



# ORDINARY MEETING OF COUNCIL

## Open Agenda

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Meeting Date: Wednesday 27 May 2026

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Time: 9.30am (Hearing of Annual Plan Submissions)

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Venue: The Ocean Suite  
East Pier Hotel  
50 Nelson Quay  
Ahuriri

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*Livestreamed via Council's YouTube Channel*

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Council Members **Chair:** Mayor McGrath

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

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Officer Responsible Chief Executive

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Administrator Governance Team

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**Next Council Meeting**  
**Thursday 11 June 2026**

## 2025-2028 TERM OF REFERENCE - COUNCIL

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

### **Purpose**

The Council is responsible for:

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

### **Terms of Reference**

The Council is responsible for the following powers which cannot be delegated to committees, subcommittees, officers or any other subordinate decision-making body<sup>1</sup>:

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

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<sup>1</sup> Schedule 7, clause 32. Local Government Act 2002.

<sup>2</sup> Schedule 7, clause 30A

## Ordinary Meeting of Council - 27 May 2026 - Open Agenda

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

### **Delegated Power to Act**

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

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

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

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3 Shop Trading Hours Act 1990, section 5D.

4 Schedule 7, clause 27,

5 Schedule 7, clause 15,

6 Schedule 7, clause 30,

7 Schedule 7, clause 30,

8 Local Electoral Act 2001, section 19H.

# ORDER OF BUSINESS

## Karakia

## Apologies

Nil

## Conflicts of interest

## Public forum

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

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

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

## Announcements by the management

## Confirmation of minutes

That the Draft Minutes of the Ordinary Meeting of Council held on Thursday, 7 May 2026 be confirmed as a true and accurate record of the meeting. ....80

## Agenda items

- |   |  |    |
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| 1 | Submissions on the Annual Plan 2026/27 ..... | 5  |
| 2 | Tradewaste Fees and Charges .....            | 54 |
| 3 | Introduction of Tankered Water Charges ..... | 76 |

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

## Recommendation to Exclude the Public

# AGENDA ITEMS

## 1. SUBMISSIONS ON THE ANNUAL PLAN 2026/27

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<i>Type of Report:</i>	Legal
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1910585
<i>Reporting Officer/s &amp; Unit:</i>	Talia Foster, Financial Controller Alister Edie, Senior Financial Strategy & Treasury Lead Danica Rio, Senior Advisor Corporate Planning

### 1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

- 1.1 This report summarises submissions received on the Annual Plan 2026/27 consultation document and seeks final decisions for incorporation into Napier City Council's Annual Plan (AP), due to be adopted at the Council meeting on 25 June 2026.
- 1.2 328 submissions were received in total, (Doc Id 1912365 – Vol 2 of 2) and 29 submitters booked a slot to speak at the hearing on 27 May 2026 (Doc Id 1912548 – Vol 1 of 2).
- 1.3 All submissions are provided in full as attachments to this report, along with comments from officers where relevant for consideration by Elected Members.

### 2.0 Recommendations - Ngā Tūtohunga

#### That Council

- a. **Receives** the report titled Submissions on the Annual Plan 2026/27 dated 27 May 2026.
- b. **Receives** all submissions made on the Annual Plan 2026/27 consultation document, along with any relevant officer comments.
- c. **Adopts** the following recommendations based on feedback received during the consultation process for the Annual Plan 2025/26, and the analysis provided in the body of this report:
  - i. **A change to how we recover transportation (roading) costs:** Option 1 – Transport Targeted Rate (capital value): Remove transportation costs from the General Rate and recover them through a new targeted rate based on each property's capital value to more accurately reflect the benefit a property receives from local services and infrastructure.
  - ii. **That Council adopt one of the following options:**
    1. **A change to how we charge inner city CCTV monitoring:** Option 1 – Commercial ratepayers pay more: The CBD's Commercial ratepayers pay \$490 per SUIP, with Residential ratepayers in the CBD paying 33% of what Commercial ratepayers would pay (\$163 per SUIP).

2. **A change to how we charge inner city CCTV monitoring based on a per rating unit basis:** Commercial ratepayers pay more: The CBD's Commercial ratepayers pay \$1,123 per property, with residential ratepayers in the CBD paying \$294 per property.
3. **Fully fund the cost of inner city CCTV monitoring from the general rate:** the annual impact on general rates is 0.22% or an average of \$8.24 per residential property.
- iii. **Transition the Rural Residential differential to 0.95 and direct officers to review moving the differential to 1.0 through the 2027-37 Long Term Plan process:** This option smooths the impact on Rural Residential ratepayers.
- iv. **Revenue and Financing Policy:** Direct officers to incorporate any changes to the draft Revenue and Financing Policy (Doc 1912705) in anticipation of adoption at the 25 June 2026 Council meeting.
- v. **Fees and Charges 2026/27:** Adopt the attached schedule of Fees & Charges 2026/27 (Doc Id 1912381), noting any changes to Trade Waste fees and charges will be considered under a separate agenda item.
- d. **Approves** increasing 2026/27 capital funding for the Animal Shelter from \$3.85 million to \$5.35 million.
- e. **Receives** the petition that accompanies Annual Plan 2026/27 submission #318 made by Maxine Boag on behalf of Tū Tangata Maraenui Trust (Support for Te Pihinga – Maraenui Community Hub).
- f. **Directs** officers to prepare the final Annual Plan 2026/27 in anticipation of adoption at the 25 June 2026 Council meeting.

### 3.0 Background - Ngā Tuāpapa:

- 3.1 As per section 95 of the Local Government Act 2002 (LGA), there is a legislative requirement for Council to consult with the community on an Annual Plan if there are significant/material changes from what was set out in the relevant year of the Long Term Plan (LTP).
- 3.2 Napier City Council's Significance and Engagement Policy was used to assess the significance and public interest in matters discussed throughout the Annual Plan 2026/27 development process and as a result, the below topics were included in the consultation document adopted by Council on 19 March 2026:
  - A change to how we recover transportation (roading) costs
  - A change to how we charge inner city CCTV monitoring
  - Revenue and Financing Policy
  - Fees and Charges 2026/27
- 3.3 Community consultation opened Monday 30 March and closed Friday 24 April 2026.
- 3.4 An Open House was held on Monday 20 April from 5:30pm at Napier Municipal Theatre where the community had the opportunity to find out more about the Annual Plan and other Council projects and services.
- 3.5 Online submissions were encouraged through the Say It Napier website, and forms for hard-copy submissions were available at Council's Customer Service Centre and the

Napier and Taradale Libraries. As noted in section 1.2, a total of 328 submissions were received.

#### 4.0 Discussion - Ngā Whakamārama:

##### 4.1 General comments on the Annual Plan 2026/27

**Question asked:** *Do you have any other comments on our Annual Plan 2026/27?*

###### **Summary of community feedback**

Of the 328 submissions received, around half included a written response to the open-ended question (comments containing feedback other than a “No”, “Nil”, or blank response).

Overall, feedback highlighted concerns regarding affordability, fairness, and the relationship between rates and service delivery. A large proportion of responses reinforced views expressed elsewhere in the consultation, rather than introducing new matters.

**Affordability and cumulative rates increases:** Many submitters raised concerns about affordability, frequently referencing cumulative rates increases over recent years and wider cost of living pressures.

**Council spending and prioritisation:** Submitters called for greater focus on core services and stronger financial discipline, with some questioning current spending priorities. Responses emphasised expectations that Council prioritise essential infrastructure and demonstrate efficiency before progressing discretionary projects.

**Key issues raised across multiple consultation topics:** A significant proportion of submitters that provided a response to this question used it to reiterate feedback on matters covered by sections 4.2 to 4.4 of this report. Most notably, this included opposition to the proposed removal of the rural residential rating category.

Feedback consistently highlighted a perceived mismatch between rates charged and services received, particularly in areas without reticulated water, sewerage, stormwater, and footpaths. These matters are addressed in the below sections of this report.

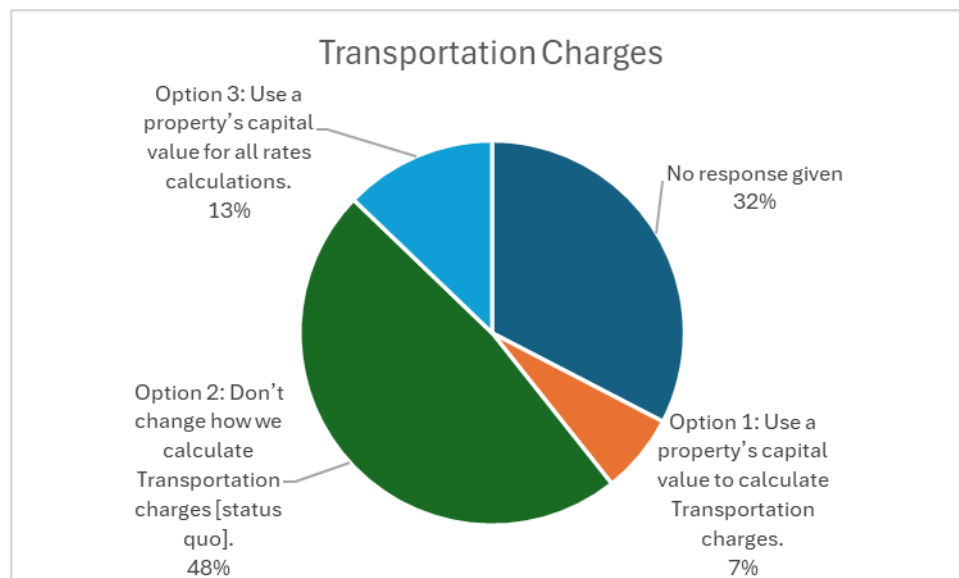
##### 4.2 A change to how we recover transportation (roading) costs

**Respondents were presented with the below options:**

1. **Option 1 – Transport Targeted Rate (capital value):** Remove transportation costs from the General Rate and recover them through a new targeted rate based on each property's capital value.
2. **Option 2 – Status quo:** Keep the current approach, with transportation costs continuing to be included within the General Rate (calculated on land value).
3. **Option 3 – Capital value for all rates:** Use capital value as the basis for all rates calculations, not just transportation.

Council received 221 responses to this question with the majority of responses (48% or 157 responses) choosing Option 2 – Status Quo.

Council advised the ten utility ratepayers of this proposal directly with a letter sent by email to the contact in the rating database during the first week of consultation. It was identified that the utilities group was significantly impacted by this proposal due to the change to capital value. These ratepayers are also applied a differential of 2.6 to align with commercial ratepayers under the proposal. One submission was received that we can identify to be from this group of ratepayers.



### **Summary of community feedback**

#### **Confusion Regarding Public Transport vs Council Transportation Services**

A number of submitters expressed confusion about what is included within Council's transportation activity, often interpreting this as public transport services. In total, **38 of 329 respondents** raised this issue, with comments indicating concern about paying for transport services they do not use, particularly where bus services are not available in their area. This reflects a misunderstanding of Council's role, noting that transportation funding for Napier City Council relates to **roads, footpaths and cycleways**, rather than public transport services such as buses.

#### **Perceived Disconnect Between Capital Value and Network Use**

Some submitters questioned the relationship between property value and use of the transportation network. **27 respondents** commented that properties with higher capital values do not necessarily use the transportation network more than lower-value properties, and therefore considered a capital value-based approach to be inequitable. These submitters generally expressed support for **Option 2** on this basis.

#### **Concern About Impact on Property Improvements**

A small number of submitters raised concerns about the potential impact of using capital value as a basis for funding on property improvement decisions. **Five respondents** suggested that this approach could discourage property improvements or development, as higher-value properties would be subject to increased charges.

#### **Perceived Lower Benefit for Rural Ratepayers**

Some submitters considered that rural ratepayers receive less benefit from the transportation network. **Eight respondents** supported a rural discount on this basis. These submitters are currently within the rural/residential differential group, and their feedback largely reflected a view that the lower level of service currently received by rural areas should continue to be recognised through a lower rate, rather than transitioning to a standard residential approach without a discount.

#### **Cost-Driven Feedback**

Across submissions, there was a general indication that respondents were influenced by the financial impact to them personally. Feedback suggests that submitters tended to support

the option that resulted in the lowest cost to their household or property, rather than applying a consistent principle-based view across the options presented.

### **Equity and cost shifting concerns**

The submission argues the proposed targeted transportation rate is inequitable, shifting a disproportionate share of roading costs onto utility providers (and ultimately their customers), rather than being broadly shared across beneficiaries. Utilities state they already contribute to the road network through existing mechanisms (e.g. permits, reinstatement, traffic management), and the new rate is seen as over-recovery that could lead to double charging and reduced economic efficiency, including potential impacts on infrastructure investment.

### **Officer comment**

The Local Government Act 2002 sets out a range of funding principles for councils to consider when setting rates, including fairness, the distribution of benefits, and the ability to pay. While these principles provide important guidance, the Act does not require rates to directly reflect the specific level of service used by individual ratepayers. Rather, rates are a form of taxation used to support services that deliver wider community benefits, recognising that people will use and value these services in different ways.

In relation to transportation, all ratepayers benefit from access to the broader network of roads, footpaths, and cycleways, regardless of whether these assets are located immediately outside their property. For this reason, the presence or absence of infrastructure such as footpaths adjacent to a particular property is not typically used as a basis for determining rates or differentials. For example, within the residential category, not all properties have footpaths directly outside, while some transport assets serve areas beyond any single property. The transportation network operates as an integrated system that supports movement and connectivity across the city as a whole.

In terms of how rates are calculated, using capital value is one of the options available under the Local Government (Rating) Act 2002. Some submitters have raised concerns that this approach could affect decisions to invest in properties, but there isn't clear evidence of a consistent link.

Capital value is commonly used because it reflects the relative value of properties and the broader benefits people receive from Council services. It's also generally seen as a reasonable way to reflect ability to pay and helps distinguish between undeveloped land and improved properties, supporting a more balanced way of sharing costs across the community

### **Officer recommendation**

- i. **A change to how we recover transportation (roading) costs:** Option 1 – Transport Targeted Rate (capital value): Remove transportation costs from the General Rate and recover them through a new targeted rate based on each property's capital value to more accurately reflect the benefit a property receives from local services and infrastructure.

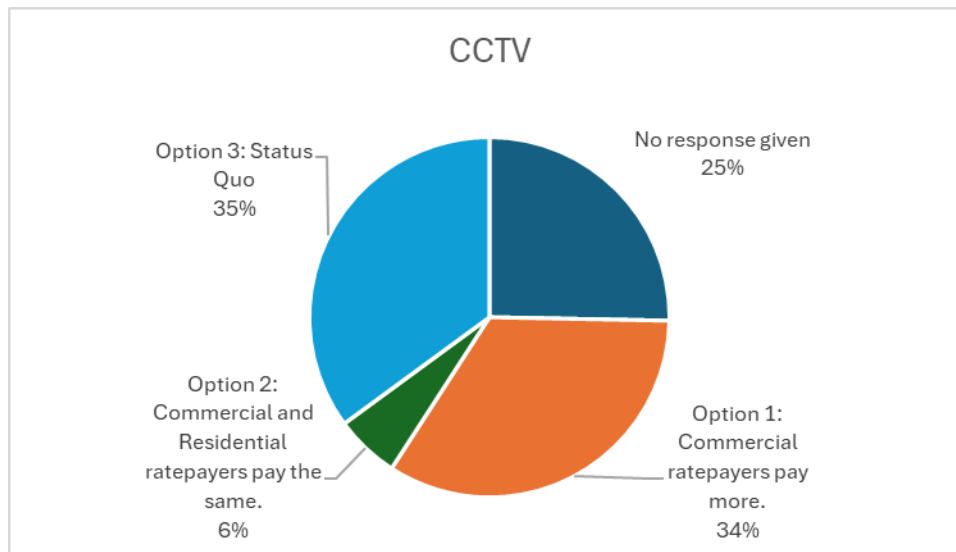
## **4.3 A change to how we charge inner city CCTV monitoring**

### **Respondents were presented with the below options:**

1. **Option 1 – Commercial ratepayers pay more:** The CBD's Commercial ratepayers pay \$490 per SUIP, with Residential ratepayers in the CBD paying 33% of what Commercial ratepayers would pay (\$163 per SUIP). This option reflects that Commercial ratepayers receive the most benefit from CCTV monitoring, as it protects

their businesses. Residents in the area receive a smaller benefit in terms of neighbourhood safety.

2. **Option 2 – Commercial and Residential ratepayers pay the same:** Commercial and Residential ratepayers in the CBD pay \$453 per SUIP. This option assumes that the benefit of CCTV monitoring to Commercial and Residential ratepayers in the CBD is the same
3. **Option 3 – Status Quo:** All Napier Assist activities continue to be funded from the Parking Reserve Fund. Under this option, there will be no rates impact. However, this is not our preferred option because the Parking Reserve Fund is not a sustainable funding source. Under this option, CCTV nighttime monitoring cannot be funded over the long term.



Council advised the 530 impacted parties in the CBD directly with a letter sent by email or post to the contact in the rating database during the first week of consultation.

Council received 245 responses to this question with the majority of responses (35% or 115 responses) choosing Option 3 – Status Quo. A very close second was Option 1 – Commercial ratepayers pay more (34% or 111 responses).

### **Summary of community feedback**

#### **Role of Council vs Central Government**

A number of submitters expressed the view that CCTV monitoring is a public safety function that should be funded by central government or Police rather than through local rates. These submitters considered that responsibility for crime prevention and monitoring sits outside of local government, and questioned whether it was appropriate for Council to fund and administer this service.

#### **Who Should Pay**

Submitters held differing views on how the costs of CCTV monitoring should be allocated. 47 submitters considered that CCTV provides a benefit to the wider community and should therefore be funded across all ratepayers. This view was also reflected among respondents directly impacted within the CBD, where 30 of 39 identifiable respondents provided commentary supporting a community-wide funding approach.

In contrast, 32 submitters considered that the primary benefit is to commercial activity and that costs should be borne by businesses. These submitters generally supported a user-

pays approach, on the basis that CCTV monitoring protects commercial premises and assets.

There was also some confusion among submitters regarding the scope of the proposed rate, particularly whether it would apply to all Napier residents or only those within the CBD.

### **Perceived Effectiveness of CCTV Monitoring**

Some submitters questioned the effectiveness and value of CCTV monitoring, particularly in relation to its impact on crime reduction and outcomes. Feedback included uncertainty about whether monitoring would lead to measurable improvements, with some submitters seeking clearer evidence of benefits achieved through the trial.

### **Affordability and Impact on Businesses**

Affordability was a key concern raised in submissions, with 25 submitters indicating that the proposed rate would be unaffordable. This was particularly evident in feedback from business owners and landlords, who noted existing financial pressures and the cumulative impact of increasing costs. Submitters raised concerns that additional costs could impact business viability, with potential flow-on effects for occupancy, activity levels, and the overall vibrancy of the CBD.

### ***Officer comment***

While law enforcement is primarily the responsibility of Police, the impacts of crime and disorder are experienced at a local level. These impacts include perceptions of safety, the reputation of the city, and the confidence of residents, visitors, and businesses in the CBD.

Council has a role in supporting safe and welcoming public spaces and contributing to an environment where people feel comfortable to live, work, and visit. CCTV monitoring forms part of the broader set of tools available to support these outcomes. Police have also indicated that they do not have the resources to actively monitor CCTV systems themselves, meaning that a monitored service requires local investment if it is to be maintained as an additional layer of deterrence and prevention.

Officers acknowledge that there are differing views among submitters regarding how the cost of CCTV monitoring should be allocated. CCTV monitoring provides both direct and indirect benefits, including supporting business environments, improving perceptions of safety, and encouraging visitation. Council will need to determine the appropriate balance in how these benefits are reflected in the funding approach, including the extent to which costs are shared across the wider community or targeted to those within the CBD.

While crime prevention outcomes can be difficult to quantify, there are examples where CCTV monitoring has enabled early identification of suspicious behaviour and supported Police intervention. A key challenge with preventative measures is that they can reduce incidents that would otherwise occur, which are not directly measurable. However, it is generally recognised that offenders are more likely to target areas with fewer deterrents and a lower likelihood of identification. CCTV also provides value following incidents by supporting the identification and apprehension of offenders, assisting with evidence collection, and enabling a clearer understanding of events. The presence of visible monitoring also contributes to deterrence by increasing the perceived risk of being

detected. In addition to crime prevention, early detection of vandalism, such as the lighting of fires within the CBD, reduces the likelihood of wider scale damage.

Officers recognise the concerns raised regarding affordability, particularly in the current economic environment and the pressures facing businesses within the CBD. These factors will need to be carefully considered alongside the importance of maintaining a safe and attractive city centre. A reduction in perceived safety can impact visitation, economic activity, and the overall vibrancy of the CBD.

The following analysis outlines the impact on CBD ratepayers under an alternative funding approach, where the cost of CCTV monitoring is recovered through a targeted rate applied on a per property basis, using the same proportional split proposed in Option 1 (75% commercial / 25% residential):

Category	Number	Land Value	Differentials	Weighted LV	Rate	Average
Residential	60	39,268,000	100	39,268,000	17,665	\$ 294
Commercial	230	191,415,500	300	574,246,500	258,335	\$ 1,123
Total		230,683,500		613,514,500	276,000	

Council may also wish to consider fully funding CCTV monitoring through the general rate, reflecting the broader community benefit of public safety. Under this approach, the estimated impact would be an increase of approximately 0.22% in rates, equating to around \$8.24 per residential property on average

**Officer recommendation**

**That Council adopt one of the following options:**

- i. **A change to how we charge inner city CCTV monitoring:** Option 1 – Commercial ratepayers pay more: The CBD’s Commercial ratepayers pay \$490 per SUIP, with Residential ratepayers in the CBD paying 33% of what Commercial ratepayers would pay (\$163 per SUIP).
- ii. **A change to how we charge inner city CCTV monitoring based on a per rating unit basis:** Commercial ratepayers pay more: The CBD’s Commercial ratepayers pay \$1,123 per property, with residential ratepayers in the CBD paying \$294 per property.
- iii. **Fully fund the inner city CCTV monitoring from the General rate:** the annual impact on general rates is 0.22% or an average of \$8.24 per residential property.

**4.4 Draft Revenue and Financing Policy (Attachment 6 - Doc Id 1912705)**

**Question asked:** *Do you have any general comments on the Draft Revenue and Financing Policy?*

As part of the previous 2021/22 review of the Revenue and Financing Policy, Council introduced a Rural Residential Differential to help manage the transition from 65% to 100% of the General Rate. This approach reflected a recognition that rural residential properties had historically benefited from a lower relative contribution compared with properties located closer to urban areas and sought to moderate the impact of that change.

The draft policy involves the removal of the Rural Residential differential (0.9), with affected properties transitioning to the Residential differential (1.0). Early in the consultation process, this change was identified as significant, affecting 1,583 ratepayers, and those impacted were directly notified by email or post during the first week of consultation. A substantial volume of feedback was received from this group of ratepayers.

***Officer recommendation***

- ii. **Transition the Rural Residential differential to 0.95 and direct officers to review moving the differential to 1.0 through the 2027-37 Long Term Plan process:** This option would smooth the impact on Rural Residential ratepayers.

***Summary of community feedback***

Submitters commented around affordability, fiscal discipline and investment priorities which do not relate directly to the Revenue and Financing Policy. These are covered in the “Any other comments on the Annual Plan 2026/27” section below.

**Fairness and Alignment of Rates with Services (Rural Residential)**

A significant theme was concern about the perceived lack of alignment between rates charged and services received. This was particularly evident in feedback from rural and rural-residential areas, where submitters noted they do not receive the same level of infrastructure or services (such as water, wastewater, footpaths, and street lighting) as urban properties. These submitters considered that proposed changes, including the removal of differentials, would result in inequitable outcomes.

**Transparency and Supporting Analysis (Rural Residential)**

Some submitters raised concerns regarding the level of transparency and supporting analysis provided for the proposed changes. Feedback indicated a desire for clearer explanation of how decisions have been made, particularly in relation to the assessment of benefits and the rationale for changes to rating differentials. Submitters also sought more detailed information on the underlying analysis, including how impacts have been assessed across different groups of ratepayers, and how proposals align with legislative requirements and established funding principles.

**Cumulative Rate Increases and Financial Pressure (Rural Residential)**

A consistent theme across submissions was concern about the cumulative impact of rate increases over time. Submitters noted that recent and proposed increases, when combined, are placing significant financial pressure on households and businesses. This included feedback that ongoing increases are becoming difficult to absorb, particularly in the current economic environment, and that repeated changes to rating structures are compounding this impact. Some submitters also highlighted that these increases are occurring without a corresponding increase in perceived benefits or services.

**Relationship Between District Plan Zoning and Rating Categories (Rural Residential)**

Some submitters raised concerns about the relationship between District Plan zoning, land use, and rating classifications. Feedback indicated that there is an expectation among some ratepayers that properties should be rated in a way that reflects their zoning and underlying use (for example, rural or rural-residential), as well as the level of infrastructure and services available.

Submitters questioned the appropriateness of applying residential rating treatment to properties that retain rural characteristics or are subject to rural zoning thresholds. This

included concerns that changes to rating classifications do not align with the way properties are zoned or used in practice, and may result in properties being rated equivalently to urban residential areas despite differences in service provision and infrastructure.

**Officer comment**

Rates aren't designed to directly match the level of service each individual property uses or receives. Instead, the Local Government Act 2002 asks councils to consider a broader set of principles such as how benefits are shared across the community, the community wide nature of services, and the overall impact on people. In practice, this means many Council activities are funded collectively, recognising that they support the city as a whole, even if they are not used equally by everyone.

In a similar way, the rating system doesn't necessarily line up with District Plan zoning or land use categories. District Plan zones are there to guide how land can be used and developed, while rating categories are used to help share the costs of Council services. Although they can overlap at times, they are set up for different purposes and aren't expected to match exactly.

However, where there is a clear and direct connection between a service and a property, targeted rates are generally used. For example, properties are usually only charged water supply or sewerage targeted rates if they are connected to those services. This helps ensure that, where a direct benefit exists, it is reflected in how costs are allocated.

There are also provisions to recognise properties that are smaller than 5 hectares but still largely rural in nature. In these cases, a remission may be available, allowing eligible properties to be treated in a similar way to those in the Rural category. This helps address situations where a property's characteristics don't neatly fit within standard rating groupings.

Overall, while differences in land use and service levels are important, the rating system is designed to strike a balance across a range of broader principles rather than creating a one-to-one link between services used and rates paid. Council will continue to weigh these factors carefully alongside the feedback received as it works towards a final decision.

**Officer recommendation**

- iii. **Revenue and Financing Policy:** Direct officers to incorporate any changes to the draft Revenue and Financing Policy in anticipation of adoption at the 25 June 2026 Council meeting.

**4.5 Proposed Fees and Charges 2026/27 (Doc Id 1912381)**

**Question asked:** *Do you have any comments on our proposed fees and charges for 2026/27?*

**Summary of community feedback**

A large proportion of submitters provided a response to this open-ended question. Comments either related to consultation matters already covered by sections 4.2 to 4.4 of this report or they were generally high-level in nature, with limited detailed feedback on specific fees or charges. However, a significant number of responses reiterated concern about removal of the rural residential rating category. Other feedback primarily reflected broader concerns about affordability, with many submitters noting the cumulative impact of fees alongside rates increases in the context of wider cost of living pressures.

**Officer recommendation**

- iv. Fees and Charges 2026/27:** Adopt the attached schedule of Fees & Charges 2026/27 (**Attachment 5**), noting any changes to Trade Waste fees and charges will be considered under a separate agenda item.

**4.6 Request to increase capital budget for Animal Shelter**

Officers are seeking approval to increase the 2026/27 capital budget for the Animal Shelter from \$3.85 million to \$5.35million. Design has advanced, and is now in the detailed design phase, meaning more precise and accurate cost estimates have become available which highlight the need for the outlined budget adjustment.

Despite the increased cost, officers remain committed to ensuring value engineering will be explored at every stage and have limited the scope to essential requirements. The project continues to be an important priority given the current facility is not fit for purpose and presents many challenges for the staff that care for the animals.

The associated costs will be funded through loans, with both loan repayments and interest recovered through rates over a 25-year period.

**Officer recommendation**

- e. Approves** increasing 2026/27 capital funding for the Animal Shelter from \$3.85 million to \$5.35 million.

**4.7 Petition received as part of Annual Plan submission #318**

Petitioner name: Maxine Boag on behalf of Tū Tangata Maraenui Trust

A hard copy of the petition was received on 24 April 2026 and the Petitioners' Prayer reads as follows:

*'We support Te Pihinga Community Hub and ask Napier City Council to make it a priority in the 2027-37 Long Term Plan'.*

There are 1005 signatories to the petition (made up of 363 electronic signatures and 642 signed signatures). A copy of the explanatory petition details is included as attachment three of the submission.

**Officer comment**

Te Pihinga was put on hold during previous Annual Plan deliberations. Reasons were the delay in land acquisition, Maraenui community was not comfortable with the proposed design of the Community Hall, capital funding constraints and the planned Halls review. The Halls review has started and the delivery of this project will be guided by the outcome of that review. Council identified the need to re-engage the Maraenui community as part of the Halls review and future progression depending on the outcome.

**4.8 Late submission**

**Attachment 4** of this report is a late submission from Kate Kiriona on behalf of Benson Property. As the attachment came in via email after the 24<sup>th</sup> of April, officers were unable to include it in the official submission count. The submitter was made aware of this and requested it be included as an attachment to this report to still enable Council visibility.

### 5.0 Options - *He kōwhiringa anō*:

This paper seeks decisions from Council on a number of topics as detailed in section 4.0 Discussion, to enable the development of the final Annual Plan in time for anticipated Council adoption on 25 June. Council has the option of adopting the officer recommendations as is, or making amendments before adopting to enable development and adoption of the Annual Plan by the legislated deadline of no later than 30 June 2026.

### 6.0 Next Steps - *Te Koke*

6.1 Final Annual Plan 2026/27 document developed.

6.2 Final Annual Plan 2026/27 presented at 25 June 2026 Council meeting for adoption.

### 7.0 Attachments

- |    |  |                 |
|----|--|-----------------|
| 1⇒ | Speaking List Index Annual Plan 2026/27 (Under separate cover Vol 1 of 2)    | Doc Id: 1911845 |
| 2⇒ | Annual Plan 2026/27 - Hearings Submissions (Under separate cover Vol 1 of 2) | Doc Id: 1912548 |
| 3⇒ | Annual Plan 2026/27 - All Submissions (Under separate cover Vol 2 of 2)      | Doc Id: 1912365 |
| 4↓ | Late submission - Benson Property  | Doc Id: 1912362 |
| 5⇒ | Fees and Charges 2026/27 (Under separate cover Vol 1 of 2)                   | Doc Id: 1912381 |
| 6↓ | Draft Revenue and Financial Policy   | Doc Id: 1912705 |

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## **Summary of Considerations - *Tuhinga Whakarāpopoto:***

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

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

This Annual Plan process involved community consultation and so supported democratic local decision making.

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

Council holds and maintains strong relationships with mana whenua of Te Whanganui-a Orotu, working in partnership with their mandated Māori entities. These relationships are maintained at both governance and operational levels through the Mayor, Chief Executive, Elected Members, and Te Waka Rangapū. Additionally, this Annual Plan process enabled Māori to contribute to decision making through community consultation.

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### **Climate Change - *Te Huringa o te āhuarangi***

This decision does not have an impact on:

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

While projects and decisions made as part of the Annual Plan may have an impact, the process undertaken to develop the plan does not.

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

N/A this is related to Annual Plan development.

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### **Financial considerations - *Whai whakaaro Ahumoni:***

Relevant financial considerations are outlined in section 4.0 Discussion.

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

Annual Plan 2026/27 consultation complied with the requirements set out in the LGA and Council's Significance and Engagement Policy.

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

As noted in the body of this report, community consultation opened 30 March and closed 24 April 2026. This report summarises and includes full copies of the 328 submissions received on the Annual Plan 2026/27.

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

Failure to meet the Annual Plan legislated adoption deadline of no later than 30 June 2026. Control – seeking Council's final decisions through this paper so next steps outlined in section 6.0 Next steps can be undertaken.



Napier City Council

PO Box 6010

Napier 4142

14/04/2026

**Submission: Napier City Council 2026/27 Annual Plan - Proposed CBD CCTV Targeted Rate**

Kia ora,

Thank you for the opportunity to submit.

I support the continuation of CCTV monitoring in Napier. Safety is important, I want to know I can walk through town during the day and at night and feel safe. That should be the case for everyone in our city.

However, I do not support the proposal to fund this through a targeted rate applied to CBD businesses, landlords, and residents.

**The CBD serves the whole city**

Napier's CBD is the heart of the city. It is used by people from all over Napier and wider Hawke's Bay for work, shopping, hospitality, and events. The benefits of CCTV monitoring extend well beyond CBD ratepayers and are shared across the wider community.

Because of that, it does not feel fair that a small group is being asked to carry the cost for something that benefits everyone.

**Costs are already high and continuing to increase**

From a landlord point of view, the financial pressure is already significant. Rates, insurance, compliance requirements, and general operating costs continue to rise. Tenants are under pressure, and we are constantly trying to balance affordability with keeping buildings maintained and occupied.

**Additional costs do not sit in isolation**

They flow through to tenants and directly affect whether businesses remain viable. Increased pressure can lead to vacancies, reduced activity, and ultimately poorer outcomes for the CBD.

**Private investment is already contributing**

Many of us already invest in CCTV systems on our buildings, and we are regularly asked to provide footage when needed. There is already a level of contribution being made by the



private sector, and it would be worth considering how this could be better utilised alongside any Council system.

#### **Lack of control over the cost**

CBD ratepayers would be required to fund this service but have no control over how it is delivered, what it costs, or how it may increase over time. This creates an imbalance where the cost sits with one group, while the benefit and decision-making sit more broadly.

#### **Wider impact on the CBD and city**

Additional financial pressure on CBD businesses and property owner's risks reducing investment, increasing vacancies, and impacting the overall vibrancy of the city centre. A strong CBD benefits the entire city, so decisions that affect its viability should be considered carefully. There is also a concern that this sets a precedent where the CBD becomes the default area to fund services that support the wider city.

#### **A fair and practical approach**

CCTV monitoring is fundamentally a public safety service. It supports police response, crime prevention, and general safety across streets, footpaths, and public spaces used by the entire community. I do not agree that CBD businesses and residents are the primary beneficiaries of this service.

I support retaining the current funding approach as an interim measure while Council works towards a fairer, city-wide funding model. If this cost were shared across Napier, it would represent only a small amount per household annually, which is a far more equitable way to fund a service that benefits the whole city.

#### **Conclusion**

I support improving safety in Napier, but I do not believe this is the right way to fund it. The CBD cannot reasonably carry this cost on its own.

I encourage Council to consider funding this through general rates, reflecting the shared benefit to the whole community.

Ngā mihi,  
Kate Kiriona  
Benson Property Limited

## PUBLIC POLICY



<b>Revenue and Financing Policy</b>			
<b>Adopted By</b>	Council		
<b>Department</b>	Finance		
<b>Original Approval Date</b>	29 June 2018	<b>Review Approval Date</b>	25 June 2026
<b>Next Review Deadline</b>	25 June 2027	<b>Document ID</b>	224367
<b>Relevant Legislation</b>	Local Government Act 2002		
<b>NCC Docs Referenced</b>	Not Applicable	<b>Published Document ID</b>	Not applicable

### Purpose

The Revenue and Financing policy is adopted under Sections 102(1) & 103(1) of the Local Government Act 2002 and must contain Napier City Council's general policies on the funding of operating and capital expenditure and show how the local authority has, in relation to the sources of funding identified in the policy, complied with Section 101(3) which has two parts.

### Policy Background

Napier City Council (Council) has reviewed the proposed sources of funding for operating and capital expenditure and has reviewed the funding for each activity to determine the funding policy for each. In accordance with the Local Government Act 2002 (LGA) Council has considered each activity with regard to the following:

- community outcomes to which an activity contributes; and
- the distribution of the benefits between the community as a whole, identifiable parts of the community and individuals; and
- the period in or over which those benefits are expected to occur; and
- the extent to which actions or inactions of individuals or groups contribute to the activity; and
- costs and benefits of funding the activity distinctly from other activities.

Council has considered each activity to determine what it considers an appropriate funding source for both operating and capital expenditure (refer to the schedule in the appendix).

Then it has considered the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural wellbeing of the community. It considered the following in determining the final funding source:

- the nature of Napier City as a whole, including as a visitor and tourist destination; and

- the different costs of providing services and facilities and the associated benefits that the commercial (including accommodation providers) and industrial properties receive from those services; and
- the impact of rates on residential properties, and in particular on the affordability of rates for low, average and fixed income households; and
- the complexity of the rating system and the desirability of improving administrative simplicity; and
- the appropriate use of the General Rate.

To reflect the required considerations of the LGA, Council has concluded that the General Rate and Transport Targeted Rate require differentials for Residential, Commercial and Rural rating units. Council has also applied a further commercial differential to the Stormwater Targeted Rate.

Council has also considered the impact of fees and charges. Council uses the market rate (where permissible) as the upper limit for determining fees or charges. Where Council believes the imposition of fees or charges at a rate above market will reduce usage of the activity or facility and lead to the imposition of a greater cost on ratepayers, it will modify the amount chargeable to the market rate. In selecting the market rate, Council has made a judgement that the community values the existence of the facility and would rather fund it from rates than for the facility to close.

Following consideration of the above, Council is proposing the use of the following funding tools.

## **Council's policies on funding operating expenses and capital expenditure**

### **General Rates**

General Rates are used to fund both operating and capital expenditure. They fund the remaining costs of Council operations after all other sources of funding have been applied.

The General Rate has a significant component of public good or activities benefiting the community as a whole, and being a general taxing mechanism, shifting the "differential factor" for each sector's share of the city's overall land value is the principal means the Council has used to achieve the desired overall rates impact on the wider community. It cannot achieve precise equity or allocation of costs to each type of property.

In determining differentials for General Rates, the intensity of development (i.e. building and surfaces) is considered a significant factor. With reference to observed property size and as the most common differential, Residential/Other was set as the base property type. Other differentials are set in reference against Residential/Other.

General Rates are assessed through a combination of a Uniform Annual General Charge (UAGC) and a rate in the dollar based on land value.

Council has set the following land value differential categories:

- Residential/Other
- Commercial & Industrial
- Rural

The amount of the UAGC is set to ensure that the total (excluding water and wastewater rates) uniform (or fixed) rates will be between 20% to 25% of total rates that are to be collected.

## Differential rating category definitions

### Residential/Other properties

Any property that is not defined as Commercial & Industrial or Rural.

### Commercial and Industrial

Any property that is categorised in the District Valuation Roll as either Industrial, Commercial, Utilities or Horticulture.

Commercial and industrial activities include, but are not restricted solely to:

- Rural and other support activities such as transport, supplies, packhouses and wineries servicing multiple clients
- Professional offices, surgeries etc.
- All retail, wholesale merchandising activities
- All forms of manufacturing and processing
- Bars, restaurants, cafes and other service activities
- Storage facilities
- Hotels and motels
- Utility providers

### Rural

Any rating unit with an area of 5 Hectares or more that is used predominantly for land based agricultural or farming activities.

### Targeted Rates for specific areas and/or activities

Targeted Rates are charged to fund both operating and capital expenditure. They are charged where Council considers it desirable to separate out the funding of an activity. They are charged to rating units including those units that are separately inhabited which have access to or are deemed to benefit from the service provided. Targeted rates are a funding mechanism that may be charged for activities deemed to have either a high public or a high private good to identified properties, an area of the city or the city as a whole.

Some targeted rates are applied differentially using either land or capital values, however most targeted rates are applied on a uniform basis (same amount or rate in the dollar).

### Lump sum contributions

Council does not normally use any lump sum contributions.

### Fees and charges:

Fees and charges are used to fund both operating and capital expenditure.

They are applied where there is a benefit to an individual from the delivery of goods or services and this can be charged in a cost-efficient manner. If it is possible to efficiently impose a charge, then the Council does so, on the basis of either recovering the full cost of the service, the marginal cost added by users, or at a level that the market will pay. Fees & charges includes retail sales, ticketing, & corporate sponsorship

The following specific types of revenue are included in fees and charges:

- **License Fees**  
License fees are charged where applicable and may be set by Council or by regulation.
- **Enforcement Fees including fines and infringement fees**  
Enforcement fees are charged where applicable. Their purpose is to promote compliance rather than to raise revenue; consequently, revenue collected may be insufficient to meet the full costs of the enforcement activity. The level of enforcement fee may also be restricted by statute or the courts. Use of enforcement fee revenue collected may also be directed to a specific purpose by statute.
- **Rental and Lease Income**  
Rental and lease income are attributed to the activity with primary responsibility for the asset generating the rental or lease income. This revenue generally offsets costs of maintaining the asset and costs generally within the activity area receiving the revenue. However, in the case of leasehold land subject to the Hawke's Bay Endowment Land Empowering Act 2002, ground rental revenue is credited to a special fund within equity being the HB Endowment Income Account. In accordance with the Act this income is used to fund the net cost of the Napier Inner Harbour and certain foreshore reserves and other permitted activities. The land subject to the Act was vested in Council in 1989 from the Hawke's Bay Harbour Board at the same time that Council assumed liability for the Napier Inner Harbour and former Harbour Board foreshore reserves.
- **Waste Levy Income**  
This is the Council share of waste levy fees collected by the Ministry for the Environment. Income is received from the Waste Levy Fund and must be applied to waste minimisation activities.

#### **Interest and dividends from investments**

Interest and dividends from investments are used to fund operating and capital expenditure.

Council receives interest from its investments. Interest generated from defined funds held or collected, where Council has determined that interest will be added, are credited to the fund at year end and applied to the purposes of the fund. Any remaining interest income is used to reduce the requirement for General Rates.

Council also receives a minor amount of dividend revenue from time to time. Where applicable, this is applied to offset the cost of the activity related to the dividend income. Where dividend income relates to Council operations in general, this is applied to the same purposes as general rates.

#### **Borrowing**

Borrowing is primarily used as a tool to smooth cash requirements for capital acquisitions and replacements and can be used to smooth cash requirements for large one-off operating expenditure. In certain circumstances, in accordance with Council's financial strategy, borrowing may be used to fund operating expenditure.

#### **Proceeds from Asset Sales**

Proceeds from asset sales are used to fund operating and capital expenditure.

Council's preference is that proceeds from asset sales are used to fund capital projects, repay debt to external parties or repay internal debt, thus replenishing reserves. The main planned asset sales programme of Council is the ongoing freeholding of HB Endowment Land Residential Leases and the sale of land associated with the development and sale of sections in the Parklands residential subdivision. Council also intends to review assets for potential sale to reduce debt or replace with higher yielding investments.

**Development and Financial Contributions**

Proceeds from development and financial contributions are used to fund operating and capital expenditure. They are primarily to fund capital expenditure associated with growth, however some operating costs such as finance costs may be funded from this source.

The existing Development Contribution policy has had limited application and as the Council has an operative Financial Contributions policy under the Resource Management Act 1991, it was decided that this was currently the preferred method of recovery of the costs relating to development. The Financial Contributions Policy will be updated as part of the review of the District Plan.

**Grants, subsidies and donations**

Revenue from these sources is actively sought to offset both operating and capital costs.

**Petrol Tax**

This is the local government share of the petrol tax levied by central government. It is used to contribute to the costs of road maintenance.

**Other funding sources**

Council continues to actively explore all possible sources of funding to assist with the funding of both operating and capital expenditure. Any other funds derived will be used to either fund capital expenditure or to reduce the amount Council collects from rates.

## Council policies in relation to various funding sources to fund operating and capital expenditure (section 103 Local Government Act 2002)

The table sets out for each activity funding sources that are to be used for both operating and capital expenditure. The rationale is explained in schedule in the appendix.

Activity	Funding sources	
	Operational <sup>1</sup>	Capital
Animal Control	Primary source <ul style="list-style-type: none"> <li>Fees &amp; charges (including infringement fees) 60% to 70%</li> </ul> Other sources <ul style="list-style-type: none"> <li>General Rates 40% to 50%</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses</li> <li>General Rates</li> <li>Fees &amp; charges</li> <li>Loans</li> <li>Reserves</li> </ul>
Bay Skate	Primary source <ul style="list-style-type: none"> <li>General Rates 60% - 70%</li> </ul> Other sources <ul style="list-style-type: none"> <li>Fees and charges (including Leases, retail sales, &amp; sponsorship)</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses</li> <li>General Rates</li> <li>Fees &amp; charges</li> <li>Loans</li> <li>Reserves</li> </ul>
Building Consents	Primary source <ul style="list-style-type: none"> <li>Fees and charges 80%</li> </ul> Other sources <ul style="list-style-type: none"> <li>General Rates</li> <li>Targeted Rates</li> <li>Reserves</li> <li>Loans</li> </ul>	Nil
Cemeteries This includes the contribution that NCC makes towards HB Crematorium in Hastings	Primary source <ul style="list-style-type: none"> <li>General Rates 70% to 80%</li> </ul> Other sources <ul style="list-style-type: none"> <li>User fees &amp; charges</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses</li> <li>General Rates</li> <li>Fees &amp; charges</li> <li>Loans</li> <li>Reserves</li> </ul>

<sup>1</sup> The stated percentages indicate the target set by Council. The actual percentages will vary from year to year as explained in the footnote at the bottom of the table in the appendix. Also subsidies, grants and donations can be considered as a possible source of funding for all activities as Council will actively seek other sources of external funding where available for both operating and capital expenditure.

Activity	Funding sources	
	Operational <sup>1</sup>	Capital
City Ambassadors & CCTV	Primary source <ul style="list-style-type: none"> <li>Reserves</li> <li>Targeted rates</li> </ul> Other sources <ul style="list-style-type: none"> <li>Grants &amp; donations</li> </ul>	<ul style="list-style-type: none"> <li>Reserves</li> <li>Loans</li> </ul>
City Development	Primary source <ul style="list-style-type: none"> <li>General Rates 85 - 95%</li> </ul> Other sources <ul style="list-style-type: none"> <li>Targeted Rates</li> <li>Grants &amp; donations</li> <li>Reserves</li> <li>Loans</li> <li>Fees and charges</li> </ul>	No significant capital expenditure but minor capital expenditure is funded from General Rates, Reserves and Loans
Community Facilities	Primary source <ul style="list-style-type: none"> <li>General Rates 80% – 90%</li> </ul> Other sources <ul style="list-style-type: none"> <li>Fees &amp; charges, including lease income, one off grants, naming rights</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses</li> <li>General Rates</li> <li>Fees &amp; charges,</li> <li>Loans</li> <li>Reserves</li> <li>Grants &amp; donations</li> </ul>
Community Strategies	Primary source <ul style="list-style-type: none"> <li>General Rates 70-80%</li> </ul> Other sources <ul style="list-style-type: none"> <li>Targets rates</li> <li>Grants &amp; donations</li> <li>Fees &amp; charges, including bequest and external funding</li> <li>Reserves</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses</li> <li>General Rates</li> <li>Fees &amp; charges</li> <li>Loans</li> <li>Reserves</li> </ul>
Democracy & Governance	Primary source <ul style="list-style-type: none"> <li>General Rates, 100%</li> </ul> Other sources <ul style="list-style-type: none"> <li>Fees &amp; charges, including for LGOIMAs</li> <li>Reserves</li> </ul>	Nil
Events and Marketing	Primary source <ul style="list-style-type: none"> <li>General Rates 90% – 95%</li> </ul> Other sources <ul style="list-style-type: none"> <li>Grants</li> </ul>	Accumulated surpluses <ul style="list-style-type: none"> <li>Loans</li> </ul>

Activity	Funding sources	
	Operational <sup>1</sup>	Capital
	<ul style="list-style-type: none"> <li>Fees &amp; charges, including ticketing, corporate sponsorship, vendors</li> </ul>	
Faraday Centre	<p>Primary source</p> <ul style="list-style-type: none"> <li>General Rates 75% - 85%</li> </ul> <p>Other sources</p> <ul style="list-style-type: none"> <li>Fees and charges</li> <li>Bequests</li> <li>Grants, donations &amp; sponsorship</li> </ul>	<ul style="list-style-type: none"> <li>Reserves</li> <li>Bequests</li> <li>Grants, donations &amp; sponsorship</li> <li>Loans</li> <li>Naming rights</li> </ul>
Housing	<p>Primary source</p> <ul style="list-style-type: none"> <li>Fees &amp; charges 100% (rentals)</li> <li>Other sources</li> <li>General Rates</li> <li>Loans</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses</li> <li>Fees &amp; charges (rentals)</li> <li>Loans</li> <li>Grants</li> <li>Reserves</li> <li>General Rates</li> </ul>
Inner Harbour	<p>Primary source</p> <ul style="list-style-type: none"> <li>Reserves, surplus revenue from inner harbour land holding</li> </ul> <p>Other sources</p> <ul style="list-style-type: none"> <li>Fees and charges</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses</li> <li>Fees and charges</li> <li>General Rates</li> <li>Reserves</li> <li>Loans</li> <li>Financial and/or Development Contributions.</li> </ul>
Kennedy Park Resort	<p>Primary source</p> <ul style="list-style-type: none"> <li>Fees and charges 100%</li> </ul> <p>Other sources</p> <ul style="list-style-type: none"> <li>Loans</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses</li> <li>Fees and charges</li> <li>Loans</li> <li>Reserves</li> </ul>
Lagoon Farm	<p>Primary source</p> <ul style="list-style-type: none"> <li>Fees and charges 90% - 100%</li> </ul> <p>Other sources</p> <ul style="list-style-type: none"> <li>Reserves</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses</li> <li>Fees and charges</li> <li>Reserves</li> <li>Loans</li> </ul>
Libraries	<p>Primary source</p> <ul style="list-style-type: none"> <li>General Rates 95% - 100%</li> </ul> <p>Other sources</p> <ul style="list-style-type: none"> <li>Fees &amp; charges (fines)</li> <li>Grants &amp; bequests</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses</li> <li>Fees &amp; charges, fines</li> <li>General Rates</li> <li>Grants &amp; bequests</li> <li>Loans</li> <li>Reserves</li> <li>Financial and/or Development Contributions</li> </ul>

Activity	Funding sources	
	Operational <sup>1</sup>	Capital
McLean Park	<p>Primary source</p> <ul style="list-style-type: none"> <li>General rates 55 – 65%</li> </ul> <p>Other sources</p> <p>Fees and charges, 100% tickets, sponsorship, corporate box revenue, naming rights</p>	<ul style="list-style-type: none"> <li>Accumulated surpluses</li> <li>Fees and charges</li> <li>General and targeted rates</li> <li>Ticket sales</li> <li>Loans</li> <li>Reserves,</li> <li>Grants &amp; bequests</li> <li>Sponsorship, &amp; corporate box revenue, naming rights</li> </ul>
MTG Hawkes Bay	<p>Primary source</p> <ul style="list-style-type: none"> <li>General Rates 65% - 75%</li> </ul> <p>Other sources</p> <ul style="list-style-type: none"> <li>Fees and charges</li> <li>Contribution from other local authorities</li> <li>Bequests</li> <li>Grants, donations &amp; retail sales</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses</li> <li>General Rates</li> <li>Fees and charges</li> <li>Contribution from other local authorities</li> <li>Bequests</li> <li>Grants</li> <li>Donations</li> <li>Loans</li> <li>Reserves</li> <li>Sponsorship, &amp; naming rights</li> </ul>
Napier Aquatic Centre	<p>Primary source</p> <ul style="list-style-type: none"> <li>General Rates 65% - 75%</li> </ul> <p>Other sources</p> <p>Fees &amp; charges</p>	<ul style="list-style-type: none"> <li>Accumulated surpluses</li> <li>General Rates</li> <li>Fees &amp; charges</li> <li>Loans</li> <li>Reserves</li> </ul>
Napier I-Site	<p>Primary source</p> <ul style="list-style-type: none"> <li>Fees and charges 55% to 65%</li> </ul> <p>Other sources</p> <p>General Rates</p>	<ul style="list-style-type: none"> <li>Accumulated surpluses</li> <li>General Rates</li> <li>Fees and charges</li> <li>Targeted rates</li> <li>Loans</li> <li>Reserves</li> </ul>
Napier Municipal Theatre	<p>Primary source</p> <ul style="list-style-type: none"> <li>General Rates 70% - 80%</li> </ul> <p>Other sources</p> <ul style="list-style-type: none"> <li>Fees and charges</li> <li>Bequests</li> <li>Grants, donations &amp; sponsorship</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses</li> <li>General Rates</li> <li>Fees and charges</li> <li>Bequests</li> <li>Grants, donations &amp; sponsorship</li> <li>Loans</li> <li>Reserves</li> <li>Naming rights</li> </ul>

Activity	Funding sources	
	Operational <sup>1</sup>	Capital
Napier Conferences and Events	Primary source <ul style="list-style-type: none"> <li>Fees and charges 90% to 95%</li> </ul> Other sources <ul style="list-style-type: none"> <li>Loans</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses</li> <li>Fees and charges</li> <li>Loans</li> <li>Reserves</li> </ul>
National Aquarium of NZ	Primary source <ul style="list-style-type: none"> <li>Fees and charges 65% - 70%</li> </ul> Other sources <ul style="list-style-type: none"> <li>Grants</li> <li>Sponsorships, bequests &amp; philanthropic</li> <li>General Rates</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses</li> <li>Fees and charges</li> <li>General Rates</li> <li>Targeted rates</li> <li>Grants</li> <li>Sponsorships, bequests &amp; philanthropic</li> <li>Sponsorship</li> <li>Loans</li> <li>Reserves</li> <li>Naming rights</li> </ul>
Ocean Spa	Primary source <ul style="list-style-type: none"> <li>Fees and charges 100%</li> </ul> Other sources <ul style="list-style-type: none"> <li>Loans</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses</li> <li>General Rates</li> <li>Fees &amp; charges</li> <li>Loans</li> <li>Reserves</li> <li>Financial and/or Development Contributions</li> </ul>
Par2 Mini Golf	Primary source <ul style="list-style-type: none"> <li>Fees and charges</li> <li>Retail sales 100%</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses</li> <li>Fees and charges</li> <li>Reserves</li> <li>Loans</li> </ul>
Parking	Primary source <ul style="list-style-type: none"> <li>Fees and charges 100%</li> </ul> Other sources <ul style="list-style-type: none"> <li>Targeted rates</li> <li>Reserves</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses</li> <li>Targeted rates</li> <li>General Rates</li> <li>Loans</li> <li>Reserves</li> <li>Financial and/or Development Contributions</li> </ul>
Parklands Residential Development	Primary source <ul style="list-style-type: none"> <li>Fees and charges 100%</li> </ul>	<ul style="list-style-type: none"> <li>Loans</li> <li>Reserves</li> </ul>

Activity	Funding sources	
	Operational <sup>1</sup>	Capital
	Other sources <ul style="list-style-type: none"> <li>Reserves</li> </ul>	
Property Holdings	Primary source <ul style="list-style-type: none"> <li>Fees and charges 100%</li> </ul> Other sources <ul style="list-style-type: none"> <li>Fees and charges (lease income)</li> <li>Reserves</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses</li> <li>Fees and charges (lease income)</li> <li>Loans</li> <li>Reserves</li> </ul>
Property Rights Purchase	Primary source <ul style="list-style-type: none"> <li>General Rates 0% -100%</li> </ul> Other sources <ul style="list-style-type: none"> <li>Government Funding</li> <li>Reserves</li> <li>Loans</li> </ul>	<ul style="list-style-type: none"> <li>Government Funding</li> <li>Reserves</li> <li>Loans</li> </ul>
Public Toilets	Primary source <ul style="list-style-type: none"> <li>General Rates 95% - 100</li> </ul> Other sources <ul style="list-style-type: none"> <li>Fees and charges</li> <li>Reserves</li> </ul>	<ul style="list-style-type: none"> <li>Loans</li> <li>Reserves</li> <li>General Rates</li> </ul>
Regulatory Solutions	Primary source <ul style="list-style-type: none"> <li>General Rates 55% - 65%</li> </ul> Other sources <ul style="list-style-type: none"> <li>Fees and charges,</li> <li>Reserves</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses</li> <li>Loans</li> <li>Reserves</li> </ul>
Reserves	Primary source <ul style="list-style-type: none"> <li>General Rates 85% - 90%</li> </ul> Other sources <ul style="list-style-type: none"> <li>Fees and charges (rentals and leases)</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses</li> <li>General Rates</li> <li>Fees and charges</li> <li>Targeted rates</li> <li>Loans</li> <li>Bequests</li> <li>Reserves</li> <li>Financial and/or Development Contributions</li> </ul>

Activity	Funding sources	
	Operational <sup>1</sup>	Capital
		<ul style="list-style-type: none"> <li>Grants and subsidies</li> <li>Naming rights &amp; sponsorship</li> </ul>
Resource Consents	Primary source Fees and charges 55 – 65% Other sources <ul style="list-style-type: none"> <li>General Rates</li> <li>Reserves</li> </ul>	Nil
Sportsgrounds	Primary source <ul style="list-style-type: none"> <li>General Rates 90% - 95%</li> </ul> Other sources <ul style="list-style-type: none"> <li>Fees and charges (rentals and leases)</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses</li> <li>General Rates</li> <li>Fees and charges</li> <li>Targeted Rates</li> <li>Naming rights</li> <li>Sponsorship</li> <li>Loans</li> <li>Bequests</li> <li>Reserves</li> <li>Financial and/or Development Contributions</li> </ul>
Stormwater	Primary source <ul style="list-style-type: none"> <li>Targeted Rates 95% - 100%</li> </ul> Other sources <ul style="list-style-type: none"> <li>General Rates</li> <li>Reserves</li> <li>Fees and charges (connection fees)</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses</li> <li>General and Targeted Rates</li> <li>Fees and charges</li> <li>Financial and/or Development Contributions</li> <li>Loans</li> <li>Reserves</li> </ul>
Transportation	Primary source <ul style="list-style-type: none"> <li>Differential Targeted Rate on Capital values</li> <li></li> <li>NZTA subsidy 50% – 60% (for subsidised work programme only), 15.3% for CBD sweeping, 85% for LED replacement programme</li> </ul> Other sources <ul style="list-style-type: none"> <li>Fees and charges</li> <li>Petrol tax</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses from Targeted Rates, fees and charges</li> <li>Petrol tax</li> <li>NZTA subsidy 50% – 60% (for subsidised work programme only), 15.3% for CBD sweeping, 85% for LED replacement programme</li> <li>Financial and/or Development Contributions</li> <li>Loans</li> <li>Reserves</li> <li>Grants and donations (e.g. cycle ways)</li> </ul>

Activity	Funding sources	
	Operational <sup>1</sup>	Capital
Waste Minimisation	Primary source 100% <ul style="list-style-type: none"> <li>• Fees and charges</li> <li>• Targeted Rates</li> <li>• Waste minimisation levy</li> </ul> Other sources <ul style="list-style-type: none"> <li>• Reserves</li> </ul>	<ul style="list-style-type: none"> <li>• Accumulated surpluses</li> <li>• Fees and charges</li> <li>• Targeted Rates</li> <li>• Waste minimisation levy</li> <li>• Reserves</li> <li>• Loans</li> <li>• Financial Contributions</li> </ul>
Wastewater	Primary source 100% <ul style="list-style-type: none"> <li>• Targeted Differential Rates</li> <li>• Fees and charges (including trade waste bylaw charges)</li> </ul>	<ul style="list-style-type: none"> <li>• Accumulated surpluses</li> <li>• Targeted Differential Rates</li> <li>• General Rates</li> <li>• Fees and charges</li> <li>• Loans</li> <li>• Reserves</li> <li>• Development and/or Financial Contributions</li> </ul>
Water Supply	Primary source 100% <ul style="list-style-type: none"> <li>• Targeted Differential Rates</li> <li>• Water rates</li> <li>• Fees and charges (not including water by meter rate)</li> </ul>	<ul style="list-style-type: none"> <li>• Accumulated surpluses</li> <li>• Targeted Differential Rates</li> <li>• Water rates</li> <li>• General Rates</li> <li>• Fees and charges</li> <li>• Loans</li> <li>• Reserves</li> <li>• Financial and/or Development Contributions</li> </ul>

The schedule in the appendix records how the Council has applied the five considerations in the table below that it must consider when undertaking its funding needs analysis.

Local Government Act 2002 section	Areas of consideration	Description of the matter Council might consider
s.101(3)(a)(i)	Community outcome	The Council determined which of its community outcomes each activity primarily contributes to. There may not be strong link between community outcomes and funding requirements for an activity
s.101(3)(a)(ii)	Who benefits?	What the distribution of benefits is between the whole community, identifiable parts of the community and individuals. Often referred to as the public/private good split.
s.101(3)(a)(iii)	Period of benefit	<p>For most operational expenses, the benefit is received in the year the expense is incurred.</p> <p>Some operational expenses (provisions) may have a benefit over multiple years and so the Council may choose to fund the activity over that period.</p> <p>Expenditure which results in an asset either being replaced (renewals) or new assets provide benefit over multiple years.</p>
s.101(3)(a)(iv)	Whose acts create a need	<p>Council used the principle that those who cause additional cost either by action or inaction are considered in this section. These may be different groups from those who have been identified within the “who benefits” consideration above.</p> <p>Often referred to as the exacerbator pays principle</p>
s.101(3)(a)(v)	Separate funding	<p>Council considered the costs and benefits of funding an activity separately, including in relation to transparency and accountability. It also</p> <p>considered matters such as the financial scale of the activity, administrative cost, and legal requirements.</p>

## Policy Review

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

## Document History

Version	Reviewer	Change Detail	Date
2	Caroline Thomson	Updated in conjunction with 2019-20 Annual Plan	June 2019
3.0	Garry Hrustinsky	Updated according to Local Government Act 2002	February 2021
3.1	Garry Hrustinsky	Updated in conjunction with draft Long Term Plan 2021-2031	June 2021
4.0.0	Alister Edie	Updated - Adopted by Council	27 June 2024
5.0.0	Policy Gatekeeper	Fixed some minor edits	25 March 2025
6.0	Alister Edie	Reviewed and updated in line with 2026-27 Annual Plan	25 June 2026

## PUBLIC POLICY



## Appendix A

Schedule of Activity Funding Needs Analysis Section 101(3)(a) LGA

Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools <sup>2</sup>	Funding sources	
								Operational	Capital
Animal control	Spaces and places for all	Community as a whole Animal owners	Intergenerational	All animal owners create the need however irresponsible owners create a greater cost. Legislative (Dog Control Act)	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities.  The private benefit is predominantly funded from annual dog license fees.	Animal control is primarily a health & safety service for the community & therefore benefits everyone. There are costs that the Council can directly attribute to individual owners.	40% - 50%	<ul style="list-style-type: none"> <li>General rates</li> <li>Fees &amp; charges (including infringement fees)</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses from General rates, fees &amp; charges,</li> <li>Loans</li> <li>Reserves</li> </ul>

<sup>2</sup> The percentages stated are the indicative target set by Council. The actual percentage may vary from year to year based on activity levels. As an example, an activity that says 100% public good may receive some revenue from fees and charges where charging is warranted to ensure the community are not inadvertently required to pay for something that only provides a benefit to an identifiable individual. Another example where the actual percentage may vary is when Council is able to obtain external grants or subsidies for a specific programme of work.

Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools <sup>2</sup>	Funding sources	
								Operational	Capital
Bay Skate	Spaces and places for all	Direct users, local businesses, parents, tourists and visitors  Community as a whole as the facility provides a safe location for users to undertake their sport	Intergenerational	Nil	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	Everyone has the ability to use the facility and Council can identify the users	60% - 70%	<ul style="list-style-type: none"> <li>General rates</li> <li>Fees and charges (including Leases, retail sales, &amp; sponsorship)</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses from General rates, fees &amp; charges,</li> <li>Loans</li> <li>Reserves</li> </ul>
Building consents	Spaces and places for all	The property owner and inhabitant. There is a wider benefit from buildings being built to code	Intergenerational because of the life of the structures for which consents are issued.	People constructing non consented buildings, construction industry parties not complying with the Building Act	Council funds the cost of inspecting and maintaining a database on swimming pools through a target rate to properties that have a swimming pool.  No reason identified to fund the net cost of this activity (after the swimming	This benefits the property owner and inhabitant. There is a wider benefit from buildings being built to code.	20%	<ul style="list-style-type: none"> <li>Fees and charges</li> <li>General rates</li> <li>Targeted rates</li> <li>Reserves</li> <li>Loans</li> </ul>	Nil

Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools <sup>2</sup>	Funding sources	
								Operational	Capital
					pool targeted rate and other non-rate revenue sources) separately from other activities  Most activity costs are funded by fees from applicants.				
Cemeteries This includes the contribution that NCC makes towards HB Crematorium in Hastings	A resilient city – the ability to thrive and withstand impact, knocks and shocks	the community as a whole, any identifiable part of the community, and individuals	Intergenerational – history & physical infrastructure	No significant exacerbators	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	Wider public benefit for open space & recognition & place of remembrance.  Private benefit – place where people can be interred, cost of the plot & interment	70% - 80%	<ul style="list-style-type: none"> <li>General rates</li> <li>User fees &amp; charges</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses from General rates, fees &amp; charges,</li> <li>Loans</li> <li>Reserves</li> </ul>

City Ambassadors & CCTV	Spaces and places for all	The community as a whole benefits from this activity	The outcomes of this activity result in ongoing benefits	Antisocial behavior by individuals and groups	The net cost of this activity is funded from reserves. Council separately charges CBD properties a targeted rate for the provision of CCTV services.	City Ambassadors and CCTV is an ongoing activity that supports a safe and healthy city and community well-being. This predominantly results in benefits for the whole community.	100%	<ul style="list-style-type: none"> <li>Reserves</li> <li>Targeted Rates</li> <li>Grants &amp; donations</li> </ul>	<ul style="list-style-type: none"> <li>Reserves</li> <li>Loans</li> </ul>
City development	Spaces and places for all	The community as a whole benefit from this activity except where there is a private plan	The outcomes of this activity result in ongoing benefits and some of these benefits can last	Applicants for private plan changes	No reason identified to fund the net cost of this activity (after non rate	City Development is an ongoing activity to help citizens and elected officials	100%	<ul style="list-style-type: none"> <li>General rates</li> <li>Reserves</li> <li>Loans</li> <li>Fees and charges</li> </ul>	No significant capital expenditure but minor capital expenditure is funded from

Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools <sup>2</sup>	Funding sources	
								Operational	Capital
		change that has specific benefits to the applicant	a significant period of time		revenue sources) separately from other activities	design and deliver the Vision for Napier City. This predominantly results in benefits for the whole community. Debt or loan funding can be used where there is large non-recurring expenditure		(where appropriate)	general rates and reserves.
Community facilities	Spaces and places for all	The community as a whole including users of the facilities	Intergenerational because of the life of the facilities	Users of the facilities who put greater demands on the facilities	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	Community as a whole benefit from having these facilities available but there is the ability to identify & charge users.	80% - 90%	<ul style="list-style-type: none"> <li>General rates</li> <li>Fees &amp; charges, including lease income, one off grants, naming rights</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses from General rates, fees &amp; charges,</li> <li>Loans</li> <li>Reserves</li> <li>Grants &amp; donations</li> </ul>

Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools <sup>2</sup>	Funding sources	
								Operational	Capital
Community strategies	Nurturing authentic relationships with our community and partners	The community as a whole	The outcomes of this activity result in ongoing benefits	Antisocial behaviour by individuals and groups Legislation	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	This is a core Council activity which changes the response to the needs of the community for which everyone benefits	100%	<ul style="list-style-type: none"> <li>General rates</li> <li>Fees &amp; charges, Including bequest and external funding</li> <li>Reserves</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses from General rates, fees &amp; charges</li> <li>Loans</li> <li>Reserves</li> </ul>
Democracy & Governance	Nurturing authentic relationships with our community and partners	The community as a whole	Short term	LGOIMA requests (vexatious & legitimate)	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	All residents and rate payers have equal opportunity to benefit  All have the ability to contribute to this activity therefore no differential, general rates	100%	<ul style="list-style-type: none"> <li>General rates,</li> <li>Fees &amp; charges, Including for LGOIMAs</li> <li>Reserves</li> </ul>	Nil
Events and marketing	Spaces and places for all	The community as a whole receives social, cultural and economic benefit  Participants and/or users	Short term	No significant exacerbators	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately	Events are a key part of the Napier City's social, economic and cultural fabric, therefore the benefits that are received are	90% - 95%	<ul style="list-style-type: none"> <li>General rates</li> <li>Grants</li> <li>Fees &amp; charges, including ticketing, corporate sponsorship, vendors</li> </ul>	Nil

Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools <sup>2</sup>	Funding sources	
								Operational	Capital
					from other activities	both general and specific.			
Housing	Spaces and places for all	Users of the facilities and the wider community	Intergenerational	Inability of other entities to provide adequate social housing to meet local demand	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	Responding to an identified need in our community. The users of the facilities are the primary beneficiaries of this activity.	0%	<ul style="list-style-type: none"> <li>Fees &amp; charges (rentals)</li> <li>General rates</li> <li>Loans</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses from Fees &amp; charges (rentals)</li> <li>Loans</li> <li>Government grants</li> <li>Reserves</li> <li>General rates</li> </ul>
Inner harbour	Spaces and places for all	The users of the facilities and the wider community in terms of the amenity value.	Intergenerational	Individual undertaking Illegal activities	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	The users of the facilities receive a significant benefit but the wider community receives benefit through the amenity value.	50% - 60%	<ul style="list-style-type: none"> <li>Fees and charges</li> <li>General rates</li> <li>Reserves, surplus revenue from inner harbour land holding</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses from Fees and charges, general rates, reserves,</li> <li>Loans</li> <li>Financial and/or Development contributions.</li> </ul>
Kennedy Park Resort		Direct users and ratepayers by the surplus generated.	Intergenerational	None identified	No reason identified to fund the net cost of this	Provides a range of affordable visitor	0%	<ul style="list-style-type: none"> <li>Fees and charges</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses from Fees and charges,</li> </ul>

Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools <sup>2</sup>	Funding sources	
								Operational	Capital
	Spaces and places for all	Local retail, hospitality			activity (after non rate revenue sources) separately from other activities	amenities that generates a surplus for Council to use as it sees fit.			<ul style="list-style-type: none"> <li>Loans,</li> <li>Reserves</li> </ul>
Lagoon farm	A resilient city – the ability to thrive and withstand impacts, knocks and shocks	The community as a whole (has the ability to subsidise rates).	Intergenerational	Nil	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	This activity currently breaks even and does not require any significant additional funding.	0% - 10%	<ul style="list-style-type: none"> <li>Fees and charges</li> <li>Reserves</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses from Fees and charges</li> <li>Reserves,</li> <li>Loans</li> </ul>
Libraries	Spaces and places for all	The community as a whole however it is possible to identify users	Both long and short term benefits.	Researchers, people who demand excessive staff time for professional and commercial purposes	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	Everyone has the ability to use the library and we can identify certain users for specific services	90% - 95%	<ul style="list-style-type: none"> <li>Fees &amp; charges (fines)</li> <li>General rates</li> <li>Grants &amp; bequests</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses from Fees &amp; charges, fines</li> <li>General rates</li> <li>Grants &amp; bequests</li> <li>Loans</li> <li>Reserves</li> <li>Financial and/or Development contributions</li> </ul>

Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools <sup>2</sup>	Funding sources	
								Operational	Capital
McLean Park	Spaces and places for all	The regional community as a whole  Users, spectators, events, national, regional and local organisations, businesses	Intergenerational	None identified	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	The region benefits by having this facility and those who attend or participate in events	0% - 20%	<ul style="list-style-type: none"> <li>Fees and charges, tickets, sponsorship, corporate box revenue, naming rights</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses from fees and charges, general and targeted rates, tickets,</li> <li>Loans</li> <li>Reserves,</li> <li>Grants &amp; bequests</li> <li>Sponsorship &amp; corporate box revenue, naming rights</li> </ul>
MTG Hawkes Bay	Spaces and places for all	The whole region, users and visitors	Intergenerational	None identified	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	The provision of this activity enhances the social and cultural fabric and preserves our heritage and celebrates artistic innovation for future generations. Therefore, the whole region benefits	65% - 75%	<ul style="list-style-type: none"> <li>General rates</li> <li>Fees and charges</li> <li>Contribution from other local authorities</li> <li>Bequests</li> <li>Ministry of Education, grants, donations &amp; retail sales</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses from General rates, fees and charges</li> <li>Contribution from other local authorities</li> <li>Bequests</li> <li>Ministry of Education grants</li> <li>Donations,</li> <li>Loans,</li> <li>Reserves</li> <li>Sponsorship &amp; naming rights</li> </ul>

Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools <sup>2</sup>	Funding sources	
								Operational	Capital
Napier Aquatic Centre	Spaces and places for all	The community as a whole including users of the facility	Intergenerational	None identified	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	Everyone has the ability to use the facility and Council can identify the users	65% - 75%	<ul style="list-style-type: none"> <li>Fees &amp; charges</li> <li>General rates</li> </ul>	<ul style="list-style-type: none"> <li>Loans,</li> <li>Accumulated surpluses from general rates, fees &amp; charges</li> <li>Reserves</li> </ul>
Napier I-Site	A hgreat visitor destination	Visitors, regional tour operators and accommodation providers, hospitality, local businesses	Short term expenditure with ongoing benefits Building – intergenerational equity	Cruise ships passengers and operators	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	Visitors, regional tour operators and accommodation providers, hospitality, local businesses therefore creating economic benefit for the city	55% - 65%	<ul style="list-style-type: none"> <li>General rates</li> <li>Fees and charges</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses from General rates</li> <li>Fees and charges</li> <li>Targeted rates</li> <li>Loans</li> <li>Reserves</li> </ul>
Napier Municipal Theatre	Spaces and places for all	The community as a whole including users of the facility	Intergenerational	None identified	No reason identified to fund the net cost of this activity (after non rate revenue sources)	The provision of this activity enhances the social and cultural fabric and celebrates artistic innovation for	60% - 65%	<ul style="list-style-type: none"> <li>General rates</li> <li>Fees and charges</li> <li>Bequests</li> <li>Grants, donations &amp; sponsorship</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses from general rates</li> <li>Fees and charges</li> <li>Bequests</li> </ul>

Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools <sup>2</sup>	Funding sources	
								Operational	Capital
					separately from other activities	future generations. Therefore, the whole City benefits			<ul style="list-style-type: none"> <li>Grants, donations &amp; sponsorship</li> <li>Loans, Reserves</li> <li>Naming rights</li> </ul>
Napier Conference and Events Centre	A great visitor destination	The immediate users. Local businesses receive a benefit from out of town users. Locals benefit from general hireage of the facility.	Intergenerational - 20-30 years	None identified	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities Building = War Memorial Centre Activity = Conference Centre	The Napier War Memorial Conference Centre is suitable for a wide range of events and attracts local, national and international conferences and events and provides a facility for the community which generates economic wellbeing.	5% - 10%	<ul style="list-style-type: none"> <li>Fees and charges</li> <li>General rates</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses from Fees and charges</li> <li>General rates</li> <li>Targeted rates</li> <li>Loans</li> <li>Reserves</li> </ul>
National Aquarium of NZ	A great visitor destination	Local, domestic and international visitors Businesses and local economy	Intergenerational	Polluters, sanctuary requirements	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately	It attracts locals and visitors to the city which provides enhances economic activity	30% - 35%	<ul style="list-style-type: none"> <li>Fees and charges</li> <li>Grants</li> <li>Sponsorships, bequests &amp; philanthropic</li> <li>General rates</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses from Fees and charges</li> <li>General rates</li> <li>Targeted rates</li> <li>Grants</li> <li>Loans</li> <li>Reserves</li> </ul>

Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools <sup>2</sup>	Funding sources	
								Operational	Capital
		Historical and heritage, customary practices – especially Maori and Pacifica			from other activities				<ul style="list-style-type: none"> <li>Naming rights</li> </ul>
Ocean Spa (Marine Parade Pools)	Spaces and places for all	The community as a whole including users of the facility	Intergenerational	None identified	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	Everyone has the ability to use the facility and Council can identify the users	0%	<ul style="list-style-type: none"> <li>Fees &amp; charges</li> <li>General rates</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses from general rates</li> <li>Fees &amp; charges</li> <li>Loans</li> <li>Reserves</li> <li>Financial and/or Development contributions</li> </ul>
Par2 mini golf	Spaces and places for all	Users, visitors and families	Intergenerational	None identified	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	It attracts locals and visitors and is a fun family friendly activity for all ages from which the Council fully recovers its cost	0%	<ul style="list-style-type: none"> <li>Fees and charges, retail sales</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses from Fees and charges</li> <li>Reserves</li> <li>Loans</li> </ul>

Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools <sup>2</sup>	Funding sources	
								Operational	Capital
Parking	A great visitor destination	Retailers, visitors and the community as a whole and those with a parking exemption	There are assets within this activity that have an intergenerational life	Vehicle drivers, non-compliant vehicle operators and property owners within the parking exemption areas.	Council separately charges CBD and other commercial properties a targeted rate for the provision of additional off-street parking.  Apart for these targeted rates no further reason has been identified to fund this activity separately from other activities	Parking ensures that safe parking facilities are available to the residents and visitors to Napier City to enable optimal vehicle circulation	10% - 20%	<ul style="list-style-type: none"> <li>Fees and charges</li> <li>Targeted rates</li> <li>Reserves</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses from Fees and charges</li> <li>Targeted rates</li> <li>General rates</li> <li>Loans</li> <li>Reserves</li> <li>Financial and/or Development contributions</li> </ul>
Parklands residential development	A resilient city – the ability to thrive and withstand impact, knocks and shocks	The community as a whole	Intergenerational	Nil	No reason identified to fund the net cost of this activity (after rate	This activity currently provides significant income that	0%	<ul style="list-style-type: none"> <li>Fees and charges</li> <li>Reserves</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses from Fees and charges</li> <li>Loans</li> <li>Reserves</li> </ul>

Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools <sup>2</sup>	Funding sources	
								Operational	Capital
					revenue sources) separately from other activities	subsidises rates			
Property holdings	A resilient city – the ability to thrive and withstand impacts, knocks and shocks	The community as a whole (has the ability to subsidise rates).	Intergenerational	Non-compliant lease holders	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	This activity generates cash surpluses which enables the subsidy of rates	0%	<ul style="list-style-type: none"> <li>• Fees and charges (lease income)</li> <li>• Reserves</li> <li>• Loans</li> </ul>	<ul style="list-style-type: none"> <li>• Accumulated surpluses from Fees and charges (lease income)</li> <li>• Loans</li> <li>• Reserves</li> </ul>
Public toilets	A resilient city – the ability to thrive and withstand impact, knocks and shocks	The community and visitors	Intergenerational (up to 20 years)	Visitors have created an additional cost. Vandalism Cruise ships Freedom campers Major inner-city events	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	Providing public amenities however, there is a requirement to provide these facilities for areas that have high visitor numbers	95% - 100%	<ul style="list-style-type: none"> <li>• Fees and charges</li> <li>• General rates</li> <li>• Reserves</li> </ul>	<ul style="list-style-type: none"> <li>• Loans,</li> <li>• Reserves</li> <li>• General Rates</li> </ul>

Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools <sup>2</sup>	Funding sources	
								Operational	Capital
Regulatory solutions	Spaces and places for all	The users of the services and the community, however the effective provision of this activity results in public health and the avoidance of nuisance	Limited to the period of the operation.	Non-compliant businesses and individuals	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	The effective provision of this activity results in public health and the avoidance of nuisance	55% - 65%	<ul style="list-style-type: none"> <li>Fees and charges,</li> <li>General rates</li> <li>Reserves</li> </ul>	Nil
Reserves	Spaces and places for all	Occupiers, leases and hirers of the reserves  Contributes to the City's green space, biodiversity and environmental outcomes  Everyone benefits but the occupiers receive a higher benefit	Intergenerational - ongoing with assets having a life of greater than 10 years	Vandalism, events, theft, freedom campers	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	Everyone benefits but the occupiers receive a higher benefit and therefore a range of funding sources are used.	85% - 90%	<ul style="list-style-type: none"> <li>General rates</li> <li>Fees and charges (rentals and leases)</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses from General rates, fees and charges</li> <li>Targeted rates,</li> <li>Loans,</li> <li>Bequests,</li> <li>Reserves</li> <li>Financial and/or Development Contributions,</li> <li>Grants and subsidies</li> <li>Naming rights &amp; sponsorship</li> </ul>
Resource consents	A resilient city – the ability to thrive and withstand impacts, knocks and shocks	The relevant community (through the consent)	Intergenerational due to the nature of the activities for which the	Resource consent holders who do not	No reason identified to fund the net cost of this	The relevant community (through the consent)	60% of the activity's costs are recovered	<ul style="list-style-type: none"> <li>Fees and charges</li> <li>General rates</li> <li>Reserves</li> </ul>	Nil

Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools <sup>2</sup>	Funding sources	
								Operational	Capital
		process), free planning advice, public counter, responding to complaints, compliant & safe buildings in the community. Notified and non-notified consents have different levels of benefit	consents are issued.	comply with the resource consent conditions. Unconsented activities. Vexatious and frivolous objectors	activity (after non rate revenue sources) separately from other activities	process), notified and non-notified consents have different levels of benefit.	from general rates  Resource consents fees and charges are set to recover 100% of costs for services provided		
Sportsgrounds	nSpaces and places for all	People who actively participate in the sportsground  Direct participants and indirect participants (spectators)  Contributes to the City's green space  Everyone benefits but the active participants and local businesses	Intergenerational - ongoing with assets having a life of greater than 10 years	Sports people, park users, vandalism, parents, events	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	Everyone benefits but the active participants and local businesses have a higher benefit and therefore a range of funding sources are used	90% - 95%	<ul style="list-style-type: none"> <li>• General rates</li> <li>• Fees and charges (rentals and leases)</li> </ul>	<ul style="list-style-type: none"> <li>• Accumulated surpluses from General rates, fees and charges targeted rates</li> <li>• Naming rights</li> <li>• Sponsorship</li> <li>• Loans,</li> <li>• Bequests</li> <li>• Reserves</li> <li>• Financial and/or Development Contributions</li> </ul>

Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools <sup>2</sup>	Funding sources	
								Operational	Capital
		have a higher benefit							
Stormwater	A resilient city – the ability to thrive and withstand impacts, knocks and shocks	The community as a whole  There can be identifiable parts of the community that receive higher levels of service	Intergenerational (up to 100 years)	Commercial density creates additional cost and need for the activity	Funding this activity separately through a targeted rate provides greater transparency so ratepayers understand the cost of stormwater services	The whole community benefits from the provision of storm water, however some properties based on location receive a different level of service	95% - 100%	<ul style="list-style-type: none"> <li>Targeted rates</li> <li>Reserves</li> <li>Fees and charges (connection fees)</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses from general and targeted rates, fees and charges</li> <li>Financial and/or Development contributions</li> <li>Loans</li> <li>Reserves</li> </ul>
Transportation	A resilient city – the ability to thrive and withstand impacts, knocks and shocks	Users both public and private. There is a range of between 60% to 80% for private good. Commercial and industrial properties receive benefit. Utility operators also receive benefits from using the road corridor.	Intergenerational	Heavy vehicles, irresponsible road users, high density properties creating high traffic impacts.  Utility operators create impacts for all road users	Funding this activity separately through a targeted rate provides greater transparency	The transportation activity provides economic, private and community benefit and is essential for the safe functionality and connectivity of the City.	100%	<ul style="list-style-type: none"> <li>NZTA subsidy</li> <li>Differential targeted rate on capital value</li> <li>Fees and charges</li> <li>Petrol tax</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses from targeted rates, <del>general rate</del>, fees and charges</li> <li>Petrol tax</li> <li>NZTA subsidy</li> <li>Financial and/or Development contributions</li> <li>Loans</li> <li>Reserves</li> <li>Grants and donations (e.g. cycle ways)</li> </ul>

Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools <sup>2</sup>	Funding sources	
								Operational	Capital
Waste Minimisation	A resilient city – the ability to thrive and withstand impacts, knocks and shocks	The individual and the community as a whole	Intergenerational	<p>Illegal dumping creates an additional cost for Council, inappropriate disposal of hazardous waste</p> <p>Separate Targeted rates are charged to fund the cost of kerbside refuse collections and the kerbside recycling service. This makes the cost of these services transparent to ratepayers.</p> <p>No reason has been identified to fund the net cost of the remainder this activity that relates to litter bins, illegal dumping &amp; hazardous waste disposal (after rate revenue</p>	<p>Effective and efficient systems for the collection and disposal of refuse and collection of recyclable materials benefit both the individual (enabling disposal) and the community by reducing the adverse environmental impacts.</p>	10% - 20%	<ul style="list-style-type: none"> <li>• Fees and charges</li> <li>• Targeted rates</li> <li>• General rates</li> <li>• Waste minimisation levy</li> <li>• Reserves</li> </ul>	<ul style="list-style-type: none"> <li>• Accumulated surpluses from Fees and charges, targeted rates, general rates,</li> <li>• Waste minimisation levy,</li> <li>• Reserves,</li> <li>• Loans</li> <li>• Financial contributions</li> </ul>	

Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools <sup>2</sup>	Funding sources	
								Operational	Capital
					sources) separately from other activities				
Wastewater	A resilient city – the ability to thrive and withstand impacts, knocks and shocks	Private benefit for people to dispose of their waste. Public benefit for the community to have an appropriate environmental solution	Intergenerational (up to 100 years)	Industries with high waste volumes and loadings, unconsented activity, low volume high impact waste	Funding this activity separately through a targeted rate provides greater transparency so ratepayers understand the cost of wastewater services.	Provides human and environmental benefits to both the community and the wider region	95% - 100%	<ul style="list-style-type: none"> <li>Targeted rates</li> <li>Fees and charges (including trade waste bylaw charges)</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses from Targeted differential rates, General rates, fees and charges</li> <li>Loans</li> <li>Reserves</li> <li>Development and/or Financial contributions</li> </ul>
Water supply	A resilient city – the ability to thrive and withstand impacts, knocks and shocks	The users of the water supply are the primary beneficiaries however there is a wider benefit of having a potable water supply (90 private/10 public)	Intergenerational	Central Government legislation, illegal connections, high use users	Funding this activity separately through a targeted rate provides greater transparency so ratepayers understand the cost of water supply services.	The provision of potable water supply is of benefit to individuals and the wider community	95% - 100%	<ul style="list-style-type: none"> <li>Targeted rates</li> <li>Water rates</li> <li>Fees and charges (not including water by meter rate)</li> </ul>	<ul style="list-style-type: none"> <li>Accumulated surpluses from Targeted differential rates, water rates, general rates, fees and charge</li> <li>Loans,</li> <li>Reserves,</li> <li>Financial and/or Development contributions</li> </ul>

## 2. TRADEWASTE FEES AND CHARGES

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<i>Type of Report:</i>	Legal
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1912541
<i>Reporting Officer/s &amp; Unit:</i>	Thomas Harvey, Tradewaste Officer

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### 1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

- 1.1. This report sets out the outcome of submissions on proposed trade waste fees and charges as part of the Annual Plan 2026/27 consultation and seeks direction from Council on how to proceed.
- 1.2. The draft Annual Plan proposed increases to volumetric trade waste charges across all catchments. Submissions were received from key industrial dischargers, raising consistent concerns regarding:
  - 1) insufficient information provided during consultation,
  - 2) the timing of increases relative to the development of a new charging model, and
  - 3) whether the proposed charges are consistent with the Integrated Trade Waste and Wastewater Bylaw 2022 (the bylaw) and associated Administration Manual.
- 1.3. Legal advice obtained (**Attachment 1** - Doc Id 1912819) by Council identifies risks associated with proceeding with the proposed increases, particularly where:
  - 1) charges cannot be demonstrated to align with the current Schedule C methodology; and
  - 2) the consultation process may not have provided sufficient information for meaningful participation.
- 1.4. Council is currently progressing a new trade waste charging model to replace the existing methodology. That work is well advanced but was not completed in time to inform the Annual Plan process.
- 1.5. Officers recommend that Council **does not proceed** with the proposed volumetric charge increases at this time.
- 1.6. retains current volumetric charges, with a CPI adjustment applied for 2026/27; and proceeds to consult on a revised charging model alongside amendments to the Bylaw and Administration Manual.
- 1.7. This approach reduces legal risk and supports a more robust and transparent framework for future charging.

### 2.0 Recommendations - Ngā Tūtohunga

#### That Council

- a. **Receives** the report titled Tradewaste Fees and Charges dated 27 May 2026.
- b. **Does not adopt** the proposed increases to volumetric trade waste charges for 2026/27.

- c. **Retains** the current volumetric trade waste charges, with a CPI adjustment applied for 2026/27
- d. **Approves** the proposed increases to trade waste administration, inspection, sampling, and testing fees for 2026/27.
- e. **Notes** the ongoing development, planned completion and consultation of a new trade waste charging model, including amendments to the Integrated Trade Waste and Wastewater Bylaw 2022 and associated Administration Manual.
- f. **Notes** that targeted engagement will be undertaken with key trade waste customers as part of this process of developing a new trade waste charging model, including amendments to the Integrated Trade Waste and Wastewater Bylaw 2022 and associated Administration Manual.

### 3.0 Background - Ngā Tuāpapa:

- 3.1 Trade waste fees and charges are set annually through the Annual Plan process in accordance with the Local Government Act 2002 and the Integrated Trade Waste and Wastewater Bylaw 2022.
- 3.2 The current Bylaw requires that trade waste charges be set in accordance with the methodology outlined in Schedule C of the Administration Manual.
- 3.3 At the time the Bylaw was adopted in 2022, Council was operating a simplified volumetric charging approach with a planned transition to the Schedule C model. In practice, the Schedule C methodology proved overly complex and difficult to implement. The model was not readily usable for calculating charges, and Council was unable to effectively implement it in its current form.
- 3.4 As a result, Council initiated work to develop a new, more practical charging model intended to:
  - a) provide a transparent charging framework, and
  - b) better align with legislative requirements, including the Local Government (Water Services) Act.
- 3.5 While the new model is now well advanced, it was not finalised in time to inform the Annual Plan 2026/27 consultation.
- 3.6 At the time the Annual Plan 2026/27 consultation material was prepared, volumetric trade waste charges reflected an interim position pending completion of the new charging model.

### 4.0 Discussion - Ngā Whakamārama:

- 4.1 The Annual Plan's draft Schedule of Fees and Charges included increases to volumetric charges across all catchments, ranging from approximately 14.7% to 29.2% (Doc Id 1912381).
- 4.2 Consultation material indicated that standard Fees and Charges increases were aligned to CPI, and noted that the trade waste charging model was under review and would be consulted on separately.
- 4.3 Additional information was provided directly to major users, including the intention to move toward greater cost recovery, and that the increases were an interim step. This information

was not included in public consultation material. However, As part of the standard submission process, four submissions were received, these are summarized below.

### **Summary of submissions**

Four submissions were received, representing major trade waste dischargers. Submissions #255, #299, #303 and #313.

Key themes included:

- 1) insufficient transparency and supporting information,
- 2) concerns about implementing increases before the charging model is finalised,
- 3) equity and cost allocation issues, and
- 4) significant financial and economic impacts.

Submitters strongly supported consultation on a complete charging model before implementing material changes.

### **Key issues identified from submissions and Officer assessment**

#### **1. Bylaw compliance and methodology**

The Bylaw requires charges to be set in accordance with Schedule C of the associated Administration Manual.

Officers are not able to clearly demonstrate that the proposed volumetric increases are calculated in accordance with the current Schedule C methodology.

#### **2. Consultation adequacy**

Submissions highlighted limitations in the information provided.

Legal advice indicates that there is a risk that consultation may be considered insufficient, particularly where the rationale for increases was unclear, and supporting financial information was not provided.

#### **3. Timing and sequencing**

The proposed increases were presented as an interim step ahead of completion of a new charging model and further consultation. This created a disconnect between pricing decisions and the methodology that was intended to support them.

#### **4. Practical delivery context**

The development of the charging model has been impacted by major operational events, resourcing constraints, and organisational change.

While this does not affect statutory obligations, it provides context for the timing of the current position, and the need to ensure a workable solution going forward.

- 4.4 Legal advice obtained (Attachment 1 - Doc Id 1912819) by Council identifies risks associated with proceeding with the proposed increases, particularly where:
  - 1) charges cannot be demonstrated to align with the current Schedule C methodology; and
  - 2) the consultation process may not have provided sufficient information for meaningful participation.
- 4.5 Based on legal advice, the recommended option below applies a CPI-only adjustment to existing charges, rather than the higher increases included in the draft Schedule of Fees

and Charges. Applying a CPI adjustment is consistent with Council's standard approach to annual fees and charges, as advised by the Finance team. CPI adjustments have been applied at 3.1% and rounded to two decimal places, consistent with Council's standard fees and charges practice.

- 4.6 For clarity, the proposed and Officers recommended volumetric trade waste charges are summarized below.

Table 1: Volumetric charges as consulted (Annual Plan 2026/27) and Officers recommended volumetric charges (CPI adjusted)

Catchment	2025/26	AP Proposed 2026/27	AP proposed % Increase	Recommended 2026/27	Recommended % increase
Awatoto	\$0.34	\$0.39	14.7%	\$0.35	3.10%
Pandora	\$0.85	\$1.03	21.2%	\$0.88	3.10%
City	\$1.30	\$1.55	29.2%	\$1.34	3.10%

## 5.0 Options - He kōwhiringa anō:

### 5.1 Option One – Increase charges with only CPI adjustment (Recommended)

Do not adopt the proposed volumetric increases and instead apply a CPI-only adjustment to current volumetric trade waste charges.

This reflects standard Council practice of applying annual inflationary adjustments to fees and charges, while avoiding material changes to the charging framework.

#### Advantages

- 1) Reduces legal and procedural risk associated with the proposed increases
- 2) Maintains consistency with Council's standard approach to annual fee adjustments
- 3) Avoids a real-term reduction in revenue due to inflation
- 4) Supports transition to a new charging model without introducing significant interim changes
- 5) Provides a balanced and pragmatic approach between cost recovery and legal risk

#### Disadvantages

- 1) Delays implementation of full cost recovery objectives
- 2) Maintains an existing funding gap in the short term

### 5.2 Option Two – Maintain current charges with no adjustment

Do not adopt the proposed volumetric increases and retain current volumetric trade waste charges with **no increase applied**.

This option defers any change to volumetric charges until the new charging model and supporting methodology are finalised and consulted on.

### **Advantages**

- 1) Minimises legal risk by avoiding any change to volumetric charges under the current framework
- 2) Fully aligns with a conservative interpretation of the Bylaw requirements
- 3) Provides a clear reset point ahead of consultation on the new charging model
- 4) Simplifies the decision-making context

### **Disadvantages**

- 1) Results in a real-term reduction in revenue due to inflation
- 2) Further delays progress toward cost recovery
- 3) May create inconsistency with Council's wider fees and charges approach
- 4) Places greater pressure on future increases when the new model is implemented

## **5.3 Option Three - Status Quo**

Adopt volumetric increases as proposed and consulted on via the Annual Plan process.

### **Advantages**

- 1) Improves cost recovery in the short term

### **Disadvantages**

- 1) Creates legal and consultation risk
- 2) May be inconsistent with the current Bylaw

## **6.0 Next Steps - Te Koke**

- Finalise the new trade waste charging model.
- Undertake targeted engagement with key trade waste users.
- Prepare amendments to the Integrated Trade Waste and Wastewater Bylaw 2022 and associated Administration Manual, to replace the current Schedule C charging methodology with a revised and implementable model. Consult on the new model and associated changes within 2026.
- Implement a revised charging framework following consultation.

## **7.0 Attachments**

- 1 [↓](#) Legal Advice Doc Id: 1912819

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### Summary of Considerations - *Tuhinga Whakarāpopoto:*

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

This decision relates to the provision of wastewater services and charging mechanisms, and supports good-quality, cost-effective service delivery by ensuring charges are lawful, transparent, and defensible.

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

No specific impacts on tangata whenua have been identified. Engagement will occur as part of future consultation on the charging model where required.

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#### Climate Change - *Te Huringa o te āhuarangi*

This decision is administrative and does not directly impact greenhouse gas emissions or climate adaptation.

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

This matter arises from the Annual Plan 2026/27 process. Deferral of volumetric increases will delay cost recovery but does not affect levels of service.

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#### Financial considerations - *Whai whakaaro Ahumoni:*

Deferring increases will maintain current revenue levels for trade waste management in 2026/27. This represents a short-term impact on cost recovery which will be addressed through the future charging model.

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

This matter is of **moderate significance** due to impacts on key industrial users and Council revenue. Engagement has occurred through the Annual Plan process and will continue through targeted consultation.

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

External consultation: Annual Plan 2026/27 submissions

Internal consultation: Legal, Policy, Finance, Water Services

Legal advice obtained to support decision-making

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

Key risks include:

- **Legal risk:** Potential judicial review if charges are adopted without clear alignment to the Bylaw
- **Reputational risk:** Perceived lack of transparency
- **Financial risk:** Delayed cost recovery

These risks are mitigated by:

- deferring volumetric increases, and
-

- 
- completing a Bylaw compliant, defensible and transparent charging model and consultation process.
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## Our advice

<b>Prepared for</b>	Thomas Harvey, Napier City Council
<b>Prepared by</b>	Mike Wakefield and Judith Cheyne
<b>Date</b>	18 May 2026

PRIVILEGED AND CONFIDENTIAL

### Review of submissions on proposed increase of Trade Waste fees and charges for 2026/27

#### Background

Napier City Council (**Council**) is proposing an increase to its trade waste charges (**TW charges**) alongside its annual plan consultation. The volumetric TW charges are proposed to increase between 14% and 21% depending on the wastewater catchment within the city.<sup>1</sup> The volumetric TW charges increase appears to be a key issue for affected submitters.

The consultation material states that the TW charges will recover 60% of operational costs (following an earlier Council decision). It notes that the proposed increases are an interim step, based on recent work done by Council as part of a Trade Waste Charging model project. Any further changes to the TW charges will be consulted on later in the year and supported by a future bylaw amendment.<sup>2</sup>

During the consultation process, Council officers sent significantly impacted stakeholders (conditional trade waste consent holders) additional information about the increased TW charges and also responded to various queries by email.<sup>3</sup> Four submissions were received on the proposed TW charges, including from lawyers representing Hawkes Bay Protein Limited (**HBP**).<sup>4</sup>

Council staff need to provide advice to the CE and Elected Members to support the Council's hearing process and decision-making. It is anticipated that this will include presenting options in response to submissions, which are currently identified as:

- 1 The proposed increases are shown in the draft Fees and Charges Schedule set out in Appendix 1.
- 2 We have been providing advice to the Council on amendments to the Bylaw, but have not seen or advised on any updated charging model as part of that work.
- 3 Initial letter dated 27 March 2026, email dated 16 April 2026 responding to a number of questions, sent to all customers, and further email dated 21 April (see Appendix 3) providing further information on the proposed TW charges.
- 4 We have only seen the HBP and Woolworks submissions in full, and summaries of the other submissions (from Hawkes Bay Vintners Ltd and AFFCO NZ) in the spreadsheet the Council provided.

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[www.simpsongriersson.com](http://www.simpsongriersson.com)

- 
- Retain the proposed TW charges at the level outlined in the current Draft schedule of Fees and Charges;
  - Amend the proposed TW charges so that they return to 2025/2026 fees + CPI (as per other fee increases), which will reduce the increase; or
  - Amend the proposed TW charges to a volumetric rate above CPI, which will result in an increase that is less than the proposals in the consultation material.
- 

**Questions and  
summary answers**

**What should Council staff advise in relation to the submissions and options?**

Our assessment is that the submissions raise concerns which could present a risk of judicial review challenge against the Council if it were to adopt the proposed increases to the TW charges, in particular the volumetric fees. Given that the TW charges must be set in accordance with the current Trade Waste and Wastewater Bylaw 2022 and its associated Manual, we do not consider the Council can use or rely on a new model or approach that has not been formally adopted when setting updated charges.

This is the first potential vulnerability, and in order to mitigate that risk, the Council would need to be able to show that the proposed TW charges satisfy the requirements of the current charging model in the Bylaw/Manual. This may be difficult however, when the consultation material refers to the model as “being reviewed separately” and the letter sent by the Council notes that the charges are an “interim step” based on Council direction, as opposed to being set in accordance with the existing adopted model.

Other concerns that could result in legal risk relate to whether it has provided sufficient, timely, and accurate information about the proposed increases to the TW charges, so that affected persons are in a position to properly respond to the consultation.

In terms of the options available to the Council, our view is:

- Increasing the volumetric TW charges to 2025/2026 fees + CPI does not appear to meet the requirements of the model in Schedule C of the Manual (although it may be appropriate for the other TW charges);
  - Increasing the TW charges above CPI, but less than the proposed levels in the consultation, also do not appear appropriate unless the Council can show that this is in accordance with the current adopted model. However, this option may also present some legal risk to the Council because it will not have sufficiently explained this different increase, or allowed submitters time to properly respond.
-



- 
- While the Council could carry out a further consultation process in relation to the proposed TW charges, and ensure sufficient information is provided to show how it is complying with the model, there may be no point in doing so if it is proposing a new model, and will shortly be consulting on that new model.

Overall, given the issues associated with how the Council developed its “interim step” increase, and the way it has described the basis for the proposed increases to the TW charges, and related consultation process risks, we do not recommend the Council increases the volumetric TW charges at this time. As you will soon be consulting on the new model, alongside the amendments to the bylaw, you can also propose an increase to the volumetric TW charges at that time.

Council will be able to increase the other TW charges as proposed (see Appendix 1). These fees appear to relate to matters of administration, inspection, sampling and testing, as provided for in B2 of the Manual and do not rely on the Schedule C charging model.

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**Please call or email to discuss any aspect of this advice**

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## Reasoning explained

**The key issues raised in the submissions are non-compliance with the LGA and the Bylaw/ Manual, including that the consultation has been insufficient**

1. Hawkes Bay Protein Limited (**HBP**) has, through a letter from their lawyers, indicated opposition to the proposed TW charges increases. This opposition is based on several grounds, including: insufficient justification for the proposed increases, inadequate information and consultation, that the proposed increases are inconsistent with cl A.15.2 of the Trade Waste and Wastewater Bylaw 2022 (**Bylaw**) and Schedule C of the Integrated Trade Waste and Wastewater Bylaw Administration Manual (**Manual**),<sup>5</sup> and that the increased charges are inconsistent with s 150(4) of the Local Government Act 2002 (**LGA**).
2. They say the Council’s “explanations do not provide stakeholders with enough information to properly evaluate or engage with the proposed increases to trade waste charges set out in the draft Schedule of Fees and Charges for the 2026/27...”.
3. HBP say the proposed charging model imposes costs that are:
  - 3.1 in excess of the reasonable costs incurred by the Council to provide trade waste services for individual businesses (contrary to s 150 (4) of the LGA) and on this basis are not appropriate; and
  - 3.2 prescribe fees that are not currently detailed in the Bylaw and have not been the subject of consultation in a manner that gives effect to the requirements of s 82 of the LGA and therefore contrary to s 150(3) of the LGA.
4. HBP has requested that the Council pause any increase to TW charges pending further development of the charging model. They also want the Council to reduce the operational costs of conveying and treating trade waste.<sup>6</sup>
5. Other submitters are also concerned about the level of information provided for the purposes of consultation, as well as whether the increased TW charges comply with the Bylaw and Manual. While the submissions also raise other matters,<sup>7</sup> in our view the key issues for

<sup>5</sup> HBP considers that the Council is obliged by cl A.15.2 of the Bylaw to implement trade waste charges in accordance with Schedule C of the Manual.

<sup>6</sup> HBP also asks that the Council provide stakeholders with the terms of reference provided to the consultant to develop a trade waste charging model, and commit to providing stakeholders with information regarding the process for the review of that report.

<sup>7</sup> For example, Woolworks asks the Council to consider the regional economic implications, as the TW fee increase could result in key industrial activity in Hawkes Bay shutting down. They say it is more appropriate to consider changes to trade waste fees once the actual reasonable costs of managing these discharges are understood with the information on costing and charging completed and the associated consultation has been undertaken. Woolworks say the current proposed increase for them would be nearly \$80,000 per annum if they were operating 24/7.

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the Council to consider and address are as set out in the HBP submission.

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**The Bylaw and Manual provide the charging model the Council needs to rely on to set TW charges; Council cannot rely on a future charging model that is still being developed**

*TW charges must be set, as provided for in the Bylaw and Manual*

6. The Council's decision to increase TW charges should be made in accordance with the Bylaw. Clause A15 of the Bylaw provides (relevantly):
- A15 Fees and Charges**
- A 15.1 Under sections 150 and 151 of the Local Government Act 2002 the Council may prescribe fees and authorise the recovery of reasonable costs incurred by the Council in respect of the matters for which the fees are charged. Fees are set at the annual planning process fee setting or similar transparent public process in accordance with the Local Government Act 2002.
- A.15.2 The methodology for setting Trade Waste fees and charges prescribed by this Bylaw is set out in Schedule C of the Administration Manual.
- A.15.3 A schedule of fees and charges can be found online at the Napier City Council website.
- ....
7. The Administration Manual defines the Trade Waste Charging Model as "the methodology developed by the Council that is designed to be a true user pays mechanism for Operators Discharging to the Public Wastewater System, as further described in Schedule C of this Administration Manual."<sup>8</sup>
8. Schedule C sets out the methodology used to calculate the "trade waste charges", which are the volumetric TW charges. The Trade Waste Charging Model in Schedule C is set out in Appendix 2 to this advice.
9. Clause B.2 of the Manual also refers to fees and charges noting they are set out on the website and that fees and charges "may include the following:
- 9.1 administration and inspection fees;
- 9.2 sampling and testing fees; and
- 9.3 unit charges based on a 'User pays' approach, using a 'cost to treat' calculation using the Trade Waste Charging Model for Trade Waste Consents."

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8 Manual at A.3

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10. From the information provided to us by Council, including the email dated 21 April 2026 (see Appendix 3),<sup>9</sup> it is not currently clear to us how (or whether) the Council complied with the Bylaw charging model in Schedule C when determining its proposed increases to the volumetric TW charges.
  11. The email states that the “information is provided at an **aggregated, high-level** and is intended to support general understanding only. It does **not** pre-empt the trade waste charging methodology, which is still being developed and will be consulted on separately later this year.” (emphasis as per the email)
  12. This wording appears to imply that the information that follows in the email relates to the new trade waste charging model that is being developed, rather than setting out how the proposed TW charges meet the requirements of the model set out in Schedule C.
  13. In addition, the Council appears to have indicated elsewhere that it is not using the Bylaw / Manual charging model. For example, the following questions and answers appear in the 16 April email:

**Why doesn't the consultation material include the full charging model?**

Council has engaged an independent consultant to develop a comprehensive trade waste charging model. That work is currently underway.

We recognise that having the full charging model available would support more detailed discussion and engagement, however, that work was not completed in time to inform the 2026/27 Annual Plan documentation.

As a result, the Annual Plan consultation focuses on the proposed interim increases that will begin rectifying historic under-recovery of costs. The increases are a first step towards recovering around 60% of the operational costs of conveying and treating trade waste. These are costs that have not been fully recovered in previous years.

**What are the current increases based on?**

The proposed increases are not based on the final conclusions of the charging model and are intended to function as an interim step while that work is completed.

We have received direction from Council to begin recovering a portion of those costs while further work is completed on the charging model. The increases are based on known operational costs associated with trade waste conveyance and treatment. They also recognise different catchments impose different costs on the network.

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<sup>9</sup> Provided “to all trade waste customers for consistency and transparency” about the way the charges had been developed.

At this stage, capital recovery is not included in cost recovery models.

**How are operational costs charged, and are they separate from other wastewater charges?**

Trade waste operational costs cover network operation, monitoring, compliance and treatment. These all arise specifically from trade waste discharges. While these interact with the wider wastewater system, the future charging model will look at how these costs can be allocated and recovered in a more transparent way.

When we carry out comprehensive consultation on trade waste charging later this year, we will include details on assumptions, cost allocation and comparisons with domestic wastewater.

**What is the difference between current charges and proposed charges?**

The current charges are volumetric (\$/m<sup>3</sup>). The proposed changes are percentage increases to existing rates. The dollar impact for individual customers will depend on their location (catchment) and discharge volumes.

14. While we understand that the Council may have wanted to rely on a reviewed version of the Trade Waste Charging Model to develop proposed TW charges, until the Council formally amends the Bylaw and Manual to replace the existing model in Schedule 3, our view is that the Council is required to continue to use the model referenced in the Bylaw, and set out in the Manual.<sup>10</sup>

**The Council is currently vulnerable to legal challenge on several grounds, including not having provided sufficient information to justify the increases to the TW charges, and therefore an allegedly flawed consultation process**

*Sufficiency of consultation*

15. There is also an issue relating to the sufficiency of information provided as part of consultation, and the process in general, which could lead to legal vulnerability to the Council.
16. When consulting, the Council is required to comply with the consultation principles in s 82 of the LGA. These include that “persons who will or may be affected by, or have an interest in, the decision or matter should be provided by the local authority with reasonable access to relevant information in a manner and format that is appropriate to the preferences and needs of those persons” and “that persons who are invited or encouraged to present their views to the local authority should be given clear information by the local authority concerning the purpose of the consultation and the scope of the

<sup>10</sup> In working with the Council on amending the Bylaw, we noted that a comment in the Manual states that there has been a “change in charging model since 2022 Bylaw adoption”. If that means the Council has not used the Schedule C charging model in the 2025 fee year or earlier, that would not assist the Council in using a different charging model now, in the face of the current submissions.

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decisions to be taken following the consideration of views presented”.<sup>11</sup>

17. The importance of providing clear information that outlines the purpose and basis for proposals or changes is highlighted in the High Court’s decision in *Karaka Point Environs Residents Inc v Marlborough District Council*.<sup>12</sup> In that case, it was held that the Council breached the consultation principles by failing to provide ratepayers with sufficient information about the proposed change<sup>13</sup> in sufficient time to allow their meaningful participation.
18. Of particular relevance to this case, the Court in *Karaka Point*:
  - 18.1 Noted that while the Council consulted generally on the proposed change as part of its long-term plan (as required by the LGA), the real rationale for the change only emerged very late in the process.<sup>14</sup> As a result, ratepayers were forced to respond without knowing the substantive basis for the proposal, and much of their limited time was spent trying to ascertain the “why” rather than addressing the change.
  - 18.2 Emphasised that effective consultation requires not just notice and opportunity to submit, but access to sufficient, timely, and accurate information about the reasons for the proposal so that affected persons can meaningfully respond. Because that did not occur, the Court found the consultation process was fundamentally flawed and the decision was quashed.
19. This situation raises similar issues. Even if the Council is satisfied that the additional information it provided in its 16 and 21 April emails is sufficient to properly explain the proposed increases to the TW charges (and how the proposals meet the requirements of the Schedule C model), there is a risk that the information does not provide enough detail and / or has not been provided in sufficient time to allow for a meaningful response by the submitters (even though the hearings are still to take place).
20. That is certainly the argument being made in several submissions, and there appears to be some justification for those submissions.

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11 LGA, s 82(1)(a) and (1)(c)

12 [2013] NZHC 2577

13 The council proposed moving some properties from a rural rating area to an urban rating area which would result in increased rates for those property owners.

14 The Court noted at paragraph 69 that the Council only adequately articulated the basis on which the decision had been made at a late stage and even after reading all the material the Judge was still not sure about the exact reason for the change.

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*Alleged unlawfulness on the basis of section 150(4), LGA*

21. Section 150(4) of the LGA requires that “fees prescribed under subsection (1) must not provide for the local authority to recover more than the reasonable costs incurred by the local authority for the matter for which the fee is charged.” Section 150(1) applies to fees or charges payable for a certificate, authority, approval, permit, or consent from, or inspection by, the local authority.<sup>15</sup>
22. B2 of the Manual refers to the Council charging fees for matters of administration, inspection, sampling and testing, in addition to the “trade waste charges” (which charges are calculated using the methodology in Schedule C).
23. In relation to the argument that the Council must comply with s 150(4) of the LGA, we note that it is not clear whether the Council is still setting its TW charges under the LGA or under the Local Government (Water Services) Act 2025 (LGWSA). Although the Bylaw was made under the LGA, it is now effectively a water services bylaw under the LGWSA.<sup>16</sup>
24. Section 258(3) of the LGWSA provides that if a bylaw authorises a water service provider to charge a fee, sections 150(1) to (4) of the LGA apply “with any necessary modifications”.<sup>17</sup>
25. In relation to trade waste bylaws specifically, s 190(1) of the LGWSA states that:

A trade waste bylaw made under section 258(1)(b) may authorise the territorial authority (or a water service provider that provides wastewater services in the territorial authority’s district) to grant and administer trade waste permits (including charging fees for permits).

And at ss (2)(k), a permit may include:

a requirement to pay a fee or a charge, including a penalty fee that may be imposed if a permit holder does not comply with the terms of their permit

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15 Section 151 of the LGA, which is also referred to in clause A15 of the Bylaw, provides that a bylaw may provide for the licensing of persons and property and the payment of reasonable license fees. However, the trade waste consents are in the nature of a permit or approval rather than a licence.

16 The initial review of a “water services bylaw” required under s 263 of the LGWSA includes bylaws originally made under the LGWSA and “any other Act”, which includes the LGA.

17 Also see our advice on fees under the LGWSA in our email to you dated 25/11 2025. In summary we noted that: Under the LGWSA, the Bylaw can provide for fees for a trade waste permit application and for other fees and charges related to the conditions of a trade waste permit, including a “penalty fee” if a permit holder does not comply with their permit. The fees do not need to be prescribed in the bylaw but can be consulted on later (as is the current position). The bylaw can also provide for refunds, remissions or waivers of fees. The fees, except the penalty fee, must not recover more than the reasonable costs incurred by the local authority for the matter for which the fee is charged.

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26. As mentioned above, B2 of the Manual also refers to the Council charging fees for matters of administration,<sup>18</sup> inspection, sampling and testing. These are the type of fees which fall within section 150(1) to (4), and this applies whether these fees are set under the LGA or the LGWSA.
  27. If the LGA does apply to the volumetric TW charges, then the requirement to pay these is a condition of a trade waste consent, and the Schedule C model provides the method for calculating these charges. They are not a fee “for” a permit under s 150(1) of the LGA, but a condition to be complied within in a permit that is more akin to a charge “for goods, services, or amenities provided by the local authority”, as referred to in s 150(6) of the LGA.
  28. If these fees are now set under the LGWSA then, as noted above, ss 190(1) and (2) provides the relevant authority.
  29. While the volumetric TW charges must still be reasonable (and align with the Council’s revenue and financing policy under the LGA) there is no express requirement that they must not recover more than the reasonable costs incurred by the local authority.
  30. In any event, if, as stated in the consultation material, the fees are only recovering 60% of the Council’s operating costs then they would appear to align with the statutory requirements of s 150(4) of the LGA. Submissions that argue the TW charges are inconsistent with s 150(4) do not, at face value, appear to have a valid basis.
  31. However, this submission is likely linked to the other submissions made that raise concerns about the inadequacy or incompleteness of information provided by the Council, which they say does not adequately demonstrate that it is only recovering 60% of its operating costs (or that this level of recovery is a “reasonable” amount to cover).

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**Our assessment of the options available to Council**

32. Looking at the options staff propose to put to the Council, our view is:
    - 32.1 Increasing the volumetric TW charges to 2025/2026 fees + CPI does not appear to meet the requirements of the model in Schedule C of the Manual (although it may be appropriate for the other TW charges);
    - 32.2 Increasing the TW charges above CPI, but less than the proposed levels in the consultation, also do not appear appropriate unless the Council can show that this is in accordance with the current
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<sup>18</sup> Which would appear to cover the Connection and Trade Waste Registration application fees shown in Appendix 1

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adopted model. However, this option may also present some legal risk to the Council because it will not have sufficiently explained this different increase, or allowed submitters time to properly respond.

- 32.3 While the Council could carry out a further consultation process in relation to the proposed TW charges, and ensure sufficient information is provided to show how it is complying with the model, there may be no point in doing so if it is proposing a new model, and will shortly be consulting on that new model.
33. Given the issues we have identified above, in relation to how the Council developed its “interim step” increase, the way it has described the basis for the proposed increases to the TW charges, and the related consultation process risks, we do not recommend the Council increases the volumetric TW charges at this time.
34. Council will be consulting on the new model shortly, alongside the amendments to the bylaw. We recommend the Council propose and consult on an increase to the volumetric TW charges at that time. You will need to ensure any statements in the Bylaw (or Manual) that indicate the Council will only amend the TW charges as part of the annual plan process are amended. It would be preferable to remain neutral or indicate that they could be amended at any time.
35. Council will be able to increase the other TW charges as proposed (see Appendix 1), however, as these fees appear to relate to matters of administration, inspection, sampling and testing, as provided for in B2 of the Manual and do not rely on the Schedule C charging model.
36. If the Council was to adopt the volumetric TW charges as consulted on, or one of the lesser increase options, there is a risk of a successful challenged by way of a judicial review application to the High Court against the Council as a result of the errors in process. We can provide you with further information about this if required.
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## Appendix 1 – Proposed increases to TW charges

	2025-26	Proposed 2026-27	Incl GST
<b>Trade Waste Charges</b>			
<b>City Charge</b>			
Existing Trade Waste Customers - Charge Per cubic metre	\$1.30	\$1.55	Yes
Industry to be phased into Trade waste charging system - Charge Per cubic metre	\$1.30	\$1.55	Yes
<b>Awatoto and Pandora Charge</b>			
Awatoto Charge Per cubic metre	\$0.34	\$0.39	Yes
Pandora Charge Per cubic metre	\$0.85	\$1.03	Yes
<b>Tanker Discharge</b>			
<i>Per Load at Milliscreen Plant</i>			
<i>Monday to Friday 7.00am to 4.00pm &amp; Saturday 6.30am to 10.00am (Non Statutory Days)</i>			
Tankers (\$ per cubic metre)	\$15.90	\$16.40	Yes
After Hours - A minimum additional charge. (Additional Charges to recover overtime, days in lieu etc may apply)	\$304.00	\$313.00	Yes
<b>Additional Items</b>			
Connection Application Fee - Engineering services (charge per hour, non-refundable)	\$115.00	\$150.00	Yes
<b>Pollution Response Section of Environmental Solutions</b>			
Contractor charges: Cost + 10%	Price per incident	Price per incident	Yes
<b>Laboratory charges</b>			
Laboratory charges - Trade & Industrial sites - Type 1 *	Cost + 10%	Cost + 10%	Yes
Laboratory charges - Trade & Industrial sites - Type 2 *	Cost + 10%	Cost + 10%	Yes
Laboratory charges - Trade & Industrial sites - Type 3 *	Cost + 10%	Cost + 10%	Yes
Laboratory charges - Trade & Industrial sites - Type 4	Cost + 10%	Cost + 10%	Yes
Trade Waste Registration application fee	\$244.00	\$252.00	Yes
Controlled or Conditional applicant site assessment	\$138.00	\$142.00	Yes
Hourly charge - Environmental Administrator	\$155.00	\$160.00	yes
Hourly charge - Environmental Compliance Officer	\$196.00	\$202.00	Yes
<b>Labour charges (per hour)</b>			
Manager	\$227.00	\$234.00	Yes
Team Leader	\$207.00	\$213.00	Yes
Officer	\$207.00	\$213.00	Yes
<b>Pollution response</b>			
Laboratory charges	Cost + 10%	Cost + 10%	Yes
Equipment and consumables	Cost + 10%	Cost + 10%	Yes
Contractor charges	Cost + 10%	Cost + 10%	Yes
Plus hourly labour charges rates (as above)	Standard Labour Charges	Standard Labour Charges	Yes

## Appendix 2 - Schedule C of the Manual - Fees and Charges Methodology

### Schedule C: Fees and Charges - Methodology

#### Trade waste charging mechanism - methodology

The Trade Waste Charging Model is designed to be a true user pays mechanism for industrial and commercial Dischargers to the Public Wastewater System (including the Wastewater treatment plant). The following parameters can be used to allocate charges:

- Average daily flow (m<sup>3</sup>/d)
- Peak instantaneous flow (l/s)
- Five day Biochemical Oxygen Demand (BOD5) (mg/l)
- Chemical Oxygen Demand (COD) (mg/l)
- Suspended Solids (SS) (mg/l)
- Total Kjeldahl Nitrogen (TKN) (mg/l)
- Fat Oil & Grease (FOG) (mg/l)

Trade waste consent holders fall into two categories for charging: Major Dischargers and Minor Dischargers. The charging category will be stipulated in the Trade Waste Consent and will be assigned on a case-by-case basis.

The following factors will influence the charging category:

- Category of Trade Waste Consent (Controlled or Conditional)
- Type of industry
- Loading of contaminants
- Flow and daily volume (average and peak)
- Available load allocation at the Wastewater Treatment Plant
- Cleaner production initiatives on site
- The 'cost to treat' of the Trade Waste
- Pre-treatment devices installed on site and their operation

#### Major Dischargers - Monthly Billing

The charges are based on the share of each parameter contributed by each major Discharger. Capital repayments and depreciation costs are assessed separately from operating costs. Operating cost charges are based on the actual monthly Discharge of each Operator. The capital charges are based on the reserved peak requested for each parameter by each Operator

on a yearly basis.

The Public Wastewater System and Wastewater Treatment Plant are split into cost centres on the basis of how capital and operating costs are dependent on the measured parameters of the Wastewater. For example, the capital cost of screening is determined predominantly by the peak flow rate it must accept, with a small dependency on the amount of suspended solids loaded to it. The operating costs of screening are determined by the average daily flow and the amount of Suspended Solids in the trade waste. Other parameters such as BOD5, TKN etc. are not part of the charge assessment for that cost centre as they do not affect operation of the screens.

Capital and depreciation repayments and operating costs are split across the cost centres either directly or as a proportion of general costs such as security and automation & control. Proportions of relevant parameters were allocated to each cost centre by a panel of expert Council Officers using a 5-scale rating system.

The amount a Discharger pays towards a single cost centre is based on their share of each relevant parameter compared to the total of that parameter for that cost centre. The resulting charges for each are then added to give the total capital or operating cost parameter for the relevant Operator. Operators are not charged for parts of the council Wastewater assets that they do not use.

#### Minor Dischargers - Quarterly/Annual Billing

Minor Dischargers will be charged a flat fee based on the costs of the commercial sector calculated by the model and apportioned based on flow.

A small-scale Discharger on a fixed value may only pay quarterly or annually according to their preference.

#### Administrative Charges

Fees and charges are reviewed and set annually by Council as part of its Annual Plan process and can be found at [www.napier.govt.nz/our-council/fees-and-costs/current/ under 'Wastewater'](http://www.napier.govt.nz/our-council/fees-and-costs/current/under%20Wastewater).

## Appendix 3 – Excerpt from email dated 21 April

Following recent correspondence about proposed changes to trade waste charges, we have received requests for additional information to help support understanding of the wastewater system context. We are providing the information below to all trade waste customers for consistency and transparency.

The information is provided at an **aggregated, high-level** and is intended to support general understanding only. It does **not** pre-empt the trade waste charging methodology, which is still being developed and will be consulted on separately later this year.

### Overall wastewater flows (high level)

Based on system-level metering, total annual wastewater flows are approximately:

- **Domestic wastewater:** ~80% of total system flow
- **Industrial wastewater (combined):** ~20% of total system flow

Within the industrial component, flows can be broadly attributed as:

- **Awatoto catchment:** ~17% of total system flow
- **Pandora catchment:** ~2% of total system flow
- **City industrial catchments:** ~1% of total system flow

On an annual average basis, the Napier Wastewater Treatment Plant treats around **30,000 m<sup>3</sup> per day**, noting that daily volumes vary due to season, weather, and industrial activity.

These figures are derived from aggregated inlet and discharge metering and are provided for general system context only. They are not intended to inform individual site assessments or charging arrangements.

### Catchment context

All wastewater, including trade waste, is conveyed to and treated at the Napier Wastewater Treatment Plant. There is no catchment-specific or decentralised treatment.

Differences between catchments are therefore driven primarily by **wastewater conveyance and network risk factors**, including:

- Asset age, condition, and configuration
- Interaction between domestic and industrial discharges
- Environmental and compliance risks (e.g. overflows)
- Operational impacts such as corrosion, odour, and maintenance requirements

While some catchments contribute a smaller proportion of overall flow, they can still place materially different demands on the wastewater network.

**Current trade waste charges (pre-proposal)**

For reference, the current volumetric trade waste charges are:

- **Awatoto:** \$0.34 per m<sup>3</sup>
- **Pandora:** \$0.85 per m<sup>3</sup>
- **City industrial:** \$1.30 per m<sup>3</sup>

These charges reflect the existing framework and historic considerations around conveyance and operational factors. The framework itself is under review, and Council will consult on any proposed changes, including methodology and supporting information, once that work is complete.

### 3. INTRODUCTION OF TANKERED WATER CHARGES

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<i>Type of Report:</i>	Legal
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1912581
<i>Reporting Officer/s &amp; Unit:</i>	Stephen Moratti, Head of Strategy and Investments Talia Foster, Financial Controller

#### 1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

1.1 This report outlines the proposed introduction of a volumetric charge for bulk water taken from the Thames Street station, summarises targeted user feedback received, and seeks Council's agreement to implement the charge from 1 July 2026.

#### 2.0 Recommendations - Ngā Tūtohunga

##### That Council

- a. **Receives** the report titled Introduction of Tankered Water Charges dated 27 May 2026.
- b. **Approves** the introduction of a volumetric charge of \$1 per cubic metre for water taken from the Thames Street bulk water station, to be added to the previously approved Schedule of Fees and Charges 2026/27 effective from 1 July 2026.

#### 3.0 Background - Ngā Tuāpapa:

- 3.1 Napier City Council currently provides bulk water access to permitted users at the dedicated water take station located at 91 Thames Street, Pandora. Since 2022, all permit holders have been required to draw water exclusively from this site. While an annual permit fee applies, there has historically been no charge associated with the volume of water taken.
- 3.2 Council has proposed introducing a volumetric charge of \$1 per cubic metre for water taken from this site, effective from 1 July 2026.
- 3.3 The rationale for the proposal is to:
  - Ensure costs associated with bulk water usage are appropriately recovered from users, rather than being borne by general ratepayers.
  - Align with a user-pays principle, whereby those who access water outside of standard property supply contribute to the cost of that usage.
  - Improve accountability through the introduction of accurate metering, enabled by the existing requirement for valid access cards.
- 3.4 To support this, a targeted engagement was undertaken with known permit holders and users of the facility.

#### 4.0 Discussion - Ngā Whakamārama:

##### 4.1 Consultation Approach

Council undertook a targeted consultation approach by issuing a letter directly to a small group of existing bulk water users with permits for the Thames Street site.

The letter:

- Outlined the proposed \$1/m<sup>3</sup> charge.
- Provided background and rationale for the proposed change.
- Invited feedback via email by 1 May 2026.
- Offered the opportunity to present in person prior to final decision-making.

##### 4.2 Summary of Feedback

Overall theme:

Both respondents were generally supportive of introducing a charging framework, with suggestions focused on implementation and fairness.

###### Feedback 1 – Support with operational suggestion

- Supported the introduction of a volumetric charge as a fair and reasonable user-pays approach.
- Suggested consideration be given to differentiating between potable and non-potable water uses, particularly for:
  - Dust suppression contractors
  - Other high-volume, non-drinking water users
- Proposed the potential for a separate hydrant or filling point for non-potable uses to:
  - Reduce congestion at the drinking water station
  - Avoid unnecessary water treatment (e.g. chlorination)
  - Improve operational efficiency and cost alignment

###### Feedback 2 – Alternative charging structure for low users

- Indicated no opposition to charging overall but noted their organisation's usage is low and intermittent.
- Suggested that Council consider a fixed or low-volume charge option for low users, rather than a strictly volumetric approach.
- Raised concern regarding the administration cost of applying a per cubic metre charge relative to low usage levels.

##### 4.3 Officer Response to Feedback

Officers note that feedback received is supportive of the proposed introduction of a volumetric charge, with no opposition in principle.

In relation to the specific matters raised:

- **Separate infrastructure for non-potable use:**  
While the suggestion to separate potable and non-potable supply has merit from an operational perspective for the customer, this would require:
  - Regulatory considerations i.e. water quality management and risk
  - Additional infrastructure investment

The suggestion for another bulk water supply (potable or not) is outside the scope of the current proposal but may be considered as part of future service planning.

- **Alternative charging structure for low users:**  
The suggestion to implement a fixed or low-volume charge for infrequent users has been noted. While this sits within the broader charging approach, officers consider it appropriate to proceed with the proposed volumetric model at this time, with the potential to review the structure in future once better usage data is available.

Overall, officers consider that the feedback does not raise issues that would warrant changes to the proposed approach to charge \$1 per cubic metre.

## 5.0 Options - *He kōwhiringa anō:*

### 5.1 Option One - Recommended Option

Introduce a volumetric charge of \$1 per cubic metre for water taken from the Thames Street bulk water station, to be added to the previously approved Schedule of Fees and Charges 2026/27 effective from 1 July 2026.

#### **Advantages**

- Applies a user-pays approach to this service
- Encourages efficient water use

#### **Disadvantages**

- Potential administrative burden

### 5.2 Option Two – Status Quo

Continue to provide the Thames Street bulk water station with no charge to users.

## 6.0 Attachments

Nil

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### **Summary of Considerations - *Tuhinga Whakarāpopoto:***

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

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

The proposal supports the purpose of local government by enabling informed local decision-making through targeted engagement with affected users, and by promoting a fair and sustainable funding approach that ensures those who benefit from bulk water access contribute to its cost now and into the future.

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

There are no known impacts for M

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#### **Climate Change - *Te Huringa o te āhuarangi***

This decision has minimal direct impact on climate change. While it does not materially affect greenhouse gas emissions or climate adaptation, the introduction of volumetric charging may encourage more efficient water use, which supports sustainable resource management over time.

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

The financial impact of this proposal is not material to the Annual Plan. No changes are recommended to the forecast revenue associated with this charge.

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#### **Financial considerations - *Whai whakaaro Ahumoni:***

A modest implementation cost is associated with introducing this charge; however, it is not considered material. The proposal is expected to generate additional revenue. The overall financial impact will be positive, allowing Council to cover the cost of implementation and ongoing maintenance of the asset. User data will be reliably established prior to the charge coming into effect on 1 July. The data collected will subsequently inform future forecasts and budget planning.

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

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

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

Consultation with affected external parties was completed and a summary of feedback has been provided.

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

There are no known risks with initiating a charge for this service.

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# ORDINARY MEETING OF COUNCIL

## Open Minutes

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Meeting Date: Thursday 7 May 2026

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Time: 9.30am - 11.30am (*Open*)  
11.33am - 11.37am (*Public Excluded*)

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

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*Livestreamed via Council's YouTube Channel*

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Present **Chair:** Mayor McGrath  
**Members:** Deputy Mayor Taylor, Councillors Brownlie, Chrystal, Crown, Isaac-Sharland, Lawrence, Mawson, Morley, Price, Simpson and Raihania [online]

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In Attendance Chief Executive (Louise Miller)  
Deputy Chief Executive / Executive Director Corporate & Commercial Services (Jessica Ellerm)  
Executive Director City Strategy & Urban Development (Rachael Bailey)  
Executive Director Water Services (Russell Bond)  
Executive Director Community Services (Thunes Cloete)  
Head of Strategy & Investments (Stephen Moratti)  
Head of Commercial Communications & Economic Development (Craig Kenny)

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Head of Strategy and Programme Delivery (Stephanie Murphy)  
Communications, Marketing & Engagement Manager (Julia Stevens)  
Principal Urban Designer (Georgina Ratcliffe)  
Financial Controller (Talia Foster)  
Principal Parks Planner (Therese Barber)  
Network Control Systems Lead (John Kelsey)  
Senior Advisor Corporate Planning (Danica Rio)  
Policy Planner (Brooke Hemmings)  
Principal Infrastructure Analyst (Connie Whelan-Mills)  
Governance Manager (Anna Eady)  
Health and Safety Operations Manager (Andrew Wallace)

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Also in attendance Piripi Smith and Te Kaha Hawaikirangi - Ātea a Rangi Educational Trust  
Mark Goodson, Willis Legal

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Administration Governance Advisors (Carolyn Hunt and Jemma McDade)

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## ORDINARY MEETING OF COUNCIL – Open Minutes

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## ORDER OF BUSINESS

### Karakia

The meeting opened with the Council karakia.

### Apologies

Nil

### Conflicts of interest

Nil

### Public forum

Nil

### Announcements by the Mayor

Nil

### Announcements by the management

Nil

### Confirmation of minutes

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## COUNCIL RESOLUTION

### Deputy Mayor Taylor / Councillor Lawrence

That the Draft Minutes of the Extraordinary Council meeting held on 17 March 2026 and the Draft minutes of the Ordinary Meeting of Council meeting held on 9 April 2026 be confirmed as a true and accurate record of the meeting.

**Carried**

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# AGENDA ITEMS

## 1. WAKA HUB PROJECT DELIVERY APPROACH

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<i>Type of Report:</i>	Operational and Procedural
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1908912
<i>Reporting Officer/s &amp; Unit:</i>	Georgina Ratcliffe, Principal Urban Designer Talia Foster, Financial Controller

### 1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

- 1.1 The Waka Hub will be the first facility of its type in the Pacific and globally. It is intended to offer educational opportunities for community groups and schools on the region's voyaging history as well as to receive and support voyaging waka crews from Aotearoa and the wider Pacific. The Hub will serve as the new base for Te Matau a Māui, Ngāti Kahungunu's twin-hulled waka hourua, which is currently moored at the southern end of West Quay at a berth that does not meet operational requirements or allow for visitor access.
- 1.2 The Waka Hub project is a Council co-design initiative, delivered in partnership with Ātea a Rangi Trust, a not-for-profit organisation that provides community education and experiences focused on traditional Māori knowledge and celestial navigation.
- 1.3 Refer to agenda Attachment 1 (Doc Id 1908929) which outlines the multiple papers received by Council since 2022, and associated decisions of Council. The Better Off Fund has serviced the development of all due diligence, site investigations, consultation, and design work associated with the Waka Hub to date, and will fund the construction of the water-based elements of the Waka Hub.
- 1.4 There is currently \$3.42 million allocated in Council's FY24-27 Long Term Plan (LTP) for the land-based work. The current Quantity Surveyor Project Estimate calculates the total project cost for land-based elements of the Waka Hub at \$3.38 million. Ātea a Rangi Trust has also secured an additional \$336k from an external funding provider for land-based works.
- 1.5 The decision sought from Council relates to the funding and delivery of the land-based components of the Waka Hub only. Any future Lease agreements associated with the Waka Hub will be bought to Council for consideration at a later date.
- 1.6 Following the 21 April Council workshop, guidance was provided that Council does not support Option One. Council direction was therefore to focus consideration on Option Two and Option Three as alternative delivery approaches that reduces Council's financial investment while enabling the project to progress where feasible.

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### At the meeting

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The Principal Urban Designer, Ms Ratcliffe, supported by the Executive Director Strategy Urban and Development, Ms Bailey, the Financial Controller, Ms Foster and legal counsel Mr Goodson from Willis legal, presented the report seeking direction on the funding and delivery of the land based components of the proposed Waka Hub at the Ahuriri Inner Harbour.

**In response to questions the following was clarified:**

- The Hub will be situated on land immediately north of the existing Napier Sailing Club (NSC), and will comprise a new 40m long pontoon jetty supported by an educational space, and vessel maintenance space.
- The Ātea a Rangi Trust have a license to occupy 20m and there is 20m that can be utilised by other craft.
- Access to the jetty would be either via the reserve, or the NSC with a Memorandum of Understanding, or off Pandora Road. This will be a managed access point and could be utilised by the NSC.
- It is proposed that there be a gate where the pontoon meets the jetty for security purposes. This will limit access to the pontoon itself.
- Ms Bailey advised if Council approves Option Two, officers will seek direction from Council to establish clear expectations in relation to matters such as design outcomes, delivery timeframes, reporting obligations, risk management, and a sunset clause.
- **Mr Goodson** confirmed a funding agreement may include clauses agreed to by both parties. He further noted that the agreement would be aligned with the design and the agreed funding amount and that if the building is constructed in accordance with the approved design and all consent conditions are met, this will enable the Ātea a Rangi Trust to confirm that funding has been secured. This confirmation is significant in supporting and securing external funding.
- It was noted that for Options Two and Three Council would not own the building and the only lease arrangement would be a ground lease.
- Mr Goodson advised he was not a valuer and calculating ground lease rental is very complex. Valuers typically rely on comparative assessments, which are limited in this context due to the small number of comparable properties: there are only approximately three to four Council-owned buildings situated on reserve land, making direct comparisons difficult. Current examples of ground lease arrangements with not-for-profit organisations were provided for context:
  - Napier Sailing Club (3.44 hectares): \$10,000 per annum
  - Marist Old Boys (approximately 3.7 hectares): \$1,400 per annum
  - Bowling Clubs: \$500.00 per green
  - Surf Lifesaving Clubs & Coastguard: receive a 60% discount on their reserve lease

**Piripi Smith and Te Kaha Hawaikirangi - Ātea a Rangi Educational Trust** were invited to respond to questions.

- Option Two is seen as pivotal by the Trust for project viability and funding leverage to unlock external investment and provide credibility and certainty to funders that the first phase can be delivered. This will give confidence to obtain future funding for the second phase.
- If Option Three was chosen it would set the project back and the funders would be unlikely to continue funding the ongoing phases.

- 
- Mr Hawaikirangi acknowledged the journey over the last few years through a partnership approach involving Council and mana whenua in creating a community gateway and cultural hub. The Project has strong community backing, long-standing collaboration with mana whenua and significant voluntary support. The proposed pontoons and associated facilities are intended to function as inclusive, shared community assets.
  - The Trust referred to the project as the Ahuriri Inner Hub as the name “Waka Hub” was seen as one-dimensional and may not fully reflect the broader vision and potential of the space. There is an opportunity to recognise the full range of issues and potential within the inner harbour and use this as a positive starting point to engage not only water-based users but also whānau.
  - Ms Bailey noted the project is still in the early stages of masterplanning. With the Sailing Club and potentially waka activities being co-located within the inner harbour precinct, there is an opportunity to group these recreational uses together and achieve a well-integrated and effective masterplan outcome.

*Councillor Simpson gave notice of a “foreshadowed motion” which was contrary to the Officer’s Recommendation in the report, to have Option One reintroduced with Council leading the delivery of the land-based components of the Waka Hub, including procurement and construction of the education space, the toilets and the adjoining maintenance and storage space.*

**Standing Order 21.6** Mayor McGrath advised he was suspending Standing Order 21.6 to enable all elected members to speak.

- *Councillors Simpson, Raihania and Isaac-Sharland supported the reintroduction of Option One;*

*A Point of Order was upheld that supporting Option One was not a vote for or against Option Two, which was the motion on the table.*

- *Councillors Crown, Chrystal, Price, Lawrence, Mawson and Deputy Mayor Taylor supported Option Two.*
- *Mayor McGrath, Councillor Brownlie and Morley supported Option Three*

It was noted if funding is supported, to acknowledge the broader scope the project should be renamed Ahuriri Inner Harbour so that it better reflects the inclusive intent and wider community focus.

## **COUNCIL RESOLUTION**

### **Councillor Crown / Deputy Mayor Taylor**

#### **That Council**

- a) **Receive** the report titled Waka Hub Project Delivery Approach dated 7 May 2026.
- b) **Acknowledge** the accompanying Summary of Previous Council Decisions (Doc Id 1908929).
- c) **Confirm** Council direction provided at Council workshop 21/04/26 to remove Status Quo (Option One) from consideration.
- d) **Approve** Option Two as below:
  - i. Approve Detail Design package for the Waka Hub

- ii. Gift the Design and all associated construction drawings for the Waka Hub to Ātea a Rangi Trust
- iii. Approve subdividing 0.032Ha of Local Purpose Reserve.
- iv. Approve in principle to reclassify, in accordance with Section 24 of the Reserves Act 1977, the land parcel from Local Purpose to Local Purpose (Community Building) Reserve.
- v. Dedicate the newly created Local Purpose (Community Building) Reserve for the purposes of a Waka Hub
- vi. Resolve to co-fund the Waka Hub up to the value of \$1.1 million.

**Carried**

**FOR:** Councillors Crown, Chrystal, Price, Lawrence, Mawson and Deputy Mayor Taylor

**AGAINST:** Mayor McGrath, Morley and Brownlie

**ABSTAINED:** Councillors Isaac-Sharland, Raihania and Simpson

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*The meeting adjourned at 10.43am and reconvened at 11.00am*

*Councillor Raihania left the meeting at 10.43am*

## **2. GRANT OF EASEMENT TO UNISON NETWORKS LIMITED - UNDERGROUND POWERLINES PARK ISLAND**

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<i>Type of Report:</i>	Legal and Operational
<i>Legal Reference:</i>	Reserves Act 1977
<i>Document ID:</i>	1908333
<i>Reporting Officer/s &amp; Unit:</i>	Therese Barber, Principal Parks Planner

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### **1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:**

1.1 This report seeks approval for the granting of an easement (pursuant to Section 48 of the Reserves Act 1977) in favour of Unison to underground the overhead power transmission lines through Park Island reserve land:

- The 2017 masterplan of Park Island sportsgrounds identified the need to underground the 33kV overhead transmission lines traversing the park.
- Sustainable Napier Committee approved the budget and preferred option for undergrounding the overhead powerlines on 21 August 2025.
- A new registered easement is required to authorise installations under Council land and reserves.
- The new easement requires the Council approval under the Reserves Act 1977.

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#### **At the meeting**

The Executive Director Community Services, Dr Cloete introduced Ms Barber, Principal Parks Planner who provided a summary of the report and confirmed the undergrounding had commenced and that the easement would not preclude the development use of Park Island.

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## COUNCIL RESOLUTION

### Councillors Price / Mawson

#### That Council

- a. **Approves** as administering Body the granting of an easement (pursuant to Section 48 of The Reserves Act 1977) in favour of Unison Networks limited for electrical installations under Council Reserve land included in the following legal descriptions:
  - Part Section 1 SO 9590, Record of Title HBM2/660
  - Lot 3 DP 20248, Record of Title HBM1/272
  - Section 43 Block IV Heretaunga SD, Record of Title HBJ3/716
  - Part Section 1 SO 9593, Record of Title HBM2/660
  - Lot 2 DP 589905, Record of Title 1126201 (historic Lot 2 DP 520053, Record of Title 819175)
- b. **Approves** in exercise of the Ministerial consent (under delegation from the Minister of Conservation), the granting of the above Easement.
- c. **Notes** that in consideration of Section 48 (2) and (3) of the Reserves Act, the installations are unlikely to materially alter or permanently damage the reserves, and the rights of the public are not likely to be permanently affected. The undergrounding of overhead powerlines is to the advantage of the Reserve and public use.
- a. **Notes** that the above approvals are subject to:
  - i. Satisfactory arrangements being agreed with appropriate Council officers regarding reinstatement of reserves, protection of Council above and underground infrastructure, and any road corridor and traffic management issues.
  - ii. Removal of any old easement for powerlines from Records of Title at the time of registration of the new easement.

**Carried**

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## 3. URBAN WATERWAYS TRANSFER OF OPERATIONS

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*Type of Report:* Operational

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*Legal Reference:* N/A

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*Document ID:* 1906929

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*Reporting Officer/s & Unit:* Stephen Moratti, Head of Strategy and Investments  
John Kelsey, Network Control Systems Lead

### 1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

- 1.1 This report seeks Council approval to transfer the management and operation of Hawke's Bay Regional Council (HBRC) urban drainage assets within Napier's stormwater network to Napier City Council (NCC), and to progress the subsequent transfer of ownership into NCC's asset register ahead of establishment of a regional water services council-controlled organisation (WSCCO).

- 1.2 The current split ownership and informal arrangements are no longer fit for purpose and create unnecessary complexity, unclear accountability, and challenges for investment planning, compliance, and incident response. The preferred option is a geographic transfer, with NCC managing and operating the HBRC assets from 1 July 2026 and ownership transferring to NCC on 1 July 2027 (to then be transferred to the WSCCO).
- 1.3 Key implications include the need for a joint community engagement process (noting the decision is assessed as High significance). Financially, implementation costs are estimated at \$150,000–\$250,000, NCC would assume approximately \$940,000 per annum in operating expenditure (offset by HBRC targeted rates being passed through), and assets with a book value of \$10.012 million (as of 30 June 2023) would transfer from HBRC to NCC; approximately \$650,000 of unfunded overheads would remain with HBRC. NCC would likely require up to two additional roles (or equivalent contracted capacity) to plan and deliver the ongoing maintenance and operational management of the additional assets. The final resourcing requirement, including role scope, timing, and funding source, will be confirmed through the implementation planning and budget update process prior to 1 July 2026.

---

### **At the meeting**

The Head of Strategy and Investments, Mr Moratti joined by Mr Kelsey displayed a PowerPoint presentation (Doc Id 1910631) providing an overview of the transfer of strategic assets.

Following the joint Hawke's Bay Regional Council (HBRC) and Napier City Council (NCC) workshop held on 6 May 2026, a Supplementary Agenda had been circulated which included additional information.

### **In response to questions the following was clarified:**

- NCC will assume ownership of the Bay View Catchment for the purposes of operation and maintenance.
- The Eskdale Catchment will remain under the ownership and responsibility of HBRC. It was noted that HBRC does not own any assets within the Bay View Catchment.
- NCC will take ownership of the 123 Hill Road culvert and the downstream waterway, which have been a significant concern for residents. The culvert discharges into the upper Ahuriri Estuary, which remains under HBRC ownership. However, due to the importance of this area for Bay View flood mitigation, NCC will assume operational control and maintenance responsibility for the 2.5km stretch of the estuary/open waterway extending downstream to the Onehunga Pump Station.
- It was noted that, as this is a transfer of assets from HBRC to NCC, the legal advice received recommends undertaking a joint consultation process pursuant to Section 83 of the Local Government Act 2002, recognising that both parties are involved in the transfer. It was also agreed that this consultation should be kept separate from the Long Term Plan FY27-37, to simplify communication and ensure ratepayers receive a single, clear message.
- It is proposed to have consultation in September 2026, hearings in October 2026 and a decision made in November 2026.

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## COUNCIL RESOLUTION

### Councillors Brownlie / Crown

#### That Council

- a. **Receives** the report titled Urban Waterways Transfer of Operations dated 07 May 2026.
- b. **Approves** the transfer of management of the Hawkes Bay Regional Council assets within the Napier urban waterway stormwater network to Napier City Council.
- c. **Endorses** the action plan for the transfer of ownership of the Napier Urban Waterways assets, from Hawkes Bay Regional Council into the Napier City Council asset register, as part of the establishment of a Regional Water Organisation.
- d. **Notes** the significance the report and the need for a joint community engagement process with Napier City and Hawkes Bay Regional Council with respect to the proposed ownership transfer

**Carried**

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#### Attachments

- 1 Urban Waterways Transfer presentation (Doc Id 1910631)
- 

## 4. ADOPTION OF COUNCIL'S DRAFT STRATEGIC FRAMEWORK FOR COMMUNITY CONSULTATION - LTP 2027-37 DEVELOPMENT

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*Type of Report:* Legal

*Legal Reference:* Local Government Act 2002

*Document ID:* 1907498

*Reporting Officer/s & Unit:* Danica Rio, Senior Advisor Corporate Planning

### 1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

- 1.1 This report seeks Council approval to adopt Napier City Council's draft strategic framework for the development of the Long Term Plan (LTP) 2027–2037. The framework includes the draft vision, mission and six community outcomes developed through elected member workshops in April 2026. Together, these elements provide the strategic direction and organising structure for the upcoming LTP, guiding priority setting, investment decisions and trade-offs over the next ten years.
- 1.2 Rather than undertaking consultation on the community outcomes alone, officers propose a two-phased engagement approach. Council would first adopt and communicate the draft vision, mission and community outcomes as its strategic direction, followed by a pre-engagement phase in June 2026. This pre-engagement would focus on gathering more detailed, structured community input on priorities, investment preferences and trade-offs within each outcome area to inform LTP option development.
- 1.3 This approach recognises that consultation on the outcomes alone is unlikely to provide decision-ready insights. Adopting the draft framework early enables clearer

communication with the community and allows engagement to focus on the questions that matter most for LTP decision-making.

- 1.4 This proposed approach balances transparency with effectiveness, reduces consultation fatigue and strengthens the link between community input and Council's subsequent decisions.
- 1.5 Before the two-phased engagement approach commences, a paper is scheduled to go to the Ngā Mānukanuka o te Iwi (Māori Committee) on 8 May. The paper seeks the Committee's feedback on Napier City Council's draft strategic framework, as well as guidance on how the Committee wishes to participate in the overall LTP process. Officers will collate feedback from the Committee meeting and circulate a memo with Council.

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### At the meeting

The Senior Advisor Corporate Planning, Ms Rio, supported by Ms Murphy, presented the report. She advised that if the framework is adopted by Council it could be tested with the community to ensure outcomes are well-grounded and reflect what matters most to people. The detailed approach is currently being finalised and will be presented to elected members for feedback at the Long Term Plan workshop scheduled for 12 May 2026.

There were no questions.

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## COUNCIL RESOLUTION

### Councillors Crown / Isaac-Sharland

#### That Council

- a. **Receives** the report titled Adoption of Council's Draft Strategic Framework for Community Consultation - LTP 2027-37 Development dated 07 May 2026.
- b. **Adopts** the draft vision, mission, and six community outcomes (noting these include officer recommended changes as detailed in **4.1** of the agenda report) as Council's strategic direction to guide development of the Long Term Plan 2027–2037:
  - **Vision:** Shaping a vibrant, resilient and distinctive coastal Napier.
  - **Mission:** Our disciplined decisions shape a city that works well today and for future generations, in partnership with mana whenua and by engaging openly with our communities.
  - **Community outcomes:**
    - **Connected to our community:** Napier is served by a Council that listens. Communities are engaged in shaping the future they will inherit. The partnership with mana whenua is genuine, substantive and reflected in decisions.
    - **Infrastructure we are proud of:** Core infrastructure is safe, well maintained and fit for purpose. Services are delivered reliably, and communities can depend on Council to get the fundamentals right.
    - **Affordable and financially sustainable:** Napier invests in its future without living beyond its means. Rates reflect the real cost of the services and infrastructure communities need, investment is purposeful, and decisions made today are ones future communities can build on rather than be burdened by.

- 
- **Services and facilities that earn their place:** Napier's services and facilities are chosen deliberately: invested in, renewed or reimagined based on evidence of community need and value for money. Communities shape those choices through honest, ongoing conversation with Council.
  - **Prepared and protected:** Napier plans to adapt to climate change now, not later. The coastline, land and way of life that define this place are protected through smart investment and forward planning. When major events hit, communities can withstand them and recover.
  - **Vibrant, growing and welcoming:** Napier is the heart of Hawke's Bay, attractive to businesses, visitors and new residents. Growth is managed well, economic opportunities are supported, and Napier's distinctive character remains.
- c. **Endorses** a two-phased engagement approach consisting of:
- i. an initial inform phase to communicate the draft strategic framework (Doc Id 1908913) to the community, and
  - ii. a targeted pre-engagement phase in June 2026 to gather detailed community input on priorities, investment preferences and trade-offs to inform Long Term Plan development.
- d. **Adopts** the Long Term Plan 2027-37 Communications and Engagement Plan (Pre-engagement) (Doc Id 1908914).
- e. **Receives** the agenda attachments titled NCC Environmental Scan – Summary Report (Doc Id 1908915) and NCC Environmental Scan – Full Report (Doc Id 1908916), acknowledging this information helped inform development of the draft strategic framework.

**Carried**

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## 5. COASTAL HAZARD STRATEGY UPDATE

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*Type of Report:* Operational

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*Legal Reference:* N/A

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*Document ID:* 1909721

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*Reporting Officer/s & Unit:* Brooke Hemmings, Policy Planner  
Connie Whelan-Mills, Principal Infrastructure Analyst

### 1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

- 1.1 This paper seeks to provide an update on and highlight the importance of Napier City Council supporting the Hawke's Bay Regional Council in adopting the Clifton to Tangoio Coastal Hazards Strategy 2120 through its Long-term Plan. Adoption is essential to ensure a regionally coordinated approach to coastal hazard management through long-term planning and sustainable funding. Without adoption, Napier City Council potentially remains exposed to perceived ongoing reactive management of coastal hazards.

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### At the meeting

The Policy Planner, Ms Hemmings supported by Ms Whelan-Mills provided a summary of the report and encouraged elected members advocate for HBRC to adopt the Strategy through its Long Term Plan.

Adoption by HBRC was noted as significantly reducing risk for the Napier community by establishing a clear and agreed framework to manage coastal erosion, inundation, and climate-related impacts.

It was highlighted that this approach provides the community with a long-term roadmap outlining how the coastline will be managed into the future.

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### COUNCIL RESOLUTION

#### Councillors Price / Brownlie

#### That Council

- a) **Receives** the report titled Coastal Hazard Strategy Update dated 07 May 2026.
- b) **Endorses** officers to prepare a submission to the Hawke's Bay Regional Council Long Term Plan (once available) in favour of adoption of the Coastal Hazards Strategy.
- c) **Notes** the 'talking points' dated 07 May 2026 for the Coastal Hazard Strategy.

**Carried**

**ACTION:** *Westshore Focus Group be invited to present to Council on community perspectives on proposed interventions and funding approaches.*

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## 6. ACTION REGISTER AS AT 20 APRIL 2026

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*Type of Report:* Operational

*Legal Reference:* N/A

*Document ID:* 1908194

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

### 1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

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

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### At the meeting

The Governance Manager, Ms Eady spoke to the report noting the following:

Action 16: Officers to provide data from the Citizenship Ceremony to Ngā Mānukanuka o te Iwi – has now been completed.

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There were no questions.

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## **COUNCIL RESOLUTION**

### **Councillors Mawson / Isaac-Sharland**

That Council:

- a) **Receive** the report titled Action Register as at 20 April 2026.

**Carried**

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## **7. INFORMATION - OFFICIAL INFORMATION REQUESTS AS AT 20 APRIL 2026**

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<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	Local Government Official Information and Meetings Act 1987
<i>Document ID:</i>	1908284
<i>Reporting Officer/s &amp; Unit:</i>	Anna Eady, Governance Manager

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### **1.0 Executive Summary - Te Kaupapa me te Whakarāpopotanga:**

- 1.1 The purpose of this Report is to inform Council of the number of requests under the Local Government Official Information and Meetings Act 1987 (LGOIMA) received for the 2026 year to date.

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### **At the meeting**

The Governance Manager, Ms Eady, spoke to the report, advising that there had been a high volume of media requests. She noted that 36 requests were received in March and 27 in April, which is above normal levels.

There were no questions.

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## **COUNCIL RESOLUTION**

### **Councillor Chrystal / Deputy Mayor Taylor**

That Council:

- a. **Receive** the report titled 'Information - Official Information Requests as at 20 April 2026' dated 07 May 2026.

**Carried**

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## 8. PROPOSED AMENDMENT TO THE 2026 SCHEDULE OF MEETINGS

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<i>Type of Report:</i>	Procedural
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1908922
<i>Reporting Officer/s &amp; Unit:</i>	Anna Eady, Governance Manager

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### 1.0 Executive Summary - Te Kaupapa me te Whakarāpopototanga:

1.1 The purpose of this report is to consider an amendment to the 2026 schedule of Council and Committee Meetings which was adopted by Council on 11 December 2025.

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#### At the meeting

The Governance Manager, Ms Eady spoke to the report advising that due to a clash in events the People, Arts and Community Panel had now moved to 20 October 2026.

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### COUNCIL RESOLUTION

#### Councillors Mawson / Price

That Council:

- a) **Receives** the report titled Proposed Amendment to the 2026 Schedule of Meetings dated 07 May 2026.
- b) **Adopt** changes to the 2026 Schedule of Meetings as follows:
  - Ahuriri Regional Park Joint Committee
    - Monday, 15 June 2026 - 9.30am
    - Monday, 14 September 2026 – 9.30am
    - Monday, 7 December 2026 – 9.30am
  - People, Arts and Community Panel
    - Tuesday, 20 October 2026 (*previously 15 October 2026*)

**Carried**

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#### Minor matters

There were no minor matters to discuss.

# RESOLUTION TO EXCLUDE THE PUBLIC

## COUNCIL RESOLUTION

### Councillors Crown / Mawson

That the public be excluded from the following parts of the proceedings of this meeting.

**Carried**

## Agenda Items

1. Action Register (Public Excluded) as at 20 April 2026

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

General subject of each matter to be considered.	Reason for passing this resolution in relation to each matter.	Ground(s) under section 48(1) to the passing of this resolution.	Plain English reason for passing this resolution in relation to each matter
	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to:	48(1)(a) That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist:	

## Agenda Items

1. Action Register (Public Excluded) as at 20 April 2026	7(2)(h) Enable the local authority to carry out, without prejudice or disadvantage, commercial activities	48(1)(a) That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would	This report is in Public Excluded due to the commercial sensitivity of the material the actions were generated from.
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		exist: (i) Where the local authority is named or specified in Schedule 1 of this Act, under section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.	
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**Public Excluded Text**

Council has considered the public interest in the information above and balanced those interests with the reason(s) for withholding this information. This ensures Council has met the requirements for withholding information under section 7(2) of the Local Government and Official Information and Meetings Act 1987.

*The meeting adjourned at 11.30am and reconvened in Public Excluded at 11.33  
The meeting closed with a karakia at*

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

Chairperson .....

Date of approval .....