

Council Controlled Organisations

Supporting documentation for the
2021-31 Long Term Plan Consultation Document



NAPIER
CITY COUNCIL
Te Kaunihera o Ahuriri

COUNCIL CONTROLLED ORGANISATIONS

The Council has investments in the following CCO's to assist the Council to achieve its objectives:

Hawke's Bay Airport Limited

Policies and Objectives Regarding Ownership and Control

Hawke's Bay Airport Limited (HBAL) is incorporated under the Companies Act and is owned by the Crown 50%, Hastings District Council 24% and Napier City Council 26%. The HBAL produces separate annual accounts and no payments are forecast to be made by the Council to HBAL in the Long Term Plan (LTP).

There are no Council specific objectives, policies or targets for HBAL. Council reviews and confirms HBAL objectives outlined below.

Nature and Scope of Activities

The Nature and Scope of Activities to be undertaken by HBAL are outlined below.

The HBAL's mission is to enable safe, customer focused and sustainable air transport services in and out of Hawke's Bay. This is worked towards through the following strategic pillars:

- Operations: Ensuring a safe, rewarding and delightful journal for our travellers. Striving for excellence in everything we do.
- Commercial: Maximising the returns across our aeronautical business while delivering greater value and a strong sense of place.

- Property: Making the best use of our land while safeguarding our airport to optimise returns and increase value to our shareholders.
- Partners: Engaging with our customers, stakeholders, business partners and community to grow our airport in a way which benefits everyone.
- People: Working together to get the best outcomes from our people in a great place to work and live.
- Sustainability: Grow business in a way that delivers financial returns, environmentally excellent, socially responsible and operationally efficient.

Performance Targets

The following table sets out the financial performance targets as per the Company's Statement of Intent for the year ended 30 June 2021, and the following two years.

Financial Performance Targets	2020/21 \$000s	2021/22 \$000s	2022/23 \$000s
Group Revenue	4,179	6,859	8,397
Operating Expenses	3,154	3,517	3,838
Profit/(Loss) Before Tax	(2,176)	(330)	922
Profit/(Loss) After Tax	(1,567)	(266)	636
Total Debt	27,004	25,504	22,964
Total Assets	63,305	61,403	59,773
Shareholder's Funds	30,674	30,409	31,045
Operating Cashflow	573	3,161	4,482
Capital Expenditure	8,490	883	1,098
Dividend	-	-	-
Return on Equity	(5.1%)	(0.9%)	2.0%
Net Gearing Ratio	47%	46%	43%
Shareholders' Funds/Total Assets %	49%	50%	53%

Hawke's Bay Museums Trust

Policies and Objectives Regarding Ownership and Control

The Hawke's Bay Museums Trust (HBMT) is a Council Controlled Organisation as three of the five-member Board are Council nominees. This is in accordance with the revised Constitution and Rules adopted 30 October 2006, which were amended to reflect the change in role to that of owner and guardian of the regional collection.

The Objectives of the Trust are:

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

Nature and Scope of Activities

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

- Protection:
 - Storage
 - Security
 - Records Management
- Quality
 - Conservation
 - Accessioning
 - De-accessioning
- Access:
 - Exhibitions
 - Research
 - Archives
- Development
 - Fundraising
 - Reserves management
 - Relationship development

Capital Expenditure

There is no planned expenditure on buildings or plant and machinery for the 2021-2023 periods. Accessions and conservation will be funded from grants, donations, de-accessions, bequests and investment interest income.

Faraday Centre

Trustees are reviewing the future direction of the Faraday Centre. This includes potentially separating this activity from the HBMT when a sustainable model is identified.

Compensation from Local Authority

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

The board estimates the commercial value of the HBTMT collection (including the Faraday Collection) at approximately \$41 million excluding GST.

Performance Targets

Performance targets set by HBMT for 2021-2023 are:

Key Result Area	Performance Indicator	2021-2023
Protection	Full insurance cover provided for the collection.	Yes
	Collections are stored in an acceptable environment.	No items reported to have suffered deterioration due to environment.
Quality	Every item accessioned into the collection has undergone a detailed selection process within the framework of Collection Strategy.	Yes
	De-accessions are managed in accordance with the Collection Strategy and reported to the Board.	Yes
Access	HBMT collections are used for academic and personal research.	1,500 enquiries
	Collections are made available to the public through quality exhibitions.	Minimum of five collection based exhibitions.
Development	Bequest funds income is used in the manner determined by the donor.	Yes
	Conservation funds income is used solely for collection care.	Yes
	Joint HBMT/Te Rōpū Kaiawhina Taonga meeting held.	1 per annum

Other Organisations with Council's Significant Interest

Omarunui Landfill Operation

The Omarunui Landfill is owned jointly by the Hastings District Council (63.68%) and Napier City Council (36.32%). The landfill is operated by the Hastings District Council on behalf of a joint committee (comprising elected representatives from the two councils).

The Omarunui Landfill site is the disposal point of refuse from Napier City and Hastings District with charges set at a level to cover all operating and capital costs. The site is a 180-hectare farm located off Omarunui Road in the Hastings District.

The facility is operated as part of this Council's solid waste infrastructure with the charges set at a level to cover all operating and capital costs.