frank advice provide best practice on this matter in a New Zealand context; that Management are to provide best professional advice to politicians without fear or favour. Ministers, or in the case of local authorities, elected members, have a duty to give fair consideration and due weight to this advice.

Free and frank advice has two purposes:

1. Improving decision making by giving advice based on an impartial assessment of the risks and benefits of a range of policy options
2. Improving public confidence that elected members have received such advice.

## Minutes

Minutes are a record of proceedings of a meeting and are required to be kept. They are evidence of the proceedings of a meeting once they are authenticated by being formally confirmed at a following meeting<sup>6</sup>.

The minutes of Napier City Council meetings record the members present and absent, members arrival and departure times (where required), apologies, declarations of conflicts of interest, movers and seconders of motions and amendments, resolutions passed, and names of presenters where relevant. They are not a verbatim record of discussion.

Council, standing committee, and Ngā Mānukanuka o te Iwi Committee meetings are livestreamed and can be viewed via Council's YouTube channel. They can also be viewed after the meeting on the same channel:

<https://www.youtube.com/playlist?list=PL7kpAHictPi584UwZwOj0Z6NuPsf3Mgto>

## Public access to agendas and minutes

### Agendas<sup>7</sup>

Agendas for ordinary meetings are required by law to be publicly available at least two working days prior to a meeting.

An agenda for an extraordinary meeting will be made available to the public as soon as is reasonable in the circumstances.

---

<sup>6</sup> Local Government Act 2002, schedule 7, clause 28

<sup>7</sup> LGOIMA section 46A

Any member of the public may inspect any open agenda and associated reports circulated to elected members. Members of the public may take notes or request a copy of the agenda or report.

The Chief Executive may exclude reports or items from reports from the public section of any meeting, if there are relevant grounds to do so under the Local Government Official Information and Meetings Act 1987. The title of an item to be discussed with the public excluded, and reasons for exclusion under the Act will be indicated on each agenda if relevant.

The requirements for public notice of meetings and public availability of agendas mean that a meeting cannot deal with a matter that is not on the published agenda unless the process in the Local Government Official Information and Meetings Act 1987 is followed. This involves the Chair explaining to the meeting during the public section why the matter was not on the published agenda and why it cannot be deferred to a subsequent meeting. The meeting must pass a resolution approving that the additional item be discussed. However, no resolution, decision or recommendation can be made on the matter itself except to refer it to a later meeting for further discussion.

### Minutes<sup>8</sup>

The public are entitled to view the final minutes of a meeting at the main Napier City Council offices. However, members of the public are encouraged to use Council's website. The website is a comprehensive repository of all formal Council meetings: <http://napier.infocouncil.biz/>

A request for the minutes of a part of a meeting from which the public were excluded is treated as a request for official information.

## Public attendance at meetings

### Right to attend<sup>9</sup>

The Local Government Official Information and Meetings Act 1987 requires meetings to be open to the public. The underlying principle is that whenever the governing body of Council exercises the functions and powers given to it under legislation, this should be transparent and open to the public to observe.

Currently the open agenda sections of all Council, standing committee and Ngā Mānukanuka o te Iwi Committee meetings are livestreamed via Council's YouTube channel, and the video record stored on Council's You Tube Channel, providing the public with access to the discussion and debate even if they are unable to attend in person.

The public has a right to attend the meeting but does not have an automatic right to participate in the meeting. Public rights to speak at meetings are discussed below.

The Local Government Official Information and Meetings Act 1987 applies to any formal meeting of the governing body, or local board where they exist, or any committee which exercises a responsibility given through legislation.

A meeting at which no resolutions (decisions) are made is not considered to be a meeting under the Act. This means elected member workshops or briefing sessions are not legally required to provide for public attendance.

---

<sup>8</sup> LGOIMA section 51

<sup>9</sup> LGOIMA section 47

In response to an Ombudsman review, Council resolved on 14 March 2024 that the default setting for workshops be that they are held in public unless they are covered by one of the relevant grounds in section 6 or 7 of the Local Government Official Information and Meetings Act 1987. If it is deemed necessary to hold a workshop in public excluded staff are required to provide a plain English reason.

All open workshops are audio recorded and uploaded to the Council's website.

### Ability to exclude the public<sup>10</sup>

The Local Government Official Information and Meetings Act 1987 gives Council the ability to exclude the public from parts of meetings when certain conditions apply. These conditions include:

- that it is likely that conducting the meeting in public would lead to disclosure of information where there is good reason to withhold that information, or
- that the information is protected by legislation, or a decision is subject to appeal.

A resolution to exclude the public must be passed, which includes the legal reasons and plain English reasons for excluding the public.

If members of the public are in the room when a resolution to exclude the public is passed, the Chair will ask the public to leave the room for the duration of the item(s).

### Maintaining order<sup>11</sup>

If a member of the public is disruptive at a meeting and will not obey instructions from the Chair to leave the meeting, the Act allows Council to remove that person.

## When the public may speak at a meeting

### Public forums / Deputations

Although legislation does not require Local Authorities to allow members of the public to address meetings, provision is given in Standing Orders for this.

With the exception of the Hearings Committee<sup>12</sup>, a period of up to 45 minutes in total at each meeting (or longer if the Chair determines it) may be set aside for public input at the commencement of meetings that are open to the public.

Each speaker may speak for up to ten minutes, with a further five minutes allowed for questions.

The public forum is typically used to speak about:

- something that an organisation is doing in order to inform councillors,
- an issue that is a concern, or
- a petition.

A deputation is used to speak about:

- a matter that is on the meeting agenda

---

<sup>10</sup> LGOIMA section 48

<sup>11</sup> LGOIMA section 50

<sup>12</sup> As a Hearings Committee already has specific expectations around hearing public submissions a public forum is not required

The public forum / deputation cannot be used to speak about:

- decisions that have already made (it is not an appeal provision),
- matters for which there is a separate public hearing process (fairness dictates that all submitters use the same process),
- matters which are being dealt with through a quasi-judicial process (which requires a set process that is fair to all parties), or
- matters outside the responsibilities of the meeting or the Napier City Council.

### How to request to speak at the public forum / deputation of a meeting

If public wish to speak at a meeting, they need to contact the Chief Executive or Governance Team in writing at least one clear day prior to the meeting. They will need to outline what they wish to talk about. The Governance Team will provide the application to the meeting Chair, who has the discretion to decline a speaker in certain circumstances. The Governance Team can be contacted at [governance@napier.govt.nz](mailto:governance@napier.govt.nz)

As a public record, the minutes of meetings will record the names of public presenters and may include a summary of what was said.

### Other ways to be heard

A member of the public can participate in the democratic process by making a written submission when submissions are called on a specific topic and speaking to the submission at a Hearing.

Submissions are invited on consultation documents for

- the Annual Plan,
- the Long-Term Plan,
- Bylaws,
- key policies and plans,
- reserve management plans, and
- applications for consent and proposals for plan changes under the Resource Management Act.

See Council's website for a comprehensive list of plans, policies and strategies.

## Standing Orders

The members of a meeting must follow Standing Orders (a set of procedures for conducting meetings). A meeting may suspend all or some of the Standing Orders for a section of a meeting by a vote of 75% of the members present.

Council adopted its current Standing Orders on 20 February 2025, based on the Local Government New Zealand model with some adjustments to reflect specific Napier processes. *(These may be replaced in 2026 by standardised Standing Orders being developed by Standards New Zealand, as required by central government legislation yet to gain Royal Assent.)*

The current Standing Orders can be found on our website:

<https://www.napier.govt.nz/assets/Documents/Governance-2022-2025/2025-Adopted-NCC-Standing-Orders.pdf>

## Voting

The Local Government Act 2002 requires all voting at meetings to be open<sup>13</sup>. The Standing Orders provide for three ways of determining a vote:

- on the voices – members say “aye” or “nay”,
- show of hands – by raising their hands,
- by division (each member’s name is called in turn and the member responds by voting for or against the motion).

For all forms of voting a dissenting vote or votes will be recorded. When voting is called by division the votes of all individual members will be recorded in the minutes.

The Standing Orders allow the Mayor, Chairperson or any other person presiding at a Council meeting to have a casting vote in the case of an equality of votes. A casting vote is not applicable at standing committee meetings.

## Revoking previous decisions

A previous decision can only be revoked:

- at the same meeting as a result of new information,
- at a subsequent meeting by way of a report from the Chief Executive or Chair,
- at a subsequent meeting by way of a notice of motion by a member, with the signatures of at least one third of the meeting.

## 9. Consultation Policies

### Legal requirements

The Local Government Act 2002 sets out consultation requirements and principles for Council to follow when making a decision as the guardian of local resources<sup>14</sup>.

For any decision, Council should:

- assess the problem or issue, identify reasonably practical options for how it could be addressed, and work through the costs, benefits, and impacts for each of those options,
- consider the views of the community at all stages of the decision-making process, particularly including persons likely to be affected by or interested in the matter, and the views of Māori (especially where land or water are affected),
- consult prior to making any decision or predetermining an option,
- make decisions taking account of the interests of the present and future community, and the impacts of the economic, social, cultural interests and the quality of the environment, and
- provide reasons for all decisions made and identify and explain any inconsistencies with other council plans or policies.

Council must apply all these principles but can do this in the ways that it thinks most appropriate.

---

<sup>13</sup> Local Government Act 2002, schedule 7, clause 24

<sup>14</sup> Local Government Act 2002, sections 75-90

## Significance and engagement policy

A significance and engagement policy is a requirement of the Local Government Act 2002<sup>15</sup>. The purpose of the Policy is to:

- enable the Local Authority and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities,
- outline how and when communities can expect to be engaged in decisions about different issues, assets, or other matters,
- outline the extent of any public engagement that is expected before a particular decision is made, as well as the type and form of engagement required. This information is used at the beginning of a decision-making process.

The Policy should outline:

- a general approach to determining the significance of proposal and decisions,
- criteria or procedures for assessing the extent to which issues, proposals, assets, decisions, or activities are significant or may have significant consequences,
- how the Local Authority will respond to community preferences about engagement on decisions relating to specific issues, assets, or other matters, including the form of consultation that may be desirable,
- how the Local Authority will engage with community on other matters.

Council's Significance and Engagement Policy was reviewed in 2024 and the updated version adopted by Council on 27 May 2025. It can be found at

<https://www.napier.govt.nz/assets/Document-Library/Policies/Significance-Engagment-Policy-WEB.pdf>

## Special consultative procedure

The Local Government Act 2002 sets out the Special Consultative Procedure that Local Authorities must follow when making certain decisions.

The Council must follow the Special Consultative Procedure before it:

- adopts a Long-Term Plan (LTP) or Annual Plan
- amends an LTP
- adopts, revokes, reviews or amends a bylaw
- establishes a Council Controlled Organisation
- decides to sell, dispose of or construct a strategic asset

The Council may be required to use the Special Consultative Procedure under other legislation, and it may choose to use this procedure in other circumstances if it wishes to do so.

Council can (and does) consult outside of the Special Consultative Procedure. For example, Council may hold informal meetings with the public to ask about what matters most to the community and to identify issues of concern. The Special Consultative Procedure is outlined in more detail in the Significance and Engagement Policy.

---

<sup>15</sup> Local Government Act 2002, section 76AA

## 10. Relationships with Māori

Te Kaunihera o Ahuriri Napier City Council recognises the importance of Te Tiriti o Waitangi, the founding document of Aotearoa New Zealand, respecting and seeking to uphold in all Council activities the Treaty and its principles.

Te Kaunihera o Ahuriri Napier City Council particularly acknowledges its obligations under Te Tiriti o Waitangi towards the mana whenua and wider Māori community of Ahuriri Napier. The important standing of Ahuriri hapū as mana whenua of Napier is recognised, and Council acknowledges their connectedness through kinship within the seven hapū and six traditional marae within the takiwā (tribal area).

Mana whenua are currently represented by representatives from:

- Petane Marae
- Waiohiki Marae
- Moteo Marae
- Timikara Marae
- Tangoio Marae
- Wharerangi Marae
- Pukemokimoki Marae
- Mana Ahuriri Trust
- Maungaharuru-Tangitū Trust

Post Settlement Governance Entity Partners (PSGE):

- Mana Ahuriri Trust
- Maungaharuru-Tangitū Trust
- Te Taiwhenua o te Whanganui a Orotū (Ngāti Kahungunu representation)

Hapū Trust:

- Ngāti Pārau Hapū Trust

The establishment of the above authorities enables Council to have direct lines of communication with mana whenua marae, whānau and mataawaka (those Māori not from here).

The Local Government Act 2002 places specific expectations on councils in relation to Māori<sup>16</sup>:

- to recognise and respect the Crown's responsibility to take appropriate account of the principles of Te Tiriti o Waitangi
- establish, maintain and improve processes to provide opportunities for Māori to contribute to the decision-making processes of the local authority
- consider ways in which it may foster the development of Māori capacity to contribute to the decision-making processes of the local authority; and
- provide relevant information to Māori for the purposes of their contribution to decision making and fostering their capacity to contribute.

---

<sup>16</sup> LGA 2002, ss 4, 81

Te Kaunihera o Ahuriri Napier City Council acknowledges our relationships and partnerships with mana whenua by deliberately ensuring that engagement and participation is taking place in ways that are meaningful for the long-term future of Ahuriri Napier.

Ngā Mānukanuka o te Iwi Māori Committee (Council Specialist Committee) operates as a mechanism for participation that includes tikanga Māori, collaboration and inclusion opportunities to elevate recommendations to Council and Standing Committees. The forum is made up of representatives from all Ahuriri marae, external partners and appointed elected members. A strong value has been placed on early information, multi-directional conversations and a clear understanding of the role and mana of the Committee and its contribution to the activities of Council.

Council has an appointed member that participates in the co-governance group with mana whenua called Te Muriwai o Te Whanga Komiti and also provides administrative support to the group through the Māori Partnerships Unit - Te Waka Rangapū. Further co-management and or co-governance groups may be established by central government through settlement processes.

Council also holds a special position for appointed kaumātua to ensure mana whenua integrity is maintained. Cultural protocols and practices are advised appropriately to the Mayor, Councillors and the Chief Executive by kaumātua and also by the Māori Partnerships Directorate, Te Waka Rangapū, which aims to continue developing cultural awareness throughout the Council to support tikanga and provide a Māori lens for safe cultural practice.

Council was involved in the building of Napier's urban marae, Pukemokimoki Marae. The Marae is run by Te Roopu A Iwi Trust which has an appointed elected member as one of the Trustees. Council provides funding support to the Marae. The Marae provides a voice for hāpori Māori to direct their concerns to Council.

Council's Māori Partnerships Unit - Te Waka Rangapū lead Council in all matters to do with our commitment to Te Tiriti o Waitangi and our partnership responsibilities with mana whenua.

## 10a. International Relationships

### Sister Cities NZ Vision

Sister Cities aims to foster cross-border communications – a mutual exchange of ideas, people, and materials in a range of cultural, educational, youth, sports, civic, professional, and technical projects.

The Sister Cities concept is unique:

- It is two-way; the give and take is shared by both sides, and provides for structured, continuous contact between the cities and citizens involved.
- It brings together the volunteer resources of each pair of sister cities.
- It offers a mechanism at the community level for any person or organisation to become involved in the field of international relations.
- The establishment of sister city friendships stimulates interaction between people of different cultures and countries on a people-to-people basis.

Our aim is to foster international understanding and friendship, in order to encourage an exchange of education and culture, and where possible, even tourism and trade as catalysts for mutual economic growth.

### **Current Sister Cities with Napier**

The Council and the city foster longstanding formal Sister City relationships with Tomakomai in Hokkaido, northern Japan; and Lianyungang in Jiangsu Province, China, through regular interchanges on a number of different fronts.

Napier maintains a well-established 'friendly city' link with Victoria in British Columbia, Canada.

A similar link with Xuzhou in the Chinese province of Jiangsu is focused on the economy.

Napier also has a general servicing relationship with the Chatham Islands.

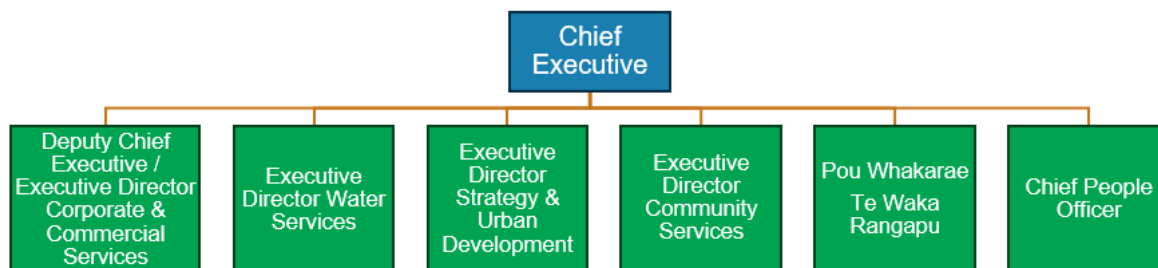
Napier and Hastings Councils also have a relationship with Mianyang in Sichuan province, China on sharing information on Earthquake matters.

### **City of Napier Sister City Objective Statements**

- Focus areas for the City of Napier's Sister Cities are Educational, Cultural, Social, Economic and Charitable. The objectives for establishing sister city relationships are:
- To engage the people of the City of Napier in cultivating strong and rewarding relationships with the people of similar cities of foreign nations; to understand one another as individuals, as members of their community, as citizens of their country, as indigenous peoples, and as a part of the family of nations.
- To foster continuing relationships of mutual concern between the people of the City of Napier and the people of established Sister Cities.
- To lead activities and programs that educate and equip the City of Napier and established Sister Cities with a mutual understanding of culture and economics.
- To assist the City of Napier in participating as an organisation in the promotion of a local program sponsoring international cooperation and goodwill.
- To act as a coordinating body among local organisations, cultural and social groups and schools desiring to engage in the planning, fundraising, and participation of international civic cooperation and exchange.
- To encourage and obtain volunteer support from business and individuals with the Napier community for Sister City relationships, activities and cultural exchanges.

## 11. Management Structure

### Management Organisation Chart – Executive Leadership Team



### Employment policies

Napier City Council is committed to recruiting people with the right skills, competencies, behaviours and experience necessary to carry out Council roles effectively to ensure the Council can meet key objectives, providing excellence in service to the community.

Council has a Recruitment & Selection Policy which is intended to assist Managers who are responsible for recruitment to make fair and objective selection decisions that supports the Council in achieving its vision and goals.

Council recognises that remuneration is an important factor in attracting, motivating and retaining talented and skilled people, and its Remuneration Policy provides overarching principles which will act as guidelines when a staff member is recruited to Council.

In brief, all positions will be compared to similar roles within the national public sector or appropriate business sector positions, depending on the nature and focus of the role, when setting the salary range for a position.

### Equal opportunities policy

Napier City Council is committed to the principle of equal opportunities in the recruitment, employment, training and promotion of its employees and consistently aims to create a workplace that attracts, retains and values diverse employees in a welcoming and positive environment.

To this end, Napier City Council actively works to:

- maintain a workplace free of discrimination and harassment on the basis of race, colour, ethnic or national origin, gender, religion, marital status, family responsibilities, sexual orientation, disability or age,
- select the best person for the job on the basis of the job requirements/competencies and the ability of that person to perform the job,
- identify and provide appropriate training programmes and promotion opportunities,
- recognise the employment aims and aspirations of Māori, the employment requirements of Māori, and the need for greater involvement of Māori in local government, and
- recognise the particular employment requirements of workers with disabilities and workers of all ages and contribute towards their successful pursuit of careers with Council.

## 12. Key Planning and Policy Documents

There are a number of plans that make up Napier City Council's strategic framework. Some plans have a statutory basis, while others are developed to help achieve Council's vision. Each plan has a specific role and objective. Policies are documents which outline Council's approved statements of position, or bases for action.

### Long Term Plan (LTP)

*Due to the disruption caused by Cyclone Gabrielle, the Government changed the legislated requirement for NCC to produce a Long Term Plan with a ten-year horizon. The Government instead enabled NCC to produce an unaudited, Three-Year Plan for 2024-2027. This change acknowledges the effects Cyclone Gabrielle had on our resources and ability to deliver previously planned projects. Despite preparing a Three-Year Plan, information on budgets and plans beyond 30 June 2027 have been provided to show the community what is in the pipeline over the long term.*

<https://www.napier.govt.nz/our-council/plans-strategies-reports/long-term-plan/>

Process	Purpose	Benefits
Council develops a LTP every three years as required under s93 Local Government Act 2002.	The LTP is Council's key strategic document that sets the long term direction for Council and Napier City.	Community have direct input into this plan, and are consulted via the legislative requirement, in accordance with the Significance and Engagement Policy.
Council's Three-Year Plan for the period 2024-2027 was adopted on 27 June 2024.	It describes the strategic objectives, programmes, projects, funding information, and performance measures covering a ten-year period (30 years for infrastructure).	

Supporting documents to the LTP include:

- Infrastructure Strategy
- Financial Strategy
- Asset Management Strategy
- Asset Management Plans
- Financial and Development Contributions Policy
- Significance and Engagement Policy

The LTP contains the following financial policies:

- Revenue and Financing Policy
- Liability Management Policy
- Investment Policy
- Rates Remission Policy
- Rates Postponement Policy
- Policy on Rates Remissions and Rates Postponement on Māori Freehold Land

## Annual Plan

<https://www.napier.govt.nz/assets/Document-Library/Plans/Annual-Plans-and-Ten-Year-Plans/20222023-annual-plan.pdf>

Process	Purpose	Benefits
<p>Council has to prepare and adopt an Annual Plan every year, except in the years where a LTP is prepared.</p> <p>The Annual Plan is essentially a refresh of the information contained in the LTP for the year it relates to.</p> <p>The Annual Plan is a requirement under s95 Local Government Act 2002.</p>	<p>The purpose of an Annual Plan is to:</p> <ul style="list-style-type: none"> <li>• contain the proposed annual budget and funding impact statement for the year to which the annual plan relates</li> <li>• identify any variation from the financial statements and funding impact statement from the LTP for the relevant year</li> <li>• support the LTP in providing integrated decision-making and co-ordination of the resources of the Local Authority, and</li> <li>• contribute to the accountability of the Local Authority to the community.</li> </ul>	<p>The Annual Plan outlines what Council intends to invest in over the next financial year in order to meet its vision as outlined in the LTP.</p>

## Annual Report

<https://www.napier.govt.nz/assets/Document-Library/Reports/Annual-Reports/004583-NCC-Annual-Report-2023-24.pdf>

Process	Purpose	Benefits
The Annual Report is a legislative requirement under section 98 of the Local Government Act 2002 and is to be presented to and accepted by the governing body of Council each year.	The purpose of the Annual Report is to outline Council's performance over a financial year from 1 July to 30 June including what was actually delivered versus what was committed to.  It also contains audited accounts.	The Annual Report promotes accountability to the community that Council has actually delivered what they said they would.

## Napier District Plan

<https://www.napier.govt.nz/our-council/plans-strategies-reports/napiers-district-plan>

The Napier City District Plan is a legal document prepared under the Resource Management Act 1991 (RMA) which sets out Council's policies and strategies for managing the effects of the use, development and protection of the natural and physical resources of the district now and in the future.

The purpose of the RMA is to promote the sustainable management of natural and physical resources. *This Act is undergoing Central Government review currently.*

The Operative Napier City District Plan became operative in November 2011 after several years of consultation with the public.

As directed by Council on 18 September 2018 a full review of the District Plan was commenced. The Proposed District Plan was developed and public submissions heard by a panel of independent Commissioners. The Decisions Version Proposed Napier District Plan was approved by Council on 9 October 2025. The Decisions Version is the updated Proposed District Plan that includes all changes made in response to submissions. It is based on the recommendations of the independent Hearings Panel, which Council adopts as its decisions under the Resource Management Act 1991.

Council's decisions are open to appeal to the Environment Court by any submitter. Until any appeals are resolved, the Operative District Plan 2011 remains in force on those provisions subject to the appeal, but the Decisions Version of the Proposed District Plan also has legal effect and must be considered. Planners must consider both the Operative District Plan and the Decisions Version in Resource Consent applications that relate to provisions subject to appeal.

## Key Joint Plans and Policies with Other Councils

### Triennial Agreement

The Triennial Agreement is a joint agreement with all other councils in the Hawke's Bay region.

The purpose of the Agreement is to provide a framework for how the councils will engage and work together. It is intended to form a strong foundation to the many existing and potential cooperative and collaborative activities undertaken between the signatory councils.

The Agreement must be updated and adopted by all partner Councils within three months of a local government election. It can be updated throughout the Triennium by agreement from all councils.

The current Agreement was adopted by Napier City Council on 24 February 2026 and adopted by all the partner Councils by 1 March 2026.

### Matariki Regional Development Strategy

The strategy, adopted in July 2016, was developed collaboratively between local authorities, tangata whenua, business leaders and government agencies. As well as an economic focus, it now also includes the Hawke's Bay Social Inclusion Strategy of 2018 under a single banner.

The MGG and ESG recognise that sustainable economic success across our region is made possible when we combine health, social, cultural, environmental and business initiatives.

[www.napier.govt.nz/napier/business/economic-development/](http://www.napier.govt.nz/napier/business/economic-development/)

### Hastings & Napier Future Development Strategy

Hastings District Council, Napier City Council, Hawke's Bay Regional Council and iwi Post-Settlement Groups (Maungaharuru-Tangitū Trust, Mana Ahuriri Trust and Tamatea Pōkai Whenua), with input from residents, interest groups and industry, jointly developed the Hastings and Napier Future Development Strategy (FDS).

The FDS will guide growth and development in the two districts over the next 30 years, while protecting highly productive land and ensuring development is well-supported by infrastructure.. It is a requirement of the Government's National Policy Statement – Urban Development. The FDS replaces the Hastings and Napier's long-standing Heretaunga Urban Development Strategy prepared by the councils in 2010 and updated in 2017.

<https://www.hastingsdc.govt.nz/hastingsnapierfuturedevelopment/>

### Local Alcohol Policy

The Sale and Supply of Alcohol Act 2012 allows local authorities (councils) to develop a local alcohol policy, which consists of a set of decisions made by a council, or councils jointly, in consultation with the Police, Medical Officers of Health and licensing inspectors as well as the community about the sale and supply of alcohol for the area the council/s are responsible for. Once the local alcohol policy is in place, the Council's District Licensing Committee (a requirement under the Sale and Supply of Alcohol Act 2013) and the Alcohol Regulatory and Licensing Authority will have to consider the policy when they make decisions on licence applications.

The latest version of the Policy was adopted 26 June 2025.

<https://www.napier.govt.nz/assets/Document-Library/Policies/Local-Alcohol-Policy-WEB.pdf>

### Local Water Done Well – Water Services Delivery Plan

The Water Services Delivery Plan (WSDP), adopted 28 August 2025 and being reviewed by the Department of Internal Affairs, is a joint plan between Napier City Council, Central Hawke's Bay District Council and Hastings District Council, reflecting the decision to establish a joint Water Services Council Controlled Organisation (WSCCO) across the councils for the delivery of water services. The WSDP demonstrates how the WSCCO will meet Central Government's requirements to manage water quality in line with legislative requirements and ensure resilient services for the Napier, Hastings and Central Hawke's Bay communities.

As identified in the Plan, the WSCCO initiative follows extensive consultation and strategic analysis aimed at identifying the most suitable model for delivering water services in the district and represents a significant transitional undertaking with profound intergenerational impacts for the region. The establishment of the WSCCO is not simply an administrative or operational change; it is a once-in-a-generation opportunity to fundamentally reshape how water services are governed, delivered, and sustained for the people of Hawke's Bay. The decisions made, systems established, and partnerships formed through this process will influence the health, wellbeing, and prosperity of communities for decades to come.

### Joint Waste Management and Minimisation Plan

The Waste Management and Minimisation Plan (WMMP) is a requirement under the Waste Minimisation Act 2008; Napier City and Hastings District Councils have a joint Plan which was reviewed following a significant joint consultation process. The WMMP contains an agreed overarching vision and action plan to deliver waste minimisation and resource recovery across Napier City and Hastings District, working towards zero waste.

<https://www.napier.govt.nz/assets/Document-Library/Plans/Joint-Waste-Management-and-Minimisation-Plan/Joint-Waste-Management-and-Minimisation-Plan-2025-2031.pdf>

### Clifton to Tangoio Coastal Hazards Strategy 2120

This Strategy provides a framework to guide and direct the assessment and implementation of preferred options for the long term management of the coast between Clifton and Tangoio to ensure that the coastal communities, businesses and critical infrastructure are resilient to the effect of coastal hazards.

The Strategy participants are Napier City Council, Hastings District Council, Hawke's Bay Regional Council, and groups representing mana / tangata whenua are also participants through a joint committee.

<https://www.hbrc.govt.nz/environment/coast/coastal-hazards/>

## 13. Requesting Official Information

### What is Official Information?

The term “official information” refers to all existing information (with a few exceptions) held by a Local Authority. Information should not be created to answer a query if it does not already exist. Requests for a person’s own information is covered by the Privacy Act 2020.

Any person may request information from the council and any request for information is made under the Act. You do not have to say you are making a request under the Act. Requests will be processed according to the Act. Council must supply the information unless reason exists for withholding it.

Requests must be responded to as soon as practicable and no later than 20 working days (although there are certain circumstances where this time frame may be extended). A response means advising whether Council has determined to release the information requested based on the Act, and if any information is being withheld or the request is being declined in full the reasons under the Act must be provided for this. Information in relation to the request may be provided separately to the response, particularly in the case of larger requests. Council may charge for official information under guidelines set down by the Ministry of Justice.

### Requesting Information

A request should include a name, postal or email address, and specific details of the information being requested.

Information can be requested in the following ways

**Phone:** 06 835 7579

**Email:** [governance@napier.govt.nz](mailto:governance@napier.govt.nz)

**Online:** <http://www.napier.govt.nz/our-council/about/information-requests/make-a-igoima-request/>

**Post:** Governance Team, C/- Napier City Council, Private Bag 6010, Napier 4142

**In person:** at Council’s Customer Service Centre, 215 Hastings Street, Napier

In brief, sections 10, 11, 13 and 15 of the Local Government Official Information and Meetings Act 1987 provide as follows:

- requests should be made with “due particularity”; this means being as specific as possible about what information is being requested (rather than asking for all files about a general topic, which creates a large amount of work),
- it is the duty of Council to assist people making requests,
- Council must convey its decision on whether to grant the request and whether a charge will apply as soon as practicable and no later than 20 working days,
- information in documents may be made available by providing an opportunity for reading it or by providing a copy of it or by providing a summary or excerpt. However, it should be made available in the way preferred by the person requesting it unless there are reasons for not doing so.

## Refusal of a request for information

There are certain instances where Council may refuse to provide all or parts of an official information request. If any or all of a request is refused, Council must give its reasons and advise the person making the request that they have the right to have the decision reviewed by an Ombudsman.

Sections 6, 7, 8 and 17 of the Local Government Official Information and Meetings Act 1987 give the reasons that information may be withheld. Examples include where:

- making it available would be likely to prejudice the maintenance of the law, or endanger safety,
- withholding the information is necessary to:
  - protect privacy
  - protect a trade secret or the commercial position of the person who supplied, or who is the subject of, the information
  - avoid offence to tikanga Māori or avoid disclosure of wāhi tapu locations
  - protect an obligation of confidentiality
  - maintain free and frank discussion or protect elected members and officers from harassment
  - maintain legal professional privilege
  - enable the council to carry out commercial activities or negotiations appropriately

## Charging for official information requests

The Act allows for charges to be set to cover costs of collating information. Council's charges are based on the guidelines of the Ministry of Justice. All of Council's fees and charges are listed in the schedule to the Long-Term Plan, available on request from our Council offices.

The first hour for collating information is not charged, then a rate of \$38 per half hour may apply, and the first 20 pages of photocopying are not charged, then a rate of 20 cents per page is applied. Any other materials such as electronic storage devices may be charged at actual cost.

Not all requests will incur charges; each is assessed on a case-by-case basis. Typically, charges may be incurred where a request is for a particularly large amount of information that takes a long time to prepare, or where the same person requests a lot of different things within a small time frame to the extent that the workload in responding is also large.

## 14. Customer Enquiries

### General contact information

Contact with the Council can be made in the following ways

**Phone:** 06 835 7579

**Email:** [info@napier.govt.nz](mailto:info@napier.govt.nz)

**Online:** <http://www.napier.govt.nz/>

**Post:** Napier City Council, Private Bag 6010, Napier 4142

**In person:** at Council's Customer Service Centre, 215 Hastings Street, Napier

### Service requests and complaints

Service requests and complaints can be made by calling the main customer line or email address, or via the council website:

<http://napier.govt.nz/our-council/about/contact-us/fault-repair/>

Council's complaint policy is located on the website on the following link:

<https://www.napier.govt.nz/documents-and-forms/policies/>

## 15. Appendix One

### National legislation particularly affecting Napier City Council

The special status of Te Tiriti o Waitangi as a founding document of New Zealand, and its incorporation and consideration in all New Zealand law, is recognised.

#### Aa

- Accident Compensation Act 2001
- Ahuriri Hapū Claims Settlement Act 2021
- Airport Authorities Act 1966
- Animal Welfare Act 1999
- Animals Law Reform Act 1989
- Anti-money Laundering and Countering Financing of Terrorism Act 2009
- Arbitration Act 1996

#### Bb

- Bill of Rights Act 1990
- Biosecurity Act 1993
- Building Act 2004
- Building Research Levy Act 1969
- Burial and Cremation Act 1964
- Bylaws Act 1910

#### Cc

- Cadastral Survey Act 2002
- Children's Act 2014
- Citizenship Act 1977
- Civil Aviation Act 2023
- Civil Defence Emergency Management Act 2002
- Climate Change Response Act 2002
- Commerce Act 1986
- Companies Act 1987
- Conservation Act 1987
- Construction Contracts Act 2002
- Contract and Commercial Law Act 2017
- Consumer Guarantees Act 1993
- Copyright Act 1994
- Crimes Act 1961

#### Dd

- Data and Statistics Act 2022
- Dog Control Act 1996
- Dog Control Amendment Act 2003

#### Ee

- Electoral Act 1993
- Employment Relations Act 2000
- Equal Pay Act 1972

#### Ff

- Fencing Act 1978
- Fencing of Swimming Pools Act 1987
- Financial Markets Conduct Act 2013
- Financial Reporting Act 2013
- Financial Transactions Reporting Act 1996
- Food Act 2014
- Freedom Camping Act 2011

#### Gg

- Gambling Act 2003

#### Hh

- Harmful Digital Communications Act 2015
- Hawke's Bay Crematorium Act 1944
- Hawke's Bay Endowment Land Empowering Act 2002
- Hazardous Substances and New Organisms Act 1996
- Health and Safety at Work Act 2015
- Heritage New Zealand Pouhere Taonga Act 2014
- Holidays Act 2003
- Human Rights Act 1993

#### Ii

- Income Tax Act 2007

#### Ll

- Land Transfer Act 2017

- Land Transport Act 1998
  - Limitation Act 2010
  - Litter Act 1979
  - Local Authorities (Members' Interests) Act 1968
  - Local Electoral Act 2001
  - Local Government Act 1974
  - Local Government Act 2002
  - Local Government Borrowing Act 2011
  - Local Government Official Information and Meetings Act 1987
  - Local Government (Pecuniary Interests Register) Amendment Act 2022
  - Local Government (Rating) Act 2002
  - Local Government (Water Services) Act 2025
- Mm**
- Marine Mammals Protection Act 1978
  - Minimum Wage Act 1983
- Nn**
- Napier Borough Endowments Act 1876
  - Napier Borough Endowments Amendment Act 1999
  - Napier City Council (Land) Empowering Act 1989
  - Napier City Council (Sale of Liquor) Empowering Act 1993
  - Napier Foreshore Act 1927
  - Napier Foreshore Extension Act 1935
  - Napier Foreshore Extension Act 1966
  - Napier Harbour Board Act 1878
  - Napier Harbour Board Amendment and Endowment Improvement Act 1887
  - Napier Harbour Board Amendment and Endowment Improvement Act 1899
  - Napier Harbour Board Amendment and Endowment Improvement Act 1912
  - Napier Harbour Board and Napier Borough Enabling Act 1926
  - Napier Harbour Board and Napier Borough Enabling Act 1933
  - Napier Harbour Board and Napier Borough Enabling Act 1936
  - Napier Harbour Board and Napier Borough Enabling Act 1945
  - Napier Harbour Board Empowering Act 1932-33
  - Napier Harbour Board and Napier City (Inner Harbour) Subdivision Act 1966
  - Napier Harbour Board Loan Act 1906
  - Napier Public Baths Act 1908
  - National Animal Identification and Tracing Act 2012
- Oo**
- Official Information Act 1982
  - Ombudsmen Act 1975
- Pp**
- Privacy Act 2020
  - Protected Objects Act 1975
  - Psychoactive Substances Act 2013
  - Public Records Act 2005
  - Public Works Act 1981
- Rr**
- Rates Rebate Act 1973
  - Rating Valuations Act 1998
  - Receiverships Act 1993
  - Reserves Act 1977
  - Residential Tenancies Act 1986
  - Resource Management Act 1991

**Ss**

- Sale and Supply of Alcohol Act 2012
- Secret Commissions Act 1910
- Sir Donald McLean Memorial Park Act 1911
- Smoke-free Environments and Regulated Products Act 1990
- Soil Conservation and Rivers Control Act 1941
- Sovereign's Birthday Observance Act 1952
- Stamp and Cheque Duties Act 1971
- Standards and Accreditation Act 2015
- Summary Offences Act 1981
- Summary Proceedings Act 1957

**Tt**

- Te Ture Whenua Maori Act 1993 (Māori Land Act 1993)
- Treaty of Waitangi Act 1975

**Uu**

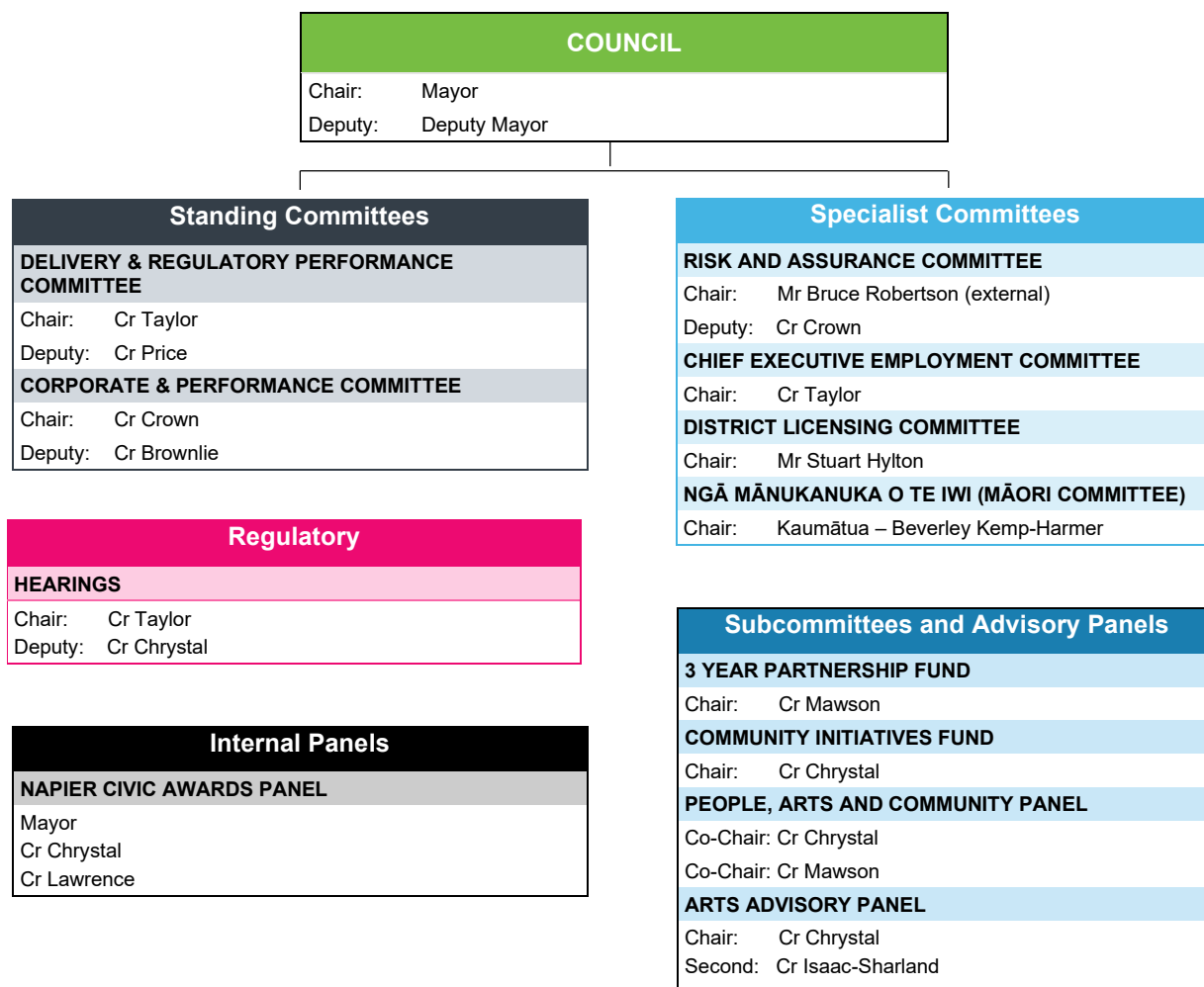
- Urban Development Act 2020

**Ww**

- Waitangi Day Act 1976
- Water Services Authority – Taumata Arowai Act 2020
- Waste Minimisation Act 2008
- Water Services Act 2025
- Water Services Act Repeal Act 2024

## 16. Appendix Two

### NAPIER CITY COUNCIL GOVERNANCE STRUCTURE 2025-2028



Elected Member Portfolios	
Portfolio	Appointee
Parks, Sport & Active Communities	Cr Taylor
Waste & Circular Economy	Cr Morley
Youth & Child-Friendly City	Cr Raihania
Resilient Communities	Cr Simpson
Climate, Urban Resilience & Biodiversity	Cr Isaac-Sharland
Innovation & City Activation	Cr Crown
Rural & Lifestyle	Cr Brownlie
Transport	Cr Price
Age-Friendly and Accessibility	Cr Mawson
Arts, Culture and Heritage	Cr Chrystal
Multicultural Communities	Cr Lawrence

Napier City Council Members of Joint Committees		
<b>AHURIRI REGIONAL PARK JOINT COMMITTEE</b>	<b>APPOINTMENTS PANEL HAWKE'S BAY REGIONAL SPORTS PARK TRUST</b>	<b>COASTAL HAZARDS ADVISORY GROUP</b>
Cr Simpson Cr Isaac-Sharland Cr Morley (Alternate)	Cr Mawson	Cr Price Cr Brownlie
<b>HAWKE'S BAY CIVIL DEFENCE EMERGENCY MANAGEMENT JOINT COMMITTEE</b>	<b>HAWKE'S BAY CREMATORIUM COMMITTEE</b>	<b>HAWKE'S BAY MUSEUM TRUST JOINT WORKING GROUP</b>
Mayor McGrath Cr Simpson (Alternate)	Cr Morley Cr Simpson	Cr Crown Cr Chrystal
<b>HAWKE'S BAY REGIONAL TRANSPORT COMMITTEE</b>	<b>HAWKE'S BAY WATER SERVICES CCO TRANSITIONAL GOVERNANCE GROUP</b>	<b>HERETAUNGA WATER STORAGE SHAREHOLDER COMMITTEE</b>
Cr Price Mayor McGrath (Alternate)	Mayor McGrath Cr Price	Cr Price Cr Brownlie
<b>JOINT WASTE FUTURES PROJECT STEERING COMMITTEE</b>	<b>NAPIER-HASTINGS FUTURE DEVELOPMENT STRATEGY JOINT COMMITTEE</b>	<b>OMARUNUI JOINT REFUSE LANDFILL COMMITTEE</b>
Cr Mawson Cr Isaac-Sharland Cr Lawrence	Cr Chrystal Cr Brownlie Mayor McGrath (Alternate)	Cr Isaac-Sharland Cr Morley Cr Mawson (Alternate)
<b>REIMAGING FLOOD RESILIENCE STEERING GROUP</b>	<b>TE KOMITI MURIWAI O TE WHANGA</b>	
Cr Taylor Cr Lawrence	Cr Raihania	

External Appointments		
<b>AHURIRI BUSINESS ASSOCIATION INCORPORATED</b>	<b>ART DECO TRUST</b>	<b>ART DECO TRUST (Robert McGregor Heritage Fund Committee)</b>
Cr Price	Cr Chrystal	Cr Chrystal Cr Raihania (Alternate)
<b>CREATIVE COMMUNITIES COMMITTEE</b>	<b>EASTERN SCREEN ALLIANCE</b>	<b>HAWKE'S BAY HOLT PLANETARIUM CHARITABLE TRUST</b>
Cr Chrystal Cr Simpson Cr Raihania (Alternate)	Cr Crown	Cr Mawson
<b>HISTORIC PLACES HAWKE'S BAY INCORPORATED</b>	<b>HOWARD ESTATE ADVISORY BOARD</b>	<b>MAYOR'S TASKFORCE FOR JOBS</b>
Cr Chrystal	Cr Suzanne Joy Newman	Mayor McGrath
<b>NAPIER CITY BUSINESS INC.</b>	<b>NAPIER PILOT CITY TRUST</b>	<b>NAPIER DISABILITY ADVISORY GROUP</b>
Cr Crown	Cr Raihania	Cr Mawson
<b>PREDATOR FREE NAPIER HILL GOVERNANCE GROUP</b>	<b>PORT NOISE LIAISON COMMITTEE</b>	<b>POSITIVE AGEING TRUST</b>
Cr Brownlie	Cr Brownlie Cr Price (Alternate)	Cr Mawson
<b>PUKEMOKIMOKI MARAE TRUST</b>	<b>SPORTS COUNCIL</b>	<b>TARADALE BUSINESS ASSOCIATION</b>
Cr Price	Cr Price	Cr Chrystal
<b>TE MATAU A MĀUI TRUST</b>	<b>WAIPUREKU WAITANGI CHARITABLE TRUST</b>	
Cr Price	Cr Lawrence	

### Council Controlled Organisations and Council Controlled Trading Organisations (CCO & CCTO)

<b>HAWKE'S BAY AIRPORT LTD</b>	<b>HAWKE'S BAY MUSEUMS TRUST</b>	<b>OMARUNUI LANDFILL</b>
No appointees required	Cr Chrystal	Cr Isaac-Sharland Cr Morley Cr Mawson (Alternate)
<b>AHURIRI INVESTMENT MANAGEMENT LIMITED</b>		
Cr Taylor		

## 17. Appendix Three

### Guidelines for Council Portfolio Holders

#### 1. Purpose

These guidelines outline the expectations and practices for councillors appointed as Portfolio Holders.

The Portfolio Holder role is intended to:

- Provide the community with a clear point of contact on matters of high public interest.
- Strengthen connections between elected representatives and the community.
- Support a consistent and coordinated approach to community engagement.
- Give councillors an **area of interest** to follow closely, contribute insights to, and advocate for—not an area of formal responsibility or authority.
- Operate as an **Elected Member construct**, helping councillors organise their own focus areas, understand who is leading engagement on particular topics, and coordinate interactions with community groups and stakeholders.

Portfolio areas are designed to help councillors deepen their understanding of key issues and maintain strong links with the community. They do **not** create individual accountability for service delivery, performance, or operational outcomes.

Portfolio work is **informally supported by Council officers**, who may provide informal briefings, updates, or guidance as practical. However, portfolios do not have dedicated staff support.

Operational responsibilities and formal decision-making authority remain with Council, the Chief Executive, and staff under established governance and management arrangements.

#### 2. Definition

A **Portfolio Holder** is a councillor formally assigned responsibility for a specific portfolio area by the Council. Each portfolio is assigned to one councillor.

#### 3. Role of Portfolio Holders

In addition to councillor responsibilities under the Local Government Act 2002, Portfolio Holders are expected to:

- Represent Council on matters relevant to their portfolio.
- Advocate for Council priorities within their assigned area.
- Maintain awareness of key Council issues and developments.
- Provide informed insights and feedback to Council officers.

Portfolio Holders should remain focused on strategic matters. Operational activities remain the responsibility of Council staff.

#### 4. Key expectations

Portfolio Holders are expected to:

- Provide advice and guidance to Council through participation in discussions and debates at Council meetings.
- Keep the Mayor informed of portfolio matters, including emerging issues.
- Ensure consistent communication on portfolio issues, including updates to relevant sub-committees.
- Collaborate with Committee Chairs and other Portfolio Holders where objectives overlap.
- Contribute to cross-portfolio or collective Council issues.
- Build and maintain relationships with key stakeholders and represent Council at relevant events or meetings.
- Serve as Council's spokesperson and main point of contact for their portfolio area unless otherwise directed by the Mayor.
- Work constructively with the assigned Executive Director or relevant Head of Department if delegated.

#### 5. Selection and Term

The Mayor appoints Portfolio Holders at the beginning of each triennium, subject to Council approval.

Any changes to portfolios or appointments must first go through the Mayor and then be approved by Council.

#### 6. Review of the Portfolio System

Council will review the portfolio system toward the end of 2026 to assess how effectively it is operating.

#### 7. Delegations and Limitations

Portfolio Holders:

- Do **not** hold additional statutory or governance authority beyond their normal responsibilities as elected councillors.
- Do **not** have authority to make Council decisions or commit Council to actions or expenditure not formally approved.

#### 8. Relationship with Council officers

The assigned Executive Director (or Head of Department if appropriate) serves as the primary advisor and point of contact for the Portfolio Holder.

The Community Resilience team will support portfolio holders to connect with relevant community organisations where practical.

## 9. Reporting and Accountability

Portfolio Holders will:

- Provide updates to the People, Arts and Community Panel at least every six months, outlining progress, achievements, current work, and outstanding issues.
- Engage regularly with the Mayor and Senior Councillor to maintain alignment and awareness.
- Seek opportunities for informal discussion with other councillors where helpful for advancing portfolio matters or supporting informed decision-making.

## 10. External Communication Protocol

The Mayor retains the first right of refusal as the Council's principal spokesperson on significant issues.

Portfolio Holders may act as the political spokesperson for their portfolio area, communicating official Council policy—or, where policy is absent, views consistent with Council's strategic direction.