All Submions that selected "None of the Above"

Or did not support any of the four options presented in the Consultation Document

Submitter ID **pg**

Option Chosen

None of the above

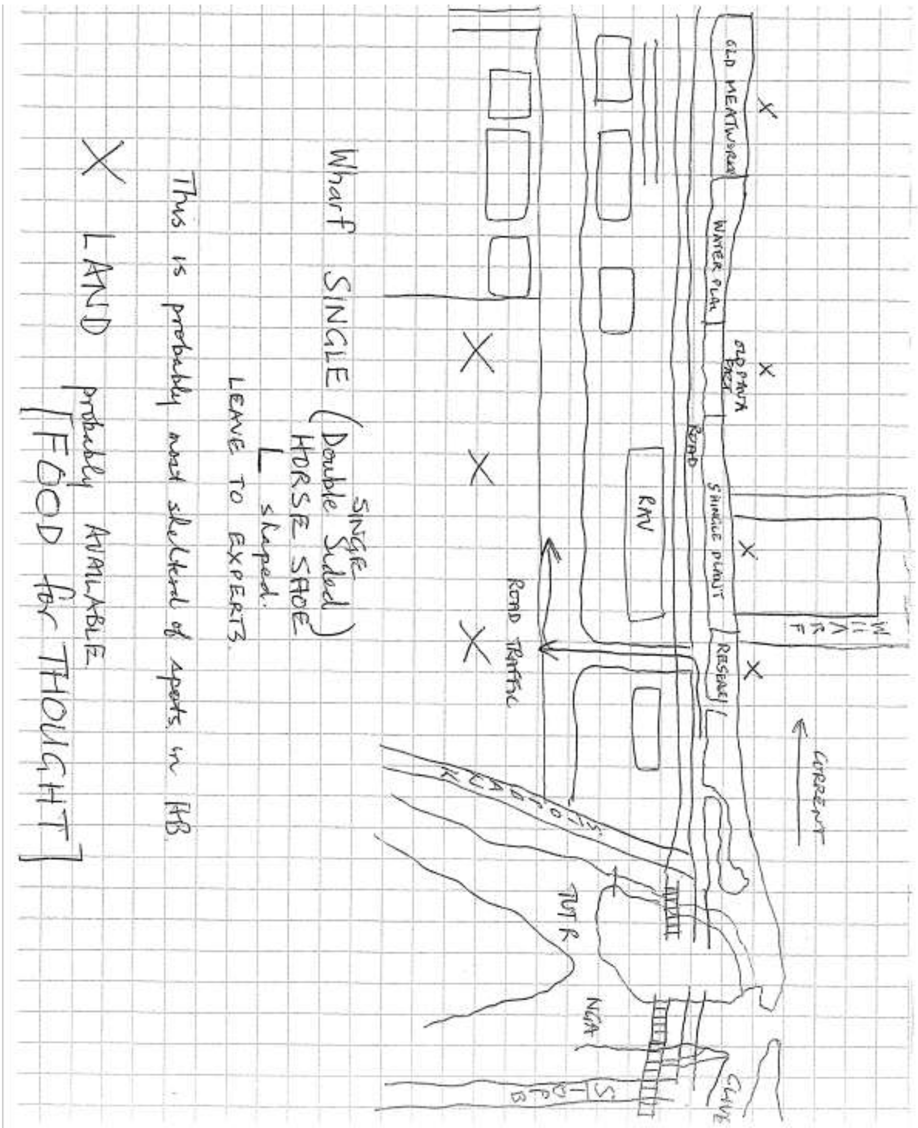
Submitter	Commentary
Nick Van haandel Submitter #11 To be heard? No	I believe retaining full ownership while not increasing rates. Currently in the information you have provided you have not explained how adding additional wharves help The region as a whole rather than just in the context of the port. Having worked with the port, there needs to be some serious hard look at how port efficiency helps sustain economic growth. yes, there is an issue with cruise ships and log ship cross over it does not appear that the containers need to be increased. Has a proposal such as a dolphin(?) been looked for cruise ship berthing. Has the economy looked at as a whole rather than just in terms of port growth, Larger ships does not always mean better for the region! For example in Canterbury at Lyttelton port currently acts as a bottleneck this actially increases the economic activity of the region as more logs are processed in the region currently there are 8 domestic sawmills supplied from a forestry resource that is quarter of the size. Currently there are only 4 sawmills in the Hb. Having the port as the bottleneck means this resource is processed in the Canterbury region which employees people in local jobs, rather than exporting jobs to overseas. If you are keen to go for the growth (which seems you are from the proposal)why don't you just ask for a loan from the provincial growth fund or lobby the government for the ability to have bonds at a regional level, HB is not the only region which requires funding for infrastructure.
Rachel Chong Submitter #33 To be heard? No	I would prefer that the port be user pays.
Wendy Milne Submitter #35 To be heard? No	Relinquishing any shares in our port is to give away the crown jewel which belongs to the ratepayers. A seat on the board to port users is a sound inclusive idea, but control must remain with ratepayers. The council should run as guarantor on a loan to be paid off in the medium term from earnings/users. To fund totally from rates is short sighted and shows limited comprehension of the pressures ratepayers have already been placed under by other council initiatives which have been funded by rate increases. The port is a stand alone company, allow it borrow and develop in a commercial way guided by a focused commercial minded board. Options B,C and D show a gutless lack of commercial objectiveness to sell off assets to take an easy way out and have nothing to preside over in 10 years. Why else do commercial investors invest after all?
Tony Andrews Submitter #40 To be heard? No	6 wharf user pays as Bailey says
Patrick Greene Submitter #47 To be heard? No	I prefer wharf 6 to be user pays funded. I agree with councillor Paul Bailey's views as set out in his article in Hawke's Bay Today on 15 October. Once an asset like this is sold in whole or in part it is gone forever.
J Cawston Submitter #87 To be heard? No	Option E user pays
Aaldert Verplanke Submitter #91 To be heard? No	Dear Team. Option B would be the best option if the shares stay in NZ , preferably Hawkes bay owners. Definitely not sold to companies with oversees ownership! I suggest to set up a HB Port Investment company. This would be option C but with a secure HB ownership. A preferred shareholders would be Unison. I would be prepared to forgo my dividend for a couple of years to fund this.

<table>
<tr><th>Submitter</th><th>Commentary</th></tr>
<tr><td>John Kent
Submitter #103
To be heard? No</td><td>The option 6 put forward by Councillor Paul Bailey has the best outcome for the Ratepayers and the Regional Council and should be the Councils recommendation . The Council should also use the $50 million left over from the dam disaster and borrow the balance to offset the money owed by the Port. The Port can then pay the interest to the council as a supplementary dividend each year. This puts the port in the financial position of making around $20 million per year. I would suggest that a crew of competent Engineers would be able to easily sheet pile and backfill the wharf 6 with this sort of budget and once its built the ratepayers will be getting a rebate of $30 million per year off their rates . You should also drop the ridiculous earthquake insurance which is costing the port $5 million per year and form a consortium with all the other ports to self insure</td></tr>
<tr><td colspan="2">D W (Joe) Boyce   Submitter #125   To be heard? No

If you feel so strongly about retaining port ownership through the HBRC then do so. I would seriously doubt any future forecasts on expor growth. ALL countries in the world are in huge debt.

FORESTRY PRODUCTS always FICKLE esp LOGS. If you don't want to take any risk allow an investor to build a huge wharf out into the sea at AWATOTO - LAND AVAILABLE - Right by RAIL LINE. They build it and operate it - Benefit Westshore? Allow rights to dredge. Shingle, silt etc will all go North. Probably able to operate 300 or 320/365 days. Tolaga Bay has had an existing wharf for over 140 years (probably more protected and sand) Conditions can be placed on what exported - can provde OVERFLOW. You have all the data to research this.

Information added from his second submission: Share float 45% of Port to NZ investment portfolios (ACC, Superfund, Kiwibank etc) No way is Regional Council or other Councils in this district able to finance what is needed. Regional Council should divert $10m from $60m invested into financing innovative ideas from forestry, farming, horticulture - Water Treatment - Ozonation not fluridation or cholirination. Grow 20 million Manuka seedlings for planting - put into all reserve areas and back hill farms instead of forestry. Large saws to cut up fruit trees instead of burning. Set up hard fill area.</td></tr>
</table>



Submitter	Commentary
Daniel Unknown Submitter #141 To be heard? No	I support option E. Retain full ownership of the port and increase user fees to finance the expansion. Further no decision on funding should be made until all resource consents are gained. Why even discuss this until you know if it can even go ahead.
Thomas O'Neill Submitter #190 To be heard? No	I support user pays
Lynn Waugh Submitter #193 To be heard? No	I am in favour of retaining full ownership of Napier's port. It belongs to the people of Napier, and is a vital part of our infrastructure. Selling any asset involves the loss of revenue and the loss of control. I believe those who use the port should pay towards any further development, not ratepayers.
Di Petersen Submitter #229 To be heard? No	I agree we need a strong port and that expansion is needed, but I would not like to see 45% - 49% sold off. I believe a maximum of 35% could be sold without it being too big a burden on rate payers. I would like to see an investor being part of the scheme as there is always risk with the Stock Exchange. Also please consider that the cost of borrowing is the lowest for many years which can be quite attractive.
Karl Jager Submitter #241 To be heard? No	Option E as per NZ Hearld article on Monday !! Selling the port will be a HUGE mistake - small "per tonne" levy will provide long-term income to Napier and wider region.

Submitter	Commentary
Graeme Chapman Submitter #244 To be heard? No	how much impact has the earthquake which hit the port of wellington had on business at port of Napier. Once Wellington has come back fully on line how much business will Napier port lose. If the port is going so well why not use the profit to do the capital works and borrow against the port itself. put our rates up at your peril as I and many others will speak with our votes at next election.
Patrick Harting Submitter #263 To be heard? No	Too raise capital the council should sell as little as possible to do the job. The council doesn't need a $130m slush fund and raising $85m to reduce debt and self fund the rest with new debt is all it should do.
Rudolf Cooyenga Submitter #265 To be heard? No	We must retain control. HBRC must get dividends to lower rate payers bill.
Glen Culver Submitter #269 To be heard? No	Option E - Leave as it, Napier does not have the infrastructure to cope with increased passenger ships or roading for increased truck movements. Forecast population growth in Napier will increase demand for existing roading.
R. Girvan Submitter #284 To be heard? No	NEVER, unless there is no alternative, sell assets, especially one that provides an income. My preference is option E proposed by Paul Bailey. Even though John Palairet (New Zealand Herald 17 Oct, 2018) pointed out 'serious flaws' in this proposal, if the obligation to the Regional Council is eliminated as speedily as port profits will allow, then the small risk is worth taking to retain this valuable asset.
Glenn Abel Submitter #299 To be heard? No	Do nothing. Why do we need more cruise ships or other commercial ships polluting our area, as of yet the Government have not set pollution levels on the amount of pollution allowed out of the stacks from the engines. We are one of the few developed countries that does not have regulations governing the pollution from the cruise and commercial ships. This fact was on the One News prior to the weekend. Also the expansion of the Port over the past 20 years has been an additional factor in the erosion of Westshore, this was demonstrated in a video conference that Napier Council Commissioned last year. Also the dumping of the dredged material is an Environmental Hazard waiting the happen, there are concerns that it could prevent fishing in a large area of the Bay. To me there are more minis factors about the Port expanding than there are Pluses for all of the population in the Bay, the only plus is the Port Authority adds to their profit.
Fiona Bryan Submitter #308 To be heard? No	While I support a public share offer I do not consider it to be an either or option with increasing rates. All of the Hawkes Bay community should share in the growth of the port. The ratepayers should have the opportunity to co-invest through a rates increase while at the same time seeking private investment. This reduces the potential dilution in asset ownership and corresponding benefit. Everyone in the region has shared in the success of the port. If we ONLY fund this growth from a public share offer it will only be those who make a decision to purchase shares who will benefit from this future growth. Given there are many local people who will not purchase shares for various reasons they will not benefit from future growth. And instead shareholders from outside the region will benefit. So I would offer an alternative where there is a lesser share offer AND an increase in rates. In order to share in the growth of the port we will (the ratepayer) have to share in its development. Long term this will be of benefit to the ratepayer as our rates have been lower than other regions due to the income derived from the port and I would like to see this continued for future generations rather than dividends returned to shareholders outside of our region. Thereby ensuring that the risk and BENEFITS are diversified and we all share in this future development.

Submitter	Commentary
Denys & Tricia Caves Submitter #313 To be heard? No	We just cannot imagine WHY after previous generations have wisely ensured that FULL OWNERSHIP of our greatest provincial asset has been retained & you HBRC are the "caretaker guardians" entrusted to ensure that approach is perpetuated ....it seems you've lost sight of that with your proposals/options because you have neglected the option to ensure USER /BENEFICIARY PAYS. We Wairoa ratepayers receive minimal benefits from your proposals in comparison to those centralised in Napier /Hastings /& CHB from any LONG WHARF project. Exporters ,Tourism operators & the metropolitan commercial areas are the true beneficiaries ,a point that Cr Paul Bailey has endeavoured to impress on you colleagues .....an aspect that deserves your full consideration & research. SELLDOWN of our strategicly valuable asset is strongly OPPOSED & has not been adequately researched & reported on to us shareholders. Shipping Companies especially Cruise ships are forcing the situation & need for the Wharf 6 project. WHARF 6 must be FUNDED by USER PAYS which ensures the retention of full ownership of this asset for the future. IT is our SHAREHOLDERS plea that HBRC Fully consider & report back on what can be known as OPTION E...with all the financial detail because it seems you've endeavoured to SCARE OFF ratepayers by quoting the related Rating increases assessed. BE REASONABLE AND GIVE FULL DUE DILIGENCE & reasoning around WHARF 6 being funded by USER /Beneficiary PAYS & report this realistic viable option back to the people.
Peter Simmons Submitter #336 To be heard? No	If 49% of the port is sold we will eventually loose control of the asset. The port could end up being controlled by the Port of Tauranga for example which would be to the detriment of Hawkes Bay business and commerce. Alternative means to fund development need to be found. May be if council had not wasted so much money on the dam project we would not find our selves in this predicament!

Marilyn Scott — Submitter #338 — To be heard? No

I am not convinced that the HBRC has canvassed all options for our Port's future and by giving us only 4 definite options it gives no room for the public to offer or explore other alternatives or to consider the pros and cons of the proposed Port expansion.

In the Document "Our Port have your Say", it was outlined that "We expect to turn away seven cruise ships next year – representing 16,500 visitors and $3.5 million of lost tourism spend" Maybe our community does not need or want that level of expansion or growth.

There is no such thing as unlimited growth and although the Tourism sector may be keen for more visitors, not all of us necessarily see this level of expansion as in the best interests of our region. Our towns and cities are already struggling to replace infrastructure, neglected for too long while 'feel-good' projects have had millions spent on them.

I accept that "doing nothing is not an option" in relation to the port, but I am concerned that the option that the council is recommending will not necessarily ensure we remain in control of our port. The shareholder model is seldom equitable for all and allows those with the most power to make decisions that are not always in the best interests of the community as a whole and a majority shareholding does not guarantee control of our port since shares can be on-sold over time.

The HBRC has not, as far as I am aware, addressed this possibility and we all know that ultimately shareholders will ensure their dividend comes first.

In short, I am not in favour of any of the 4 options presented but what I do know is that I support retaining full ownership of our port. Many of us may be willing to pay higher rates if we were also able to explore additional creative alternatives and combinations.

I am also aware that we face considerable uncertainty in the future with climate change affecting sea levels and impacting on port expansions and redevelopments generally.

For this reason I would like to know how our regional port expansion fits with Central Government's freight transport policy review Sea Change [2008] noted by Grenville Christie in his recent article.

This may delay decision-making further but better we look at the bigger picture than be rushed into a development that costs us dearly.

Submitter	Commentary
Robert Eriksen Submitter #359 To be heard? No	the port should fund its own future development .Perhaps a guarantor provided by HBRC for the present debt over the maximum allowed for further Port borrowing
Bernie Kaye Submitter #377 To be heard? No	My opinion is -- Option A would have far too much loading on rate payers. Options B and C despite HBRC having majority shareholdingm, have too much risk of losing control. Minority shareholding , under varying circumstances, could force decisions unfavourable to HBRC and Hawkes Bay generally. Option D Leasing out should not be a consideration. This almost total loss of control has unacceptable risk of damage to Hawkes Bay industry and community. Other means of funding the essential port development must be further investigated.
Allan Neckelson Submitter #380 To be heard? No	There's no difference between B & C as either way any overseas interests could suck the life out of the investment. Prefer a NZ investor(s) where the money stays in NZ. You choose & hopefully shades of the "dam" won't arise. Do you think of the rate payers and good luck with your choice.
Allan Tuck Submitter #470 To be heard? No	In normal business practice any development is funded as a stand alone activity. Similarly outstanding debt should be reduced by investing back. The Regional Council instead of taking their dividend should be investing this back to reduce Port debt and thereby other associated cost. Consequently Napier may have to settle as a second tier Port in New Zealand ranking. The Port of Mt Maunganui is being developed to manage the larger ships and Mt Maunganui is not too distant from Napier. Napier has limit to the draught harbour depth and this would be financially prohibitive to change. To try to make Napier compete with Mt Maunganui is possibly not financially affordable and Napier may need to settle to service products generated by the agricultural produce of the region which is the fundamental reason for the Port. The larger passenger ships, whilst desirable to have calling, will never generate the income to pay for major Port Development and therefore Napier Port Development needs to be based on solid commercial trade which is able to pay for whatever development is carried out.
Don Whitfield Submitter #481 To be heard? No	The profitability of the Port Operations is determined by the quality of its management not its ownership. Its ownership will make the operation and management subservient to the interests of the owners in due course and the local people may well be treated just as a source of income and not to the benefit of the local people. This has been seen with other big corporate companies who may siphon profit money out of the NZ and local economies to overseas interests. Even HBRC itself may well use the Port for its own use and reduce the quality of the Port services for the whole community. I would prefer the offering of bonds for public subscription as in option A supplemented by rates if needed and/or conditional public shares that can only be sold back to the Port Company at the current market rate of the time. But first it would be important to ensure that the management at all levels is optimal in any case. Option D would be paying for their management expertise with their profit going out of the region. Retain full public ownership held in trust by the HBRC even if in the short term it is hard we will benefit in the long term. Remember any investor will seek to get all their investment back plus some. It may as well be the local people!
Cathy Dixon Submitter #489 To be heard? No	Option E
Kevin Oliver Submitter #504 To be heard? No	If the Port is not making enough money to operate and allow for future spending change the management.

Submitter	Commentary
Deirdre Oliver Submitter #509 To be heard? No	The Port should be standing on its own two feet and not relying on ratepayers money
Arnold Lincoln Submitter #518 To be heard? No	Not a 100% sure this will not increase already high rates bill. but I suppose is only way to not lose control. OPTION E: No preferred option provided
David Roberts Submitter #541 To be heard? No	When you asked for feedback on Facebook someone suggested amending option A, so that the rates go up, but the dividends are paid back to rates payers. I agree with this option. It gives the port the funding it needs, but keeps it in local hands. Local investment, local rewards. It's much better than selling it off to overseas investors.
Nathan Monk Submitter #542 To be heard? No	Dispicable that there is no option to continue the status quo! Unbelievable that you can imply that we maintain control with a 51% share. Read the companies act! As little as 36% can influence a business.
Matt Woods Submitter #555 To be heard? No	These are not the only solutions available. There are plenty more options to consider.
Bruce Hodgson Submitter #587 To be heard? No	Users pay.
Amy Fleming Submitter #611 To be heard? No	I think we should keep ownership of the port but do not think it should impact our rates by increasing them. The money should be found elsewhere
Allan Heeney Submitter #639 To be heard? No	I would like the HBRC to retain full ownership and Napier Port have its own standalone board to control it and raise finance by using its own assets to cover the loan amount, when the loan is repaid, dividends then go to the regional council to use as needed.
Karen Heeney Submitter #645 To be heard? No	I would like the HBRC to retain full ownership of the port, and arrange a seperate board to look after the port (this to become an independent entity and a limited liability company which the HBRC will have no say in the running or financing of) this company will have its own board of directors and a ceo and cfo, they will receive all revenue from the port and use the port assets to borrow against to upgrade as they see fit. Once all expenses are repaid and it is running as a going concern, dividends then be forwarded to the regional council, or whatever council is still the owner of it,to use as needed.
J Shaikh Submitter #646 To be heard? No	With future Hawkes Bay generations in mind I do not support any of the above 4 options. The citizens of Hawkes Bay should maintain 100% ownership of the Port. I read the recent article by Paul Bailey in Hawkes Bay Today proposing "Option E". I strongly support further consideration of this option followed by renewed consultation with the public before any final decision is made
Susan Strong Submitter #652 To be heard? No	Slow down process, full investigation and public referendum needed, ensuring that information provided comes from a reputable and independent source.
T P Wiggins Submitter #672 To be heard? No	We shold consider a blended option i e Part rate increase / Part user pay increase in fees / Part lease of shareholding / Part lease of assett. the council must not ever lose part or fullownership of the port.j
Garth and Kathryn Allcock Submitter #674 To be heard? No	We believe the Port should Remain owned by the Regional Council RATE PAYERS but surely a referendum is a better option for this decision. How about a ballance sheet so we can make a more informed decision.

Submitter	Commentary
Alan Husheer Submitter #678 To be heard? No	Sell up to 45% in a public share offer restricted to HB residents or consortiums so that control and benefits remain in HB.
Jason Kelly Submitter #708 To be heard? No	Insufficient and flawed financial information provided which prevents reaching a sensible conclusion. e.g. What is the expected return on the planned investment? Is it commercially viable? Other options?
David Mcdougall Submitter #713 To be heard? No	option E or a much reduced 25% share option - with preferred investors i.e. Iwi, NZ Super fund
Ed sm Submitter #716 To be heard? No	increase freight charges freight will decline a little expansion can slow xtra income can pay for expansion. rates should not fund industry.
Melanie Bishop Submitter #730 To be heard? No	If the expansion is going to be profitable and the port is profitable why cant it self fund the expansion. Also has the Council considered requesting funding from the Regional Development Fund the Government has in place.
P Sutherland Submitter #759 To be heard? No	(did not tick any of the boxes)
Barbara Kelland Submitter #764 To be heard? No	Paul Baileys Option E (No preferred option chosen)
Anita Bocchino Submitter #786 To be heard? No	I do not wish to sell any interest in the port. I want you to further explore a 'user pays' option as per Paul Bailey 'option E' aswell as Anna Lorcs thought about raising the money through our power utility.
C Hargood Submitter #800 To be heard? No	Maintain 100% ownership of Port. Leave the rates alone. Apply to govt ie Regional Development Fund.
D Harris Submitter #808 To be heard? No	OPTION E: USERS PAY EXTRA OR HBRC RATEPAYERS GET 1ST OPTION TO BUY SHARES DEFINITE NO TO OUTSIDE OR OVERSEAS INVESTORS DEFINITE NO TO LEASE OPTION
Wendy Mcivor Submitter #817 To be heard? No	I would prefer 33% on public share offer. 49% is too much.
Andrew Reyngoud Submitter #863 To be heard? No	The economic case for the expansion from a Port of Napier perspective has not been established. I am happy if an expansion just covers the cost of capital, but this proposal does not even meet that criteria. If investment does not produce tangible income, then someone, somehow will end up paying for it. All of these options are just ways of describing who this will be.
Karen Platzer Submitter #874 To be heard? No	I think there are too many unanswered questions and hidden agendas at stake here. The public does not have full disclosure and as they will be expected to fund this expansion through rates increases they have a right to have ALL the relevant information before making a decision.
Kane Riley Submitter #880 To be heard? No	User pays that's how you fund it.

Submitter	Commentary
Mrs Whakiao Hopmans Submitter #908 To be heard? No	I'M A PENSIONER, I CANNOT AFFORD AN INCREASE IN MY RATES. I SUGGEST THAT HBRC FLOAT 39% NOT 49% TO THE BUSINESS OF H.B. EX. UNISON, HEINZ WATTIES & THE HAPU WHO HAVE HAD THERE CLAIMS SETTLED. EG. NGATI KAHUNUNU, NGATI HINEURU, NGATI PAHUWERA MANGAHARURU TANGITU TRUST (TONGOIO MARAE) NGA MIHI (SIGNED W Hopmans)
C Plug Submitter #939 To be heard? No	I think we need to retain full ownership but there are other options/solutions that don't seem to have been considered here.
Marv Le'Quesne Submitter #954 To be heard? No	Option "E" Paul - Baileys User Pays NO - sale of Port of Napier
Lisa Smith Submitter #1057 To be heard? No	Retain ownership by rate payers with no more than 33% sale to Unison.
Marie Deroles Submitter #1065 To be heard? No	Think it should be user pays. Easy to just charge an extra fee on each container. Someone worked out if we charge say $35 per container it would go a long way to getting the extra revenue needed.
Niels Nikolaison Submitter #1085 To be heard? No	Retain 51% but instead of public share offer, offer 49% shares to Hawkes Bay residents first. Local "Mum and Dad" shareholders would appreciate the opportunity to be part owners of OUR local Port.
M K Smith Submitter #1101 To be heard? No	"PORT DEVELOPMENT" Option 1. The Reserve Bank of NZ shall be approached for help to finance the Port Expansion over the next decade. Lets have Mr Orrs response. Im surprised that our Mr Stuart Nash hasn't gone down this track as I remember Mr Nash saying that; The Napier Port was not for sale. Option 2. To use the model that the Tauranga Port has used successfully. NOT; the ratepayers as they will incur increases due to increase in valuations, and insurance policies and levies increase. No other options.

Dan Elderkamp Submitter #1103 To be heard? No

Thank you for the opportunity to make a submission on this matter. With reference to the Consultation Document concerning the proposed 45% partial sale of the Port of Napier, I wish to comment and make a suggestion as follows.

The four options set out in the Consultation Document are rather limited in scope, and make it difficult for me to support any of them. I feel that a number of other options are perhaps possible, and preferable, to me at least.

I have serious reservations about listing up to 49% of the Port Company shares on the NZX, for the reason that, while ostensibly the HBRIC/HBRC retains a majority shareholding, this does not effectively mean retaining total control of the Port and its operations, as in reality other major shareholders will also have a say in how the port is run. The port will also need to be operated in a way which is in the best commercial interests of the Port Company, not the ratepayers, employees or port users. Air New Zealand is a good example of this.

I also do not favour the Ratepayers facing another steep rates increase to repay current debt and fund the port expansion, even if it means retaining 100% ownership of the Port. The only way I would support this option is if there was a referendum on whether ratepayers would support this as a one-off rates increase to fund the expansion, or not.

I also do not favour a minority sale to an investment partner, as it will also have an impact on rates. I also do not favour a long-term lease, as the ratepayers effectively lose control of the port for 50 years, and the lessee will ultimately run the port in its own interest, and for profit, as any commercial enterprise is logically expected to do. If somehow, should it be possible, up to 49% of the Port Company could be sold and traded to/by shareholders or investors solely within the geographical boundaries of the Hawke's Bay Region (i.e. ratepayers), I would favour that, but that would be difficult to police, and is perhaps impractical. Perhaps it might be possible by setting up an independent register or exchange of port shareholders within the region, and that Port shares can only be traded

Submitter	Commentary
on that register or exchange. Perhaps the company's constitution could be amended to allow for this. Possibly a long shot, but worth considering? I'd also like to see some type of contingency allowed for should projected growth of the port not occur as anticipated, perhaps as a result of global warming, natural disasters or political upheaval which would affect the world economy, and over which New Zealand has no control or influence. We'd then be stuck with a large white elephant. Additionally, port growth projections seem to be predicated on the assumption of continuous world economic growth, which we all have to ultimately admit will be unsustainable for too much longer, given the dire predictions of the IPCC regarding climate change. Has this possibility been taken into account? My ultimate preference then, based on current economic and political stability continuing for the short to medium term, is for the Port Company/HBRIC/HBRC to approach the Government for funding for port expansion and to act as guarantor of the debt, and to come to some agreement with them as to what influence the Government should subsequently have on the operation of the port. Perhaps the 49% shareholding could be taken up by the Government, possibly for a predetermined length of time, after which the shares are bought back by the HBRIC from revenue and profits earned from operations within that time. I'd suggest there is a good precedent for this in the Hawke's Bay Airport, and that the HBRC have a good look at their ownership/operative model as a guideline. I'd like to suggest this as an additional option, option E.	
Lance Walker Submitter #1121 To be heard? No	This gives a chance for local families & community trusts to invest in the port if they desire to.
Malcolm Flett Submitter #1136 To be heard? No	Retain control, use dividends that would normally be paid to shareholders to cover the costs. Under no circumstances should money be paid to the HBRIC after the Ruitaniwha dam fiasco. Approach the regional development fund to finance the expansion. Shane Jones seems to have lots of money to throw around.
Sue King Submitter #1172 To be heard? No	Would prefer to keep 100 percent if there was another way other than rate payers having to pay for it. Otherwise I'd go for the Up to 49 percent public share offer.
Richard Iredale Submitter #1181 To be heard? No	Option B makes sense. But 49% is too high. There needs to be a clear divide so hb continues to have clear majority ownership of the asset. 49% at this stage means 60% in 10 years!!! Selling state owned assets is short term thinking. 20-30% max.
Andrew Robertson Submitter #1211 To be heard? No	Partial support for option A. I believe that there are anomalies in the case and costs put forward in this, for example "Replacing existing assets". This is a part of normal function and is costed into the running of the port, in other words existing charges. This therefore is self funding and out of the costs outlined in the proposals. The development costs and increased assets at $184m is all that has to be funded. I believe that the government regional development fund would be ideal for this. Whatever, the port must stay in it's current ownership, no private partnerships and no sale of shares other than to locals and cannot be on sold outside the region.
Helen Wenley Submitter #1240 To be heard? No	The Port of Napier ownership must be retained in New Zealand. Do NOT sell to overseas investors. Retain New Zealand's assets in New Zealand! No more dividends to be paid out to HBRC so that funds can be accumulated for potential expansion. Publicly report Annual Financial Records as transparency is crucial. I read someone's opinion that perhaps Unison could step up with some funding as an investment partner - that could be worth exploring.
Allen Scott Submitter #1274 To be heard? No	I believe we retain full ownership through borrowing and repayments by user pays

Submitter	Commentary
Elaine Plesner Submitter #1280 To be heard? No	why does the port need to expand - do we need to have more and bigger ships coming . the 70 cruise ships a year already means more than one a week. in addition the increase in cargo shipping all contributes to increase in pollution in napier whilst they are in port. what is the environmental impact of dredging up the sea bed to build another wharf? how does the expansion of the napier port fit in with the national plans for all NZ ports. what is the likelihood that there will be over competition btwn ports which could lead to a drop off in trade at one port at the expense of another? i dont think the increase in size and number of ships fits with the worldwide endeavour to reduce to zero the use of carbon based fuels by 2050 - shipping fuel is very dirty.
Simon Shaw Submitter #1306 To be heard? No	There seems to be an important option missing. This would be to make all ratepayers shareholders, issuing a number of shares proportional to the rating of the property. Even if rates have to be raised to fund investment in the port, the HBRC ratepayers have a very real stake in the developments and would receive dividends in the same way that any other shareholders would. A public share offer will just end up with a significant minority shareholding of the port in the hands of large financial institutions rather than belonging to the people of Hawke's Bay.
Rod Chittenden Submitter #1317 To be heard? No	I think users should pay for the extra wharf deemed to be necessary.This could be done by keeping ownership 100% with the HBRC, have some rates increase but cover the major part of costs of an extra wharf (if it really is necessary to have an extra wharf) by adding an extra marginal cost to container handling through the port. We already own the port of Napier as rate payers and if it is going to be partially sold in the form of shares to NZ's then surely if those people are locals they will be in the situation of buying something they already own. If the shares are sold to NZ'rs who are not locals then we are selling our port to other interests in NZ. Worse still if those shares are sold to overseas interests then we are selling our asset and giving profits away off shore and that is unacceptable to me.
David Barry Submitter #1323 To be heard? No	My Choice would be that a 49% share offer or a 49% Invest partnership be made to a NZ Organisation we can trust e.g. The NZ Superannuation Fund.
Peter Hallagan Submitter #1421 To be heard? No	There was an option E in the Hawkes Bay Today a while ago that in my opinion was the way to go
Deborah Walsh Submitter #1423 To be heard? No	I have concerns about effect of furher extensions on the Westshore area, ruined years ago by the growth of the port. The wider community is not happy to pay for the massive cost of erosion measures, which won't work long term anyway. We are taking up half of port extensions out to sea with whole logs for export and treating them with methyl bromide outlawed elsewhere in the world. It blows away? On the workers? We should have a better national plan that means we export finished products. We do not need to enlarge our port for these massive ships now being built. Visiting ocean liners visiting Akaroa are able to use small boat to ferry passengers to shore and back. I am, however, mindful of the necessity of adequate port facilities for valuable exports from our region. Under Option B, a public share of 49% can end up in foreign ownership with no interest other than profit and can exert pressure to get that. I voted in the current Hastings member of the HBRC and hope for a sustainable outcome. Deborah Walsh
Roy Dunningham Submitter #1445 To be heard? No	Keep full ownership and control- but not necessarily only through borrowing & rates. Some people truly can't afford an increase in rates
Mark Paterson Submitter #1493 To be heard? No	Option E as per P Baillie's opinion in Hawkes bay today. I do not support options A,B,C,D above. Please pubically disclose via HB today a detailed account of what has happened to the $80 million + that the HBRC got as a result of selling our leased land assets

Submitter	Commentary
Miriam Sage Submitter #1494 To be heard? No	I agree with Martin William's article in HB Today, 11/11/18 P 11 where he suggests a 25-33% share float which would raise enough capital for the port's investment program without the possibility of loosing control of the port. The other suggestion he makes which I support is that if a greater return is desired a block sale to a group of HB primary producers or HB Iwi or Hapu with a direct interest / stake in the port's future could be made.
Matt Willson Wind&Waves/Private Submitter #1510 To be heard? No	hello there, Im not in favour of this extension at all, and i think that writing here will probably be a waste of time because councils dont generally consider the public view, let alone read this short blurb, they just bulldoze ahead! The existing port is an environmental hazard, an eye saw at best! the councils are bleating about not interfering with the coastal erosion, 'let nature takes its coarse' eg...haumaona! there is no help for those residents. But here they are continuing to interfere with the coast here at Napier building yet another jetty/wharf. Nope not keen on this wharf at all! cheers Matt
Val Chittenden Submitter #1536 To be heard? No	I submit that the port needs to stay in Hawkes Bay ownership. I am against putting 49% of our port on the stock exchange or selling to an investment partner. Investments can be resold to anyone and we would lose control of our port. We would also lose 50% profit and 50% say in its running. Profits could go overseas and Hawkes Bay would lose resources. I would like to see rates go up realistically and the cost to the user shipping companies increased. In the future Hawkes Bay would be better off and jobs secured, and the cost to the ratepayer could be decreased.
Barbara Foote Submitter #1540 To be heard? No	OPTION E: Do nothing - it is an option If it means more concrete poured into the ocean and more massive cruise ships ruining our FRAGILE ENVIRONMENT - then do nothing. It's not all about 2% economic growth! Turn away 7 cruise ships. Look at the effects they are having in other ports of the world Our future is not about growth. It is about preservation
Warwick Price Submitter #1543 To be heard? No	WHARF 6 TO BE USER PAYS FUNDED
Jennifer Cracknell Submitter #1573 To be heard? No	I agree with a public share offer but no more than 35%. I am prepared to pay a rate increase for this to happen
Cyril Wilson Submitter #1579 To be heard? No	I would support option B if the shareholding was limited to no greater than 35%
Cherie Flintoff Submitter #1596 To be heard? No	I am not averse to selling up to a third of the port, if and only if the shares are firstly available on application for Hawke's Bay residents - up to $5k or $10k each, then to iwi if interested before offering to funds or others.
Peter Robson Submitter #1599 To be heard? No	If the exporters demand the larger vessels, they must be happy with paying for that service from the shipping lines and the local port services. There are better options to provide a service to exporters and still keep it in ownership of Hawkes Bay regional rate payers. In the 'Our Port - Have your say', which shows proposed wharf 6, there is nothing shown for the extra storage space of containers at the port that will be required. If the tourism industry want the larger cruise ships to call, again get them to chip-in if they want a piece of the pie.
Nick Ratcliffe Submitter #1601 To be heard? No	
I believe that if the port is to be expanded, then the expansion should be paid for by the interests that stand to gain the most from the expansion, on a "User Pays" principle. If the apples, logs and stonefruit exports are so lucrative, then let's see some of that money back in the public coffers, paying port fees and keeping the port profitable and working for the people of Hawke's Bay, not vice versa. If you must go with Option B, please make a preferential share offering to local investors first. Who knows? Maybe you can float 40% of the shares AND keep the port 100% Hawke's Bay owned.	

Submitter	Commentary
Looking at the bigger picture, however, I am concerned that the port may not need to expand at all. The current surge in forestry harvests is a product of the surge in new plantings following Cyclone Bola, 30 years ago. This wave of logs is peaking now and will be receding by 2022, just in time for the new wharf to come online. Based on a 30-year rotation (most of these logs are plantation pines being replaced by plantation pines) the next wave of logs will peak around 2050. What does 28 years of maintenance cost for a 350m wharf? I am also not confident that the environmental impact of greater numbers of larger cruise ships has been assessed. Napier CBD is not a big city - there is simply nowhere for 6000 cruise passengers to go all at once. Ships have huge demands for fresh drinking water, which Hawke's Bay can ill-afford during summer, when the cruises run. Not to mention their waste, at a time when Napier-Hastings is trying to reduce its waste to landfill, and wastewater into the Ahuriri basin. Are more and bigger cruise ships really welcome in Napier? I'm sure the numbers all add up if you assume that 2014-18 levels of growth will continue indefinitely. But what if they don't? In fact, basic principles of sustainable development tell us that they can't. What happens when the rising price of fuel means that ships start getting smaller again? As a nation, we have declared a moratorium on new oil and gas exploration, yet here we are, spending $1 million per metre on 350 metres of infrastructure that is entirely dependent on a promise that diesel ships will get bigger and bigger and come in greater and greater numbers, indefinitely. At the very least, we should wait for the national strategy to come through from Wellington, and see how important the government thinks our port is in the national context. Thank you for reading.	
Gordon Spencer Submitter #1605 To be heard? No	I would prefer a combination of options A and B as selling 49% of the ports ownership is too much
Marlene Hanlon Submitter #1633 To be heard? No	Keep it open to oversea investment as well as local
Doreen Adams Submitter #1636 To be heard? No	Option A leaves us open to not having enough in the kitty to cover major events eg earthquake damage. Option B could lead to dividends being paid to shareholders at the expense of investment in the port which is what this exercise is all about. Option C needs to have terms and conditions included in the agreement with the investment partner preventing on-sale without HBRC approval so that this doesn't lead to situation similar to option B. How does the investment partner gain from investment? Is this at the expense of the port operations? Option D - no, no, no. Therefore propose Option C with greater percentage held by HBRC and strict terms and conditions in sales contract relating to on-sale and financial arrangements/payments made to investment partner during period of investment.
Stephen Burrell Submitter #1639 To be heard? No	As you say 20% of council revenue comes from the port. Stop being greedy & live within your means. Look at a longer term for developing the port. "PANIC PANIC-NO OTHER OPTION" is the constant refrain of right wing ideologies desperate to sell off the family silver & privatise publicly owned property. Lets keep the port and the revenue from it & accept that in the short term some cruise ships & cargo ships might not fit. That way NONE of the above options are necessary
Tom Hay Submitter #1649 To be heard? No	Increased port operations means increased traffic in and out of the port. Increased congestion, increased pollution, increased noise. ect. ect. Trying to get into town to do things on a day that a large cruise liner is in dock is problematic. The trucks rumbling up and down the parade when a fertiser boat is in - is not a good look. At some stage our Port has to reach it's natural capacity - when will this be decided? There needs to be a balance between businesses that rely on the port and those who live in this area - who are adversely affected by a busier port.

Submitter	Commentary
Mr W. R. Wills Submitter #1651 To be heard? No	Your ratepayer pays explanation was ambiguous. Is the $ 956 the total over 9 years or per annum. If it is the previous how come the rates rise would be 53% in the first year? A public explanation would be in everyone's interest. If your answer is $956/annum my choice would be B. If $986 total my choice would be A. If 49% is floated does not this reduce councils return by half & therefore the rates would raise at any rate!
L Morley Submitter #1687 To be heard? No	Option E. Raising sufficient capitol by the issue of debentures, commencing and maturing at different times as available funds are required or surplus thereof - for the construction of Wharf 6. There are no graphs to show the funds that would be generated by the new wharf to pay the costs of borrowing plus a good margin left over for capitol repayments or improvements - must be self funding. The port of Napier Limited is a seperate legal entity, surely the Board appointed by the HBRIC can decide. No input from them. that is the Board of Port of Napier Ltd why?. No indication given as to what the proceeds of the sale of say 45% of this shares would raise!!
Mavis Ellery Submitter #1696 To be heard? No	Why is it always us ratepayers to fit the bill? We have worked hard for what we own, now that we are old and want to retire we get stuck with your problems will it every end. I don't give a shit! about your Port at my time of life ok, why don't you sell shares in the port to Hawk's Bay People, give them something to look forward too then they can sell them back to you when they too retire. We help you, you help us win win alround. Don't keep puting your shit on us all the time, we want to be content in our last years of life. Put port charges up, what are you doing with your income. Get your heads together.
Maria Nooroa Submitter #1700 To be heard? No	I believe you should keep it in our ownership. Not to be sold to anybody. Should be run as a business so you should be able to get a loan or option B. But you have to make it a profitable business. My hard earned money should not be used. We don't get anything from it.
M Clarkson Submitter #1701 To be heard? No	Not sufficient financial information re: options to make a choice. eg: rate increase should 49% of rent be floated with council dividend halved, financial projections for each option
M. H. Little Submitter #1719 To be heard? No	My submission is that no support for Options A,B,C & D is offered. My submission is that HBRC deliver a 100% ownership of the Port that would consist of all the Hawke's Bay District Councils and the HBRC. Then the Port will be wholely owned by the people of Hawke's Bay. Signed M.H. Little 08/11/18
Patricia F Tyro Submitter #1728 To be heard? No	OPTION E: DO NOT SELL OUR PORT Why not consider Option E put forward by Paul Bailey in H.B. Today 15th Oct 2018. Thats my preferred option. Again I say DO NOT SELL OUR PORT Money gained will be whittled away on God only know what and we'll have nothing show at the end of it.
Fred Victor Torea Submitter #1764 To be heard? No	Why sell the golden goose that's the council been reckless
Angela Sparks Submitter #1774 To be heard? No	The promotional picture that is the front of the information guide speaks volumes to me. This not a natural port at all, it is stuck at the end of a promontory, and all those that live round it are impacted by it one way or another. How far it will it want to grow in the future, will the authority want to take away the only sandy beach in the city for another wharf? And what of the traffic, noise and pollution from all the trucks and trains that will be taking their cargo to the wharf and port area. It is already very invasive for the community, our roads get torn up, they are difficult to cross because of juggernaut trucks, the trains move their freight and shunt at all hours of the night.

Submitter	Commentary
The port, it feels at times, thinks it is more important than anything else in our city. I don't want any more trucks or trains or noise or pollution in Ahuriri. You say there is no option but to expand. I don't accept that. If the port didn't expand would all the trade we now have disappear? Would the cruise ships that already come here suddenly not come at all? Why can't it just stay as it is? Not a big port, no, but a beautiful port area of a beautiful city. I just feels greedy to me. Everything has be grow bigger and make more money!! Why? If there are so many logs up there in the forest that need to come out either send them to Tauranga or do it more slowly. All the fruit could wait in cool stores. If Hawkes Bay needs a bigger port then perhaps they need to look elsewhere to build a new one, Haumoana for instance. Our port is not a natural port, expansion can only go so far. And then there are the erosion issues, which have never been properly dealt with. No to the port expansion, no, no, no.	
L Dudley Submitter #1781 To be heard? No	Dear sir, What about the loss of the half of the dividend if we sell 50% of the port. The rates will go up anyway you have not told us this. We don't think it should be changed in anyway its big enough. L. Dudley
Margaret Hall Submitter #1791 To be heard? No	E: ISSUE OF BONDS I believe there would be a lot of people - including institutional and personal who would purchase Bonds. I have done so in the past and recommend it.
C Mount Submitter #1796 To be heard? No	Would prefer the option that Anna Lorke has proposed. Please consider the option, Anna is suggesting.
Brian Medland Submitter #1800 To be heard? No	I believe our port is big enuff. If it is enlarged it will create more problems with Westshore beach. Westshore beach in the 70's used to have sand on it, that has gone. Used to catch fish off beach now they have also gone. So I'm applied to the proposed change. To make the Port more efficient I suggest looking at where the money is spent.
Cheryl Goodall Submitter #1801 To be heard? No	We do not have the roads to the port to meet demand. Every day I see logging trucks lined up along hyderabad road waiting to be weighed and then parked up around the Port Ahuriri School waiting for logs to be ticketed. They speed around the oval round about where there is no zebra crossing for pedestrians, more importantly kids trying to get across to go to school or meet the school bus. I wait at the T intersection on bridge street and dread the day a truck over turns in front of me. NZ has the machinery to create a tunnel thru the hill from Prebensen drive to the port for both trucks and railway line to go thru, hence less disruption around Ahuriri. If the port gets busier less tourist will want to come to this city. Ahuriri has grown in residential homes, hotels and restaurants but the truck noise and train shunting noise that goes on overnight is unbearable let alone the vibration on home foundations they create.
Peter Fry Submitter #1822 To be heard? No	I think we should retain full ownership and raise funds for development buy increasing the charges port customers use. i.e. user pays. Like every sale of public assets over the last 30 years, the only ones who will eventually miss out (if Napier Port share is sold) are the rate payers who own it. The potential buyers of a part 49% share sale (public or investment partners) will be driven by a financial imperative to maximize profits. Retaining full ownership but raising funds by charging the port users more will maintain the social & community responsibilities the Port has to its current shareholders (the ratepayers).
Fiona Stewart Submitter #1823 To be heard? No	User pays (raise port customers' charge rates). No need to raise rates that way.
Anne Hodgson Submitter #1824 To be heard? No	Users pay

Submitter	Commentary
Grant Bennett Submitter #1831 To be heard? No	The public share offer sounds okay but is maybe a bit high I think 30 percent is better.Also the private investor but so long as there is a clause just in case they become to much of a dictator and are really letting it run down.
Lynette Morrison Submitter #1838 To be heard? No	Option B or C would be the way to go except 49% seems too high a figure to go.
Lynn Smiley Submitter #1872 To be heard? No	Options A to D are all premised on the fallacy that economic growth alone inherently is beneficial to the health of the region's inhabitants.
Clint Deckard Submitter #1874 To be heard? No	I do not support the sale of any interest in the port to private or corporate investors. As a strategic asset I believe it must remain controlled by the Regional Council or other territorial authority. I do not believe that retaining 51% means retaining effective control. I would prefer that ownership is retained and any expansion required is paid for by borrowing and imposing a levy on goods put through the port.
Edith Weber Submitter #1877 To be heard? No	1) Build the new wharf. 2) Find our port's place in context of service to this area first, NZ-wide secondly, and recognize that we should be working within our means of self-sufficient without having to manipulate the circumstances, as these options do. This may mean a refreshing way of looking at this port's future- big is not always best and working to support our niche market may be the way to go. 3) My concerns stretch to 30-50+years hence. How about looking for another site to share the load. There isn't the room for expansion at the present site and when I look across the ditch in particular, I observe that they are able to supply services for certain markets without having to put everything through the main port. As an example, is there somewhere north or south of Napier that can service logs? How about looking into this idea. 4) In years to come I foresee us, and future generations, going through this process repeatedly, or worse still, authorities riding rough-shod over us, to extend and grow this port beyond comfortable status.
Tom & Ruth Hallam Submitter #1900 To be heard? No	keep the port it as it is otherwise future generations will end up paying for nothing
Sharon SIMON Submitter #1918 To be heard? No	I feel there are a number of other better options that have not been investigated which maybe more acceptable to HB residents. My main concern is that the ownership of Napier Port goes out of the control of HB. There also needs to be an investigation as to why the Napier Port finds itself in the position of having to constantly take out loans to operate the Port fully when it appears the Port Company is a very profitable operation. I also feel the number of people that never received their mailed consultation documents is far too great to call the process 'public consultation' because it appears you have no idea, in fact, how many people did receive the consultation documents or are even aware of the consultation process as not everyone receives a newspaper. Most people I have spoken to did not receive the mailed documents. You were fully aware of this problem very early on and have had plenty to time to rectify the matter. Many residents have been denied the opportunity to make a submission based on your actions.
Roy Holt Submitter #1919 To be heard? No	The port is a business and makes a profit therefore the port should pay for any upgrades. I am absolutely against charging the rate payers. I am a pensioner and have no spare cash for this option.

Submitter	Commentary
Rex Jones Submitter #1923 To be heard? No	Having listened to the CEO on video, the option to finance 30% + should be explored in this first expansion plan. The urgency to have a dock which can support even larger vessels is vital to the future growth and viability of the Port activities. The Chair of the Port company video explained the "need" and with his background certainly the vision for the Port/and Hawkes Bay. The extra leadership on this important issue, could have been recommended, as this would also be an added advantage to Napier people when reviewing their thinking on this advancement of the Ports activities. Thank you.
John Schnauer Submitter #1929 To be heard? No	I believe that it would be more beneficial to the public of NZ to attempt to retain ownership of a strategic regional asset, and to spread the ownership throughout the country, with some priority given to the Hawke's Bay region. I would not like to see ownership go offshore.
John Warren Submitter #1945 To be heard? No	I do not think that any significant expenditure should be carried out at the port until after New Zealand has conducted a comprehensive review of freight transport requirements by sea rail and road. Once an optimal system for New Zealand has developed then the Naper port should be developed as appropriate to meet New Zealand's needs. Once this review is complete then any development should be carried out maintaining 100% public ownership as per A as this will likely result in the lowest costs to the user. But port development should be coordinated throughout NZ Questions such as - should the Auckland Port continue to exist? , Should Whangarei be developed? What is the future of Wellington port? Should rail be used to feed any particular port? What is the impact of changing vessel sizes on sea transport for NZ overall? Should be asked I am not aware of any definitive answers to these questions.Therefore No action should be taken at this time
Jürgen Boucher Submitter #1953 To be heard? No	How do you want to handle the already heavy truck traffic overkill on marine parade and ahuhiri streets with a bigger port. ?
Edward Evans Submitter #1956 To be heard? No	I will go for 100% ownership by ratepayers. If the port is making a profit? then use the profit with its savings to finance any serious expenditure's. and Live within its means like we ratepayers have to do. For serious projects it could liquidate it's land holdings to generate some cash but this is a one off. If the port is not making any real profit then some management heads should roll. I do not want to see any other organisations or foreign part/full ownership. It is our port and I want it to stay our port Thank you.
Megan Paterson Submitter #1966 To be heard? No	I don't support any of the above. Need more information on past spending and where has profits for port/land sales have gone. Why is the full story not being told?
Philip M Ward Submitter #1981 To be heard? No	To give away part of the Crown Jewels would just be the start of the slippery slope; the potential for easily accessing funds for pet projects. And Yes, 'give away' is the real description, it is blatantly obviously that the Port & Council are putting out the begging bowl, and who would be stupid enough to pay top dollar. My first concern is that this requirement for very significant funding has only come to public light in the last few months. Surely the Port Directors were or should have been aware at least 5 years ago, and it should have been incorporated in the Company Long Term Plan. Lack of disclosure or due care verges on the criminal. That then passes to the Regional Council. The question then arises did the Council withhold the needs of the Port Company for extensive funding, if they were aware of the needs. This may also verge on criminal, for not incorporating it in its own Long Term Plan, and how that requirement was going to be funded, until 2 years ago. Unfortunately, an alternative to this is a feeling I can't get out of my mind; that is this whole business has been stage managed. There has been some public suggestion that the HB Power Consumers Trust becoming involved. The Trust Deed was established as a "Electric Power Trust", which would prohibit it from participating in investing in another Industry. That would seriously restrict its wholly owned company, Unison, from investing funds in either the Regional Council or the Port Company. The Consultation Document appears to have had limited distribution, I had to write to the Chairman to get a copy and only received it 9 days prior to closing of submissions. Very little time to do any serious research into the

Submitter	Commentary
options. I live in a Lifestyle Village and am not aware of any others in the Village getting copies. I must presume that the same applies to the other Villages in the Region. The first priority in a Company requiring additional Capital is to go to the Shareholders. In this case, the Regional Council, who hold those shares on behalf of the Ratepayers of the Region. It would not be unreasonable for all the Ratepayers to be polled on an option of "Yes or No" to provide the funding, via Rates. Rather that put out a Consultation Document with various options and call for submissions. History shows by such similar things as the Annual Plan and the Long Term Plan, that you are likely to receive submissions from less than 1% of the Ratepayers. Whereas a poll, especially in conjunction with an election, would likely achieve near 50%, surely, much more democratic. In the Document, under 'The Regional Council borrowing", it states that the LTP has committed to borrowing $70 million to fund Environmental initiatives. Whilst my own view would be to refer those initiatives to Central Government to fund; and use that Loan raising to help fund the Port Company needs. After all, it is the Green Party pushing this barrow, eager to spend other peoples' money to fund their ideals. Mother Nature has been fighting the battle for decades against the effects of mankind (and in this politic environment we must not forget womankind). Whilst that may be a losing battle, the cost is not likely, in the immediate future, to be critical, devastating and irreversible. The funding, if Central Government are not prepared to put their money where their mouth is, can surely and safely be delayed a short time whilst the priority of the Port is satisfied. And obviously, the increased investment in the Port should yield a higher return and dividend to pay for issues such as the environment. Whereas, selling off part of the shares will mean a smaller dividend to meet the costs of the $70 million loan for environmental issues. One of the many things my parents taught me was to cut my coat according to my cloth. In other words "plan one's aims and activities in line with one's resources and circumstances".	
Kerry Marshall Submitter #1984 To be heard? No	1. I agree that HBRC needs to reduce its risk exposure and that Napier Port needs to clear its current borrowing so it can progress with expansion BUT the risks associated with this (eg loss of control and the dilution of regional influence) associated with option B are too great. 2. HB investors, especially primary industries, need a better vehicle to invest in port company and its infrastructure. Small HB investors need an opportunity to invest as well. A float of shares will risk our local asset to future takeover by outside (especially foreign) investors whose primary focus will be ion investment return not whats best for HB. Please think again - be bold keep it local!!!
Harry Osborne Submitter #1988 To be heard? No	I dont agree that we should sell of assets unless there is a greater out come to the people of Hawkes Bay An extra 100$ a year (rates) and still retain the control of the port is a better option If the "buyer" was Hawkes Bay based then i might reconsider it, but i dont want to see 49% of the profit from the port going to some big company outside of the HB region.
Toni Hewett Submitter #2032 To be heard? No	Have local HB strategic investors NO more than 33%
Mike Clarke Submitter #2037 To be heard? No	If the Port is already a successful and profitable business then the Port should be able to direct their profits back into their business - just like any other business/company. Where have all the profits (money) gone. It should be re-invested
Cherie Eddy Submitter #2058 To be heard? No	the port of napier already has too much debt
Kevin Eddy Submitter #2093 To be heard? No	The Port already has too much debt.
Kathryn Bayliss Submitter #2103 To be heard? No I do not agree with any of the options given for Port of Napier. I do not support any HBRC rate rises to fund Port of Napier's infrastructure developments and renewals. Top priority should be to prevent HBRC rate rises. I don't think HBRC should sell some of the port to raise about $83m to invest in a "future investment fund". Even though the "future investment fund" would have the capital ring-fenced by the current council, the current council	

Submitter	Commentary

can't however bind future councils to this strategy. Future Councils could decide to use the capital for some big controversial project (e.g. a water storage scheme) and break the ring-fence.

There is no guarantee the fund would get 5% return. Interest rates are low and are forecast to stay low. The share/stock markets are volatile and equities have already had a good rise in recent years.

The LTP 2018-28 Amendment, Part 3 page 9, financial strategy, the pie graph for 2018-19 shows the investment in HBRIC (Napier Port) is 60.45% of total HBRC's investments portfolio. In the consultation document "Our Port" page 8, the HBRIC (including Napier Port) is shown as 76% of revenue generating assets.

Quayside is the commercial investment arm of Bay of Plenty Regional council. It owns 54.14% Port of Tauranga, this makes up 86.2% of Quayside's assets as at 30 June 2018. In comparison HBRC's investment in HBRIC (including Napier port) of 60.45% is not too overweight. I think HBRC should take the following actions in order:

1. HBRC and Napier Port should apply to the NZ Government's Provincial Growth Fund for funds to finance the new wharf and port renewals needed to support growth in HB. This money will not always be available and so far Hawke's Bay has not receive a large amount to support it's growth. The Port has been involved in PGF with the Wairoa - Napier rail line to the Port, so this could be seen as an extension to support extra freight coming down the rail line and from elsewhere.

2. HBRC and the port should wait until the NZ Government finalises changes to the freight transport policy "Sea Change"(2008). (Or at least wait until it has more confirmation of the outcome and how this will affect Napier Port.) It would then know how the national strategy affects HB and Napier Port. Money might also be available from the NZ Transport Agency. (NZTA).

3. If Napier Port decides to proceed with it's proposed works without waiting for the revised freight transport policy "Sea Change" then it should charge it's port users with a specific fee to pay for interest and capital repayments on borrowed money. Other people have suggested the use of Reserve Bank credit so Napier Port should also consider this option. If it is not possible then it could lend from a bank or have a bond issue to raise the funds, with the interest and capital repayment being paid by users of the port. Napier Port had an interest cover (EBIT/interest paid) of 9x in the 2017 year. The target is 3x. This should should provide lenders with some comfort that their interest payments would be made.

4. Napier Port should increase charges, revenue and profit to ensure adequate return on capital employed. (As recommended by the HBRC Capital Structure Review). In the past 5 years it has never achieved it's targeted return on operating assets and only twice just achieved it's targeted return on shareholder funds. (By 0.1% and 0.5%).

5. Liquidate HBRIC and bring the Port of Napier back under HBRC.

6. Only as a last resort I would prefer selling a minority of Napier Port in a public share offer to prevent HBRC rate rises to fund Napier Port. (Not options A, C, or D).

My Additional Submission is :
Here is proof that money for investments in Ports can be applied for from the NZ Government's Provincial Growth Fund. Applying for a grant from the fund should be the top priority for the Port of Napier and HBRC.
The following information was obtained from The Provincial Growth Fund (PGF) website.
https://www.growregions.govt.nz/about-us/the-provincial-growth-fund
The Provincial Growth Fund (PGF)
Rail, ports, wharves, and airports.
Investment proposals relating to rail, ports, wharves and airports and other non-land transport infrastructure should demonstrate a clear link to our objectives and criteria, and how they will fit with a region's transport network.
Because regional ports, airports and the rail network are all connected on a national basis, they need to be seen in a wider national context. For example, investments in ports may need complementary investments in roads and rail, and the potential impacts on other regions need to be taken into account.
Grants have already been given to the following:
A Provincial Growth Fund (PGF) grant will allow Greymouth Port to undertake dredging work to ensure fishing boats can use the lagoon during low tide.
Port upgrade and redevelopment feasibility studies (Westport and Grey combined)
Wharf upgrades at Paihia, Russell and Opua The Provincial Growth Fund (PGF) will provide much-needed investment in three Northland wharves, boosting the tourism sector and creating new jobs and opportunities to the region.
Manawatū-Whanganui: Port and Rail boost
The Provincial Growth Fund (PGF) will invest towards revitalisation of the Whanganui Port and upgrade of the town's rail line.

Submitter	Commentary
Upper North Island Port Study.	
Isabel Wood Submitter #2118 To be heard? No	My personal opinion is that the people of Hawke's Bay should have first option of financing the monies needed for the Port by shares being offered to the residents first before being floated on the Share Market. If in 1885 the people of Hawke's Bay (a mere 2325 with voting rights) could vote overwhelmingly in favour of financing the expense of Napier Port themselves, and then proceed to do so, surely with the numbers of residents now in Hawke's Bay the money could easily be raised, provided that no limitations were put on the amounts offered. Many people that I have spoken with at the two meetings I have attended on this issue have very similiar views - a referendum on this issue would surely clarify this.
B. F. Blundell Submitter #2119 To be heard? No	None of these options, I can't ask rate payers to fund my business. The port should make enough profit to fund its own improvements. Regional Council take enough rates as it is, rate payers are not a bottomless pit. You only have a 25% increase in cargo because of the Kaikoura earthquake, this won't last forever.
Marilyn Skyrme Submitter #2139 To be heard? No A/ Pay off existing debts to an acceptable level created by mismangement and poor communication with users resulting in engineering failures wasting millions before embarking on spending. The Ruataniwha dam fiasco and current plan to bowwor money to further fund environmental expenditure instead of using reserves is wrong. B/ The port which has run successfully up until now. After lowering the debt level look to the Government Regional development fund or Unison and look or user pays systems to fund any further expansion. Live conservatively like rate payers on fixed income. C/ Selling shares to an investment partner loses control. Helping the rich to get richer, putting the users and workers at risk. D/ Definitely not!. There is no reason to lose control of the port. If nothing was done the port would still function giving time for management and HBDC to become more conservative with the money accumulated by rate payers and users. Starting with the replacement of current infrastructure beyond its sell by date before embarking on a further spending spree.	
Dr Diane Mara Submitter #2166 To be heard? No	Why are you pre-empting Govt Transport strategic planning?? Possibly B - but only sell shares to Hawkes Bay companies/investors Not (local) overseas -owned companies. You need to approach Unison for example to seek investment - locally owned enterprises. You got consent to build new Port hopefully you have done due diligence in respect to Tsunami/earthquake risk & silting. Possibly C - with caveat against on-selling to o/s shareholders (including Australian banks). If none of Above "A" to keep our local asset!! Did not receive this submission until Monday 5th November
Gordon Hills Submitter #2174 To be heard? No	I suggest that HBRC looks at the possibility of keeping the port in HB public ownership by following up Anna Lorck's suggestion of having Unison take up a share of the port. Failing that, or any other public ownership alternative, I would prefer option A.
Sheryle Harison Submitter #2197 To be heard? No	Option E - Pay for development from profits. If port owes money already - nhy was it paying dividend to Council and not paying off debt? Where is the prudence? Also - why is nobody talking about all the future income which was sold to fund Ruataniwha dam? How will that feature in the future? How will that affect share prices if you sell part of the Port?
Mrs S S Newton Submitter #2201 To be heard? No	I do not agree with the Port being sold. My preferred option is for the ownership of the Port be vested in a publically (Hawkes Bay) owned independent body for the benefit of the people of Hawkes Bay.
K R Newton Submitter #2202 To be heard? No	I DO NOT AGREE WITH THE PORT BEING SOLD MY PREFERED OPTION IS FOR THE OWNERSHIP OF THE PORT BE VESTED IN A PUBLICLY (HAWKES BAY) OWNED INDEPENDANT BODY FOR THE BENEFIT OF THE PEOPLE OF HAWKES BAY K R NEWTON

Submitter	Commentary
Yvonne King Submitter #2205 To be heard? No	I do not agree with the Port being sold. My preferred option is for the ownership of the Port be vested in a publically (Hawkes Bay) owned independent body for the benefit of the people of Hawkes Bay.
Jane Howden Submitter #2210 To be heard? No	The council should retain its 100% ownership and the income generated from that ownership. There is a risk that in selling shares the council might ultimately end up losing its majority shareholding position. The council does not need the first $180m projected return to clear current debt. The council should consider other options such as a bond issue, a small increase in charges per container, investment by local iwi from treaty settlements combined with an increase in rates. The council has already sold off its income stream from the rental properties it owns. By selling off shares it owns it will also be divesting itself of a large income stream for some short term gain which may not be sufficient for future growth. The council needs to look at different alternatives which may involve a mix of strategies. Selling off assets (especially blue chip) income earning assets is not a responsible decision in the long term. I urge the council to reconsider the options it is proposing
Owen Yeomans Submitter #2219 To be heard? No	There should be a sustainable operation within the present layout of the port. This would be better for the invironment and the quality of life for Napier residents. There is no information provided re " Climate change" and how it may affect the port and "future" business in Hawkes Bay in the next 20-30-100 years.
Malcolm Dixon Submitter #2227 To be heard? No	I agree that the Port needs to expand. However I cannot support any of the preferred options. What is wrong with a combination of the above? I am also concerned that the final decision will be made by councillors who have a history of 5-4 voting. That is hardly a mandate. It needs to be at least 80% or a referendum is held at the time of the next local body elections.
Elizabeth Ann Paterson Submitter #2229 To be heard? No	I do not support any of the above A.B.C.D. Please publish fully where HBRC has spent from sale of leased land assets.
Pat Fraser Submitter #2260 To be heard? No	I think the Council should hold off making any decisions until the current review of coastal shipping is completed & the year ending 30/9/18 financial report is received. The previous years report included additional cargo rerouted through Napier after Centreport Container Terminal was severely damaged in the 2016 Kaikoura earthquake. The loss of half a dozen visits from cruise liners will not harm the Port - Tourism is great for Hawkes Bay but the revenue from cruise ships would not justify building a new wharf. By the time the wharf is built the spike in log exports will have passed, allowing for an increase in other cargo should it eventuate. The expected increase in size of container vessels could lead to hubbing on smaller vessels. Discharge Auckland - load Christchurch & Tauranga with Hawkes Bay cargo transhipped to Tauranga, which is happening a fair bit now as it is.
Lorna Smith Submitter #2270 To be heard? No	Our Port - Have your say In response to your request for submissions re the proposed funding of the Port's new wharf, I find the four suggested financial strategies lacking. Hawkes Bay needs to retain ownership of the whole Port even if it requires a further rate increase imposed on partially informed rate payers. Where, in all of your consultation document, were the projected increases in incomes from the proposed new wharf to assist in funding borrowing? I have read various articles via the H.B. Today reviewing your strategies on the proposed new port and it appears overwhelmingly apparent that the public requires you to rethink your options and not jeopardise this import asset of the region. Your overly generous proposal to sell 49% ownership places the port at extreme risk should further future development be necessary. There is no wriggle room.

Submitter	Commentary
You as a council have already wasted precious resources via the arrogant and wilful pursuit of the disastrous Ruataniwha Dam, when you didn't even have full control of purchasing the proposed site or the agreement of ratepayers to fund this commercial farming enterprise. It is time this council acted responsibly and gave all the facts to the public without having a pre-arranged agenda to do exactly as you please and risk the loss of a port which has survived and profited (thru earthquakes as well! - scare tactics) since 1886. Have you truly sourced local funding via growers, iwi or other large local corporates. I agree with one writer who writer who suggests a 25 per cent share float would raise enough capital to enable the port to get on with its investment programme, including wharf 6. Be prepared to re-evaluate, you may save Hawkes Bay millions. Lorna Smith	
Teresa Allen Submitter #2282 To be heard? No	No to all 4 options Get sound financial review of what lead to the debt Then borrow from (Provincial Growth Fund) to cover debt and expansion. Borrow courtesy of Shane Jones
Marion Fell Submitter #2299 To be heard? No	Submitter ticked both a and b. Comment included: The lesser option of 25% share float (or min 33%) - Capital Structure Report would raise enough capital to enable the port to get on with its investment programme including wharf 6.
John Sutton Submitter #2310 To be heard? No	Option A. - Combination of ratepayers & borrowing (if enough can be borrowed without risking equity). Option B. - I believe 49% is too great a proportion to float, maybe somewhere around 30%. Option C. - Investment Partners preferably from HB or the greater port catchment may possibly supply enough funds for future wharf/port development.
Noeline Lamont Submitter #2335 To be heard? No	Retain full ownership & control
David Taylor Submitter #2340 To be heard? No	Retain full ownership + fund expansoin from a levy on containers. Whisper Seal breakwater Rd to reduce road noise + tyre pollution. Reduce speed limit to 40km/hr. Long term plan to relocate port to Awatoto + retain existing for cruise ships + fishing vessels.
A Freemantle Submitter #2343 To be heard? No	DO NOT SELL YOUR Assets WHY: No1. You loose overall control No2. Only people, corporation or countries with money can buy this asset. This does not mean they have the knowledge to run it or indeed have its best interests at heart. It usually revolves around the bottom line. No3. Someone before you worked very hard to attain and maintain these assets. No4. Expansion should be calculated and done in steps to minimize disruption, costs, exalations and possible wrong decisions. Yours sincerely, A. Freemantle
Jack Hughes Submitter #2349 To be heard? No	HBRC appear to have given ratepayers a selective presentation of fact + opinion to support a pre-determined view. Ruataniwha revisited. Better communication of HBRC's strategic plan + the Ports profitability is needed to restore public confidence and support.
Patrick Mooney Submitter #2354 To be heard? No	Use the Regional Development Fund to build wharf six as not all current owners can afford to buy shares.
Mrs Annette Geddis Submitter #2371 To be heard? No	I do not agree with any of these options, therefore I suggest Option E which is to float the shares solely to HB Investors. Have our City Councils been approached to invest in the Napier Port expansion?
Ron Griffiths Submitter #2372 To be heard? No	ON THE PORT PLANS - - LOOK AT WHERE THE NEW WHARF IS GOING - THEN FOR 25 YEARS LEASE ONE WHARF TO PASSENGER LINERS. FOR SHELTERED MOORING. THEN ONE WHARF TO A GROUP OF LOGGING COMPANIES FOR EXPORTING LOGS. AND ONE WHARF TO CONTAINER SHIPS. THE OTHER WHARF'S CAN BE USED FOR SMALLER SHIPS,

Submitter	**Commentary**
	AND IF LEASE COST'S ARE PRICED CORRECTLY IN 25 YEARS H.B. WILL OWN ALL THE PORT. ONCE SHARES ARE SOLD H.B. WILL LOSE THE PORT.
J P Torley Submitter #2376 To be heard? No	Re Funding the Future of Our Port I think the present arangements should stay in place. Jacqueline Patricia Torley
R Moore Submitter #2395 To be heard? No	If a "minority shareholding" is sold This could 'backfire' as happened when shares in (other) government v ownerships were sold. 'Sharks' set up both/system to buy the shares for snmall investors. Result - many shares ended up in ownership of large companies. Small shareholders saw it sold for a profit. So instead of lots of small shareholder control was gained by large companies who will do what they see necesscery for a profit and maybe regardless of locals.

Donald G. Hill Submitter #2402 To be heard? No

My family and I have lived in Napier for 38 years. It's a special place, were the children grew up and we all made friends. Every visitor may it from NZ or overseas, appreciates the climate, the neat city which has so much to offer, except - a beach. -
When our children were little we would frequently visit "our little beach" at the bottom of Battery Road. That and the ajacent beach were and are the only stretches of sand nearby.
I can appreciate, that we shouldn't stand in the way of progress and if the port will grow, so will the city of Napier, with employment opportunities for the population, which is great. But my thoughts are, that if Napier has to give something up, then please combine it with giving something in return.
Let's create a sandy beach along Harding Road all the way to Perfume point and we'd have our own little Riviera. Visitors from Ocean Liners, overseas and New Zealand, especially Napier will love it. This will create even more employment for the citizens of our city.
Up to now Napier along Harding Road has the look of unsightly earthquake rubble. Why couldn't we build a sloped seawall with pockets and grooves in it, to use up the energy of the waves instead of reflecting it. We could build groynes going into the sea to trap the long shore flow of sand. Of course I'm not an expert and there might be another way to extend "our little beach." Could the Regional Council be part of growing our port and at the same time create a beach we all could be proud of?
The way we get the public behind the extensions and development of the port is for the Regional Council and the City Council to create a lovely seafront for our citizens. Using the profits from the port one would have to make sure that the long term effects and the true cost of the project are carefully spelled out. The public and the decision makers, the developers must require to install and maintain a sand replenishment system or promise a bond that will for periodic sand replenishment as long as the structure exist. Sometimes shore line structures must be built to create a better environment, but the public has to be informed about the impact. For example, the groynes create a depositional condition on the side of a structure and erosion on the other and we need some way of replenishment. I hope the groynes or another solution which could interrupt and trap long shore flow of sand could be found for our lovely city.
I think it's good buisness sense to have the backing of the public and to put something back into the community.
Kind regards, Donald G. Hill.

Poole Bay Coastal Management

Rock groyne construction, Poole

Groynes in Sitges, Catalonia, Spain

Submitter	Commentary
Valerie May Broadbent Submitter #2456 To be heard? No	None of the options have my support. However I can relate to the need to develop the port and perhaps diversify investment. I want the port to be wholely owned by the people and ratepayers of Hawkes Bay, Then, hopefully, all profits will be used for the benefit of the Hawkes Bay. I support using the port dividend to pay back the $86 debt. Ratepayers can be asked to pay more(over a no of years) in rates to help service this debt. This may have to be scheduled over a no of years. However if the commitment is given to using the port dividend and rate increase to service debt then the port should be able to negotiate a loan for the new wharf. To comment on preferred option B. - 49% public float makes retention of the port in ratepayers hands very vunerable. - Governance/operating control WILL NOT not remain in ratepayers hands with a governance model of an independent chairman and board. - There WILL be an impact on rates as the Council will receive a reduced dividend to set against rates. Other shareholders will need to receive a dividend. - There is no indication of what the Council will spend the released capital on. We do not want another dam disaster such as the one that cost ratepayers so much for no return. I support building a number of small economic dams to store winter water for dry summers but not a grandiose expensive ego trip that the Ruataniwha dam proved to be. If the Council decides to go with this option B then my comments are: - Do not float more then 25% - Investigate if there are stakeholders, who benefit from the port, who can be encouraged to buy into the port. e.g. Local Authorities, Iwi or other Hawkes Bay Institutions. All should benefit from a progressive Hawkes Bay and port. - The Tauranga port model is a spurious argument and a red herring. One cannot attribute the port sell off to be the cause of its success. Its success depended on the past/present port management and issues relating to the Auckland and Wellington port situation. All one can definitely deduce is that ratepayers lost 45% of the dividends paid out by the port
Ronald Neal Anstis Submitter #2468 To be heard? No	politicans always say user pays so why not have user pays
Norman Berry Submitter #2474 To be heard? No	I would like to retain 100% of the port as at present! How do we pay? have you asked the Government for the fund for the regions? If no luck, have you talked toUnison about a 50/50 deal to keep ownership in Hawkes Bay hands. That is the most important thing. I don' want in later years selling to an overseas company and leaving us nothing. 49% is I think too risky. Tauranga gave away 45% which isn't as bad but 49% unacceptable. Thanks very much for the opportunity to have my say. Best of luck in your decision.
Elizabeth Rose Pindar Submitter #2516 To be heard? No	Option B sounds fair BUT it means HB loses the port. People sell shares - an unwelcome body/country could hold them all - a 1% difference in holdings can easily be overcome by Big Business. Option A probably the best - we need the port - and a working port not just a tourist/cruise place - a hideous For Lauderdale!. There must be a viable option of raising funds as well as rating increases. It needs more work done before major decisions. I have seen the port grow from the 3 finger wharfs, when we could still stroll along & look at the ships. It is such a feature of HB - our own export outlet and likening it to Tauranga doesn't do it any service. It is an unusual port - on an exposed coast with no natural harbour and with our huge increase of horticultural & forestry products, no stock be very aware of our need to maintain/improve it. It is not a good thing to be dependant on cruise ships - a fashion whcih could so easily change suddenly. Also Napiers infrastructure can barely cope with what arrives every visit. ...... of visitors aren't the way to impress people from cruise liners (that was said to me by someone from different ships). But mostly, let HB keep full control of our port - agreements are just pieces of paper - easily torn up!

Submitter	Commentary
Moira Dentice Submitter #2518 To be heard? No	other options should be looked at and considered by experts who actually agree on the best outcome.
Albert Perfect Submitter #2526 To be heard? No	OPTION B MEANS LOSING UP TO 49% PROFIT FOREVER. USE PROFIT TO PAY DEBT WHEN DEBT IS REPAID THEN RATES CAN BE REDUCED.
Matt Edwards Submitter #2534 To be heard? No	This feedback on the proposed development at Napier Port pertains to the need to develop a new wharf on the northern side of the container storage area. I do not oppose the construction of this new wharf. I do not support any of the options proposed by HBRC and suggest an alternative in the following comments: 1. The new generation of very large ships are a dominant reason, but not the only reason, requiring construction of another wharf. However they certainly have a considerable impact on the construction costs. 2. There is a compelling case to increase port charges to all shipping lines using the port as they are the reason for having to increase port capacity. This will increase port income. The large ships should obviously pay more. This will be helpful to funding. 3. HBRC planned to invest $80M in the Ruataniwha Dam Project and sold the investment income from the leasehold properties in Napier to ACC to raise funding for the project. It appears about $14M was spent. Where is the rest of this funding now? If you wanted to, you could use this funding help wipe out the port debt. 4. The port is a key regional asset vital to the HB economy. As such it must qualify for funding from the 'Shane Jones' fund for regional economic development. I expect the HBRC to apply for and receive substantial funding from this source. 5. With funding from these two sources there would be no need to sell any ownership in the port, a proposal that I strongly oppose. 6. To protect the investment in the port why not increase your insurance cover beyond the present limit of $60M since Govt covers 60% of the sum insured. Not a bad deal. HBRC has this way of finding the funding needed to allow port development to proceed without selling down port ownership via a share float. Problems with selling shares in the port are you will lose a fair amount of control even with majority ownership, as shareholders interests come first and there will also be a reduction in HBRC income from port. NZ First does not favour foreign investment which will happen with shares so you could make this point to them in a case for funding assistance.
Dick Ryan Submitter #2538 To be heard? Yes	Sheer madness to sell our most lucrative asset Halving the income inevitably leads to rate increases HBRC should petition government to make funds available from Reserve Bank This is recommended in a 2012 report from International Monetary Fund Loan could be at a nominal interest with repayment matched by income of expanded port Legislation is already in place for such funding arrangements Money sourced this way would assist expansion of economic activity in the region THERE WOULD BE NO COST TO RATEPAYERS OR TAXPAYERS
Tracey Otton Submitter #2542 To be heard? No	Users should pay for the service and as stated more cargo ships are wanting to come here as are cruise ships and therefore they should pay for right to do so along with contributing to any improvements or new construction through appropriate berthing charges. Why would we not want to retain full control of an asset of this calibre
Beverly King Submitter #2569 To be heard? No	My preference for the growth of Napier port is to use the Regional Economic Development Fund. I do not believe that choosing the public share offer, investments, leasing or rate payers monies should be used for this project. Borrowing and getting into further debt is counterproductive and not in our best interests. I am disappointed that the flyer I received in the mail did not show the option of 'none of the above' which is available for online submissions. I wish to attend the hearing but not speak to my submission.

Submitter	Commentary
Jan Daffern Submitter #2570 To be heard? No	Insufficient information has been given with regards to sustainability factors which protect both the environment and the future productivity of the Port of Napier. In light of this I support a USER PAYS option. We as ratepayers operate under a USER PAYS option, the more we have the more we pay in rates. When we use the highways, again it is USER PAYS with road and petrol taxes, etc., The future of the Port remains uncertain at the moment, the dividend to HBRC ratepayers is around $140 per annum, a sell off of up to 49% could reduce this to around $70 per annum, with HBRC ratepayers appreciating little or no benefit
Rion Wilder Submitter #2573 To be heard? Yes	The Port is currently in debt. Currently $83m. Why on earth would you want to borrow more money when the Asset cannot service the existing debt. The idea of borrowing more money to allow larger ships to birth appears to be irresponsible. If it cannot make fair and reasonable returns to the Council maybe a overhaul of the existing management team needs to be addressed. You do not sell shares in an asset, reinvest that capitol into the Port and hope to make return on that investment and share that dividend with the other party. They are buying shares at a reduced value, having that value increased exponentially. If they sell their shares when Port upgrade is complete, they make a packet, we still get stuck with a Port that we only have a percentage of and still sharing any dividends. I also do not believe that the expansion of the Port, and the ensuing disposal of the spoil some 3 or so km from Pania and Town reef will not affect them. As the Council its your first duty to protect this environment. The consequences of getting it wrong is catastrophic to the reefs and the negative Public outcry will last a generation and will be local, national and global. There will be no need for cruise ships to birth here with such a poor reputation for protecting the environment. An already reduced fishery will also be placed in further trouble. The clearly identified risks are not mitigated by the dubious potential profit that "could" be made.
Susan Milligan Submitter #2576 To be heard? No	we do not need a special wharf for cruise ships anchor them out and use tenders for their transport in. This works very well around multiple countries nd cities around the world. Also with all the increases in rate payments you are only fattening a few ' wealthy individuals' while the likes of the Pensioners are being forced out of their homes as the combined rates bill is eating so much of their limited Pensions
Catherine Warren Submitter #2581 To be heard? No	More questions need to be answered.
Patrick Warren Submitter #2582 To be heard? No	No sales
Deirdre Cheetham Submitter #2608 To be heard? No	Our port should remain owned by the rate paying people as it is at present. Hawkes Bay council needs to apply for funding from the Government's Provincial Growth Fund. Gisborne has got some funding for needed development... Rate payers should not have to have an increase in rates for this. Council needs to be accountable and research this effectively to come to the correct decision. Do not sell or lease.
Diana Whittleston Submitter #2609 To be heard? No	I do not support options A, C or D. My preference would be for an application be made to the Provincial Growth Fund to fund the wharf as the port would surely be considered critical infrastructure and this would improve the port's resilience, as well as providing be increased employment opportunities due to more ships being able to be handled, particularly cruise vessels. If that really isn't an option, then I would support a public share offer - but not 49% at this stage - possibly around 30 - 35% instead. That would provide funds; but give the council (and other shareholders) an opportunity to assess the success or otherwise of that issue, and to re-consider a further sell-off of ownership up to the 49% level in a few years time (and possibly getting an increased value for the additional shares at that time).

Submitter	Commentary
I also think that the port should not be paying out so much of its profit as a dividend to the HBRC. As it requires significant capital re-investment, holding back some dividend to increase the amount it can self-fund (instead of borrowing) seems a logical step. Yes, that would mean increased rates, but that increase would not be as much as with going with Option A. And, in the end, if the port would be in a stronger position with hopefully less borrowing overall.	
Jessica Taylor Submitter #2615 To be heard? No	Option E Retain full ownership prefer wharf 6 to be user-pays funded by a levy placed on each TCE (20 foot container equivalent) Long term plan of Napier Port to be moved to Awatoto & current port to be retained for cruise shipping. Breakwater Road has too many trucks already & some drive dangerously fast for a residential area.
Linda Johnson Submitter #2631 To be heard? No	Take a loan from the Reserve Bank. Other local authorities have used their service so we can too. It's a better deal than borrowing from an international corporate money lender. We must retain full ownership and control.
Jim Stewart Submitter #2635 To be heard? No	I strongly support HBRC retaining 75% of the Port Ownership with a 25% Share Offer / Allocation to HBRC Ratepayers as preference. If the full 25% is not taken up by HBRC Ratepayers the remainder to be offered to the public. HBRC Management & Councillors surely can explore a workable solution to retaining 75% ownership. It seems very imprudent for HBRC to have not waited for the Governments reconsideration of the 2008 Sea Change Domestic Freight?
Valerie Smiley Submitter #2641 To be heard? No	Goverment loan Paid back not by just the rate payer's of Hawkes Bay. Keep the port for the people of HAWKES BAY or NZ not over sea's big investment companies.
Robert Smiley Submitter #2644 To be heard? No	Keep in Hawkes Bay ownership Goverment loan user pay not rate payer's
Diane Clarke Submitter #2654 To be heard? No	The majority of ratepayers can't afford a rise in rates, let alone to see our existing wharves covered in logs. Is this new wharf really going to be utilised for cruise ships that will eventually disappear due to global emissions? The idea of a 49% public share offer would be okay if the share issue went to every household. The Regional Council don't own the Port and selling 49% of the Port of Napier will not only increase our rates, but the ports profit is likely to go overseas. Likewise with leasing port operations to a private investor - again, this disadvantages the ratepayers. The Hawkes Bay Regional Council are dictating the options without public consultation. In other words, where is the democracy and the right to give people a chance to vote on whether this matter should go to a referendum.
Catherine Neems Submitter #2658 To be heard? No	None of the above. Investigate Anna Lorcks idea to get Unison involved as share holders.
Garry Neems Submitter #2679 To be heard? No	None of the above. Follow up on Anna Lorc's suggestion. Get Unison involved.
Steve Haenga Submitter #2692 To be heard? No	Why should we sell our asset off? Or buy shares in what we already own? Or pass the costs on to the rate payers of Hawke bay? Not to mention hundreds of jobs at risk. My option is "USER PAYS". Thank you. Steve.
Paul Smith Submitter #2699 To be heard? No	All of your options require the ratepayer to PAY UP through the teeth so that the HBRC can continue to pollute and carry out stupid ideas so that apple growers and farmers can function and shit over everybody else. TANK are the pulluters and they want to continue on from the last 20yrs sucking us dry and spoiling HB. STOP Polluting the Harbour!

Submitter	Commentary
Richard Berry Submitter #2700 To be heard? No	Offer 49% to the ratepayers first what is left put on NZX
Arthur Hooper Submitter #145 To be heard? Yes	I believe there has not been any information given to we ratepayers regarding the risk factor of borrowing the money to build the extensions of the port. Nor have we been informed about the possibility of borrowing from the government funding agency. At this time I do not know the extent of the port debt or for that matter the debt of HBRC to see if these debts could be increased and still be in a reasonable debt-to-equity position. Further, but not about the options, I am unhappy that tour boats and larger freighters are the tail that wags HBRC dog. Our port has functioned well given the trade we get moved from Napier. There is no clear prediction that getting bigger will give Napier more business. A down turn in the economy of tourism and freight could see us with another white elephant like the Ruataniwha dam sitting sort of empty at the end of Bluff Hill.
Isabel Morgan Submitter #157 To be heard? Yes	Firstly, I consider that the HBRC , on behalf of it's stakeholders, must retain full ownership of the Port. Selling shares on the open market could mean that they fall into 'one bag'. We know that the a certain country is buying ports in various parts of the world, to obtain strategic assets for themselves. In my view I think it preferable for the HBRC to borrow and so retain full ownership of the Port. Rates could be increased, by a very small margin in order to service and repay debt.
Ray & Barbara McPeake Submitter #2712 To be heard? No	OPTION 1A. RAISE FUNDS THROUGH A BONDS ISSUE OPTION 2B. WITH 45% SHAREHOLDING. R J McPeake B. E McPeake
Heather Barford Submitter #2720 To be heard? No	Remembering how money was wasted on a conveyor belt system that cost millions for the loading of fruit. - I don't really trust the Regional Council to add further debt, for the future.
Ian Richard Woodmass Submitter #2734 To be heard? No	I am in agreement to put the Port on the sharemarket. Not at 49% but at 30% to 35% as you must have a back stop to do any more extensions. Also if the port is doing well the share should rise which gives more to come and go on. Plus you will own over 65% and in the long term your assets should rise. You also do not have an outside board member, it is run locally.
Garth Eyles Submitter #2737 To be heard? No	A 25% share offering would suffice as the need is only to finance the additions to the port. Ever since the port became owned by HBRC there has been pressure to privatise. However, there has always been an understanding the port was for the benefit of the region. Privatise 49% and the philosophy will change to one where the requirement is to maximise profit to the shareholders. The additional 24% is mooted for an investment fund of $86m, to produce greater profit (??) than the port to allow other activities to be funded. HBRIC (HBRC) has a very poor record of picking winners; investing in the port is a far safer option.
Leanne Cotter-Arlidge Submitter #2753 To be heard? No	"I support Unison Networks, investing in Napier Port as a cornerstone shareholder, protecting 100% local ownership and control." "Have a watertight shareholding agreement that protects our 100% local ownership" "Invest in the wharf development but strongly oppose council selling more than 33% of our Port shares."
Jade Wilder Submitter #2755 To be heard? No	
Dredging the Port is a stupid idea. The fact that the spoil is only transported a few km off Pania Reef is completely irresponsible. The reason why you want to dump it there and not further out is purely financial. Was the Science that was paid for by the Port completely impartial? Who set the parameters for the study? Was it peer reviewed by an independent body who set their own measures and standards? Its the "least" distance you can actually get away with.	

Submitter	Commentary
As a guardian of the of the environment its your duty to take the best care of the environment. That's your first goal. Profit versus cost should not be part of this consideration. Dumping further out to sea into deeper water is the only sensible option. If it goes wrong, as a Board and champions of the environment will you clean it up? Will you all resign? Take responsibility for your actions? Will all the stakeholders who supported this Publicly apologize to the community and the Nation? Will all of you agree to never undertake a similar role in the future as you are clearly incompetent. Is there guarantees, or memorandum of understanding for the Shipping Companies that they will birth here? If the Port cannot fund this themselves, it demonstrates already that the investment is not worth it as the outcomes will not be realized. If there are no contracts in place with Shipping Companies this is folly. What about the Shane Jones and the Regional Fund? Has he been approached? If they cannot see some benefit to the Region what facts do you have to rationalize your position?	
Carl Pedersen Submitter #2757 To be heard? No Firstly, I wish to say that I do not much confidence in the HBRC Consultation System. My reasoning was gained through the "Environment Facing The Future" consultation system. According to your publicised information, when the ratepayers were asked about future ratings, 76% of the responders said "Pay no more" or "$10 to $25 more". Is that what you did? No Second, we all have known for years about the shipping companies moving to larger ships. The HBRC should have been planning for that situation and the financing of it instead of getting side-tracked into schemes that benefited only a few. In view of the urgency of the need for a new wharf maybe the HBRC should have been concentrating of reducing debt. Indeed there have been comments about the establishment of an Australasian Hub in Australia. If that was to happen to large ships would by-pass NZ. Thirdly, at the Environment meetings were told that the HBRC had $60 million in bank. (a)It upsets me that the HBRC and or the HBRIC wasted $20 million on Dam and sold off assets ie lease land. (b) That the HBRC has already borrowed $70 million to fund "critical environmental initiatives" when farmers generally throughout NZ were making great progress in reducing pollution and improving the environment. Fourthly, if the HBRC is really interested in running a tight organisation they should seriously look at the HBRIC to (a) what is it costing and (b) is it needed. I am sure there is savings there. Now to the Port Consultation, I am against all four options. As the HBRC preference is the selling off up to 49% of Port I will only comment on that option. You can only sell off part of the Port once. Once its gone it is gone. What happens in future when larger ships are used or that funds are needed for other Capital Expenditure. Sell off some of or all the remaining 51%. The result would be the loosing of the control of the Port Impact on Rates. Your statement that there will be no impact on rates is totally misleading. By selling off X% of the Port the HBRC will receive X% less dividend so our rates account will be affected. My Preference is to look at every option that could be utilised to retain full ownership of the Port. I would rather pay the full price for my rates and have the dividend used to pay off the Port's debt. I am sure that there is a combination of options that could be examined. I think that Paul Bailey's Option E is worth is worth looking at. Also, if the Port is such a good business bonds could be sold.	
Jean Dixon Submitter #2759 To be heard? No	I support Unison Networks, investing in Napier Port as a cornerstone shareholder, protecting 100% local ownership and control. Have a watertight shareholding agreement that protects our 100% local ownership. Invest in the wharf development but strongly oppose council selling more than 33% of our Port shares.
John Ruth Submitter #2764 To be heard? No	None of the above. However Option A comes closest to my preference as I believe ratepayers must retain 100% ownership of the Port. I would like to see further investigation into funding options other than "ratepayers pay", such as Paul Bailey's user-pays model. This HBRC consultation process seems rushed and skewed in favour of partial privatisation, which would be short term gain and forever pain, as in loss of control and dividends.
Martyn Gyde Submitter #378 To be heard? Yes	STOP EXPANDING THE PORT, small is best. Too bad if we can't accommodate all the cruise ships, it means less human waste put to the bay. Send all the logs to somewhere else and then there is plenty of room for all the other ships. Too much damage done to Westshore beach already, caused by the current port. STOP SPREADING LIES ABOUT DOING NOTHING STIFLES GROWTH!

Submitter	Commentary
Allan & Helen Twort Submitter #2780 To be heard? No	WE BOTH DISAGREE WITH ALL THE ABOVE. IN OUR OPINION THE NAPIER PORT IS NOT FOR SALE! THE HBRC HAS NOT LOOKED AT ALL OPTIONS. WHY HAVE YOU NOT CONSIDERED THE "REGIONAL DEVELOPMENT FUNDS"?
Stephen Bee Submitter #2783 To be heard? No	I suggest 1) Funding of (a) new wharf only, met by a combination of (A) and (c) 2) Referendum to allow ratepayers to put forward and discuss publicly (E) "any other viable alternative". (B) for example, is too non-specific in proportion (I am not in favour of anything around 49% , but might be convinced at a loer figure.)
W A & L M White Submitter #2790 To be heard? No	Retain full ownership of port & control. Let the funds generated pay off debt & use rest for expansion.
Les Williams Submitter #2809 To be heard? No	We need to have a referendum why should these options above been seen to be the best?

Peter Alexander Submitter #1118 To be heard? Yes

Contribution to the Issue of How to Structure Funding for the Expansion of the Napier Port This article serves as my considered opinion as to how expansion of the Napier Port could be achieved without close to 50 % of equity ownership potentially being transferred away from Hawke's Bay stakeholders (Ref: the HB Regional Council Initial Public Offering - IPO).

I read with much interest - and was impressed by - the four well-contemplated and articulated mature views of respectively: Mark Peterson (Chief Executive for the NZX, Alan Pollard (Chief Executive of NZ apple & Pears), Anna Lorck (Havelock North businesswoman) and Fred Robinson (Hawke's Bay resident) that were published in the Hawke's Bay Today newspaper on 3rd November, 2018.

These articles have in fact inspired me to prepare this post. Like many Hawke's Bay people, I fully understand the importance of the Napier Port to our regional economy, historically, now and into the future. For any business unit or region as a whole to grow, the right infrastructure to enable growth must firstly be put into place.

Alan Pollard, in his article referred to above, has done a great job of providing insight into the projected growth of the Hawke's Bay pip fruit sector alone. To gain a sense of the reality of these projections, one just has to take a drive up the Dartmoor Valley in the Puketapu district to see the phenomenal transformation of vast land areas into apple orchards that has taken place over the past 12 months.

It is clearly obvious and indisputable that increasing pressure on the capacity of the Napier Port is going to occur as a result of:

i) More cruise ship companies wanting to include Hawke's Bay on their South Pacific docking schedules.

ii) Significant increases in the volumes of harvested fruit and pine trees needing to be shipped to export country destinations.

iii) Incremental increases in export volumes relating to other primary industry related businesses (e.g. meat); plus increases in export volumes relating to both existing manufacturing businesses and those that start-up in Hawke's Bay going forward as a result of this region attracting more business people over the passage of time due to location cost comparative advantages and/ or for quality of life reasons.

Therefore, there should be no argument in respect of whether or not the Napier Port should be expanded in order to cater for this foreseeable increase in capacity demand; and in such a pursuit of expansion new more suitable technologies be introduced to achieve improved operating efficiencies. This simply must happen.

So the pivotal question rightfully being addressed currently is "how" is this expansion objective going to be afforded.

I have been in a range of senior manager roles (e.g. CEO/ GM/ COO/ Regional Business Advisor) over the past 25 years, and one such role in particular taught me a valuable lesson about shareholder ownership of assets. That being, ultimately strategic direction of a company will (should) rightfully be determined by the expressed preferences of the majority of shareholders - and not in response to the governance preferences of a Board of Directors acting contrary to its shareholders wishes.

At the end of the day Boards are appointed to act in the best interests of the shareholders who they represent - no more and no less. Any well-compiled Company Constitution will include such a mandate. So, after the public

Submitter	Commentary

consultation window of opportunity has closed, should the submitted views of those who have indeed come forward with their opinions reflect a majority who call for Hawke's Bay people to retain by far a majority interest in the Napier Port, then I propose the following as a commercially sensible way forward in order to afford the desired Napier Port transformations...

i) Ensure that a proven experienced governance body is in place to make objective and prudent governance decisions in respect of the Napier Port operation, into the future. If this means that the governance role transfers from the HB Regional Council to an independent Board - that is established specifically to perform this role, then so be it. This governance body must have qualifications, skills and experience to oversee the Napier Port operation where shareholder interest is a composite of both local shareholders and NZ Stock Exchange shareholders.

ii) Restructure Shareholder Equity so that 51 % is retained by the current amalgam of local shareholders, 25 % is owned by Unison and the remainder of 24 % is offered to shareholders via the NZ Stock Exchange.

Why this proportioning ? This will ensure that by far the majority of Napier Port assets will be owned by locally based shareholders; and local shareholders - who are shareholders in both the Napier Port and Unison - have the potential to enjoy an overall increase in their dividend income (depending on the performance of both entities of course). And this level of local ownership should ensure that the governance Board involved: i. Makes governance decisions and acts in accordance with the expressed preferences of the majority of "local" shareholders (current local shareholders and Unison) - being the majority shareholder group. The effect of local shareholder preferences on Board decisions - relative to the stated preferred position of the two other shareholder groups (Unison and NZX shareholders) could be accentuated through the issue of "Preference Shares" (and corresponding voting rights) to local shareholders (only), versus the other two shareholder groups (Unison and NZX shareholders) only ever having the opportunity to receive "Ordinary Shares". ii. Helps drive a heightened level of (governance and management) professionalism across the Napier Port organisation, due to its decision-making process being strongly influenced by regulations that govern all NZX listed companies. Benefits for shareholders include improved levels of transparency where insight into financial reporting is concerned.

Going forward, if new share issues are to be contemplated in response to new/ additional investment capital requirements, such calls on capital should/ must ensure that the above proportions of Shareholder Capital per stakeholder type (i.e. local shareholder/ Unison/ NZX shareholder) are retained. So in summary, I think it is very healthy for desired growth in the Napier Port asset infrastructure to be fuelled in part by NZX investor capital (for the above reasons); yet the level of investment in total assets that this capital input represents should be restricted to around a quarter of total capital requirements. This will ensure that the vast majority of these assets indeed remain Hawke's Bay owned into the future - an ownership position that should ensure the right prudent governance decisions being made by the acting Board in accordance with largely local shareholder wishes far into the future."

What a wonderful opportunity is in front of Hawke's Bay – to grow one of its key assets to then enable further growth. Exactly what is needed.

Go well. I'd like to add to my earlier submission by drawing the attention of the HB Regional Council to this article: https://www.linkedin.com/pulse/positive-change-continues-take-place-hawkes-bay-keep-alexander/ …specifically the content which talks about how the pending dredged tailings from extending the port could be used to establish 2 x world class surf breaks.

I strongly feel that this opportunity should be considered by the HB Regional Council among the various higher level planning decisions that will need to be made in due course; for the reasons stated in the article. Thank you.

Esme Gibbins | Submitter #2822 | To be heard? No

In principle, I believe that important community assets should remain in public hands. But at the same time, I recognise that Napier Port needs to grow, and that it would place undue burden on Hawke's Bay Regional Council to be the sole funder of that growth (and take on additional debt to do so).

Given this, I do believe that the suggested Option B is probably the best approach. But I've ticked 'Other' because I do have concerns with this option, as it currently stands.

Napier Port is a company, and I see value in it being able to access investment capital in the same way many other New Zealand companies do, in order to grow. So I see merit in floating a minority stake of up to 49% on the NZX, thereby offering Hawke's Bay residents, New Zealanders, and KiwiSaver providers a chance to contribute to and share in Napier Port's growth and success.

But if Option B were chosen, I would ask that two stipulations be put in place. Firstly, I would ask that any Napier Port shares floated on the NZX have strict criteria placed on them, that prevent them from being on-sold to individuals or companies that have no connection to New Zealand. I do strongly believe that our country's core

<table>
<tr><th>Submitter</th><th>Commentary</th></tr>
<tr><td colspan="2">infrastructure assets should remain in New Zealand hands. So if individuals were to on-sell Port shares to other individuals, these people should be currently living in New Zealand with strong ties to this country.
Or if they are overseas, they would need to be New Zealand citizens or permanent residents and able to show proof of this. Likewise, if shares are on-sold to companies, these companies should be New Zealand based and registered companies, not companies based and/or registered offshore.
Putting this stipulation in place would ensure that this vital asset does truly remain in community hands. Not just 51% of it, but 100% of it.
One further stipulation I'd ask for, in order to support Option B: That Hawke's Bay Regional Council commits to retaining at least a 51% share in Napier Port (or more, if the public share offer is less than 49%). HBRC has put forward Option B, on the explicit basis that it allows local ratepayers to retain majority community ownership. So there need to be very clear restrictions in place, that prevent Hawke's Bay Regional Council from selling further shares in Napier Port.
Safeguards must be put in place, to reassure Hawke's Bay ratepayers that they will remain majority shareholders in Napier Port, now and into the future. With these provisos in place, and only then, could I support Option B.</td></tr>
<tr><td>Tania Huata
Submitter #1369
To be heard? Yes</td><td>As Mana whenua/ Tangata whenua and a rate payer I do not support any of the options provided. The Regional Council has shown a high degree of incompetence in the management of the Napier port assets affairs.
The Regional Council members showed a complete lack of skills and expertise to manage the rate payers strategic asset the Port of Napier. The trail of evidence involving the increasing debt in the years leading up to our current time looks like a train wreck. This mismanagement has peaked to a situation to pressure the rate payers into selling off almost half ownership of the Port into private investment portfolio's. The Port of Napier would costs Billions of dollars to build. The sale price for half of our asset is for a mere few hundred million. The Directors of Napier port leading up to today have all played a part to enable the current debt crises and asset depletion at the detriment to the rate payers and the region.</td></tr>
<tr><td>Dawn Le Lievre
Submitter #2844
To be heard? No</td><td>I don't agree with the plan to expand the wharf at the Napier Port. There are better options to maximize the functioning of the Port that have not been presented for public consideration.
I don't agree with floating up to 49% in the Port on the New Zealand Stock Exchange (NZX) I don't agree with selling a minority stake to an investment partner or with leasing the Port to a private Port operator for up to 50 years. The Napier Port should be fully owned and controlled by the Hawke's Bay ratepayers.
The HB Regional Council does not have a mandate to make such an important decision on behalf of the ratepayers. A referendum on the future of the Napier Port should be held at the next local body elections.
This is a fairer and more democratic way for the people of Hawke's Bay to decide and also gives people more time to consider the options, be consulted and therefore be fully informed.</td></tr>
<tr><td colspan="2">Thomas Englert Submitter #2851 To be heard? No
The October 2018 "Our Port, have your say" document is very biased and pointed. It uses threats of a rate increase to scare Ratepayers into choosing an option of "sell the asset or we will raise your rates by 53%. Reading through all the material provided to Ratepayers, it is abundantly clear that the Regional Council doesn't want to manage the Port any longer therefore, the information provided has been presented in an extremely limited capacity.
The four options are very pointed to those of the Regional Council's preferred choice, not in the best interest of the people of Hawke's Bay. We are very dissatisfied with the current Council's performance, especially in the matters concerning the Port.
The Council's performance favours businesses over protecting Hawke's Bay's assets for the whole of the Hawke's Bay people. The Ports growth should only be limited to what the people of Hawke's Bay can afford to ensure it remains solely in the people's hands. I believe the Port is an asset for all of Hawke's Bay, not just for business owners, so it should be protected for future generations, not sold off.
Maintenance required at the Port has not suddenly occurred but is rather a result of neglect and mismanagement for many years. Furthermore, the apparent lack of forward planning for the Port's future has put it in danger,</td></tr>
</table>

Submitter	Commentary
which has been allowed by the Regional Council, whose current CEO indicated that the Port has become a burden to manage. The Regional Councillors are elected officials, entrusted to protecting the local assets for everyone in Hawke's Bay. Pursuing an aggressive "have it all now" program puts all assets at risk, jeopardising the future of Hawke's Bay. For example, let's borrow as much as we need up front to get it all now, rather than planning and spreading the expansion over time. While diversifying the Regional Councils portfolio of investments is a good idea, it makes no sense to sell off up to 49% of the Port which provides 70% of Regional Council's annual funding. A better plan might be to cut back the LTP programs by three-quarters and use this money to start the Ports funding needs and, only borrow what is needed until the Port can self-fund the rest of the projects. The Port is only as busy as we want it to be, and future projections are not guaranteed, so slow growth will ensure survival of the Port in the Hawke's Bay people's hands.	
Carley Aldridge Submitter #2852 To be heard? No To : Hawke's Bay Regional Council The October 2018 "Our Port, have your say" document is very biased and pointed. It uses threats of a rate increase to scare Ratepayers into choosing an option of "sell the asset or we will raise your rates by 53%. Reading through all the material provided to Ratepayers, it is abundantly clear that the Regional Council doesn't want to manage the Port any longer therefore, the information provided has been presented in an extremely limited capacity. The four options are very pointed to those of the Regional Council's preferred choice, not in the best interest of the people of Hawke's Bay. We are very dissatisfied with the current Council's performance, especially in the matters concerning the Port. The Council's performance favours businesses over protecting Hawke's Bay's assets for the whole of the Hawke's Bay people. The Ports growth should only be limited to what the people of Hawke's Bay can afford to ensure it remains solely in the people's hands. I believe the Port is an asset for all of Hawke's Bay, not just for business owners, so it should be protected for future generations, not sold off. Maintenance required at the Port has not suddenly occurred but is rather a result of neglect and mismanagement for many years. Furthermore, the apparent lack of forward planning for the Port's future has put it in danger, which has been allowed by the Regional Council, whose current CEO indicated that the Port has become a burden to manage. The Regional Councillors are elected officials, entrusted to protecting the local assets for everyone in Hawke's Bay. Pursuing an aggressive "have it all now" program puts all assets at risk, jeopardising the future of Hawke's Bay. For example, let's borrow as much as we need up front to get it all now, rather than planning and spreading the expansion over time. While diversifying the Regional Councils portfolio of investments is a good idea, it makes no sense to sell off up to 49% of the Port which provides 70% of Regional Council's annual funding. A better plan might be to cut back the LTP programs by three-quarters and use this money to start the Ports funding needs and, only borrow what is needed until the Port can self-fund the rest of the projects. The Port is only as busy as we want it to be, and future projections are not guaranteed, so slow growth will ensure survival of the Port in the Hawke's Bay people's hands.	
Richard Karn Submitter #2130 To be heard? Yes	There are two important things that should have been made available, or ticked-off, before the public was consulted on this matter. 1) The financial accounts for the last financial year, which are only a stones throw away, have not been made available. 2) The Resource Consent application, to do this massive expansion project, has not yet been granted because the appeal period does not end until after the closing date for submissions. In addition: 3) Reports in the paper talk about log ships having to be moved when huge cruise ships want to get in to the corner berth. Mega cruise ships interfere with the primary functions of our trading port. 4) Mega cruise ships are a burden on any small city, and we need to see past the notion of them just being wallets on water.
Graham Chaplow Submitter #2196 To be heard? Yes	Talk around Council's preferred option B is premature. The first options should be if No. 6 Wharf should be built or not - if it is necessary your glossy brochure has the wharf drawn smaller than reality - the container ship berthed there too small as well. Discussion should be more about options if the wharf (an unsafe venture) does not proceed

Submitter	Commentary
lee Russell Submitter #2858 To be heard? No	Borrow from the government fund.
Yvonne Cotter Submitter #2872 To be heard? No	I support Unison Networks investing in Napier Port as a cornerstone shareholder protecting 100% local ownership and control. we need to protect our 100% local ownership. I strongly oppose selling more than 33% of our Port shares.
Kerry Le Geyt Submitter #2891 To be heard? No	A more palatable option if shares need to be offered is to offer to rate payers first. My concern is that if you offer 49% out a company such as Oji could potentially purchase a majority of the 49%, keep it local by offering locally. If you retain full control why can you not increase the price per container of say $35, to cover all costs.
Raelyn Oliver Submitter #2900 To be heard? No	Work something out but do not sell or lease. P.S. Please count these votes and declare it. Raelyn Oliver
Joan Prowse Submitter #2902 To be heard? No	I don't agree with any of these options. Suggestions offered by Martin Williams (H.B. Today dated 5.11.18) would be better options. Please re-consider as your final decision could have a big affect on my children and grandchildren and great grandchildren.
Katie Williams Submitter #2903 To be heard? No	We need to hold a referendum as there are other ways of sorting this out. Anna Lork has suggested Unison get involved. Other people have put their views forward we should look at them all. Not told by somebody this is what is going to happen. As a shareholder who is Rex Graham as Chairman of HBRC to recommend this as a way forward.
Robert Dodd Submitter #2909 To be heard? No	I belive as a rate payer we should hold majority ownership. Also I think council should apply to govt. for a grant i.e. Shane Jones
Ron Hall Submitter #2914 To be heard? No	B/ 45% should be the maximum and no overseas corporates. Or C/ to the NZ superfund or similar but not to overseas
Andre Le Geyt Submitter #2920 To be heard? No	Option B requires the rate payer, if positioned to invest, to purchase what we already own - does it not? How much, in dollar terms, does the port dividend actually constrain rates currently? What are these 'savings' compared to the rate increase requirements under Option A and potential future profits and the degree to which these further constrain rate increases? It appears HBRC has not managed this business optimally, taking too much out, disabling future investment requirements. Lack of foresight really. Perhaps, Option D could turn this around. There's just not enough information to make a qualified decision. Have all possible options been investigated?
Nicholas Andrew Hill Community of Southern Hawke's Bay Submitter #2253 To be heard? Yes	Southern Hawke's Bay contributed rates to the Hawke's Bay Harbour Board and had an elected board member. In the local government reorganisation of 1989 this was recognised by a one-twelfth share of Port of Napier Ltd being granted to the Manawatu-Wanganui Regional Council (Horizons) and the Hawke's Bay Regional Council retaining the eleven-twelfths. In 2009 Hawke's Bay Regional Council bought this portion, representing 8.3% of Port of Napier shares, to take its shareholding to 100%, and the origins of the portion have since been denied. Before the Hawke's Bay Regional Council considers its business options it must determine the status of the Southern Hawke's Bay share.
N. Peter Kittow Submitter #2936 To be heard? No	The above options - I would prefer A if it were modified i.e.remove the borrowing part and use a joint rates increase mixed with a user pays model (Paul Baileys model) failing this use a rate increase only.

Submitter	Commentary
Gerard Minehan Submitter #2941 To be heard? No	I am in favour of funding the port's growth by way of a public share offer BUT ONLY OFFERING a 25% to 30 % market share to the public. ANYTHING higher and we will could lose control of the company !! At this market share percentage we would retain the majority of the ownership !! There would also be "wriggle" room or a opportunity to sell another 5% further down the track when the share's are at a higher price, the profit made can then be paid back towards any outstanding loan's borrowed on the wharf development. ANY LOAN'S taken out on the wharf development should be 20 years plus NOT a 10 year period !! The "repayments" would be at smaller amounts over this longer period. You can also consider getting "interest" only loan repayment options also over this longer time !! You should also look into the "USER PAY" fee's (For the Port User's). Can they be increased by a small amount. Every bit of income generated could go to help pay off the loan !!
Ian Brown Submitter #2943 To be heard? No	I am strongly in favour of complete ownership by the HB Regional Council. I also take a very dim view of the reported blackmail of increasing rates by 22% to cover development. Cut your cloth do away with pretentious spending throughout the Province and develop the Port from Port Profit and reduce it's Debt. Years of your continued governance allowing such debt to build is an indictment on the Council. As all companies in this country the Board and CEO Fees are far too high. As the Population ages you are going to find that the populace living on the Govt Super will not be able to cope with the continual rise in rates across the board. One day there will be a huge backlash.
Tim Mapel Submitter #2946 To be heard? No	I want the HBRC to retain full ownership over the Port. It is a communal asset and everything should be done to retain full ownership over it. There has been a lot of discussion in the media around alternatives to the 4 options proposed by the HBRC. I would like there to be more discussion and consultation around creative and responsible means to prevent the sale of the Port. It is too important an asset to all of us in Hawke's Bay to consider divesting our interests. It is always better to find long term solutions to keep an asset than to find short term solutions to realize their value through a partial or full sale. This is about all of our futures and it is imprudent and irresponsible for us to let go of our full control for short term financial gain. I am adamantly opposed to the Council's preferred option.
Harold Petherick Submitter #2948 To be heard? No	To preserve the income stream and retain control of the asset. Other options risk losing to other commercial drivers and possibly FOREIGN control. Other options could be looked at: - issuing shares to ratepayers with restrictions on sale of same and numbers held by each holder with uptake spread over period of time. This would raise capital, retain control, enable locals to have more direct input into the affairs of the port via an elected number of represented board members from the ranks of domestic shareholders. I also ask the question of one NZ mega port in the future which could/will make local expenditure to accommodate larger ships questionable as Napier would become a feeder port.
Di Minehan Submitter #2949 To be heard? No	The public share option percent should not be as high as 31% plus. The range you should sell is between 25% to 30% . If you sell 31% and higher you could lose the control of the company. I want us (The Ratepayer) to retain majority ownership and control of the port !! In your options above, there should have been "Option E" , Sell up to 30% public share offer. Your preferred option "B" is in the "higher" percentage range. If I had ticked option "B", it gives you the right to sell nearly 50% of OUR company which I am against !!!!!!!!!!

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<tr><th>Submitter</th><th>Commentary</th></tr>
<tr><td>Jenny Elliott
Submitter #2957
To be heard? No</td><td>The decision about the port infrastructure needed in Napier needs to be part of a larger national transport strategy. Hawke's Bay would be foolish to invest in infrastructure that might not be ideal for purpose. How do we know mega-ships are going to come to Napier (as opposed to Tauranga, Auckland or Wellington.)
We don't all need to build the infrastructure for these ships. Let's work with government and insist that there needs to be urgent work done on a national strategy. I am not suggesting we sit back and do nothing and miss the boat as it were. But let's be smart. We're a small country. A national transport strategy makes sense.</td></tr>
<tr><td colspan="2">Eileen Garrett Submitter #2958 To be heard? No
1. I do not agree with the proposed funding for the development of Wharf 6 for the following reasons:
a) As stated by an earlier commentator in HB Today I am concerned as to the lack of Port of Napier (PoN) Annual Financial Reports being available for commentary. The PoN is controlled 100% by HBRIC Ltd.
b) The HB Regional Council's HBRIC Ltd wasted reserves on the Ruataniwha Dam scheme which should have been the financial responsibility of the final users of the water i.e. the dairy farmers who have been given huge water extraction rights. The HB Regional Council/HBRIC Ltd had an alternate income source when it was "gifted post-earthquake" leasehold land. This has since been "sold" to ACC who now benefits from it.
c) Like any business the PoN should be able to fund on-going maintenance/upgrading/ new developments by forecasting these and using profits for these purposes. Where have the previous years' profits been spent, other than the huge dividends paid to the HBRC by HBRIC Ltd. There should be no need for ratepayers to be burdened with this.
d) Catering for "large" cruise ships over their short season does not warrant the cost of meeting their berthage. In other ports they ferry their passengers ashore in their lifeboats.
e) Recent reports show that heavy oil fine carbon exhaust air pollution from all large ships, including cruise liners, is injurious to the health of local residents and this would include waterside workers more so.
2. I agree with recent and earlier comments of Bruce Bisset that in future New Zealand would only need "feeder ports" if and when super-freighter ships become the norm for commercial reasons. We are too far from our Northern Hemisphere markets and Australia would naturally become the South Pacific "Mega Port" to service the rest of the South Pacific. Container shipping is the norm now so this would present no future hindrance.
3. If this proposal proceeds Option C would be my reluctant choice, but only with Unison, our local publicly-owned company. The HB Power Consumers Trust has already stated it has surplus funds, beyond the annual dividend paid to consumers. It called for suggestions for the use of this excess surplus beneficial to the community. The PoN would fit this description.
The HBRC could also forego its "gross annual dividend" to help meet the cost of the development.</td></tr>
<tr><td>John Porter
Submitter #2961
To be heard? No</td><td>We would like to see around 40% public share, so that the Port can have the lion's share of directors. Just so that a big Chinese (over-seas) share holder could not start controlling us.</td></tr>
<tr><td colspan="2">G. F. Pain Submitter #2968 To be heard? No
Re: Port This submission is not going to fit neatly into your desire for us to pick Option A,B,C or D as I believe there are more than four options.
My preference is for something like Option A but I do not accept your estimates of the future costs of this choice. There have been plenty of letters to the Editor- - supporting my above view - that it does not need to be all paid for under 10 years - that divdends could be foregone for a few years (which admittedly would mean higher rates for those few years) so that debt could be reduced sufficiently - that a less grandiose port expansion should be considered - ....
As a second choice, I could cope with something like Option C, provided: - there was a maximum sell-off of 24.9% - it was only to outfits like Unison (as has been suggested) or the NZ Super Fund or ACC or a combination thereof so as to keep ownership within NZ/Aoteoroa - HBRC had the first option to re-purchase if any or all of them decided to sell
Your prefered Option B is my least favoured choice. The cost of listing on the stock exchange and then the ongoing costs of staying listed would make this option extremely unwelcome in the long-run. Then there is the ficklleness of the share market to consider - New York sneezes and we here in NZ catch pneumonia! In other words, the stock exchange does not follow logic and would in my opinion be be stayed away from. Thank you.</td></tr>
</table>

Submitter	Commentary
Bayly de Lautour Submitter #2294 To be heard? Yes	Up to 49% to share holders in two parts (say) 25% of the value of the port as a public offering on the NZX and 24% to the public or business of HB and other uses of the Port. This would enable trusts , ie Unison to invest. Advantages. Would eliminate the risk of a buy up of shares by a unwelcome buyer, also retain value for local Shareholders. When the share market bubble bursts it can be expected up to 80% of value will be lost. Shares would be traded locally at local value
Janet LOTT Submitter #2974 To be heard? No	Councils should have no input to the running of the port. A proper management team is required.
Graeme Gowan Submitter #2975 To be heard? No	I submit that I am totally opposed to any sale of the Port and Demand that Port remains 100 per cent in local ownership To help achieve this that Unison Networks which is also 100 per cent locally owned be approached about taking up shareholding in the Port with the strict proviso that the shares cannot be traded but only sold back to the Port Company This would retain the 100 per cent local ownership The Port has been able to operate for the past 100 plus years with local ownership and there is no reason why it should not be able to operate the same for future generations
David LOTT Submitter #2976 To be heard? No	Councils should have no input into the running of the port. This should be undertaken by a proper management team.
Barry Pulford Submitter #2978 To be heard? No	I fully support the suggestion by Dick Ryan of Havelock North in the local HB Today newspaper that the HB Regional Council should join other local bodies to petition the Government to make funds available through the country's central bank (Reserve Bank of New Zealand) as recommended in a 2012 report from the International Monetary Fund (IMF). The Reserve Bank funding could be provided at a nominal interest charge, with repayments matched by the income an expanded port would provide. The legislation is already in place in the Finance Act that allows the Minister of Finance to set up funding arrangements from the Reserve Bank. The result would be a "fit for purpose" port in Napier that would assist with the expansion of economic activity in the Hawke's Bay region at no cost to ratepayers or taxpayers. This is a win-win solution that does not require the selling of our assets and does not require borrowing money from overseas banks.
Hylton and Wendy McDermott Submitter #2984 To be heard? No	The HBRC have been living beyond their means. Shares won't remain in local ownership. Have a bond issue in preference. There are many people around with money looking for a good investment. A partnership with someone like Unison, which is owned by the people of Hawke's Bay could be a good option. An expression from council telling us which is the preferred option is not democratic......especially on a form like this.
Stuart Newell Submitter #2985 To be heard? No	Rates are already excessive and rising faster than inflation and income. All of the above options will involve a rate increase and there are limits to what ratepayers can afford.
Neil Taylor on behalf of Hastings District Council Submitter #2440 To be heard? Yes	Thank you for the opportunity to comment on the Consultation Document titled “Our Port”. We would like to speak to our submission. Hastings District Council (HDC) acknowledges the significance of this decision to the region and the effort, expertise and resources that have been applied by HBRC to reach the final options for consideration and how they have been presented to the community via the well set out publication to the community. The Council also endorses the use made of workshops across our communities to facilitate community participation. The Council has considered the consultation document and sought further information as required from the various supporting information in preparing this submission.

Submitter	Commentary

The Council supports some of the intentions set out within the consultation document, but also has concerns or questions on other aspects. Thank you to Hawkes Bay Regional Council staff for responding to a number of questions prior to preparing this submission, which has enabled a more focused and informed submission.

Both our support and concerns have been laid out within four general themes below.

Consultation

Whilst the Council acknowledges the considerable effort that has been applied (and the challenges that exist in preparing a concise and engaging consultation document) the Council does have some concern particularly about how this has been distributed across the community in a timely manner to enable full participation by the community within the one month window of a local government consultative process. There would appear to be a considerable lag in residents receiving the information which the Council feels may have compromised the engagement process. The Council would request that HBRC seeks assurance that the distribution process provided an opportunity for all people to be able to participate in a fair consultation process. Given the above, and the speed with which this process has been rolled out (relative to the significance of the decision) the Council feels that it may warrant more time being taken to consider this proposal more fully.

Decision Making

Given the significance of the decision and that the decision is resting with relatively few members of the community (no matter how well intentioned), the Council suggests that a higher level of community/council support for the preferred option be obtained and given consideration by HBRC as part of your decision making process. It is also suggested that once a preferred funding proposal is arrived at through this first consultative process that an additional layer of consultative occur on the sub options. For Example if Option B (the Councils preferred option is endorsed) that the community have a say on the level of the public share offer in the Port (i.e. 25% or 33%), with the advantages/disadvantages of those alternative public share offers being outlined to the community.

Growth and Expansion

HDC agrees that further development and expansion of the Port is a fundamental piece of infrastructure to position the region for ongoing growth and prosperity. This also aligns well with HDC plans to accommodate future growth through the “Eastside Masterplan”, which is currently subject to Provincial Growth Fund consideration for funding support. That plan looks to establish the Tomoana/Whakatu area as a growth, innovation and distribution hub, particularly for wet industry. Particular focus is being placed on the food and beverage sector. The interface of this growth hub with the Port is critical. Substantial Council investment in bridge strengthening on key routes in our rural areas is another significant contribution to economic growth, productivity and transport resilience, which also supports the development of the port as the regions primary distribution hub.

Funding the Ports Development

HDC agrees that retaining the asset and its control is a fundamental principal. This is part of the preferred funding option being put forward and the Council endorses that approach. However as outlined above the Council is unclear on how a mixed funding proposal within those parameters may have been considered. For example a lesser share float may be able to be complimented with assistance from the Provincial Growth Fund. As you will be aware the rationale for Port expansion as outlined has clear synergy with various criteria set out within the Provincial Growth Fund Investment Statement.

Detail within the Proposal

As mentioned previously the responses from HBRC staff have been helpful in addressing other questions in respect of:

- What specifically the remaining funds (aside from the initial investment of $142m in the proposed wharf 6) will be used for;
- How the views of iwi have been taken into account and the level of pre engagement that has been undertaken on this matter;
- How the environmental considerations in respect of this decision have been addressed;
- The historical share price performance of Port of Tauranga, recognising that there are both similarities and differences between the two port operations; HDC understands that the view of iwi, and the environmental considerations have been comprehensively canvassed through the Resource Consent application which has now been approved with a significant number of conditions.

HDC would like to reinforce the importance of the environment and that this should not to be compromised through any future expansions.

Thank you for the opportunity to present submissions on this important matter for the future of the region. Yours sincerely, Neil Taylor, Acting CE, Hastings District Council

Submitter	Commentary
Paul Elstone Submitter #2995 To be heard? No	I do not believe reliable information is given regarding the rates increases we could expect if full ownership is retained. The majority of my rates go to dredge Muddy Creek, why would this increase 45%. Surely the rate would be targeted as many are. I would like to know how much my rate would increase before making a decision.
Arnoud van der Wal Submitter #3002 To be heard? No	
- No business case done: only anecdotal notes, but no hard calculation if the project can return profit in the first place. This is very bad. You can't make decision like this without running multiple business case scenarios. These will show what level of investment should be make (if any!!) for maximal profit. - The document mention what the port has restrictions in number of ships. But no actual numbers are shown. So again only anecdotal , no hard facts. - Short sightless of the management. They know they need money for investment. So why is there no reserve build up last few year to pay for the investment? - Do we really need the extension. There are several factors not names in the docs that limit growth in the future - Most export are agricultural based I assume main exports are apples, wine, meat, and wood. All of them are 'naturally' limited by multiply factors. 1) There is only defined amount of land available where these crops or animals can be grown. This cannot be expanded. 2) The fuel prices will rise. This will make our exports more expensive and will Limiting the export options and growth. 3) The amount of human resources is now already constraining the amount of produce being grown and processed. Mechanization can partially help to overcome this, but will restrict future grow. 4) Climate change in the form of less rain and hotter climate will make growing crops and animals more difficult in the future. 5) Air and ground pollution and environment degradation will create larger restrictions in the future to agricultural operations. Therefore the graphs with unlimited grow figures are just wishful thinking. - Making a large investment could create a huge loss if these 'wistful' figures don't' pan out. - The report suggest that growth in tourist number is only positive. This is certainly not the case. A lot of other cities like Amsterdam or Venice have major problems with the number of tourists and try to limit the number of them. So not growing the number of cruise boards could a very positive. - Like many other also mentioned: there are other ways to getting the needed investment (if needed) - So in conclusion I think a hard look is needed if we actually need such a big investment. Run business case for various scenarios. Very likely the current capacity is sufficient. - If half the port ownership is sold(or shares) , this also means the return on investment will be HALVED too. In order to even get the same profit payout back, the port need to DOUBLE the profit. This is extremely unrealistic. They would need to get double the number of ships and double the amount of containers moved. So for a public point of view a limited or no investment creates best returns! - In conclusion: DO limited or no investment in the port, no selling of port of ownership or shares.	
Scott Kersley Submitter #2470 To be heard? Yes	Option E preferred I think that user pays + some rates increase should fund the development. I think it is wrong to sell what belongs to all rate payers its an asset that took 100yr to build. At present owned by many- shares just mean its owned a few- possibly not even Napier citizens!!
Christine Treagus Submitter #3022 To be heard? No	DO NOT SELL THE PORT as it is not yours to sell, it is Hawkes Bay's port. There is no need to sell as you can reduce Regional Council spending. I agree with Robyn Gwynn assessment that 50 of port profit paid as dividend was to high, and the Regional Council has under invested in the port because of this. The figures you provided in the consultation document seem to be incorrect. The share option you wish to go with is the most expensive & yet would see the local people not being able to participate. I believe your intention to invest money is a separate issue to the sale of the port. You should not sell an asset to invest(it is rate payers money and we would not have any say in your investment)

<table>
<tr><th>Submitter</th><th>Commentary</th></tr>
<tr><td>Gay Robertson
Submitter #3025
To be heard? No</td><td>The port should be retained in public ownership. Any investment should be funded via raising funds. User Pays should apply if shipping wants larger and more wharves. The port should not be sold at all.</td></tr>
<tr><td>Martin Gilkison
Submitter #3029
To be heard? No</td><td>None of the above? or two of the above and maybe some other options that have been put aside? Napier port requires a huge investment, but I doubt a single stream of investment will be enough to raise the capital required.
I like the idea of having a public share offer, I will be first in the queue, however I would like to see the public still have a major, not just majority holding in this asset. If option B is to be used then there must be a cap on the number of shares an individual or company may own.
If option A is not used then the ownership of this asset is being taken from the legal owners. In any business it is the owners that are responsible for infrastructure investment.
The public, nee HBRC, must say thank you for the 10 million dollars a year for the last 10 years and now dig deep and put some of that back into it's investment. This is why my preferred option to this is a combination of A, AND, B. Many thanks for the opportunity to submit to this consultation.</td></tr>
<tr><td>Rita Yule
Submitter #3040
To be heard? No</td><td>Neither of the above - would prefer to keep ownership of the port by borrowing (maybe Govt) to increase port. Surely the extra income from an improved facility could pay off the debt and maybe in time reduce rates</td></tr>
<tr><td colspan="2">Paul Eady Submitter #3047 To be heard? No
Having read the HBRIC capital documentation and the supporting documentation for the Port Expansion proposal, and from attending the drop in meeting in Napier, I do not believe the analysis has been sufficiently robust to support the magnitude of any of the above options.
The various assumptions made in the so called 'business case' are not well qualified and as such there is an unquantified amount of uncertainty as to the sensitivity of the economic justification being put forwards for the preferred option. This makes it hard to critically analyse the proposal and therefore I cannot support any option. I also believe the consultation process has been negatively affected by the release of various versions of relevant information, and this has fed into a perception that the information has been crafted to paint the preferred option in excessively good light compared to the other options, and also that other quite feasible options we not considered. In the circumstances, and noting the latent acrimony around HBRIC in some parts of our community, it is understandable that some parts of the community suspect that the options and information releases hav be purposefully selective in order to get the part-privatisation across the line.
To address the uncertainty and to try and address concerns of purposeful manipulation of public opinion, I would prefer for the business case to be fully reviewed in lines with the NZ Treasury Better Business Case guidelines, and for that full business case to be made available for public review and comment prior to any decision being made on the future ownership structure of the Port.
The Port is a publicly owned asset, managed by an arm of a Local Government body. As such the proposal should be scrutinised in accordance with public sector best practice and that scrutiny made available tot he public in full and in plain language. The NZ Treasury Better Business Case approach is a suitable best practice methodology in this instance. The better business case approach should clearly outline ALL the various options available, which ones are shortlisted based on feasibility and why the other options were not considered, and then methodically compare all the relevant aspects of the shortlisted ones on a like-for-like basis, and on that basis recommend the preferred option.
The BBC approach looks at five faces of justification, not just at the financial and economic aspects. If this approach is taken now, I believe it will address many of the concerns the Community has and produce a preferred option that the majority of the community would support. While I would like to speak at the public meetings, I am physically unable to attend on those dates.</td></tr>
</table>

Submitter	Commentary
John Walker Submitter #3054 To be heard? No	HBRC should explore every avenue to seek support from central government for a Suspensory Loan (or similar) to cover the Capital Cost. No interest payable. If the port continues to serve the people and attain its long term goals, then the loan should be written off over (say) 25 years. Other key organisations such as Schools, Universities, Hospitals, are part-funded in this manner. A local example of this is the St Joseph's Maori Girls School and Hostel).In addition the Regional Development fund (Shane Jones in charge) should be approached. Option B is my choice BUT with HBRC retaining 67% control. This will ensure that in any shareholder voting, including special resolutions, HBRC will Always have a majority as a special resolution requires a 2/3rds majority.
J & R Owens Submitter #3055 To be heard? No	E/ Status quo-the port funds itself. It appears to us that No proportion needs to be floated; sold to an investment partner; or leased? As pointed out, a large amount of funds could be drawn on from the Regional Development fund. The Napier port must be kept wholy owned by the ratepayers. Therefore once the new port is up & running, all profits will be retained locally.
Richard Rogers Submitter #3065 To be heard? No	The Napier Port should not be sold. Better management for further generations would be better long term policy. Increse handling charges e.g $70 per 40ft container will generate enough revenue to pay for long term finance. "User pay best policy" Review the introduction of large container shipping (6000) - before final decision, as Napier could be a secondary container port in the near future. Why is the port of Napier $80m in overdraft for last 2 years? - Cheap port charges must be caused by slack management. Why haven't the Govt loan be used interest free.e.g Auckland Hamilton Tauranga $15m to offer the $8m overdraft
Rae Povey Submitter #3078 To be heard? No	Retain full ownership, but other ways of paying for it have been suggested e.g. loan from the Reserve Bank - a charge on each container or passengers (user pays) - from the Government's Provincial Development Fund
Marie & Eric Baggett Submitter #3089 To be heard? No	We do not agree with any above proposals. Your propoganda does not give real facts and figures to make a better decision. Why have we not heard from the Port of Napier Ltd - a legal entity in its own right? Cound not the Port of Napier raise a Debenture Issue for its Capital Improvements. Under this Scheme the Capital raised could be as and when Capital required and repayment arranged at selected times when funds available. Any Capital Expenditure should produce an income to cover any borrowings.
Robin Marriage Submitter #3100 To be heard? No	It is too easy to lose control of the Ports furture if you sell 49% - you do not need all the money at the moment, so go for 30% for the public share offer.

Mark Brown-Thomas Submitter #2535 To be heard? Yes

1. CONCLUSION The business case for this proposal as outlined in the Hawkes Bay Regional Council (HBRC) Consultative Document “Our Port Have Our Say” Dated October 2018 (“ the Brochure”) has NOT been made by HBRC because:

1.1 Based on current and projected income The Port Of Napier (PON) cannot service the Debt Levels envisaged by this proposal; and

1.2 There are a number of Strategic, Climatic and Seasonal Conditions which make this wharf proposal uneconomic.

2. RECOMMENDATION: The proposal for the wharf extension and associated expenditure on port infrastructure / hinterland costs as well as "other than maintenance” dredging is abandoned.

3. JUSTIFICATION: 3.1 Strategic: There are too many ports in New Zealand competing against each other for trade - and the shipping/cruise line companies (“the Shippers”) play the ports off against each other.

(1) The Third Labour Government sought to address this with a Coastal Shipping Strategy (“the Strategy”).

(2) This Coalition Government had “dusted” the Strategy off and is re-considering it. Whilst still only a proposal, not policy, it clearly outlines the risk of too many ports competing and recommends a “hub and spoke” approach, a policy endorsed by at least one Shipper “ Maersk Line currently visits nine ports here.....signalled a preference for one main port in each island and three or four feeder ports”.(2-page14) It is likely that HBRC is aware the Strategy is being re-visied. Based on current tonnages the Strategy would mean the one main port in the North Island would

Submitter	Commentary

be Port of Tauranga (POT) and the one in the South Island would be Port of Christchurch (POC). Other ports such as Napier would be feeders to them or continue servicing smaller vessels. There is no guarantee that if this wharf 6 was built the Shippers would come. (1) (2)

3.2 Hawkes Bay Economy: Hawkes Bay is a seasonal economy so there will always be a "peak" season and consequently congestion in the port. A new wharf will ease, but not overcome that.

3.3 Adverse Climatic Conditions: The prevailing winds for PON are 270-300 degrees for approximately 40-45 percent of the time.

(1) All vessels entering and leaving PON can be subjected to a 60-90 degree prevailing crosswind which can affect their decision to enter PON. A new wharf will not make adverse climatic conditions disappear.

3.4 Proposed Location Of Wharf 6: This East - West wharf running from the most south eastern corner of Wharf 5

- 350 metres west (with two Dolphins stretching it to 399.2 metres)

- if built will impinge on the navigational channel used by shipping.

The current gap between the northern sea wall and the end of wharf 5 is approximately 325 metres. (3) The channel is not dredged any closer than approximately 105 metres (3) from the northern sea wall due to the density of the rock formation and the uneconomic financial cost benefit ratio to attempt to dredge such a rock formation. (1) The channel is in reality approximately 220 metres wide. A wharf 35 metres wide and a ship with a beam of 43 metres located at the proposed Wharf 6 reduces this channel to approximately 142 metres. (3)

This is a reduction of the safe navigational channel by 1/3, and the reduction of the "swing basin" diameter (essential for manoeuvring ships within the PON) is not able to be calculated from the documents currently available. Smaller ships with a narrow beam will not have an issue, but a large ship with a wide beam, particularly in unfavourable climatic conditions, will adopt a risk averse strategy if Wharf 6 is occupied. For Example: a Quantum Class Cruise Liner with a beam of 49 metres, unless there were perfect weather conditions, would have a challenging time entering or exiting PON if a 9,600 TEU (20 foot container equivalents) Container Ship (CS) was tied up at the proposed Wharf 6.

3.5 Infrastructure / Hinterland Costs: Bigger ships mean bigger cranes and other associated PON infrastructure. Whilst these infrastructure costs have not been quantified it is assumed the this is the $38 Million to replace existing assets (the Brochure - page 5), and that this expenditure will be required before the proposed wharf can be operational. Thus the $142M wharf is now $180M before being able to move a TEU. Hinterland costs such as rail access and road upgrades (particularly to and from any inland port), the impact the increase in traffic will have upon the environment, and those who live in close proximity to these routes, are not available for perusal. It should not be forgotten that there are many who opt to live in the Hawkes Bay because there is not the frenzied level of economic activity and associated "growth at all costs" mentality which seems to pervade other cities in New Zealand.

3.6 PON Tonnage and Type: Much has been made of the recent annual PON tonnage surpassing 5 Million tonnes. This should be a cause for cautious optimism, not celebration. 5 Million is a long way from the 25 Million tonnes moved annually by POT. Tonnage is not broken down by type in the various annual reports. The only reference to log tonnage was in the covering letter to the 2000 annual accounts, which said 32 percent (4). In the absence of any other information logic would dictate that 1/3 of all tonnage is logs, with that likely to increase on a percentage basis based on this "wall of wood" coming to fruition in the next few years that the media talks about. A new wharf would not have log operations on it, so it is reasonable to assume that at least 1/3 of the tonnage is not affected by a decision to not build it.

3.7 PON Revenue / Expenditure / Debt / Ability To Repay Debt: Currently the three main revenue streams are from: Container Ships (CS); Log Ships (LS); and Cruise Liners (CL). It is unfortunate that PON accounts do not show this detailed revenue stream, which does not help in ascertaining the most productive income stream. In addition a number of the service charges listed on the PON website are "Price On Application" (POA) so even a rough estimate cannot be concluded. If hard decisions about what revenue stream the PON might want to forego in an adverse economic climate - the lack of these figures hinders efficient decision making.

3.7.1 Projected PON Revenue: The Brochure does not show any projected increase in revenue - only cargo. The cargo displayed in the Brochure page 6 would indicate a tonnage go 4.8 Million for the year ending 2017. Revenue in the 2017 year was $86.679 Million (2017 PON Accounts). This would indicate that revenue is $18.06 per tonne for the 2017 year and $18.16 for the 2016 year ($74.653 divided by 4.0 Million tonnes) Since the vast majority of the exports are logs and primary produce (low value items), not high value items - and there is no indication in the Brochure that any increased tonnage will include high value items - the figure of $18.06 per tonne will be used for calculations.

Submitter	Commentary

3.7.2 PON Expenditure:

2016 - 2017

Tonnage (Millions) 4.0 4.8

Gross Expenditure 56.714 64.379 (Millions)

Cost Per Tonne 14.18 13.41

Profit Per Tonne 3.88 4.65

What this demonstrates is that PON is a facility that makes a very small profit per tonne.

3.7.3 PON Debt: Records have been made available to the public (upon request) for the years 2000-2017 with the exception of 2001. During the period 1999-2008 PON had very little debt and indeed at one stage (2000) was mortgage free. Debt Equity Ratios (DER's) were very good ranging from 10.7 to 17.5 percent. (Anything under 33 percent is considered good - over 33 percent imprudent - and over 45 percent reckless) From 2008 onwards PON has embarked on borrowing exercise which has seen debt balloon from $15.6Million (2008) to $83.571 Million (2017) and according to the Brochure page 17 this has now reached $86.6 Million, an increase of 555 percent in 10 years. Whilst DER's have remained at an acceptable level (just below 33 percent - except for 2011 where it rose to 36 percent but seemed to have been solved by a general revaluation of assets in 2012) there is a far greater concern - the Debt To Income Ratio (DIR). DIR's have risen from 33.24 percent (2008) to 96.41 percent (2017), and at times was more than 100 percent (2009,2010,2011, and 2015) at a time when income has basically doubled from $45.379Million (2009) to $86.679Million. DIR's over 100 percent are not uncommon - particularly in an expansion/purchase of new equipment period.

The major concern here is that there seems to have been very little effort to reduce this debt in the last decade - nor has there been any attempt to organise a "Development/Investment Fund" (DIF) Indeed, the 2017 accounts show that PON now have two banking facilities with two different banks where - since its inception until 2017 - it only had one banker. This could be interpreted as an indication that the traditional banker has some concerns and PON has been forced to look elsewhere for credit facilities. If PON Directors had been more prudent in the last decade debt would have been less and a DIF established. The Brochure states that $325 - $350 Million is required. Based on the PON's Annual Accounts from 2009 onwards - there is neither the will, nor the ability to repay these sorts of debt levels, despite the statement " The Port is then able to self-fund its growth" (8)

3.7.4 PON Ability To Repay Debt: In 2017 (2016) Interest costs to were $4,076,000 ($4,204,000) and no debt was repaid. This would indicate that the PON was subject to an interest rate of around 4.877 percent. On the basis that Wharf 6 construction and associated activities would be during the three year period 2019,2020 and 2021 the following repayments would apply on the basis that the loan would come from the Local Government Funding Agency at a rate of 3.6 percent (the Brochure - page 11)

Year	Borrow ($ M)@ 3.6 percent	Principal and Interest Over 25 years (P and I/25)
1	20	1.235
2	+70	5.561
3	+90	11.166

and subsequent years without any more replacement of existing assets (listed as $139 Million in the Brochure - page 5) the PON would struggle to meets its commitments in Year 2 - and would be unable to satisfy its banking covenants in Year 3 and beyond. If the interest rate was 4.877 percent then the table would look something like:

Year	Borrow ($ M)	P and I/25
1	20	1.406
2	+70	6.325
3	+70	12.651

On these figures the project would be in trouble in Year 2. PON does not generate enough profit to pay a dividend and undertake expansion of the size and scale that is envisaged.

3.8 Ships And Sizes:

Submitter	Commentary
3.8.1 CS: 3.8.1.1 Current size: Currently CS of up to 5,500 TEU's can utilise the PON. In dimensions these are up to 255-294 metres long, with a beam of 32.2 to 37.2 metres and a draught of up to 13.50 metres. With the purchase of new cranes in 2014-15 the infrastructure is adequate to service the current size of CS and tonnage. In 2016 PON handled 358 vessels of this size. POT handled 2,958 vessels (8 times) of this size. (5)	
3.8.1.2 Next Size Up - 9,600 TEU: The next generic size of CS is 9,600 TEU such as the Aotea Maersk (CYJS2) which currently only calls at POT in New Zealand. Since it was Maersk whom signalled the preference for on one port per island (please see 3.1 Strategic or Footnote (2) page 14) it is unlikely to want to consider a call at PON. Its dimensions are 347 metres in length, a beam of 43 metres and a draught of 9.9 metres. Aotea Maersk is approximately the same size as the Quantum class CL MS Ovation Of The Seas (C6XB9). In theory Aotea Maersk could berth at Wharf 2 if no other ships are present but there is no infrastructure (cranes) at Wharf 2. It is not known, nor is information publicly available, if the current PON cranes, particularly the mobile ones, can adequately service a CS with a beam of 43 metres.	
3.8.1.3 Next Size Again - 18,000 TEU's: The next generic size CS is 18,000 TEU class such as the Triple E Class operated by Maersk (OW—2). Vital statistics are 399.2 metres in length (co-incidentally the same size as the proposed wharf with its two "Dolphins"), a beam of 59 metres and a draught of 16 metres. PON cannot accomodate them currently. These sized vessels are not capable of using the Panama Canal. 18,000 TEU vessels have been in service since 2013, but have not operated in the Pacific Ocean. They are about to commence operations in the North Pacific Ocean (6). There are no plans to introduce them into the South Pacific in the next 5 years (6). There are plenty of articles on the internet about larger and larger CS to achieve economies of scale on the European, American and Asian Routes. I could find no reference in these articles to the South Pacific/Australasian Routes.	
3.8.2 LS: All logging operations are conducted on Wharves 1 and 4. These operations are conducted utilising the ships own cranes and associated machinery ("Ships Gear") Ships are generically 30,000-40,000 tonnes with dimensions of under 300 metres in length and a beam of up to 30 metres. There is no information available on the internet about larger generic sizes of this type of vessel planned or being introduced into service soon. The locations for these activities do not interfere with other ships operations.	
3.8.3 CL: Currently the largest CL to visit is MS Ovation Of The Seas (C6BX9), a ?Quantum Class (the second largest size CL in the world) and the largest on the South Paciifc Cruise Routes. Her vital statistics are 348 metres long, with a beam of 49 metres and a draught of 8.5 metres. The largest class of CL is the Oasis Class. There are no plans for South Pacific cruises by an Oasis class ship in the foreseeable future (7)	
3.9 PON Directors Endorsement Of The Proposal As at the time of writing this submission, no statement has been made by the PON Directors about this matter. If this matter is as vital/essential/indispensable as suggested by the HBRC then the PON Directors should be publicly supporting this proposal on a number of levels including but not limited to: - confirmation the glowing projections (particularly the income stream and proposed dividends) are extremely accurate; - public endorsement of the project; - an undertaking that if the preferred Option B is selected all Directors will be purchasing shares; and - an undertaking that any shortfall/ cost overrun / downside generally to the projections will result in their resignations.	
3.10 Governance Issues: From 1 October 1989 to 24 June 2012 ownership of the PON was with HBRC. Since 25 June 2012 ownership of the PON has been vested in the Hawkes Bar Regional Investment Company (HBRIC), a wholly owned subsidiary of HBRC. Activities of the HBRIC until recently seemed to be centred around the Ruataniwha Water Storage Scheme (RWSS) which has now been abandoned. Otherwise their website offers little other than the minutes of Annual General Meetings (AGMs) which seem to last 45 minutes maximum and copies of the Annual Accounts. It would be of interest to see any correspondence between the HBRC (prior to 24 June 2012) and the HBRIC (after 24 June 2012) and PON exists expressing concern about the ballooning level of debt in the last decade. 4. SUMMARY:	
- PON cannot generate the requisite income to service the debt required for this proposal;	
- Strategically PON does not do the tonnage to justify a new wharf;	
- The Hawkes Bay economy will, for the foreseeable future, be a seasonal economy subject to "peak" periods;	
- A new wharf will not change the adverse climatic conditions the PON is subject to;	
- The proposed location of a new wharf may interfere with other larger vessels entering and leaving PON.	
- Logs (approximately 1/3 of the total tonnage) would not be loaded on a new wharf;	
- Log Wharves 1 and 4 do not interfere with other ships or PON operations;	
- PON can accept 5,500 TEU ships currently. This size ship will be around for sometime to come;	

<table>
<tr><th>Submitter</th><th>Commentary</th></tr>
<tr><td colspan="2">- PON can accept the largest size cruise ship currently operating in the South Pacific - PON Directors have displayed a lack of leadership and intestinal fortitude in dealing with debt levels and establishing a DIF for future expansion;
- HBRIC has displayed a lack of governance and oversight of PON Directors; and
- The long suffering ratepayer should not have to pay for these errors of management.
5. THE SUBMITTER: The submitter is Mark Brown-Thomas, I am a sixth generation New Zealander whom is ideologically opposed to the sale (in part or in whole) of any public asset which has been paid for by successive generations of long suffering taxpayers and ratepayers. Such sales are normally the result of poor management by those entrusted to preserve, protect and prosper the publicly owned asset (paid by the people for the people etc) - for which they - the managers - were well remunerated- whilst they mis-managed it.
Acknowledgements:
(1) My thanks to Mr S.V. (Bill) Williams who was a Napier Harbour Board/PON employee for 43 years - 37 of which was as the Napier Harbour Workers Union (RMTU) Branch Secretaty/Treasurer. (The Rep) As the Rep Bill was the conduit between Management and Staff on most PON matters and essentially became privy to many Management Decisions on an informal basis from its inception as a Port Company until his retirement in 2014. In addition, Bill was also a delegate of the National RMTU for many years and, again was privy to many of the critical decisions regarding maritime matters at the National level with Central Government. He has provided incredibly valuable anecdotal information about the various machinations of the Shippers approach to PON - particularly what they said they would do, then didn’t - until the contract had been re-negoitated in their favour even more. PON employees used to call this the “Honeypot System” - PON would build a honeypot - the infrastructure - and the bees (Shippers) were supposed to come. (Most of us know this theory from the Film “Field Of Dreams” starring Kevin Costner and Amy Madigan “Build ItAnd They Will Come” - a film described in Wikipedia as a United Staes fantasy sports film)
(2) Ministry of Transport - A Strategy For Domestic Sea Freight: May 2008: https://www.transport.govt.nz/assets/Import/Documents/ Sea-Change-2008.pdf
(3) PON Resouce Consent Application Plan 2 - Proposed Wharf and Dredging Plan
(4) Covering Letter - PON Annual Accounts for the year ending 20 September 2000.
(5) Deloittes NZ Ports and Freight Yearbook 2016 - page 11.
(6) Article “Full Steam Ahead” Magazine - Tuesday 6 November 2018. (7) Royal Caribbean Cruise International Website.
(8) HBRC Consultation Document October 2018 page 3.</td></tr>
<tr><td>Gwen Mardle
Submitter #3141
To be heard? No</td><td>I have not ticked any option because:
1/ I don't think I am qualified enough to make such a decision and
(2) I have read opinions in the newspaper that suggest - reasonably - that there are other options to consider. However, I have wondered about the possibility of selling shares in the port to ratepayers in Hawke's Bay then the ownership of the port and the profits/dividends from it are kept by the people who live here. At something like $10 a share nearly everyone could have "a stake" in the port, not just "a say". It would be a more appealing option than increasing annual rates.</td></tr>
<tr><td>R & J Golding
Submitter #3144
To be heard? No</td><td>Sorry guys none of the above. Go tap Shane Jones on the shoulder he has billions to give to the right people. Why not offer to Unison - IWI - Fruit Growers - Importers - Exporters all who could be part of the Port board.</td></tr>
<tr><td>Helen Berry
Submitter #3154
To be heard? No</td><td>In my opinion, a mix of option A and option B could be a good solution, with perhaps 30% in public shares. Some money could come from the fund that Shane Jones has in his control to distribute in the regions. Full ownership would be the best solution, but this would put a heavy burden on ratepayers.</td></tr>
<tr><td>Gavin & Jenni Scoble
Submitter #3155
To be heard? No</td><td>None of the above. We do not believe the HBRC has been transparent on this issue. It seems to have had another agenda of finding eological activity. After the dam fiasco it is disappointing to have the Regional Council behave this way. All available options have not been explored and the Council has not presented the full range. We cannot lose control of such an important strategic income producing asset.</td></tr>
</table>

Submitter	Commentary

Huub Maas | Submitter #3171 | To be heard? No

I can only support Option A in a modified form as clarified in the following submission.

The recent debate on the port issue published in the HBtoday or voiced in meetings I attended made the problem clear to me. It appears that the HBRC by linking two totally unrelated issues has created confusion about the nature of the problem and its solution First: the port needs expanding to serve the growing needs of the HB economy and this is fairly urgent. HBRC has forced or allowed the port to borrow to the maximum and consequently it cannot find the money to fund the expasion urgently needed. How one might regard this is up to each of us, but whatever you call it, that does not change the fact that we have to find the money needed.
Second: There is the perceived need to deversify the HBRC investments, the money spinning dam scheme having fallen flat. One does not have to aggree that this is an issue, but it certainly is not urgent. It has up till now not been raised by HBRC since they took over from the Harbour Board. So it is difficult to see why now all of a sudden this has become urgent. So linking the two has made the issue of the port unecessarily muddled. Besides it treats the ownership of the port by HBRC as a simple investment to provide income, not as stewardship of a strategic part of the essential infrastructure of HB economy.
Dealing with the urgent issue: only one option put forward retains full control of the port and as far as I can see that is the only option which garrantees the port decision making will serve the HB as a whole, and that is Option A.
Selling up to 49 % of the port will mean loosing control as Central Government has found out in its dealings with Air New Zealandafter selling 49% of the holdings in the company. In its current form however Option A needs modifications.
When doing the sums with the figures supplied, after ten years we end up with a large sum of dividends in the pocket, some of which the Council could start investing and diversifying. So there is nothing to modify here.
What the Council seems to fear is to have to come out in the open and say we need to raise rates. That does not mean that the Council had no obligation to have fronted up years ago with a justified rate increase when they were lumbered with more tasks by Central Gouvernment. It was short sighted to avoid the difficulty of rates increases and find the money by taking an irresponsibly large part of the profits of the port. The rate increases would have been gradual and would have allowed the rate payers to adjust to the higher rates. HBRC should not have forced the Port to borrow to its prudent maximum in order to avoid biting the bullet and propose to put up the rates when this became necessary. This however cannot be undone, and now is not the time to to find someone to blame.
The unmodified option A asks each ratepayer to fork out $ 960 something over ten years. This, though not a large annual sum, could be unsurmountable for some of our fellow citizens.
There are ways this could be mitigated by differentiating so that the burden is carried by all, each in accordence with his means, which might mean that some would not face a rates hike at all.
Secondly: there are ways in which the income can be boosted.
People with a business interest in the port above the interest we all have in a healthy economy in the HB, the users of the port, could be made to contribute by raising the port charges. Management of the port will have some insight in that.
Third: the amount needed to be borrowed outside the HB could be reduced by offering bonds to all ratepayers and to them only to raise money towards the expansion. One could begin with no or a very low rate of interest, increasing this when the port expansion starts to produce returns.
It is up to the HBRC in cooperation with Port management to come up with a detailed plan with a mixture of all or some of the above, not excluding any other bright ideas which might emerge.
A modified option A is by far the most prudent way to deal with financing the needed expansion of the port and at the same time retaining ful ownership of the port in the HB. The diversifying of the Councils investments could be gradually financed by saving some or all of the increased returns of the port for that purpose. As said before there has been no urgency for this issue and there is none now.
Only one thing should not happen: selling shares in the port and loosing control of this for HB essential infrastructure.

Mark Kupa | Submitter #2630 | To be heard? Yes

I do not support any of the above options. Given the rushed haphazard strategic execution by the directors of the Napier Port leading to massive debt and asset depletion, consideration must be given to the short comings of advice given to regional council members and rate payers by these group of Napier Port Directors.

An example of these short comings is the complete lack of substantial consultant reports into the feasibility of alternative Port management systems that do not involve selling the Port of Napier to private interest.

An example of due diligence at the extreme end was the 20 million dollars spent on the Ruataniwha dam project also run by the Regional Council. There is no figure available to show how much money was spent on consultants to provide alternative and sound ideas to benefit the rate payers.

Submitter	Commentary
Retention of assets should remain in the hands of the ratepayers without being coerced or intimidated into selling what we own. None of the reasons put forward for this current financial crises the port of Napier is in makes logical sense. The problem is there is no accountability by either the directors of the Port or the Regional Council involved in leading the rate payers down this path of asset depletion. I suggest strongly that the Council undertake a thorough investigation into alternatives that manage the flow of cargo ie large cool store operations that could be privately owned by Mana whenua on newly acquired land near the Napier airport area that is unfit for farming. This approach could solve peak fruit and veggie cargo flow for the short periods of time when necessary as if a valve in a high pressure system is used to reduce flow speed to a manageable rate. Economic outcomes would be injected directly back into the local economy by New Zealanders for New Zealanders. The Regional councils approach to their perceived problem has the opposite economic effect through foreign ownership which will pull money out of our Region. The second problem is private shareholders will demand a profit on behalf of their shareholdings from the Port of Napier dividends which will increase the debt substantially faster than ever before previous. Supplementary submission: I am Mana Whenua. I whakapapa to Te Whanganui a orotu Ahuriri. I do not support the Regional Council and Port of Napier's maneuvering to sell part of our Regional assets into private holdings. I believe this predicament of debt crises of our Port of Napier was generated by Successive Directors with the agenda to coerce an asset sale situation. The asset Port of Napier is and always has been an extremely important part of the region to benefit commerce and economic development on behalf of rate payers. I asked Regional Councillors how the current debt situation was justified. The Councillors replied that part of the problem was caused through the continual dividends payments demanded by the (HBRC) Hawkes Bay Regional Council. The correct course of approach in this regards should have been minimal dividends paid to off set interest bearing debt escalation for sound business reasons. The asset it self is a strategic infrastructure component for this region. This means it should not have been treated as a corporate cash cow resulting in massive debt crises. There is an obvious failure by all parties to look into alternative solutions for a cost effective prudent strategic plan. The only plan offered is asset depletion and or massive debt. There are no feasibility studies from either HBRC or directors of the Port of Napier into directed strategic investment that would maintain ownership of this strategic asset. An example of such a study may well have shown the economic benefit of developing a system to maintain cargo flow rates through the port at peak seasonal extremes utilizing smart business thinking and practice. Here I offer a plausible solution that benefits the region with employment and business development that stays in the region. Mana Whenua claimant groups have received land assets near the port of Napier that is unsuitable for farming horticultural applications. The land is ideal to build large cool store infrastructure aligned in partnership with local government investment to act as cargo flow control in exactly the same way a valve is installed in high pressure systems to reduce pressure when required to maintain constant flow. These cool store buildings could have multiple local business investment including user pays from the pip fruit and horticulture export industry. This solution offers a shared risks opportunity with economic benefits delivered directly to local maori and pakeha together. This would cater to the demands at peak times for the port of Napier. There are no feasibility studies done with this regional benefit as an option. Port expansion can be undertaken over a longer period of time without rushing in haste to deplete ownership of our important strategic asset.	
Mary Ellen Warren Submitter #3184 To be heard? No	Expansion plans are premature. First examine: Other North Island ports expansion/relocation plans Road and rail access to the port including extension of rail line to Pan Pac and Whakatu sea level rise availability of insurance impact on Ahiriri Lagoon estuary
Marie Leogreen Submitter #3197 To be heard? No	The port must stay in the hands of New Zealand residents. Preferably Hawkes Bay residents. If investments are necessary, these should be no greater than 25% and benefit New Zealand citizens. The Kiwi Saver Scheme would encompass both these requirements.
John Thompson Submitter #2639 To be heard? Yes	The government offers free money from its Regional Development Fund. I understand that there is still over $500 million available in the fund. We should at least apply for that. Such funding costs HB nothing yet we would get a massive cash injection with no negative change to the current port structure or funding model. Indeed the port would get a massive balance sheet boost. And if you want to change the structure of the port in the future, you can still do so but with a much stronger hand.
Theresa Cabot Submitter #3202 To be heard? No	I prefer Option B but I think that there need to be some safeguards around this public share offer, such as a maximum number of shares to any one entity and only available to Hawke's Bay ratepayers.

Submitter	Commentary

Otto Mengedoht

Submitter #3217

To be heard? No

After reading Bruce Bisset's article (Port – too many questions) in HB Today's Nov 16 edition, I began to realise with dismay that HBRC counsellors appear to have failed to adequately inform themselves of crucial information and data required to make sensible sound decisions regarding the development and possible partial sale of the Port of Napier. It seems that they

1. Failed to acquaint themselves the with the current review of the Government's National Shipping Strategy. This point is highlighted in Mr. Bisset's article.
2. Ignored information and lessons learnt from the difficulty experienced by PrimePort Timaru to prosper after it increased its capacity to service larger shipping vessels in the early 2000s.
3. Failed to ascertain the key factors which made the Port of Tauranga much more successful than the Port of Auckland and any other port in NZ.
4. Failed to explore possible more diverse funding options especially funding via the Provincial Development Fund (PDF), a funding avenue which PrimePort Timaru is actively pursuing at present (or even possible funding directly from the Reserve Bank as suggested by Dick Ryan in his Nov 17 letter to the editor).
5. Failed to adequately engage local MPs, especially Stuart Nash, to generate government support for funding the port's development.

Re 1 - Tauranga is the only NZ port that can berth super-large container ships of approx. 300m length at present. Other ports are aiming to upgrade to that capacity. As Mr Bisset points out, unless commitment has been ascertained to the contrary, the National Shipping Strategy could end up consigning the Napier Port to the status of a coastal feeder port, a function it already partially fulfils by feeding into the Port of Tauranga. To function well as a busy regional feeder port the addition of another wharf might still be required, but not necessarily a wharf that can service super-large container ships.

If it turns out that Napier Port is not likely to be favoured by super-larger container ships in the next decade, then the financial benefits of large cruise ship visits would not seem to justify the expense of building an extra-large wharf for just for them, especially when also considering the cost of the large cruise ships' sewerage disposal and drinking water intake.

Re 2 – In the early 2000s PrimePort Timaru undertook a major upgrade of its facilities in order to cater for larger shipping vessels. Shortly afterwards (in 2008) several major shipping container lines significantly reduced their berthings at this port, resulting in serious financial consequences for the port, which probably led to the eventually partial take-over/buy out of the Timaru Port by the Port of Tauranga.

Re 3 - It seems that much of the success of the Port of Tauranga is attributed to the fact that it is listed on the stock exchange. That sounds like 'magical thinking' to me. The Port of Auckland also had a listing at the Stock Exchange, but didn't do nearly as well, and eventually delisted from it. Extra oversight by the NZSX could perhaps lead to sharpening some commercial practices, while at the same time weighing down efficiency with excessive administrative requirements. In any case it is not a stock market listing that increases profitability, but sound business strategy and its efficient execution. More useful lessons, other than the supposed 'magic of a Stock Exchange Listing', could be learnt by studying the success of the Tauranga Port in greater depth, to ascertain to which degree any of those features could be fruitfully adapted by the Napier Port. Robin Gwynn (in HB Today 20 Nov 2018) already identified some key features for the success of the Tauranga Port which are not at all, or not easily, transferable to Napier. Tauranga's unique growth promoting features appear to be:

- Its suitability as a natural deep water port
- Its relative proximity and excellent rail connection to Auckland
- Land available close to the harbour for infrastructure expansion
- Being the only natural harbour between Auckland and Wellington offering good shelter in all weather conditions
- Being a preferred destination for people who left Auckland for provincial NZ

None of the above feature appear to be applicable or transferable to Napier

Re 4 - Shane Jones stated that not one cent of his Provincial Growth Fund will be left unspent by the end of this government's three year term. While other ports have applied to the MBIE for this funding, there is no mention in the HBRC documents that an application has been lodged to fund the expansion of the Napier Port. In my opinion this, plus other options, should be vigorously pursued. Direct funding, interest free from the Reserve Bank would be ideal, and I think should be pursued, even though the chance of it be granted is slim.

Submitter	Commentary
If in the final analysis a public share offering is still seen as the most desirable option (or part option) I wonder whether it would be possible to reserve 24% of shares to HB Residents or HB organisations like Unison, and thus limiting shares available to the NON-HB general public to no more than 25%. The HBRC and the HB-owned shareholders would then own a 75% share in the port, which feels more reassuring in the long term than the very narrow ownership margin of 51% being held by the HBRC without any further strategic shareholder support. Re 5 - This point relates somewhat to point 4 above. I have seen little commentary and support from HB parliamentarians Lawrence Yule (none) and Stuart Nash (just a bit). It's odd! Why aren't they promoting it in Wellington and assist in securing funding for it? In summary: I believe that it is the responsibility of each elected official to gain a full understanding of intricacies and consequences of the issues they make decision about. It's not good enough to delegate crucial understanding and insight to experts hired by them. At present there appear, as outlined in the list above, to exist too many unanswered and half-answered questions, too many leads still to follow-up. This strongly suggests that a decision should be deferred until such time that more in-depth knowledge and clarity has been achieved by the HBRC counsellors, not just by their hired experts. In other words, I recommend to take in the feedback from all submissions, public and private meetings; follow-up with a much more granular investigation into the possible future strategic direction of the port, search for more creative and perhaps more composite funding solutions and then make a decision which every counsellors can competently explain to their electorate. At this stage my preliminary preference would be for the following scenario: • Much more dialogue with the government and MBIE and other NZ ports re the position of the Napier's Port in the overall national shipping strategy. • An in-depth study of other ports' successes and failures and their applicability for the Napier Port. • IF after further investigation a NZSX listing is shown indeed likely to assist the development of the port, then a limited IPO could be considered with HB owned shares (e.g. held by Unison) making up 24% and the wider public share-holding restricted to a maximum of 25%. This would ensure that the port remained at least 75% Hawkes Bay owned. [HBRC 51%, other HB held shares 24%] • Since the public share offer may not be taken up completely or fill up only over an extended period, additional start-up funding may be sought from the Provincial Growth Fund, either directly for the development of the Napier Port or for HBRC's environmental objectives. • A possible exploration of the suggestion, made by Dick Ryan from Havelock North, for funding directly from the Reserve Bank.	
George Lyons Submitter #2640 To be heard? Yes	While I appreciate the thorough level of public consultation around this proposal I am concerned that such a large investment decision is left to 9 Regional Councillors, many of whom have publically stated their preferred option(s) A Major investment decision such as this needs to have at least a 66% or 75% majority around the HBRC table to have any credibility with the ratepayers and general public. A larger mandate than a potential 1 vote majority would go a long way to satisfying the public that a good decision had been reached.
Amy Le Quesne Submitter #3224 To be heard? No	Option E user pays
Paul Mucalo Submitter #3227 To be heard? No	NO more than 25% of the port should be sold, maximum, To finance any more should be borrowed. This is a long term enterprise. Todays public should not be paying for something now, it should be spread over a number of years. I would also like to see the rates rebate, off the port, continue.
Leslie Plummer Submitter #3230 To be heard? No	Short sighted options. The decision should be based on the best for the rate payers now and long term. Fresh thinking needed.

Submitter	Commentary
John Treagus Submitter #3234 To be heard? No	Any other business is required to live within its means, clearly you are not. Stop drawing a dividend and use that money to reinvest in this magnificent asset that the rate payers all own. This may take a little longer but a far better outcome for all.

Ken Crispin Citizens Environmental Advocacy Centre Submitter #2678

To be heard? Yes

Subject; Submission to Port of Napier plan to privatize our Locally owned Port of Napier.

When/if The Port of Napier privatizes after today's announcement that the 'Port of Napier Commissioners voted to privatize the port' this rail service the Napier Port also will die surely the same way it did at Gisborne Eastland Port. A 26 April 2006 press release featured in the Gisborne Herald said that 'both Eastland Port & Eastland Wood Council voted against any subsidising funding to keep the rail from Napier to Gisborne, and only want funding to improve the road.' The Eastland Port only one year after it also privatized said this about rail on 26/4/2006 and now the roads mentioned which then as now is a very sickening result with massive truck freight road gridlock on state road two and the HB Expressway now wrecking our roads and making them very dangerous.

We oppose any public own Port to be sold as we built it with our taxes for our security and health and wellbeing, and to solidly secure our rail services and selling our asset will potentially may threaten the loss of rail to move our freight around our region to promote a lowering of carbon emissions and cause negative effects to all residents of our community by allowing more increased massive truck freight road gridlock on state road two and the HB Expressway now heavily impacting on residential communities, while not protecting all residents with long requested "mitigation against truck noise, vibrations, and air pollution" clogging our roads and making them very dangerous with truck gridlock.

For reference to this fact of outstanding lack of mitigation, the June 2005 report from the Parliamentary Commissioner for the Environment entitled 'Hawkes Bay Expressway Noise and Air Quality Issues – June 2005' as evidence of neglect of mitigation needed for our residential communities is available online at:

attchment_2_to_kenneth_crispin_submissionhawkesbayexpresswaynoiseandairqualityissuesjune2005.pdf

Resolution: Until mitigation measures are provided to future proof the health and wellbeing of our communities, we do not agree to any selloff of port assets or expansion of port activities.

We reserve the right to produce further addendum to this submission. Ken Crispin, Secretary. Citizens Environmental Advocacy Centre. CEAC.

GISBORNE HERALD 26/4/06

Timber, port interests oppose rail subsidies

by John Jones

SUBSIDIES for the Napier to Gisborne rail link should stop, in favour of funds spent on the road link — that submission was made yesterday by forestry and port interests to the Regional Land Transport Committee.

Eastland Wood Council and major wood processor Ernslaw One submitted that uneconomic rail lines should not be subsidised, while Eastland Infrastructure — acting for Eastland Port — called for a debate on the respective value of rail subsidies and port development.

In contrast, a submission made by the Hawke's Bay Regional Council supported retention of the line.

Eastland Wood Council's submission, presented by chief executive Peter Farley, said the poor state of the state highway link was detrimental to the region and it was perverse to support or imply support for a subsidised alternative that would prolong that handicap.

The council saw no benefit from any artificial support for the rail system over other transport modes.

Indeed, such policies including the existing LTNZ subsidy for rail freight transport were counter-productive because any consequential reduction in road transport had the immediate effect of reducing the benefit of any project to upgrade SH2 and, thereby, delaying or preventing any major transport benefits to the region.

The council did not see any significant benefit to the forestry industry from the continuation of the rail service.

"We are also concerned that any sentimental efforts to maintain an uneconomic service by subsidies will have significant adverse impacts on the region," the submission read.

Speaking to committee members, he said the council would prefer to see rail kept as an option but not if it was going to require significant subsidies.

Asked by Nona Gaskin about the line being used for tourism, he said he understood there would be a huge cost in getting the line up to the required standard and it could only be used for local trips.

In the submission for Eastland Infrastructure, commercial general manager Gavin Murphy said they understood there was a need to spend substantial capital on the rail line.

Once this was spent it would allow product to be transported from the region more easily and in bulk form.

Given the loss to the regional economy and the significant capital that OnTrack had admitted was required, they believed the debate needed to occur as to whether this funding would better serve the region by being channelled into port developments so the long-term benefits of retaining product in the region for processing and export could be achieved.

"In essence, to those who keep asking for the rail line to be maintained — consider the capital cost involved in this process and be careful what you wish for, you might just get it and this region's economy could well end up the poorer for it," Mr Murphy submitted.

The Hawke's Bay regional land transport strategy supported the retention of the Napier-Gisborne rail line, the regional council submitted. An investigation into the use of the rail network for additional freight was therefore supported.

"Be careful what you wish for, you might just get it and this region's economy could well end up the poorer for it"
— Eastland Infrastructure submission

More and reaction page 3

Murray Olsen Submitter #3253 To be heard? No	In an age of advancing global warming, which is already affecting Hawkes Bay, I am against expanding the port to accommodate cruise ships. These are one of the most polluting forms of transport known, and serve little useful purpose. Has sea level rise even been taken into account here? I am against privatisation, even partial, of assets which the community has built up over many years. As Shane Jones found out with Air New Zealand, majority ownership

Submitter	Commentary
	is helpless against the heavy but invisible hand of the market, otherwise known as greedy directors and shareholders. I am not convinced that putting money into this is good, even from a business point of view. Over its long history, the port has managed to become indebted. Why has it not been able to put aside money for future development? What are the directors up to? I am not impressed by the way that the expansion has been presented as a fait accompli, or "there is no alternative" in the words of Margaret Thatcher. There is always an alternative, and those being asked to pay should have been able to take part in decisions about expansion. Instead we are presented with a decision already made, and told we have a choice in how we will pay for it. Whether through increased rates or loss of ownership, we will be paying. It's like being asked if we'd like our house burgled or our car stolen. We lose in any case. Even if shares were to be sold only to people in Hawkes Bay, only a wealthy minority would be buying them, ownership would end up being more concentrated, and workers' conditions would be worsened. Such is the logic of privatisations. That's a big NO from me.
Lois Otter Submitter #3256 To be heard? No	You can't sell our Port, it's not yours. I don't want you running a fund with my money... if you do sell the Port, give the sales proceeds to the owners, the ratepayers.
Trevor Crawley Submitter #3270 To be heard? No	I essentially support a modified option B in thathat the the shares sold (49%)should remain in Hawkes Bay. They should be sold to resident ratepayers, permanent businesses and the City/District Councils in Greater Hawkes Bay. Rather than councils investing outside the region their investment should be within. In this way we are getting the best of both worlds. Option C and D should not be considered the world is littered with cases where the presentations by investors wow the owner, but the promises are seldom meet. NZ Rail is a prime example, imagine the port infrastructure after 50 years of neglect.
Trevor Le Lievre Submitter #3272 To be heard? No	**Submission on Options to Future-Proof Hawkes Bay's Port** Dr Trevor Le Lievre <u>22 November, 2018</u> The Regional Council are putting the cart before the horse by heading straight into consultation on four funding options for port expansion. Council should have begun consulting two years ago by **asking the Port's owners, we ratepayers: "what is the best option to future-proof your Port?"** **Council's plan to extend wharf 6, currently used for log storage, and to dredge a channel to enable "mega-ships" to berth, is flawed.** While the international growth in use of mega-ships is clear, putting out the welcome mat at Napier does not guarantee they will come knocking. **Tourist liners** are not a large money-spinner for the Port, and will dry up quicker than the ink in a travel agent's pen when the next cyclical global recession bites. **Bulk log carriers** are queuing up at the moment, but logging in Hawkes Bay is peaking right now, and these will taper off as harvests decline. **Increasingly larger-size container ships** has led to consolidation in this sector, in order for shipping companies to afford these vessels, and to ensure they are filled. Yet, only around half of the main international container shipping-lines currently record an operating profit. This means that companies now seek greater pay-loads for each berthing, to offset costs. In New Zealand, Tauranga, and to a lesser extent Auckland and Lyttelton, are our 3 major export hub ports, together handling around 90 percent of container freight.

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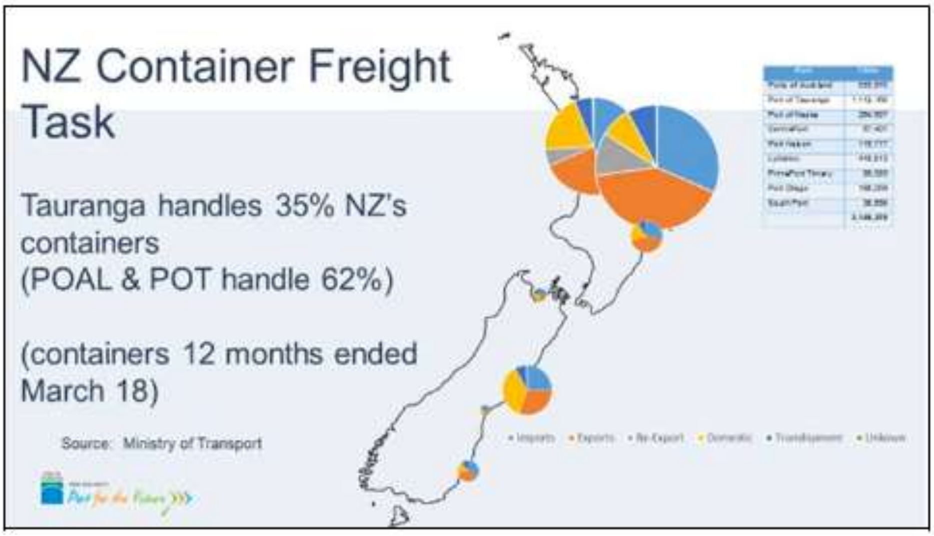
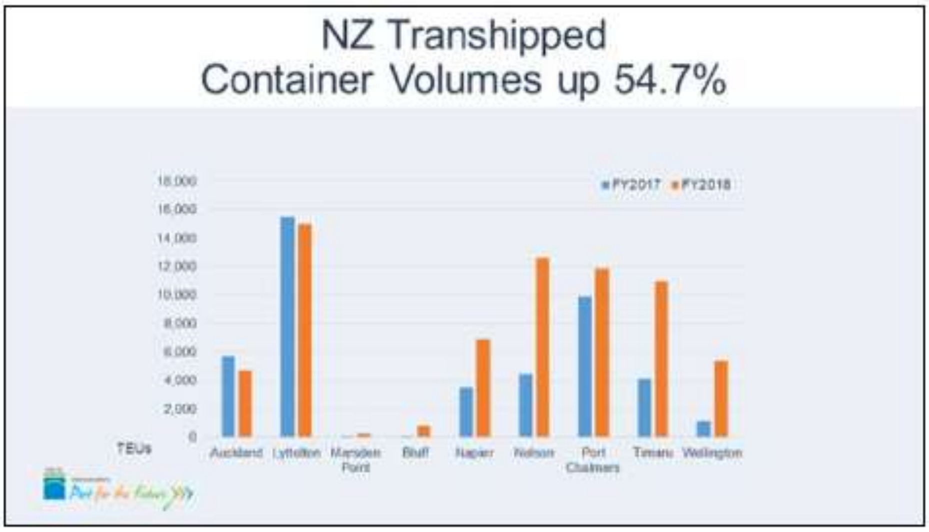
<tr><th>Submitter</th><th>Commentary</th></tr>
<tr><td></td><td>


</td></tr>
<tr><td>Trevor Le Lievre cont'd</td><td>
All of these ports enjoy the natural advantage of deep water berths, and have over years put in place the requisite infrastructure. Council are suggesting that Napier can compete? Where is the evidence?

Certainly not in any robust business plan containing risk analyses and, crucially, projections for return on equity. When I recently requested a business plan from the Council I received the document "Wharf 6 Development Justification" which, as the title suggests, is essentially a slick marketing job.

A more realistic option is to upgrade Napier Port to become a regional spoke feeder-port, which transports local containerised goods to Tauranga, the North Island's major export hub-port, by way of both visiting-international and national coastal vessels.

This trend is already happening, with transhipped container volumes out of Napier nearly doubling over the last 2 years.


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Submitter	Commentary
	An inconvenient truth, overlooked by Council whose selected option to expand and dredge comes at **huge cost, namely the privatisation of 49 percent of a monopoly infrastructure-asset currently 100 percent ratepayer owned.** The current Labour government advocated the hub and spoke approach for national freight in their **"Sea Change" policy document**, developed during their last term in office, as an alternative to New Zealand's Ports competing each other into oblivion. Council are legislatively obligated to maximise the long-term interests of the Port's owners, and therefore **need to be liaising with the current coalition government** – who have stated they intend to re-visit the "Sea Change" policy – to ensure that any decision to re-model the Port aligns with intended central government policy, in the national interest. There is no indication any such conversation has occurred.
Trevor Le Lievre cont'd	**The Regional Council have no mandate to impose this flawed option upon us, as owners, and certainly no mandate to alienate 49 percent of our asset.** **The consultation process itself is similarly deficient, comprising a woefully short period and a dearth of information.** What happened to the promised letter-box drop to rate-payers, containing meaningful information upon which to base a submission? The postcard which some Hawkes Bay residents received towards the end of the consultation period, in lieu of useful information, is token. This scenario, should Council vote to adopt their preferred path, **invites a judicial review** which will come at further cost to ratepayers, and take us back to square one. **My preferred option is for the Regional Council to recommence proper consultation by first discussing potential options to future-proof the Port, for its owners, which include developing it as a regional spoke feeder Port. Options to fund expansion should <u>discard the possibility of alienating any shares</u>, currently 100% ratepayer-owned, into private ownership.** Dr Trevor Le Lievre Waipukurau Central Hawkes Bay
Doug Evans Submitter #3274 To be heard? No	

Our Port – future funding to develop the facility I regret to advise that I cannot agree with any of the 4 options put before us. There is no doubting that we must not only protect what we have but also to enhance it for the future at an affordable rate for the various parties. I would suggest a possible 5 th option that may be a possibility for the Council to consider for exploration with the Port of Napier.

Firstly approach Shane Jones the Regional Development Minister with a request for funding of $100 million.on the proviso that 2/3 of the funds needed for expansion would be forthcoming from the people of HB The Government have $2.6 billion which is designated for regional spending before 2020.They rarely consider assistance in the regions and for a contribution of this magnitude am sure would require buy in from the applicant.I believe this could be achieved with the assistance of Stuart Nash The buy in from the people of HB could comprise the following.

1. $100 million being raised by a standalone rate levy to all ratepayers of $7 /week for the next 10 years.This equates to an overall contribution of $3500 per ratepayer.which markedly less than the option in A.

2. A buy in from local Exporters by imposing on all Shippers using Napier Port a levy equating to a total of $10 million per year for the next 10 years with a guarantee of no increase on handling charges for their cargo through the Port for the 10 years immediately following .For those that do not buy in then their handling charges would incur an immediate and ongoing surcharge with no freezing of charge rates for the ensuing 10 years.

There is the issue that Port Management must be held fully accountable for every $ to be spent wisely and all ratepayers are aware of the "poor" decision making on recent wharf construction as well as building a new Office Block on reclaimed land which is subsiding as both Exporters and Ratepayers will not wish to see their investment wasted.

Submitter	Commentary
Leslie Richard Ennor Submitter #3287 To be heard? No	I am not in favour of any of the above options. I am in favour of the proposal put forward by Mr Martin Williams (Hawke's Bay Today, Monday November 5th 2018)
Craig Morley Submitter #3291 To be heard? No	The port has been owned by RATEPAYERS through the Council for over 25 Years. It should remain 100% local owned and this needs to be decided locally by REFERENDUM. HBRC should BORROW more and hold mere debt to fund the expansion. The ratepayer is allways the guarantor and fallback sponser - even in the event of a natural disaster. Add a small tarrif or fee to each container so USER PAYS to recover costs. Wait for the Government Port/Infrastructures stategy to be completed before committing to funding. Apply for Provincial Growth Funding!
Jill Cooper Submitter #3296 To be heard? No	Up to 35% Public Share float with share priority to rate payers. The lesser sell up than the preferred 49% gives room for movement in the future without compromising control.
Kenneth MacLeod Shanks Submitter #3303 To be heard? No	I BELIEVE IT WOULD BE A MISTAKE TO SELL MORE THAN 25% LONG TERM FINANCIAL PLANNING FOR THE PORT IT IS A FIRST CLASS ASSET GROWTH WILL BE STRONG IT IS NOT A PIGGY BANK FOR THE DISTRICT COUNCIL
Adrienne Williams Submitter #2708 To be heard? Yes	It would be easy to support the preferred option but I believe the sale of shares in the IPO should not exceed 40%. Yes the port does need to expand and develop.
George Murray McCawe Submitter #2709 To be heard? Yes	Believe very strongly, along with many others, that entering into any partnership with any other entity is the wrong option to follow and that a more creative solution should be found to fund the debt. Rate payers should retain 100% contro, as they have done in the past!!
Murray Cammock Submitter #3325 To be heard? No Yes the port needs capital infrastructure investment but I believe that we need to delay our decision for more debate over alternative mixes. 1. The consultation time period for the public has been to short. We are just starting to have constructive debate and hear about possible alternatives. 2. If it is such a good investment then why has the port got debt. This issue needs to be addressed first. 2, Each enterprise should stand on its own merits. 3. Where is the financial case of it standing on its own. 4. Diversify investment with what and what is the return on those investments. 5. What happened to the $60 million left over from being allocated for the dam. 6. Freeing up capital to use for environmental purposes is wrong and leads to bad practices. 7. Building to peak capacity is not efficient. Maximun peak capacity cost should fall on users. 8. If getting in another investor the amount of capital sought should be at the minimum and the investors should be local that have more than $$$ focused on.	
Desmond Green Submitter #2821 To be heard? Yes	1) The information which you have provided on the above four options is not sufficient in order to make such an important decision. 2) There are three or four other options which have merit and should have been considered and therefore included in the options above. 3) Options "B" and "C" 49% is far to high and the Council should retain a minimum of at least 55% 4) Judging by the letters to the paper it would appear that most people oppose selling off shares to investors.

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<tr><th>Submitter</th><th>Commentary</th></tr>
<tr><td colspan="2">KEVAN RASELL Submitter #3347 To be heard? No
HAVING MY SAY ON THE EXPANSION OF OUR PORT OF NAPIER I do not support any of your four proposals for the following reasons;
1 The basis of every option requires expansion of our berthing facilities but fails to address the fundamental requirement of providing large scale additional storage and operational areas for the huge 57% increase in cargo throughput.
2 I only need to look at the cover of your Consultation Document to see that Hawkes Bay is not blessed with a natural harbour and that the installation of the new Wharf will not address the lack of space. I look at the proliferation of containers around the city to reinforce my view on lack of space. Our port is a wonderful asset and has provided for the region strategically and financially however the port does have finite physical constraints.
3 My feeling is that the area to the west of the new wharf will be on the wish list for the Port Company for future reclamation. This will be an anathema to the general public but could be perhaps a “fait accompli” after the proposed investment of $350 million. Any plan to reclaim land will surely be met with major opposition and would inevitably fail.
4 Privatisation has almost always ended up costing us the rate/tax payers dearly through the ineptitude of those captains of industry when it comes to reducing their dividends to fund essential works. Deferred maintenance will always enhance the profit/loss balance sheet for example the privatisation of the NZR in the 1990’s. Bad investments by the privatised Air New Zealand 17 years ago cost the Taxpayers $885 million to bailout the private company. The promised advantages of the Energy sector ended up costing consumers dearly. My fear is we do not have the backing of Treasury with our regional asset should our Port run into financial trouble.
5 Selling such a large part of our major asset will end up costing us the ratepayers and increase our annual rates. Selling the “Family Silver” has always been a short sighted way of reducing debt. I would certainly agree to increased rates to fund some of the debt reduction but a fairer way of spreading the cost including user pays would need to be investigated.
To summarise: Please do not adopt any option that reduces our ownership of such a strategic asset. We should not compare our situation with the Port of Tauranga as we do not have their natural harbour and storage space.
Kevan Rasell</td></tr>
<tr><td>Warwick Lynch
Submitter #3350
To be heard? No</td><td>I submit that I support a public share offer, but that that offer be limited to up to 30% public share offer. My main reason is that the prime reason for sale of shares is to repay the Port Company debt, so that the company can re-borrow to fund its own expansion, NOT to fund unspecified investments in unspecified companies or funds.
My second reason is that by selling up to 49% in the Port Company now, HBRC is leaving no room to protect its shareholders 51% ownership stake should the Port Company require a further increase in capital in the future, In summary, expanding the port is a priority to be funded now by sale of shares sufficient to clear the Port Companies Debt to allow that to occur.
There is insufficient detail given in HBRC Capital Structure Review as to how and what any surplus money from a public share offer would be invested in after funding for the port development had been achieved. I believe this is a separate issue and must be considered separately from port development. By making a public share offer of up to 49% now, the HBRC is exposing its shareholders (The Ratepayers of Hawke's Bay) to having to raise further capital to maintain a 51% holding in the Port Company, should that company require to raise further capital on the share market, thereby freeing it borrow to fund the new wharf and other works.</td></tr>
<tr><td>Denise Whitmore
Submitter #3357
To be heard? No</td><td>Your Have your say documents say 45% public share. I would support that with preferential shares to current ratepayers. If you are set on 49% I would support that too but believe 45% gives you greater wriggle room.</td></tr>
<tr><td>Lois Dawson-Mikaere
Submitter #2854
To be heard? Yes</td><td>Firstly Iwi should be offered a partership. 49% is too higher share float, 33 % as recommended by Capital Structures Review Report would enable the port to pay off current debt, and continue development, and retain larger ownership. Putting what the council's referred option is, makes the consultation process feel worthless, as council will do what it wants to do.</td></tr>
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Submitter	Commentary
Steve Jamieson Submitter #3371 To be heard? No	This is not consultation . Option E as suggested by councillor Bailey is not there .The community must decide what the options are not HBRC. Full ownership thank you.
Kerry Lianne Submitter #3372 To be heard? No	
We need to retain full ownership of the port, but not necessarily through borrowing/rates. There have been several other ideas of how to fund improvements voiced in the HB Today such as payment made for containers, and using Unison as a guarantor so that equity can be raised. There have also been questions around what improvements actually do need to be made, especially in light of potential national decisions around the role regional ports will play in the future. Therefore, I believe Option A is too limited. The council needs to do more research around alternatives. These need to be presented to the public for further consultation. The council also needs to sort out its processes around providing information to the public, and allowing the public time to respond. My household did not receive the consultation document. I rang the council on Friday November 16th to ask for this. It was posted out arriving on Wednesday 21st November, giving me not enough time to read it before this submission is due. This is unacceptable. How many other rate payers are in the same boat? How many will not make submissions because they never received this document? For this reason alone, the council needs to review its processes. Whatever the outcome of the submissions is, the council needs to also report back to the public on how many people received the consultation document, and how this affected the number of submissions received. This has not been a fair, democratic process!!	
Judith Finlay Submitter #3375 To be heard? No	I feel that selling 49% is contrary to the public good. I am prepared to believe that some funding should be raised by selling some shares. However, I believe that up to 49% is too much to sell. I also think that for the good of the wider community there should be more of the port held by the Regional Council.
Jane Tuck Submitter #3376 To be heard? No	
At this stage: to many pros & cons to be discussed + communicated to the public yet. Answers to options A: Napier port should remain totally Hawke's Bay owned- preferably without rates increases B: An open share market listing for up to a 4+9% stake in the port surely still presents a risk that allows shares to be traded to outside interests + influences. Would that be in the best interest for Hawke's Bay in the long term? Maybe a lesser share offer combined with a HB investor could be a viable option. C: The suggestion put forward for HB owned "unison" to become an investment partner could be worth following if they are interested or maybe a consortium of HB owned businesses. D: crossed out The regional development fund + E unless there is some clear reason why this mooted option cannot be applied for. It should be followed to ascertain an outcome.	
Deirdre Karn Submitter #3380 To be heard? No	I think this is being rushed through. Definitely believe that 49% to anyone is too big a share. You say "our port" bring back sand to our beach from dredging. Little people are as important as big corprations.
Graeme Willis Submitter #3386 To be heard? No	Martin Williams article in HB Today 5/11/18. Approx sell 23% only
Perry Spiller Submitter #3390 To be heard? No	
I do wonder just how consultative a public consultation is, when a few options are presented, with an explicitly favoured bias. Among the options are there two: A - Retain full ownership and control (via borrowing/rates) B - Up to 49% public share offer (preferred option) It seems that the HBRC Council can see no other way to retain full ownership and pay for growth by any means other than borrowing or Rates. Or to fund growth by selling off part of the port company. Why? Why not offer all the HBRC Ratepayers preferential treatment to buy a stake in the port company? With a condition that any sales of those Ratepayer-purchased stakes must be back to the port company. That way, almost all profits would remain in the HBRC region. Seems to me to be very close to having your cake and eating it, too. According to HBRC staff, some 70,719 Rate demands are sent out. At, (say), $500 per Ratepayer, that would be over $35M raised in year one. Then take it from there. Of course, many Ratepayers would not want to or be able to pay $500. Perhaps there would be quite a few who would want to spend more, so covering the shortfall?	

Submitter	Commentary
Robert Buchanan Buchanan Trust No.2 Submitter #3398 To be heard? No	If it is such a good idea, go to a lending organization, borrow the capital, pay interest and gradually reduce the mortgage. Show us a business case. Treat this like you treated the Ruataniwa Dam, if it doesn't stack up, don't build it.

Fred Robinson Submitter #2931 To be heard? Yes

Executive Summary

1. My preferred option is for the ownership of the Port of Napier (the Port) to be vested in a publicly (Hawke's Bay) owned independent body for the benefit of the people and stakeholders of Hawke's Bay.

2. There appear to be two agendas going on here: i. Bury $86.6 million of debt ii. Sell the Port of Napier

3. Oh, and by the way, the Port urgently needs a new wharf, but hey that was already urgent in 2009.

4. Hawke's Bay Regional Council (HBRC) appear to have dividend gouged the Port for over two decades resulting in a debt for the Port of $86.6 million. Now those chickens have come home to roost.

5. The information provided in the consultation document "Our Port - Have your say" about expected returns from the Port is clearly nonsense. The proof of that follows in this submission.

6. Hawke's Bay residents have been asked to make submissions based on wildly speculative (inflated) dividend projections.

7. HBRC appear to be neglecting, and even undermining, the legislated functions of the Council in favour of support for the finance industry.

8. Thee spreasheet, on pages 2 & 3 of this document, demonstrates the excesses of HBRC in relation to the Port.

9. The nine (9) of you did not create the problem, you inherited it. However this Council has the opportunity of righting past wrongs, and charting a correct course for the Port of Napier.

10. What is the Port to the people of Hawke's Bay? The port is a vital loacl infrastructure asset. It is the gateway to Hawke's Bay and can either facilitate, or choke off, our exports, imports and tourist trade.

Submitter	Commentary

Napier Port Analysis

Year	Total Revenue ($ million)	Profit (After tax) ($ million)	Dividend Paid ($ million)	Percentage of Profit paid as Dividend	Bank Borrowings ($ million)	Interest on Borrowings ($ million)
2017	86.700	16.700	10.700	64.07%	83.571	4.156
2016	72.653	11.471	7.876	68.66%	79.700	4.456
2015	72.053	12.928	7.397	57.22%	84.000	4.200
2014	67.016	13.433	6.993	52.06%	62.500	3.705
2013	62.097	11.830	6.081	51.40%	60.000	3.189
2012	60.305	11.080	5.854	52.83%	51.000	3.880
2011	54.131	10.864	7.086	65.22%	55.200	3.501
2010	48.761	7.047	5.840	82.87%	53.600	3.822
2009	45.485	8.958	7.098	79.24%	45.500	1.025
2008	47.087	9.788	6.545	66.87%	15.600	1.102
2007	43.430	8.324	5.337	64.12%	11.500	1.006
2006	39.645	7.260	5.065	69.77%	13.800	0.834
2005	37.296	5.936	4.559	76.80%	10.900	0.911
2004	38.164	7.040	5.735	81.46%	12.600	0.820
2003	37.026	6.798	5.491	80.77%	11.300	0.729
2002	33.815	7.194	5.691	79.11%	8.900	0.177
2001	31.747	6.883	3.486	50.65%	2.001	0.143
2000	34.182	8.501	3.803	44.74%	Nil	0.480
1999	29.640	5.500*	2.982	54.21%	9.355	1.115
1998	24.156	3.261	2.447	75.04%	14.800	1.884
1997	28.910	6.734	2.934	43.57%	16.400	0.518
1996	24.059	5.343	2.730	51.09%	2.500	0.234
1995	23.279	5.238	2.100	40.09%	0.666**	0.114
1994	21.676	5.222	2.100	40.21%	0.998**	0.096
1993	20.082	5.514	2.205	39.99%	1.330**	0.144

Submitter	Commentary

Napier Port Analysis

Year	Total Revenue ($ million)	Profit (After tax) ($ million)	Dividend Paid ($ million)	Percentage of Profit paid as Dividend	Bank Borrowings ($ million)	Interest on Borrowings ($ million)
1992	19.123	4.588	1.680	36.62%	1.662**	0.195
1991	17.466	3.507	1.155	32.93%	1.995**	0.514
1990	16.233	3.379	1.152	34.09%	2.327**	0.532
1989	14.987	2.987	1.000	33.48%	?	0.569

* = includes disposal of property investments

** = Loan - HB Regional Council (secured)

Note 1: The historic bank interest figure for 2009 appears as $2.108 million in the 2010 accounts

Note 2: The historic bank interest figure for 2008 appears as $1.282 million in the 2009 accounts

Note 3: The figures for the years 2000, 2003, 2005, 2006 & 2007 supplied by the Port of Napier

Note 4: The dividend paid figures for the years 1990 through to 1999 are from a summary page on Page 9 of the 1999 Annual Report. Actual figures in the annual accounts for those years may differ from those values.

Note 5: In the 1997 year a $15 million extraordinary special dividend was paid by the Port of Napier to the shareholders (Manawatu-Wanganui Regional Council & Hawke's Bay Regional Council) and Hawke's Bay Regional Council was reported to have used approximately $5 million of that special dividend to purchase the minority shares held by Manawatu-Wanganui Regional Council according to a Daily Telegraph report 27/3/1997 however the actual purchase appears not to have taken place until 2009. The companies office shows 100% ownership by Hawke's Bay Regional Council 13 Jan 2010.

Note 6: The figures for 2001 were mostly obtained from the "Porty Charges" website with the dividend amount being advised by the Port of Napier.

Note 1: The historic bank interest figure for 2009 appears as $2.108 million in the 2010 accounts

Note 2: The historic bank interest figure for 2008 appears as $1282 million in the 2009 accounts

Note 3: The figures for the years 2000, 2003, 2005, 2006 & 2007 supplied by the Port of Napier

Note 4: The dividend paid figures for the years 1990 through to 1999 are from a summary page on Page 9 of the 1999 Annual Report. Actual figures in the annual accounts for those years may differ from those values.

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Note 6: The figures for 2001 were mostly obtained from the "Porty Charges" website with the dividend amount being advised by the Port of Napier.

11. In a book "Port and People supplement - End of an Era'! by Jock Stevenson O R E, in the section headed "Log Book" (Page 1 1 1) written by T des Landes, it states: "Log Book parallels the success by the [Harbour] Board in accepting the challenge over the past 13 years, and the number of developments that have taken place over that period surely reflects that. It has also been a period of frustration and disappointment with ex ected new trades not comin to fruition and trades that were hard fou ht for eventuall being lost through no fault or shortcoming of the Port." [Underline added]

12. Those that do not learn the lessons of history are bound to repeat them.

13. Some Financial History of the Port.

14. The Port was vested in the Hawke's Bay Regional Council (HBRC) 91.66% and the (Horizons) Manawatu - Wanganui Regional Council, 8.33%, under the Port Companies Act 1988, on 1 October 1998. HBRC got a profitable Port and ownership of considerable leasehold land as a result.

15. The Port contributed dividends to the shareholders between 1989 and 1995 averaging 36.8% of the after-tax profit, at the same time paying off debt.

Submitter	Commentary
16. However around 1995, according to one eyewitness report, one Regional Councillor prompted HBRC to have the Port pay excessive of dividends at the expense of its own development'. That is when the problem was created. 17. Despite this, the Port managed for a time to keep borrowings - as shown in the annual accounts - generally below half its total revenue for the year, and in fact bank borrowings were reduced to nil in the year 2000 annual accounts. 18. However 2002 saw a massive increase in the percentage of after-tax profit paid as a dividend to shareholders. Roughly 80% in the years 2002, 2003 & 2004. Commensurate with that, bank borrowings began to rise, and by 2008 had reached $15.6 million (being approximately one third of the 2008 total revenue of $47,087 million). 19. The years 2009 & 2010 again saw dividends reach approximately 80% of the after-tax profit. From those years onwards bank borrowings generally equalled, or exceeded, the total revenue for that year. Clearly this situation was unsustainable. The first rule of business is do your business first. 20. It seems apparent, even if we only took the accounts between 2009 and 2017 that to pay HBRC a total of $64.925 million over that nine year period, and continue to operate, that the Port took on extra bank borrowing of $67.971 million during that time. Yep, it was going backwards. It appears the only winner was the bank who picked up $31.934 million in interest payments over that period. 21. The demand for excessive dividends from the Port, by HBRC, has created the illusion that rates have been subsidised, handsomely, by the Port operation. In reality part of those former supposed "dividends" appear to have built up real debt for the current ratepayers to somehow deal with. 22. I fully understand why the Port of Napier has been forced to pay these dividends. The "Statement of Corporate Intent - Napier Port" begins with the wording: "Napier Port notes the Shareholder's desire to receive a planned dividend flow and will use its best endeavours to accommodate that desire, 23. I suggest that if any Director of the Port of Napier, all of whom are appointed by HBRC, did not meet the shareholder's desire, then the directorship could possibly be a short one. 24. Why did HBRC historically extract these excessive dividends? 25. Simple really, ignorance united with greed. 26. Coincidentally, in 2009 HBRC were desperately trying to gather funds for the Ruataniwha Water Storage Scheme (RWSS), even proposing the sale of the Port. Treasury briefing papers of the time contain this little gem: "We understand that the Council has also already given consideration to possible funding sources, including the sale of its equity in the port. ' 27. The Consultation Document 28. The HBRC glossy 16 page publication "Our Port - Have your say", (HBRC - October 2018) stated the Port owed $86.6 million but was silent as to why. A "nothing to see here" attitude. But there is everything to see here. 29. The publication "Our Port - Have your say/' cannot go unchallenged, as the Long-Term Plan (LTP) projections are based on the unsustainable level of dividend previously demanded (and received) by HBRC. 30. Clearly that percentage (suggested at 60% on Page 12 - Option B of the consultation document) has not been realistic in the past, and has only been achieved at the expense of increased borrowings and lack of provision for capital expenditure by the Port. 31. Rather than the Port of Napier dividends subsidising the HBRC rates (because they exceed a prudent percentage - post 1995) those dividends in fact simply deferred the cost, as debt, so as to fall on future ratepayers, who would either repay the money through rates increases, or lose equity in a publicly owned community asset. 32. Those ratepayers are the current ratepayers. That time is now. 33. You must have known of the debt situation with the Port when you "invested" $50 million with the finance industry earlier this year. You stated in "Facing our Future" documentation in March of this year "The future capital structure of Napier Port is not part of this consultation, but we anticipate bringing this to you in year 1 of our plan". The 24 page consultation document even stated "Even with forecast growth, Napier Port cannot fund future development on its own without capital investment or dividend relief from Council'. 34. Back on the 14th of December 2017 Hawke's Bay Today carried the headline "Port funding under scrutinÿ' in which Council chair, Rex Graham, is quoted as saying Napier Port's debt is about $83m." 35. I am somewhat puzzled as to why HBRC appears to have become Father Christmas to the finance industry. Get that $50 million back and clear a big chunk of the Port debt. Yes - and a modest rate increase will most likely be required to clear the rest. 36. The main key point is that because the past dividends have been artificially inflated, this means that all the future projected dividends (which are based on former politically driven amounts rather than prudent management) simply will not exist, especially when the Port is trying to pay off $142 million of extra debt incurred building a new wharf.	

Submitter	Commentary
37. In short, the future returns figures offered in HBRC "Our Port' are a fantasy based on a myth. Could this be called "fake news"	
38. Potential investors in the Port will go through a due diligence process and will want to see the actual books of the Port of Napier (not some speculation in an HBRC plan). Confronted with the facts I believe it is unlikely that any public share offer will realise the $181 million being suggested.	
39. Why sell the Port?	
40. So why does HBRC want to sell up to half the Port? [See Note 7 - Page 8]	
41. If you had read my previous submission to the 2015 - 2025 Long-Term Plan you will note that I stated: " As far back as 2008 global players, such as Wall Street banks and elitist multibillionaires had arrived at a strategy to acquire primarily two things: Infrastructure assets - such as ports, airports, water and sewerage plants and renewable energy generation to name a few, and The worlds freshwater supplies" Obviously that strategy has not changed.	
42. Some interest groups would also like to acquire infrastructure assets and some individuals are motivated by a privatisation mentality.	
43. A good reason put forward, to partially sell, is that a new wharf (wharf 6) is required urgently to cope with shipping demands. Could another reason be that a partial sale would obscure the historic dividend gouging by HBRC?	
44. But wharf 6 was urgent back in 2009. Did HBRC take its eye off core business while playing with the proposed Ruataniwha Water Storage Scheme (RWSS)?	
45. The concept of selling the Port has been floated a number of times over the years, and been rejected by the people of Hawke's Bay on every occasion.	
46. Whether through historic ignorance and/or greed a funding crisis now exists for the Port.	
47. No doubt conspiracy theorists could think this crisis has been engineered by vested interests, both inside and outside HBRC, to bring about the Port sale. I do not subscribe to that theory. It appears to me to simply be two decades of greed by successive HBRC Councils.	
48. Future funding of the Port	
49. We can now see, evidenced by $86.6 million of debt currently, that say a maximum of 40% of after-tax profit from the Port to HBRC as a dividend could be more appropriate, even generous, and allow the Port commercial viability. Dividend relief from Council may be required in some years. By way of comparison Port Otago, with a total revenue similar to Napier Port, paid dividends of 19.38% & 21.4% of after-tax profit in 2017 and 2016 respectively.	
50. This realisation calls into question the information supplied by HBRC to (nearly) all residents of Hawkels Bay, containing modelling based on an inflated dividends, and with the clearly absurd assumption that inflated dividends could continue if the Port debt could be reduced to zero. The Port is somehow expected to fund somewhere between $142 million to $350 million capital expenditure over the next decade as well, despite clear evidence from their current predicament that they cannot. Just a moment's reflection shows the absurdity of the projected $10 million plus annual dividends (60% of the after-tax profit). This appears to be wishful thinking on steroids.	
51. Clearly HBRC have previously failed in their stewardship of the Port and it is now time for the entity that created the problem to put things right.	
52. I suggest as a first step that HBRC take the $50 million they have recently "invested" back from the finance industry and clear $50 million of the debt of the Port. To ensure the future survival of the Port my preferred option is for the ownership of the Port of Napier to be vested in a publicly (Hawke's Bay) owned independent body for the benefit of the people and stakeholders of Hawke's Bay. This would be completely separate from, and not obligated to, HBRC.	
53. That would eliminate what I perceive as conflict of interest, for example:	
54. HBRC should be focusing on a key purpose (The Resource Management Act 1991) which is "to promote the sustainable management of natural and physical resources". This involves conserving and enhancing resources for future generations, planting forests in erosion prone areas, turning inappropriate Plantation forests into reserves, conserving water resources and promoting sustainability, etc.	
55. The Port will of course be focusing on volume to sustain its operations and maximise profit. This involves cutting down as many trees as possible, utilising water to the max, maximum use of productive land, and promoting growth rather than sustainability. HBRC and the Port appear to have completely opposite purposes.	
56. Conclusion.	

Submitter	Commentary
57. Since 2008 Wall Street banks and elitist multibillionaires had arrived at a strategy to acquire primarily two things: Infrastructure assets - such as PQ!ts, airports, water and sewerage plants and renewable energy generation to name a few, and The worlds freshwater supplies" 58. Apparently they are well on the way to acquiring the Port of Napier. 59. HBRC have a history of making mistakes and attennpting to cover them over with even bigger mistakes. 60. HBRC have suggested in the past they could obtain investment income from a partial, or full sale, of the Port of Napier. But HBRC is NOT an investment company, it is a Regional Council and should focus on its core business, that is looking after Hawkefs Bay. 61. In my opinion the Port of Napier should be transferred to an independent public body other than HBRC, charged with maintaining the Port for the benefit of the people of Hawke's Bay, and returning a dividend fronn that port operation to the stakeholders and people of Hawke's Bay (as originally intended). This particular Council has inherited the mess, and now it's time to put it right, to become part of the solution. Take a corrective course. 62. It's an unpalatable truth that change means picking losers as much as picking winners. And from what I can see the people losing in options B, C & D are the ratepayers, stakeholders in the Port, and citizens of Hawke's Bay. 63. A number of questions are listed below. Also, for your enlightenment or amusement, some Appendices to the submission follow. 64. Yes - I do wish to speak to my submission at the hearing on 4 and 5 December 2018. Fred Robinson 65. Note 7 This is not the first time HBRC have suggested the Port sale. If anyone chooses to access the official information act requests on the Treasury website, and search under "Ruataniwha" - They will find in the briefing notes (Treasury: 1979573v 1) the statements: This briefing provides information for your discussion on water storage in Hawkes Bay with Alan Dick, Chairman of the Hawkes Bay Regional Council, on Friday 30 October 2009" [Page 3]. And further through the document " We understand that the Council has also already given consideration to possible funding sources, including the sale of its equity in the port. A 10 — 15 year staged development period is anticipated." [Page 12] 66. That was back in 2009. 67. When the Hawke's Bay Regional Investment Company (HBRIC) had its Constitution adopted by resolution of HBRC (as sole shareholder) on 18 December 2013, that Constitution contained details of HBRlC's scope of activities. This included Clause 1.3 d which states: " d. Raising funds for investment by selling bonds, mortgages, preference shares and other debt instruments or by reducing its holdings in equity investments, (for example by way of part sales of shares in Port of Napier Limited), Its subsidiary or associated companies. 68. The Port is specifically mentioned. Why give HBRIC this power if it was not intended to be used? (A rhetorical question). 69. Question 1: Why is HBRC giving the finance industry tens of millions of ratepayers funds so that the finance industry can play stock-market roulette with the money? 70. Question 2: Why has HBRC (as owner of the Port and with stewardship of it) not ensured that the Port had the appropriate balance between dividends paid to shareholders, versus reinvestment in growth, and paying off debt? 71. Question 3: How is it possible for the Port to "resume investing in its future", while at the same time servicing that level of debt as suggested ($320-$350 million), and continue paying significant dividends to HBRC and other shareholders? 72 Question 4: Is the answer to Question 3 "By ramping up the charges to Hawke's Bay users of the Port and driving down costs (including wages)? 73. I am struck by the similarity between the situation that has given rise to an $86.6 million debt at the Port and the operation of a Ponzi scheme. Clearly a coincidence, however for your enlightenment I have included as Appendix 2 a comparison between a Ponzi scheme and the current situation. 74. Question 5: Why is HBRC operating to significantly financially advantage the finance industry while at the same time making the citizens of Hawke's Bay jointly and severally liable for massive debt, debt not of their own making, currently around $8 billion? 75. Question 6: Why did HBRC on 27 June 2018 irrevocably appoint an overlord above the Regional Council (namely the Local Government Funding Agency (LGFA) Security Trustee) who has power of attorney over HBRC and whose only requirement is to " do anything which, in the Attomey's opinion, is desirable to protect the Security Trustee's or any other Guaranteed Creditor's [of the LGFA scheme] interests"? 76. The Council cannot be accountable both to the people and to the LGFA at the same time. With the stroke of a pen HBRC appear to have extinguished democratic governance at the Regional Council table. This appears to be in	

Submitter	Commentary
conflict with the purpose of local government (as clearly stated in the Local Government Act 2002) which includes " to enable democratic local decisionmaking and action by, and on behalf of, communities" 77. Question 7: Do the Councillors at HBRC, all of whom were fully informed of the implications of the above decision (at Question 6), actually understand that at that moment they extinguished democratic governance at the HBRC council table? 78. Question 8: As HBRC is required to (and has agreed to) "[ratify] anything done by the Attorney", do the HBRC Councillors NOT understand any decision regarding the Port of Napier can now be made above their heads? 79. Shipping companies dictate what Port they wish to use and have clearly stated a preference to visit fewer ports with larger ships in New Zealand. 80. Question 9: Will not this new wharf simply be used as a bargaining chip, by the shipping companies, to drive down costs to themselves of using alternatives such as the Port of Tauranga? 81. Question 10: Does the Port really need another, bigger wharf? 82. I am reliably informed by a Regional Councillor of the day that in 2009 a new wharf for the Port was at that time urgent. Yet HBRC seemed to have sat on their hands for the following nine years. 83. Question 11: What usage will a new wharf actually get? 84. We have apple exports with high volume between April and June. 85. The tourist season runs between November and March. However, the tourist trade is rather fickle and international events can bring it to a halt overnight. 86. There is a substantial volume of logs currently, but that will end in 6 to 8 years time when log volumes will slump. 87. The Port of Tauranga has spare land right beside the Port to handle large volumes of containers and other freight. It is a natural hub for coastal shipping from ports such as Napier. 88. Question 12: Will the Port be able to move the volume of freight required by these larger vessels, to the new wharf, in the time frame required by the shippers, to make a stop at the Port of Napier worthwhile for the shipping companies? 89. Question 13: The Port was built and paid for by our forebears. I have been told that there was a levy placed on the rates to clear any Port debt back in 1989. History does repeat itself. Why should the people of Hawke's Bay pay for the same asset twice? Appendix 1 - Some extracts from legislation that may be enlightening 90. The Local Government Act 2002 states (among other things): "10 Purpose of local government (1) The purpose of local government is— (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses. (2) In this Act, good-quality, in relation to local infrastructure, local public services, and performance of regulatory functions, means infrastructure, services, and performance that are— (a) efficient; and (b) effective; and (c) appropriate to present and anticipated future circumstances". [Bolding added] 91. HBRC have not only failed to meet the purpose of local government, but appear to have actively worked to undermine democratic local decisionmaking, and also appear to actively be asset stripping the province. 92. The latest issue (the proposed partial sale of the Port of Napier) is yet another attempt to sell the Port. 93. The Act also states: "101 Financial management (1) A local authority must manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community". [Bolding added] 94. Clearly HBRC have seen the Port as a cash cow to be milked - which they appear to have done to excess.	

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Appendix 2 - Coincidental Ponzi Scheme Similarities

A Ponzi scheme is defined by Wikipedia as:	The Hawke's Bay Regional Council (HBRC) and Port of Napier situation.
*A **Ponzi scheme** (/ˈpɒnzi/; also a **Ponzi game**)[1] is a form of fraud which lures investors and pays profits to older investors by using funds obtained from newer investors.[2]*	Profits (dividends paid to HBRC) from the Port of Napier, in recent times, appear to be a hybrid of actual profit and with bank borrowings being used for capital expenses and essential running costs. Interest on borrowings is paid to the bank.
Investors may be led to believe that the profits are coming from product sales, or other means, and remain unaware that other investors are the source of profits.	Hawke's Bay residents are unaware of the year on year increase in bank borrowings which appear to support the level of dividend paid to HBRC.
A Ponzi scheme is able to maintain the illusion of a sustainable business as long as there continues to be new investors willing to contribute new funds and most of the investors do not demand full repayment and are willing to believe in the non-existent assets that they are purported to own. [Source-Wikipedia]	The situation has been sustainable so long as the Port did not need to borrow additional funds for development or the bank did not require the repayment of bank borrowings. At that moment the Port can no longer deny that it is seriously in debt. Apparently $86.6 million at this time.
The Ponzi scheme ultimately collapses with current "investors" **losing their money**.	The situation has arisen that either HBRC clear the debt of the Port from its own funds (reserves or rates increases) or through the sale of assets - in this case 45 to 49% of the Port itself. The investors (in this case the ratepayers of Hawke's Bay) either **lose funds**, paying again for an asset their forebears have already paid for, **or through loss of equity** in their asset.

</td></tr>
<tr><td>William van Asch
Submitter #3018
To be heard? Yes</td><td>Please do not sell off the crown jewels, 6 million tonnes of cargo each year, $5 per tonne asset replacement charge gets the port $30 Million per year without any of the projected growth.
The port can fund it's own growth and also allow for a return to HBRC over time and no cost to ratepayers.
Can someone check to see why asset replacement has not been budgeted for over the last 50 years? Standard business practice.</td></tr>
</table>

Submitter	Commentary
Barrie Douglas Crabbe Submitter #3105 To be heard? Yes	Retain Full ownership and control of the Port. AT the public meeting at H.B.R.C. 29/10/18 a very good discussion re how to FINANCE No 6 wharf and also many other options have been offered in letters to the editor (H.B. Today) that must be investigated before a decision is made e.g. the $1 billion Regional Development Fund. Councillor Paul Baileys idea. Unison investing in the Port which is owned by its HB members

John Smith Submitter #3406 To be heard? No

Whilst under the present regime, I might see some merit in option B none have any merit as I and like minded and informal citizens and others have messaged publicly.

BY:

BILL BARNARD WOULD HAVE AGREED

William Edward Barnard
M.P. for Napier 1928 – 1943

Use Reserve Bank for port development finance

LETTERS H.B. Today 11/10/18

Use Reserve Bank for port development finance

Four port options? There is a fifth possibly beyond the comprehension of both local and national politicians. The use of public credit via our own Reserve Bank at nominal interest to finance port development will enhance the returns to the HB economy, retain 100 per cent public ownership and ensure port company profits do not go out of the area (or country).

The mechanism was first used by the Labour Government of 1935-49 to build state housing and largely neglected (except for seasonal finance for farmers marketing organisations) ever since. Why?

Simple on a Soapbox (1963) by John A Lee at p54 records in July 1962 then leader of the Labour Party, the Rt Hon Walter Nash said "... consistent with the needs of a sound economy, the state should create and use credit at the cost of issue for purposes of approved capital development".

This principle was still there in the Labour 1975 manifesto.

Reflecting on the diffidence of the old guard of that first Labour Government, Lee comments "thus 27 years too late, Nash accepted the policy on which Labour was elected in 1935". Walter had been finance minister in that government.

Commenting to Nash's great-grandson Stuart at one of his periodic street corner meetings last year I suggested the use of Reserve Bank credit as the answer to the port expansion dilemma.

My contribution was greeted with a vacant stare and then back to his agenda. Hello! Anybody home?

John Smith
Napier

WHAT DO YOU THINK?
Email editor@hbtoday.co.nz to have your say.

Common sense

The common sense solution proposed for funding any port development, as proposed by John Smith (letters — *Hawke's Bay Today*, October 11), has clearly worked well in the past.

Why are our nation's leaders ignoring this practical option?

Fred Robinson
Napier

12/10/18

Credit obvious solution

Why is it that the present governments, regional and central, are so blind about the use of Reserve Bank credit, used by the first labour team to bring NZ out of the depression first and best dressed?

As John Smith and Fred Robinson (*HBToday* 11/10) state, it is the obvious solution to expanding our port without selling it off, borrowing from overseas banks or increasing our rates.

Never mind Paul Bailey's option E, what's wrong with a sensible slice of social credit?

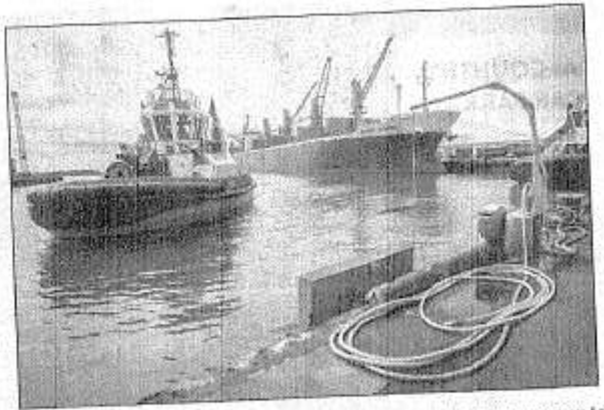
Dick Ryan
Havelock North

13/10/18

WHAT DO YOU THINK?
Email editor@hbtoday.co.nz to have your say.

Submitter	Commentary

Reserve Bank funding



The council should be joining others to petition the Government to make funds available to expand the port through the country's central bank, says writer Dick Ryan.

The consultation on how to fund Napier Port is, like talk back radio, impossible to correlate and thereby gives the council the facility to ignore the submissions in favour of advice from vested interests.

To sell a half share in a thriving business may be in the best interests of potential purchasers but decidedly not for the Hawke's Bay ratepayers.

In a few years the same issue would recur, leading to a further sale or higher rates.

Instead, as we monetary reformers have been saying for many years, the council should be joining others to petition the Government to make funds available through the country's central bank as recommended in a 2012 report from the International Monetary Fund.

Reserve Bank funding could be provided at a nominal interest charge, with repayments matched by the income an expanded port would provide.

The legislation is already in place in the Finance Act that allows the minister to set up funding arrangements from the bank.

As it happens the Government has already signed off on interest-free loans of $158 million for Tauranga, $339m for Auckland and $181m for Hamilton, the money coming from taxes or borrowing. If the money was sourced from the Reserve Bank the result would be a 'fit for purpose' port that would assist with the expansion of economic activity in the region at no cost to ratepayers or taxpayers.

So there is a better way to proceed, that does not require selling our assets and does not require borrowing money from overseas banks which in any case have invented that loan for no cost to them whatever.

Dick Ryan
Havelock North

■ *Dick Ryan is a member of the Social Credit Party and stood as a candidate at the last election.*

HB Today 17/11/18

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<tr><th>Submitter</th><th>Commentary</th></tr>
<tr><td></td><td>
42 Reyburn House Lane, Whangarei Ph 09 4300089 or 021 922098
Email: chris.leitch@democrats.org.nz Website: www.socialcredit.org.nz

Media Release 05.10.2018

From: Chris Leitch, Leader

Subject: Port Sale is a Dumb Decision

The Hawke's Bay Regional Council's preferred option of selling off nearly half the shares in the port is a dumb decision, the equivalent of the best restaurant in town selling off its kitchen so it can extend the dining room.

In an address to a meeting in Napier, party leader Chris Leitch said the loss of half its income from the port would make rates rises a certainty.

In a few years the Council will be facing the same issue again, leading to either a further sale of shares or sky high rates rises in the future.

Those advising the Council were acting in the best interests of potential purchasers of the shares not the Council nor Hawke's Bay ratepayers.

The Council should be joining with other councils to petition the government to make funds available through the country's central bank as recommended in a 2012 report from the International Monetary Fund.

Reserve Bank funding could be provided at a nominal interest charge, with repayments matched by the income an expanded port would provide.

The legislation is already in place in the Finance Act that allows the Minister of Finance to set up a funding arrangement from the bank.

The government has already signed off on interest free loans of $158 million for Tauranga, $339 million for Auckland, and $181 million for Hamilton, the money coming from taxes or borrowing.

If the money was sourced from the Reserve Bank the result would be a "fit for purpose" port that would assist with the expansion of economic activity in the region at no cost to ratepayers or taxpayers.

Ratepayers should demand a referendum, not rely on a "mock" consultation process where the council will ignore submissions in favour of advice from its overpaid consultants.

Councillors who vote in favour of such a dumb decision as selling off port shares should be put on notice that they will not retain their seats at next year's local body elections.

Ends

For further comment contact:-

Chris Leitch
Social Credit Party Leader
Finance Spokesperson
chris.leitch@democrats.org.nz
Ph 021 922098
</td></tr>
<tr><td>Matt LeQuesne
Submitter #3220
To be heard? Yes</td><td>I want option E. the users of the port must pay for any expansion requirements.
*No public money to be used for private profits
*Information supplied to public is self promotion from port management.
*The rates increased will force up rent for low income families.
*Wasted use of resources by the current board of the port.</td></tr>
<tr><td colspan="2">Cynthia Bowers Submitter #3235 To be heard? Yes
Thank you for the opportunity to submit on how best to fund our Port's growth. Like many Hawke's Bay residents I am supportive of the capital investment plans for the Port of Napier. I do not however support any of the four options put forward by Hawke's Bay Regional Council and I have serious concerns about option B.
My concerns re option B relate to the amount of funding sought i.e. $181 million which is up to $83 million in excess of the amount signalled to significantly reduce Port debt. I question why HBRC has not put forward an</td></tr>
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Submitter	Commentary
option to sell only the percentage of shares required to raise sufficient funds to repay debt. The proposal to diversify Council's investment by establishing an $83 million fund was not well publicised in the Summary Consultation Document and for many residents this summary is the only information they have received. Some residents did not even receive the summary document. I have spoken to some people who have submitted in favour of option B without being aware of the investment plans. It is hard not to feel that people have been misled. According to the full consultation document the 83 million dollars will be used to establish a "future investment fund" in which the capital will be "ring fenced". It would be helpful to know what mechanism the Council proposes to use to entrench the "ring fence". What certainty do ratepayers have that future Councils will not overturn this status? To the best of my knowledge it is not possible for an existing Council to bind future Councils so how can we be assured that the "future investment fund" will not be frittered away on pet projects at some point in the future? The consultation document gives no clear indication as to how the investment income might be spent. There have been various ideas mentioned such as environmental projects and /or stopbank / flood control replacements. These are worthy projects but they should stand alone and if they need to done they should withstand the scrutiny of the long term plan process and be either funded through rates or user pays. I urge the Council to rethink the percentage of Port shares to be sold and only sell the percentage required to raise sufficient funds to repay existing Port debt. Should Council continue with Option B then please do some homework and find a watertight mechanism for ring-fencing the "future investment fund" and tag the fund's income for future capital requirements for the Port. If you can't find a watertight mechanism don't sell the additional shares. Hawke's Bay Regional Council's shares in the Port of Napier are our region's "family silver". They are an inheritance passed down to us by previous generations and it is essential that today's decision makers protect this inheritance for the benefit of future generations. Please reconsider the percentage of shares to be sold and leave the balance invested in the Port of Napier, our region's most significant strategic asset.	
John Baxter Submitter #3424 To be heard? No	Current revenue from Port activities is sufficient to service existing debt and provide a dividend. Therefore the status quo should remain in that regard ie keep the current loan on the books.I assume the rate of return on the new wharf expenditure will far exceed the cost of servicing new debt and produce larger dividends through projected growth. If it does not then why even consider the current proposal. Current rate payers are already bearing the cost of past Council mistakes ie the dam and should not be part of the equation. I would support having a local enterprise buying a share of the assets to provide capital such as Unison so that all the benefits accrue to the people of Hawkes Bay in one way or another.Is funding by Central Government by way of grant (the regional fund established by Shane Jones) a possibility and what about the HBRIC. What happened to the proceeds of sale of the leasehold interests. Could these be used to retire the $86 million loan?
Brittney Lorck Submitter #3426 To be heard? No	Protect 100% local ownership. Look to HB investors only. Don't sell more than is needed - just enough to pay for the wharf development - keep the rest in the port.
Rob Buddo Submitter #3431 To be heard? No	I am not in favour of any of the options in the current format. My preferred option is to only sell down the proportion required to satisfy a moderate risk profile and given that the business model provides an economically sound outcome as a stand alone business. Somewhere around 25 % may seem appropriate but only if necessary. I am also not in favour of selling down the port to release capital for any new ventures unless they have a better longterm return than the port.
Deborah & Robert Burnside Submitter #3308 To be heard? Yes 21st November 2018 **Of the Options A, B, C, D and *E put to the public our preferred option is E – None of the above.** **please note our concern that some single sheet documents distributed by the HBRC omitted option "E" and we feel this was very misleading – we would ask that HBRC seriously consider any submissions made upon the document without option E as flawed, as any submitter, without option "E" shown to be available may have been falsely led to believe that only the 4 first options were possible. Indeed your own informational booklet excluded any obvious mention of an option "E" or some other option as being even possible.*	

Submitter	Commentary

Your information put out to the public was not dissimilar to the recent waste submission by the Joint Waste Team where the status quo was not fairly presented to the public and wholly unable to be substantiated proposed costings were put forward to the public. Respectfully your consultation document appears to be in a similar vein.

We thank the HBRC for the public meetings held and have attended several, including the paid luncheon at the HB A&P showgrounds and Deborah was invited to attend a meeting Anna Lorcke held with James Palmer. Questions asked by us at those meetings aren't as simply covered in the material delivered to ratepayers being, but not limited to;

Of Todd Dawson
"So you don't actually need to sell any part of the port to fund the new wharf?"
"No. We can fund all activity easily if the dividend is forgone for that 10 year period."

Of James Palmer
"If I understand the material correctly, there is only a very short period in the proposed 10 year borrowing plan where ratepayers are significantly affected"
"Yes, that's right."

Of Todd Dawson
"It's very expensive to execute a share float, why was an Investment Bond instead not considered as it would likely have been snapped up?"
"I don't know, but yes the share float is the most expensive option."

Of James Palmer
"So what if the fund is poorly managed and the Port doesn't do as well as predicted, or there's some other financial calamity, what's stopping any subsequent sale of the remainder of the Port shareholding."
"Nothing and that could happen."

Of Todd Dawson
"Why has this infrastructure spend where you say, 'nobody has said we don't need to do this' not been properly planned for?"
"There has been an historic underinvestment in the Port."

Of James Palmer
"I'm a pragmatic person, if it turns out the Port is sold, could the shareholding please be prioritised for existing local ratepayers to first be able to purchase our own Port back?"
"What the whole 49%?"
"Yes"
"No, that's not possible, it'll only be about 20% of the shares that will be made available to local investors."

- We are against the sale of the Port as we are against the establishment of a managed investment fund as proposed with the proceeds.
- If the Port is sold, individual ratepayers own the Port currently – HBRC only holds it on our behalf - and we ought to have our share of it returned to each us in the event of any 'sale'… it is not 'yours' it is 'ours'. We are perfectly capable of investing our own money and do not need you to do it for us. We feel these two issues have been intermingled and need to be separated out – with the question being first asked of ratepayers - would you like us to establish a multimillion dollar investment fund, under management (the most expensive way to invest in the sharemarket) on your behalf. Our answer to that is no. By combining the sale option with the investment fund option under "A" in your discussion document you give ratepayers no legally required financial advice about undertaking a significant financial investment. By combining the retain option with increased rates under option "A" you are effectively browbeating the financially stretched and fixed income ratepayers into accepting an option to avoid greater personal costs instead of putting forward a plan that would mitigate that affect. You appear to have no concept that the HBRC is completely in control of its own spending here.
- On that… you are spending too much of our money and have clearly spent too much of the Port's money rather than allow the Port to reinvest – including putting the Port in a position to have to apply additional insurance levies on Port users in 2017, whilst still accepting a high level dividend… it is difficult to reconcile your claim in the discussion document page 10 re; the Capital Structure Review Panel comment with the very regular public promotion regarding the success of the Port.

https://www.nzherald.co.nz/hawkes-bay-today/news/article.cfm?c_id=1503462&objectid=12134991

https://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=11932882

Submitter	Commentary

https://www.insurancebusinessmag.com/nz/news/breaking-news/napier-port-defends-levy-charge-81275.aspx

- We are against a sale that allows up to 49% of the shareholding to be sold. That is not actually 'control' by any stretch of the imagination and, by your own figures, a lessor percentage sale figure would apparently reduce the current debt, allow needed infrastructure investment to occur and continue, long term, to provide a dividend return to ratepayers. But, if we understood the responses correctly at the public meetings, wouldn't be 'worth' doing as the costs would be the same. It also prepares the Port for a complete sale as per James Palmer's response to Deborah… for what is essentially a short term financial shortfall.
- You have not described to ratepayers how the shares, Board of Directors would be concluded – as in A or B shares with different voting rights etc… or if any Chair would have a casting vote in the event the HBRC 51% Directors and the public 49% Directors actually voted equally or if one or more Director decided to vote with the other side… the devil is in the detail on these sorts of things and this has not been explained to ratepayers (many that have assumed 'locals can rebuy the shares if they want to')
- As business operators in transport and logistics since 1986 we can genuinely say that at no time was selling any part of our business to fund growth ever considered as a viable plan for the success of our business and continued full control over the business. We have never in all our years of operation concluded 50% of our profit be paid out by way of dividend as was highlighted by *Robyn Gwyn's opinion piece. There is no difference between our business and the Port's, other than the number of zeros involved. We also agree with that opinion piece as to best identifying where Napier's Port sits in regards to NZ's shipping movements entirely, while a new wharf would seem totally necessary, that it cater to megaships may not be so necessary. We've certainly chosen in periods of growth to intensify profitable services and hold off on less profitable activities.

https://www.nzherald.co.nz/the-country/news/article.cfm?c_id=16&objectid=12162527

- Given the Port's capacity to generate income and its predicted growth, borrowing for needed infrastructure would seem to be a quite normal behaviour and one the HBRC ought to support whilst retaining this asset for its public owners.
- By all accounts the Port has been profitable each and every year and there is no reason to consider that won't continue, therefore it does seem there is no reason to sell OUR Port other than the HBRC's own failure to first allow investment to occur in the Port and reductions in their own spending or better choices made about their own spending. The Port is an important piece of publicly owned regional infrastructure… not an 'investment' as such.

As our submission is "E" none of the above… it would not be fair to fail to offer some other option.

A Bond issue – yes it's still borrowing but… if you look at your option "B" a Bond issue would also

YES	deliver development funding
YES	retain operating control (far more than a share sale ever would)
YES	retain majority ownership (because it wouldn't be sold)
NO	it would not release capital for investment, but is that the purpose of the HBRC, you have not consulted on that with the public, please see our first point. If you have 'spare money for investment' then you have overtaxed your ratepayers, in our view
$???	it's difficult to accept your claim that retained ownership leaves the Port value unchanged when investment will occur at ratepayer expense under your option "A". Under a Bond option, if the increase in Port return is say 10% and the Bond interest is only 4%, then the increase in value on that is 6%... so no matter where the money comes from; ratepayers or Bond subscribers or new shareholders via your preferred option "A", there surely must be a comparative INCREASE in value for all of those options. It cannot possibly only increase in value ONLY if a share is floated
YES	maintains Council income – although arguably you need to review your level of dividend take from the Port during the construction phase of the new wharf at least and/or alter the loan period
NO IMPACT	all unforeseen events impact upon Councils in ways unimagined, you cannot truly answer this question as you have in your brochure and the way that you have appears to be somewhat scaremongering toward option "A"
NO IMPACT	A Port is already a fully diversified investment covering multiple industries and this column is only relevant if you first believe HBRC ought to be creating investment funds on our

Submitter	Commentary
	behalf… which clearly we do not. We have less surety about the exposure and impact of a sharemarket crash having less impact than any potential downturn in Port throughput than your advisors clearly do
	Increased debt for increased return is a good thing, not a bad thing. If the Port undertakes the borrowings, it holds the risk of that debt to those Bond subscribers – all of the money will not be spent all at once either so the money itself will provide a return- as an investor (not as a ratepayer) a Bond for something like our Port would be similarly as attractive as a share purchase and *recent Bond releases have been oversubscribed in the NZ Market where investment fund managers scramble to find secure investment options for their clients and Kiwisaver funds. We have spoken with fund managers of significant scale and they have indicated such a Bond would certainly be attractive to their investors
NO IMPACT	The impact upon ratepayers rates charged is entirely up to the governance and management of the HBRC and the Napier Port and almost solely within your control – if the HBRC had not inflicted such a massive rates increase already upon ratepayers with the near 30% increase in rates already applied – with no apparent concerns… then a claimed 50% increase being only 20% more, for retention, should cause no further concerns to you.

*recent Bond releases https://www.nbr.co.nz/article/kiwi-property-bond-offer-oversubscribed-b-211075

It is somewhat ironic that you're proposing to sell the Port to make alternative investments when a Port investment via a Bond would be seriously considered by any fund manager in charge of a managed fund… which is what you're proposing to create with what are arguably ratepayer funds as you only 'own' the Port on our behalves in the first place.

We are aware Cr Bailey supports greater user charges and agree that even small increases in charges to fund additional borrowings should not cause significant consternation to the current Port users who currently enjoy significant savings to ship through Napier as opposed to Port of Tauranga, Auckland or Wellington (with the greater road transport and shortage of drivers). As with the insurance levy applied in 2017, there is nothing stopping the Port from applying specific levies to specific users… but ultimately Port charges are the business of the Port itself and ought not to be influenced by the HBRC nor its Councillors either up or down for any reason. Likewise the conclusion of dividends, which are not traditionally determined by shareholders. Any sale will almost most certainly alter any real or perceived dividend influence.

We are aware Anna Lorcke has suggested a proposal for a single minority shareholder option such as Unison thus giving the impression of retaining 'local ownership'. We are less excited by this for all the same reasons we've noted here re; shareholder status, whether Unison itself remains in public hands… and for whatever reason any minority shareholder may choose at any time to onsell that shareholding, perhaps to Port of Tauranga… imagine then how that might go for Hawke's Bay. Similarly as occurred with Richmonds. We feel it is quite naive to have any belief that you retain 'control' if you make any sale at all.

There are other multiple reasons why we oppose the sale; why we are unhappy with the style of the consultation document and the manner in which material has been presented to ratepayers, that 49% has been proposed when 30% would do, the sharemarket is currently in freefall and yet now is the time you want to get into it with what is OUR money, ultimately any proceeds ought to be distributed to ratepayer owners in full… THEN you ask us if you may have it back to invest on our behalf. As well as there being other options council could look at rather than sell, a longer period for the borrowing to be repaid over for instance, but will trust that other citizens put those to you as well.

We have found the meetings run by HBRC interesting, but always pushing the sell option rather than any pretence of an open mind or genuine interest in ratepayer feedback on this and we are disappointed that it seems our elected representatives have not asked hard enough questions about the apparent need to sell, the failure to include this expenditure in the long term planning consultation earlier this year and their apparent lack of investment in the Port that has allowed the Port to be in this position when the public position has exclusively shown it to be a great success and its own CEO happy that a loan will attend to the growth required.

http://www2.nzherald.co.nz/the-country/rural-business/news/article.cfm?c_id=1504329&objectid=12162192

We are most disappointed that ratepayers appear to be forced into acceptance of "A" by the threat of significantly greater rates, when actually any increase in rates is for a short time only and HBRC could have already mitigated any impact through their own spending choices, yet have failed to do.

Submitter	Commentary
In the event a sale is effected regardless of submission feedback from ratepayers… we would ask again that only local investors are able to make a purchase of those shares, yet this preference is in no way any endorsement of any sale of the Napier Port to anyone. Our submission stance is NO SALE, "E" - none of the above and our wish is that you go back to the table and sort out a better plan on this for the people of Hawke's Bay. Thank you for the opportunity to speak to this, Deborah & Robert Burnside, Napier	
Sue Myles Submitter #3312 To be heard? Yes I am very confused by the information provided to support the Councils preferred option B. The Port would appear to be "humming" with extra Port activities derived from the closure of Wellington Port post 2016 EQ. If it is running at peak capacity why does it have debt? What is the money being spent on instead of developing the Port. ? HBRIC 's dam proposal or what?? Why would one sell an asset that is income generating? We should be more prudent with the management of the money. In various bits of information I have read the new wharf and adjoining infrastructure is costing $40 Million. However there are other costs mentioned of $140 million, $142 Million; and $275 million - required over the next 10yrs. Variable and confusing data. I saw recently 4-6 logging trucks banked up in Severn St awaiting processing to the Port and again there is often a line up of logging trucks waiting to access the weighbridge opposite the National Tobacco Building. There is also often a queue to get into the Port gate itself. There is nothing in the plan for long term affects of the need for further increased Port infrastructure ie storage for containers, access to the Port either via rail or road. The re-routing of Marine Parade has not achieved the elimination of trucks. I am pleased the plan considers that we are EQ prone and that this may expose ourselves to risk but development of such will also increase the costs. Could we consider maintaining ownership and gaining additional development money be offering debenture/bond issue to local rate payers for say up to 30% ownership? At least the ownership would be maintained locally. Raising rates is not particularly palatable to many ratepayers.	
Gordon Tapp Submitter #3331 To be heard? Yes	The options A-D provided are completely unsatisfactory and another means of developing the port is required. Further Development can be achieved by by retaining all profits and using them to finance the expansion work. The present port shareholders have obviously been paid too much in dividends over many years and this should stop, and sound planning implemented which should include the geographical constraints of the port. The government must have a role also in sharing the cost of any development work required. There is no indication that any such discussions have taken place. The regional rate payers bills have doubled over a short number of years, way more than the city rates, so no further rates are acceptable.
Janet Crispin Submitter #3399 To be heard? Yes Submission from Janet Crispin a Pirimai Resident and former Chair of Pirimai Residents Association. Opening reflection; In June 15th 2017 I, Janet Crispin featured an article entitled "Noise problem over expressway needs to be addressed" in HB Today; - https://www.nzherald.co.nz/hawkes-bay-today/news/article.cfm?c_id=1503462&objectid=11876069 This article I submit today clearly was depicting that these issues urgently need to be dealt with mitigation to lower the noise & pollution now seriously affecting the residents all through Napier on all roads NZTA operate to the port of Napier and other regions. As Chair of the Pirimai Residents Association in 2006 I wrote to the Government and local Napier City Mayor and HBRC about our impacts from heavy truck transport to and from the Port of Napier (copy is supplied here for the record.) Again last year I produced another submission on this subject and then spoke with that submission (also supplied here) to the HBRC Land transport Committee again, about residents plight, and following that submission still no mitigation was offered to our residential communities long awaiting mitigation from heavy continuing 24 hour truck noise, vibration, and dangerous air pollution. So again now today 6th November 2018 12 yrs.' after I wrote of this problem, here we are in front of this meeting of the HBRC on yet more planned expansion of yet more truck traffic to and from the port and we are again requesting our mitigation never received even after we requested it back in 2006. If more port activity is planned	

Submitter	Commentary

we now need to move to help our community to cope with the negative effects we already suffer from as it will only get worse.

How much is enough?

HBRC and other councils have moved all trucks off other residential areas of Napier and dumped the problem on our door while not giving us the same consideration after they removed the same problem from other residential areas. Time is now upon us all to sit down and work out a final enduring solution that will ensure our residential communities are fully protected in their health, wealth, and wellbeing in the future.

Submission:

“For many years I have been involved in a number of community groups seeking reasonable mitigation against excessive noise and pollution (carbon emissions and tyre dust) for residents living in close proximity of the HB Expressway; this dates from the planning of the Kennedy Road overbridge

The Hawke’s Bay Expressway was originally intended to provide better access from Hastings to the HB Airport.

However, deregulation of road freight in 1983 had increased trucking from 50% of total freight in 1972 to 81% of total freight in 1993.

In 2003 a Public Meeting of 14 community groups formed Napier Heavy Traffic Community Forum. The issue was referred to The Parliamentary Commissioner for the Environment (PCE) who produced a report - Hawke’s Bay Expressway, Noise and Air Quality in 2005.

In 2004 the Heretaunga Plains traffic study was prepared

The study reiterates the objective of encouraging more traffic to use the expressway.

So, while the primary aim is to divert traffic away from other routes, the study also aims to facilitate growth in traffic on the expressway itself.

Referring to the effects of the expressway, the study says, “houses that have been built or purchased alongside the routes have had full knowledge of the traffic flows that could be expected”.

The PCE response:- “It is perhaps a leap of faith to assume that residents could have fully anticipated the growth of traffic in the region, particularly HGVs, and the decline in rail transport. It is also unlikely that residents could have known in advance the scale of the adverse effects or the extent to which they would, or would not, be controlled.”

The Napier City Council has progressively zoned for residential development on both sides of the expressway corridor. Residential development now lies close to about a fifth of the expressway’s length. Many houses are close to the expressway and several hundred people reside within 60 metres of it.

In 2004 Transit NZ CEO, Rick van Barneveld, agreed to retrofit with quiet surface (ogpa) from the Airport to Westshore Holiday Park, and from Prebensen Drive to south of Kennedy Road; this was completed in 2006.

Since 2006 no further mitigation measures have taken place.

Since then the Expressway has been completed and Hasting boasts “The Expressway allows heavy traffic to Port of Napier to avoid travelling through too much of the Hastings urban area.”

Napier is not so lucky; the expressway passes right through western suburban communities.

The Whakatu Arterial link is now under construction, and will increase the ongoing promotion of heavy traffic on this route.

In 2014, we found that we lost the benefit of the smooth road surface when NZTA covered over it in an attempt to hold off re-surfacing as long as possible. We found this out after the fact, and met with NZTA, only to be told it would be 2-3 years before re-surfacing. In 2016 and 2017 we were still being told 2 years or more.

After approaching the Regional Land Transport Committee in June 2017, NZTA committed to resurfacing the section of Expressway from Taradale Road to the Kennedy Road southern ramp in Open Graded Porous Asphalt (OGPA) in the 2017-18 construction season.

This is only part of the original retrofit which included the Westminster Ave and West Shore sections as well, so that will not even bring us back to where we were 10 years ago.

In that time traffic on the expressway has increased significantly, particularly the heavy traffic. Port traffic, for instance, has doubled and is forecast to continue to do so with port expansion. So mitigation measures should be increasing, not being stripped away. What was reasonable mitigation 10 years ago would be less than adequate now, and a pittance 10 years from now.

To quote your document:-

“Over the last two years (2016–2018) cargo volumes through the Port increased by 25%.

For the period 2016–2028 the Port is anticipating a 57% increase in cargo volumes.”

Submitter	Commentary

Unfortunately, during this time, the focus has become more on economic performance and less on environmental and social wellbeing and the lack of mitigation will continue to impact on the health, wellbeing and property values of those living alongside.

There is a 7% increase in risk of premature death living near a busy road, as well as an increased risk of cancer, heart attack, stroke, dementia, childhood diabetes, asthma, allergies.

Each truck tyre sheds 0.21 g/km of tyre compound (butadiene styrene).

(5.46 g/km for a 26-wheel vehicle)

Road run-off accounts for 40-50% of urban metal contamination to aquatic ecosystems

3 fundamental principles

The Precautionary Principle – where there is a reasonable possibility that adverse health effects are occurring, action should be taken to protect public health without awaiting full scientific proof.

The Prevention Principle – action should be taken to reduce noise and pollution at the source. Land use planning should be guided by an environmental health impact assessment that considers noise as well as other pollutants.

The Polluter Pays Principle – the full costs associated with noise and pollution (including monitoring, management, lowering levels and supervision) should be met by those responsible for the source of noise and pollution.

Expansion of the port will increase the problems and any privatisation will increase economic performance over environmental and social impacts to the community and its residents.

Hawkes Bay Regional Council must protect its residents and the environment."

Janet Crispin.

Past Chair of Pirimai Residents Association.

Resident and property owner in Pirimai.

Addendum:

Below is also; (Full formal letter from Janet Crispin as Chair of PRA is set included below for evidence for HBRC members that in 2006 Janet sent her PRA letter to HBRC, NCC and Government about the Port truck noise and pollution and the urgent need then for a resolution in 2006).

HAWKE'S BAY TODAY

Article from HB Today June 15th 2017 "Noise problem over expressway needs to be addressed" in HB Today; https://www.nzherald.co.nz/hawkes-bay-today/news/article.cfm?c_id=1503462&objectid=11876069

Janet Crispin: Noise problem over expressway needs to be addressed

15 Jun, 2017 1:51pm

For many years I have been involved in a number of community groups seeking reasonable mitigation against excessive noise and pollution (carbon emissions and tyre dust) for residents living in close proximity of the Hawke's Bay Expressway.

This dates from the planning of the Kennedy Rd overbridge.

Over the years we consulted a town planner, a lawyer and the Environment Commissioner, and lobbied councils, politicians, and went to the Hawke's Bay Regional Council Land Transport Committee.

What we achieved was a wooden fence placed at the rear of Clarence Cox Crescent by Napier City Council, screening vegetation planted by the regional council and a quiet road surface provided by the then chief executive of Transit NZ.

Since 2006 no further mitigation measures have taken place.

In 2014, we found that we lost the benefit of the quiet road surface when the New Zealand Transport Agency covered over it in an attempt to hold off re-surfacing as long as possible.

We found this out after the fact, and met with NZTA, only to be told it would be 2-3 years before re-surfacing.

Over 10 years since these mitigation measures were put in place, traffic on the expressway has increased significantly, particularly the heavy traffic.

Port traffic, for instance, has doubled and is forecast to continue to do so with port expansion. So mitigation measures should be increasing, not being stripped away.

Other areas, such as Marine Pde and Georges Dr complained about heavy traffic and got it moved from their area.

There has been a general trend to push the heavy traffic on to the expressway.

We complain but get nothing.

We accept that we can't move it, but we want mitigation; this is a residential area too.

What was reasonable mitigation 10 years ago would be less than adequate now, and a pittance 10 years from now.

Submitter	Commentary

Unfortunately, during this time, the focus has become more on economic performance and less on environmental and social well-being.

In March 2016, after being told resurfacing was still two years away, a deputation was made to this (land transport) committee, by Citizens Environmental Advocacy Centre, about concerns regarding the expressway, the volume and size of heavy vehicles and resulting pollution.

The chairman asked Chuck Dowdell (NZTA) to meet the residents and report back to the next RTC meeting.

This meeting took place in April, but by the June RTC meeting, Mr Dowdell had moved from his job and no report was made.

When we meet NZTA we are typically asked what it is we want, and then get told why it can't be done.

We understand that the local office can't make the decisions, that only happened when the CEO came up and took ownership of the problem.

NZTA works on theories and modelling, but we, the residents, live with the reality.

The 2015 data from NZTA shows two to three heavy vehicles per hour between 2am and 5am.

Our monitoring in 2017 shows 138 heavy vehicles in that same three hour time frame.

(NZTA 2015 data, midnight to 8am, 130-140 trucks - our data in 2017 - 481 trucks from 12 to 8am).

People in Wellington tell us that the concrete safety barriers on the sides of the overbridge act as noise barriers.

The residents can tell you that there are no concrete safety barriers on the Kennedy Rd overbridge.

Last month we were advised that there may be an opportunity to resurface the Kennedy Road overbridge section of the expressway early this summer. That is promising, but it hasn't been confirmed yet and we don't know to what extent.

The Westminster Ave section is just as important as the Clarence Cox Cres and Downing Ave sections.

Once the quiet surface has been reinstated, we will only be back to where we were 10 years ago, we then need to move forward with further mitigation to compensate for the increasing traffic.

So, I'm not going to offer any more suggestions, I'm simply saying that we need the members of this committee to work together to find solutions.

This committee has access to the experts - the planners, the designers, the engineers, the builders - you know the problems, you find the solutions.

And to the councillors, "you are our representatives, you advocate for us locally and in Wellington".

The appropriate decision makers need to come up here and meet with the residents, talk to them, listen to them and see the problems first hand, and then address the problems.

There are different issues on different sections of the expressway.

I'm not here to prove our case again, that was done back in 2005 with PCE report and the subsequent retrofitting of low noise surface.

The problem has not gone away, it just needs to be addressed.

Janet Crispin

editor@hbtoday.co.nz

PIRIMAI RESIDENTS ASSOCIATION INC

Committee meeting held on 3rd April 2006

3rd April 2006

Dear members, and interested parties,

TNZ Regional manager, Hilton Netterville,

Hon. Pete Hodgson, Minister of Transport.

Napier M.P. Chris Tremain.

HBRC Chairperson, Eileen Von Dadelszen,

NCC Mayor Barbara Arnott,

Traffic impacts and solutions.

Issues.

As previously minuted in Council records, in 2001, Napier City Council agreed to advocate for Pirimai residents living alongside the Expressway. We do not feel that this has been done adequately to date.

TREE PLANTING

According to NCC's consultant, Hegley Acoustic Consultants, letter to NCC dated 5/9/00, tree planting "should now be in place", and so that the trees would be established by the time the overbridge was in operation.

Submitter	Commentary
This obviously was not done, and we are now left no protection from the vegetation that is now planted, as there are so few large mature trees and only a variety of small sparse shrubs. Now TNZ's policy is to remove all infrangible trees where there is a likelihood of errant vehicles leaving the road, due to a lack of safety rails, hitting the trees, and causing serious fatal crashes. We seek that safety rails be installed all along the Pirimai Expressway areas that border the heavily populated urban areas, so that larger varieties of trees can be finally planted, to in future provide some screening from the traffic, and for safety and health protection for Pirimai residents also. LIGHTING Due to the fact that there are no mature trees any more at the approaches to the Kennedy Rd overbridge, with the recent installation of numerous highway light poles, every property along this area that is extremely close by will suffer excessive light glare from both the highway lights and the lights from the traffic. This will need to be addressed, as complaints have been received from residents suffering from light glare, from the traffic, and the lighting also. NOISE BARRIER The noise barrier was specified as a specially designed acoustic barrier to limit noise. However, Transit NZ advised that NCC has recorded its performance is less than adequate, reducing the noise by less than 1dBA (0.9 to be exact). This is not an adequate performance level expected by us or the residents affected, and we seek to have the noise barrier's performance improved. Transit NZ has advised that NCC is free to do so at its discretion. We feel that TNZ should also now contribute to the lengthening and improved performance work that will be required to make the noise wall more effective. Our expressway sub-committee spokesperson, K. Crispin, has researched options and simple cost-effective measures are available, and the sub-committee requires a meeting with TNZ and NCC officers to discuss those issues. SPEED LIMIT NCC had agreed to advocate for a reduced speed limit, and HBRC also had agreed to support a reduction to 80Kph, and merely sending a letter to Transit NZ is not achieving any results. We request that TNZ, and NCC be pro-active and join with HBRC, who have also agreed to advocate on this issue, during the Annual Plan 2003/2004. We make a request to facilitate a meeting with TNZ and we seek your advocacy to request to the Minister of Transport, Hon. Pete Hodgson, to consider that support to lower the speed limit on the Pirimai section of HB Expressway to 80 Kph. Reduced speed limit in Napier's urban areas is reasonable as it is commonly required in many other cities, i.e. Christchurch is a good example, where they also include smooth road surfacing on all busy roads. SMOOTH ROAD SURFACE This issue is now being addressed by Transit NZ, and as of this date we have been unofficially notified, via another group, NHTCF, who has received an email from TNZ's HB Regional Manager, that the ramps to the Kennedy Rd overbridge are now finally to be given smooth road surfacing, along with the previously scheduled section of Pirimai's Expressway section, this month. This is an effective solution to many problems facing the residents as shown to be effective on other busy traffic areas throughout Napier and District, for example it is used on the Ahuriri Bypass, Taradale Road, Marine Parade, Gloucester St, George's Drive and many others, to reduce the noise and vibration, and we are relieved that our call seeking the on and off ramps at the Kennedy Rd interchange be smooth road resealing when the Pirimai section of the Expressway is resealed with smooth road surface, this month, was taken care of. Since NCC agreed to advocate on behalf of residents in the affected areas of Hamlin Place, Clarence Cox Cres, Kel Tremain Place and Downing Ave for reasonable measures to be taken to mitigate excessive traffic noise (Services Committee 18-7-01 – Open Minutes, Page 40), Council has made matters worse by encouraging all heavy traffic to this highway, and it has created a new set of problems to mitigate for. Therefore any requests made in this letter must be viewed as a result of NCC's actions. We support the issues raised by other residents groups similarly affected along the Expressway and recognise CEAC/Motorway Action Group's involvement along with NHTCF, in these and other concerns. Our sub-committee will be working along with these and other organizations to seek a resolution to all the issues that our members still require to improve their quality of life.	

Submitter	Commentary

Anna Lorck

Submitter #3400

To be heard? Yes

Council should be protecting 100% local ownership and control.

We do not need to sell to outside interests.

I believe council has not done enough to seriously explore local investment options of up to 33% for funding the wharf development. I would support Unison Networks owning a shareholding in Napier Port and believe this is worthy of serious investigation.

I believe scenarios at 25% and 33% (attached) should have been part of the consultation so that the public had all the information at hand to make an informed decision.

I believe the final option should go to public vote so that everyone in Hawke's Bay is given a fair and equal opportunity to have their say, not the council alone.

However, should council go ahead with its plan to sell down to 51% I ask that it moves to consider supporting and recommending new legislation that would ensure any future council must first hold a public referendum before it can sell more of its shares and lose its majority shareholding in Napier Port.

Other Scenarios from Hawke's Bay Regional Council not put forward to the public.

Minority Initial Public Offering of 33%

- For the purpose of this exercise the Midpoint valuation is as per 45% (no additional discount has been applied), however it's likely that as the percentage available reduces this could have an impact on value.

	$ mil			
	Mid Point Valuation	Cost of Sale	Repay Port Debt	Net Proceeds
IPO 33%	132.43	-11.00	-86.6	35

Years		1 18/19	2 19/20	3 20/21	4 21/22	5 22/23	6 23/24	7 24/25	8 25/26	9 26/27	10 27/28	TOTAL 10 YEARS
LTP Dividend		10.0	10.2	10.4	10.6	10.9	11.1	11.3	11.6	11.8	12.0	
*PONL Dividend at 67% Shareholding			9.6	9.7	9.1	8.8	9.1	9.6	10.5	11.4	11.8	
Net Proceeds HBRC	5%		1.7	1.8	1.8	1.8	1.9	1.9	2.0	2.0	2.0	
Post Sale Dividend + Returns on proceeds			11.3	11.5	10.9	10.6	11.0	11.5	12.5	13.4	13.8	
vs LTP			1.1	1.1	0.3	(0.2)	(0.1)	0.2	0.9	1.6	1.8	6.7
Impact on Rates		*Small impact on rates in years 5-6 of current LTP*										

*Assumes a dividend payout ratio of 60% compared to the LTP dividend policy of $10m p.a (real 2018$)

**Net proceeds are invested in Councils future investment fund which forecasts a 5% cash return + inflation of the asset base at 2%

***Assumes the midpoint valuation is still achieved however this is likely to be impacted by the reduction of the % listed

- No impact to ratepayers overall across the current Long Term Plan period; $6.7mil would be used to create a reserve fund
- Net Proceeds to Council are $35mil
- Note the valuation has not been adjusted and could likely impact proceeds raised

Sale to an investment Partner 25%

- For the purpose of this exercise the Midpoint valuation is as per 45% (no additional discount has been applied), however it's likely that as the percentage available reduces this could have an impact on value.

		$ mil			
		Mid Point Valuation	Cost of Sale	Repay Port Debt	Net Proceeds
MINORITY SALE	25%	81	-8	-86.6	-13

Submitter	Commentary

Years	1 18/19	2 19/20	3 20/21	4 21/22	5 22/23	6 23/24	7 24/25	8 25/26	9 26/27	10 27/28	TOTAL LTP Years
LTP Dividend	10.0	10.2	10.4	10.6	10.9	11.1	11.3	11.6	11.8	12.0	
PONL Dividend at 75% Shareholding		10.8	10.9	10.2	9.8	10.2	10.7	11.7	12.8	13.2	
**Cost of servicing $13 mil		(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(13.9)
Post Sale Dividend less cost of Servicing $13 mil		9.3	9.4	8.7	8.3	8.7	9.2	10.2	11.3	11.7	
vs LTP		(0.9)	(1.1)	(2.0)	(2.6)	(2.4)	(2.2)	(1.4)	(0.5)	(0.4)	(13.6)
Impact on Rates	*0.0%*	*4.2%*	*0.7%*	*2.9%*	*2.0%*						

*Assumes a dividend payout ratio of 60% compared to the LTP dividend policy of $10m p.a (real 2018$)
**Borrowing $13mil from LGFA @ 3.6% over 10 years = total cost of borrowing $15.5mil, repayments of $1,549,938 per annum
Total impact to ratepayer over current LTP is $13.6mil

- Capital raised is not sufficient less cost of sale, to clear port debt.
- Propose council would borrow the remaining $13mil required from the LGFA over 10 years at 3.6%
- Impact to ratepayers is the cost of servicing the debt (year 10 would fall into the next LTP period)
- Total cost to rate payers over the next 9 years is $13.6mil (dividend less cost of servicing debt)
- No proceeds to Council which does not meet Councils objective of diversification
- Note the valuation has not been adjusted and could likely impact proceeds raised

Sale to an investment Partner 33%

- For the purpose of this exercise the Midpoint valuation is as per 45% (no additional discount has been applied), however it's likely that as the percentage available reduces this could have an impact on value.

		$ mil			
		Mid Point Valuation	Cost of Sale	Repay Port Debt	Net Proceeds
MINORITY SALE	33%	108	-8	-86.6	13

Years	1 18/19	2 19/20	3 20/21	4 21/22	5 22/23	6 23/24	7 24/25	8 25/26	9 26/27	10 27/28	TOTAL LTP YEARS
LTP Dividend	10.0	10.2	10.4	10.6	10.9	11.1	11.3	11.6	11.8	12.0	
PONL Dividend at 67% Shareholding		9.6	9.7	9.1	8.8	9.1	9.6	10.5	11.4	11.8	
**Net Proceeds HBRC 5%		0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.8	
Post Sale Dividend + Returns on proceeds		10.2	10.4	9.8	9.5	9.8	10.3	11.2	12.1	12.6	
vs LTP		0.0	(0.1)	(0.9)	(1.4)	(1.3)	(1.0)	(0.3)	0.3	0.5	(4.0)
Impact on Rates	*0.0%*	*-0.2%*	*0.3%*	*3.3%*	*1.8%*	*-0.2%*	*-1.0%*	*-2.3%*	*-1.9%*	*-0.6%*	

*Assumes a dividend payout ratio of 60% compared to the LTP dividend policy of $10m p.a (real 2018$)
**Net proceeds are invested in Councils future investment fund which forecasts a 5% cash return + inflation of the asset base at 2%
***Assumes the midpoint valuation is still achieved however this is likely to be impacted by the reduction of the % listed

- $4mil impact to ratepayers overall across the current Long Term Plan period
- Note the valuation has not been adjusted and could likely impact proceeds raised

Carolyn Yeomans Submitter #3460 To be heard? No	Expansion Concerns Increased air pollution Increased traffic congestion Increased demands on infrastructure Increased sea levels due to climate change

Submitter	Commentary
Carole Tapp Submitter #3461 To be heard? No	I wish to have any expansion of the port funded fully from port profits which have been considerable for many years. Dividends should not be paid to port shareholders who have mismanaged the finances for many years. Return to dividends only when the port on a sound footing. Also the government should be providing funds from its regional growth fund as this would benefit the full East coast and Manawatu. Dredging of deeper channels will likely cause erosion of Westshore beach and the port must take full responsibility, and meet all costs for their actions and not expect the city council ratepayers to stump up. Levels by percentage of Regional council rates have risen far greater than the city council rates. Do not sell the Napier port.
Les Mockford Submitter #3409 To be heard? Yes	I have little doubt that an increase in capacity of the port is necessary to service the future growth of the region. However the lack of a clear business case makes it difficult to realistically determine the best option for funding. Based on the information available, I support a partial share float but only to 25% which would be sufficient to clear the existing debt and allow more borrowing. This would provide greater surety of HBRC retaining effective control. The total capital requirements stated include replacement assets which should be funded from depreciation with only the strategic development and increasing capacity/new assets to be funded from new borrowing. Unfortunately the consultation document does not provide a forecast of revenues and profits to assess the impact of this option. However a reduced dividend in the short term and resultant small increase in rates is a better option than risking losing effective control by selling more than 25% of the shares.
David Seeley Submitter #3473 To be heard? No	Use the Regional Development Fund for port expansion
Barbara McLoughlan Submitter #3474 To be heard? No	The reason I haven't ticked any option is because I believe more information is necessary in order to make an informed decision. I was out of town and so unable to attend the community meetings. I have however, read the consultation document and editorials in local HBT. I've noted the opinions of people with expertise and those with specific political "leanings". I would like more information on Anna Lorck's proposal outlined in the paper (HBT) on 3 November. Her proposal is to partner with Unison has this been explored? How is the HBRC going to collate and respond to proposals and ideas put forward by people in the community?

Pauline Doyle   Submitter #3436   To be heard? No

The consultation document states that "Currently the Port is turning away cruise ships and larger ships because it doesn't have space." Sounds to me like we need to review the "growth model" driving the regional council and the Port company. For those of us who live in the suburb of Ahuriri things are already out of balance – Ahuriri is promoted as a prime residential area with the retirement village and the primary school catering for residents of all ages, and local businesses and thriving tourism offering employment opportunities for the growing number of people migrating to Hawke's Bay. We already have 70 cruise ships congesting the CBD at the height of summer – the local amenities can't cope with more. Never mind the port. If it's a toss-up between cruise ships and export Hawke's Bay produce then cut back on the cruise ships. On the issue of larger cargo ships: let them go to other ports. Central government plans for "port hubs" could end up making this whole consultation process redundant – or worse still, make the Regional Council look foolhardy. But most importantly, the export of logs is a real conundrum for Napier. The heavy logging trucks have turned the residential suburb of Ahuriri into an industrial zone – totally at odds with the tourism experience successfully promoted in Napier. Then there are the health risks – to Port works and to nearby local residents – from the continued use of toxic methyl bromide for more than 25 years. Last year, 118 tonnes of methyl bromide was used to fumigate logs and containers at Napier Port. I do not agree with any of the options provided by HBRC.

Submitter	Commentary

Jim Galloway Hawke's Bay Federated Farmers Submitter #3478 To be heard? No

1. Hawke's Bay Federated Farmers (Federated Farmers) welcomes the opportunity to comment on the Hawke's Bay Regional Council's (HBRC) Consultation Document – Our Port.

2. We acknowledge any comments made by individual members of Federated Farmers.

SUMMARY OF RECOMMENDATIONS

3. Federated Farmers acknowledges the importance of the Napier Port and therefore supports the intent of the proposed investment in the Port.

4. Federated Farmers submits that we are not in a position to make a considered decision about whether complete ownership, or selling off a portion of the port, would be the best course of action to progress. We do not believe Council have provided the level and detail of analysis required to support a robust consultative process.

5. We therefore recommend that Council re-consult with its ratepayers and communities, providing a full cost benefit analysis for each option proposed. This should include proposed costs to example ratepayers across the region (calculated using both the uniform charge and land value rating mechanisms) and also proposed returns, including how these are calculated.

6. If future Port investment costs are to be passed on to ratepayers, Federated Farmers supports the use of a uniform charge, as this more fairly spreads the proposed rates increase across all ratepayers.

7. Federated Farmers submits that any returns should be made via the same mechanism that rates are collected. I.e. if rates are struck using a uniform charge than the return should also be uniform across ratepayers. Similarly, if rates are struck via land value, we would expect to see the return to ratepayers also calculated using land value.

DISCUSSION

8. Federated Farmers acknowledges the importance of the Napier Port. As our region's single biggest economic enabler, associated with around half of the region's economy, the Port is our very own link to the world. Without it, the Hawke's Bay economy would not be experiencing the strong and sustained growth that we have seen over recent years, and a lot of this links directly back to the primary sector.

9. Federated Farmers therefore supports the proposed investment in the Port, '320 – 350 million over the next decade to enable it to grow and meet Hawke's Bay's demand for its services. This includes the construction of a new wharf'. We note that Council have proposed four funding options: a. Via rates and borrowing b. Up to 49% share market listing c. Minority sale (up to 49% sold to investment partner) d. Long term lease to operator (up to 50 years).

10. Federated Farmers does not support Option D - a long term operating lease. Given the importance of the Port to the region, we consider it vital that the Regional Council, and therefore ratepayers, retain commercial exposure to this asset. It is important that going forward, the Port operates in a manner that best supports our region, which is not something that can be guaranteed if the Port was leased to an external operator.

11. For the remaining three options, Federated Farmers submits that we are not in a position to make a considered decision about whether complete ownership or selling off a portion of the port (either via the share market or to an investor) would be the best course of action to progress. We do not believe that Council have provided, via the Consultation Document, the level and detail of analysis required to support a robust consultative process. We therefore recommend that Council re-consult with its ratepayers and communities, providing a full cost benefit analysis for each option proposed. Lack of clarity about the impact on rates

12. Federated Farmers agrees with statements in the consultation document that Option A – funding Port development via rates and borrowing, "will place a very real burden on some ratepayers". This statement implies that the costs for the investment will vary across ratepayers, a consequence of using land value as a means of calculating what proportion each rate payer will contribute.

13. However, the Consultation Document then provides a forecasted uniform impact of costs per ratepayer of $956. Federated Farmers supports the use of a uniform charge, as this more fairly spreads the proposed rates increase across all ratepayers. Federated Farmers frequently submits to Council about the perils of using land values as a means of calculating what proportion of the general rate each ratepayer contributes. Where there is a benefit to all ratepayers, there is no reason why a ratepayer with a high land value should have to contribute more than a ratepayer with a low land value.

14. Federated Farmers is therefore disappointed to hear, after further information was sought from Council, that the costing provided was for illustrative purposes and its possible that the mechanism to allocate the cost of borrowing could be by Land Value. For the Consultation Document to be transparent to ratepayers, costing estimates for various rating mechanism should have been provided for each of the Options proposed.

Submitter	Commentary

15. As rating examples were provided to us when asked, we are not clear why Council withheld sharing this information from the broader community. This information would have also prompted a broader community response, given there is huge disparities in the increases that ratepayers will face across the region.

16. The table below shows the examples in rates increases using land value. Of note, with the exception of rate payers in Napier Hill, rural rate payers will face the burden of the port investment under Option A.

		Land Value	Actual increase $	% increase
RURAL	Hastings	$2.3M	$1951	104%
	Central HB	$1.5M	$1457	89%
	Wairoa	$3.65M	$3509	61%
COMMERCIAL	Napier	$1.2M	$915	45%
	Hastings	$1.39M	$1175	33%
	CHB Shop	$40,000	$39	26%
	Wairoa Shop	$45,000	$44	19%
RESIDENTIAL	Napier Hill	$375,000	$286	93%
	Flaxmere	$58,000	$50	28%
	Havelock North	$320,000	$271	54%

17. Federated Farmers is disappointed that this information was not provided in the Consultation Document, as we are confident that if rural ratepayers were made aware of the possibility of land value being used to recover Port investments, Council would have received submissions from rural ratepayers in opposition and therefore seeking the use of uniform charges to recover investment spending.

18. Federated Farmers therefore submits that as no information has been provided about what the rates burden would look like if it was struck according to property value, for the sake of transparency and integrity, we consider that Council should commit to using the uniform charge as the mechanism for which any port investment rates are recovered. Moving to an alternative rating mechanism would be somewhat dishonest, given that the Consultation Document has only provided uniform charge costings. Benefits of investment

19. Federated Farmers is also concerned about the benefits of the investment back to ratepayers and whether ratepayers can expect to see rates decrease over time as the Port investment is paid off. While we now understand that Council has undertaken conservative modelling, this information should also have been provided to the community as part of the consultation process.

20. We therefore submit that if Council choses to progress an Option proposed without further consultation, the 2018 Long Term Plan amendment that will be required as part of the draft 2019 Annual Plan, provides detailed information about investment benefits, including forecasted returns to ratepayers.

21. Federated Farmers also asks that during further consultation, either via the Annual Plan or a second round of consultation, information is provided about how Port returns are made to ratepayers. Federated Farmers considers that any returns should be made via the same mechanism that rates are collected. I.e. if rates are struck using a uniform charge than the return should also be uniform across ratepayers. Similarly, if rates are struck via land value, we would expect to see the return to ratepayers also calculated using land value.

Federated Farmers is a not-for-profit primary sector policy and advocacy organisation that represents the majority of farming businesses in New Zealand. Federated Farmers has a long and proud history of representing the interests of New Zealand's farmers. The Federation aims to add value to its members' farming businesses. Our key strategic outcomes include the need for New Zealand to provide an economic and social environment within which:

• Our members may operate their business in a fair and flexible commercial environment;

• Our members' families and their staff have access to services essential to the needs of the rural community; and

• Our members adopt responsible management and environmental practices.

These comments are representative of member views and reflect the fact that local government rating and spending policies impact on our member's daily lives as farmers and members of local communities.

Submitter	Commentary

Jenny Baker Submitter #3486 To be heard? No

Thank you for running the community meetings and also for responding to the community request for an extended consultation period. I acknowledge the Local Government Act requirements for a Preferred Option but I still think there are further questions to ask and possibly further options, not yet articulated. I do not support the HBRC preferred option with dividends going out of Hawke's Bay.

My submission is a series of questions around the bigger picture and context of port expansion within the council's long term strategy which takes into account all four well beings. Although I would like the port to remain under public ownership and control none of the above options provide satisfactory answers to my questions. Is "expansion" really necessary?Are we going to continue to export high volume/ low value commodity goods? Surely we are not anticipating or promoting further "walls of wood" which are a direct legacy of historical poor planning and policy. .Our export and trade mix could change substantially over the next 30 years as we respond and adapt to a low carbon economy and acknowledge limits to growth with higher value/lower volume goods.

Do we have the feeder infrastructure and space to allow flow under the proposed expansion (rail/road/storage)of goods to/from the port. The minor side roads of Ahuriri are already clogged with queued, waiting logging trucks? Are cruise ships that beneficial to our community? I would like to see further full details of the revenue (including true cost accounting of the environmental impacts) they supposedly bring to the community.

What has happened to the inland port concept at Whakatu? It would have been helpful to have had some of those earlier options acknowledged in the background information and the reasons that these options are no longer pursued. How does the Napier Port fit into government's long term coastal shipping strategy. It is unlikely to develop as a super port like Tauranga and it is not just a matter of "build it and they will come".

I acknowledge the manipulation of shipping companies which is an unfortunate issue. How is the port planning taking into account climate change , sea level rise and increased storm events. With these future impacts maybe expansion in an inland site would be prudent? Thank you

Bruce Bisset Submitter #3462 To be heard? Yes

The (Non-Existent) Case for a “Deep-water” Wharf:
Building a “deep water” wharf when there is no proven demand (in terms of “megaship” berthage) and no guarantee of use is quite simply nonsense. I use that word advisedly, for the following reasons:

1)

I understand that the cost of the dredging programme is contained within the $142m estimated for “Wharf 6”. I also understand that the Port has not provided a breakdown of that figure – ie, separating out the dredging cost – and to the best of my knowledge, remarkably, that you as council have not asked for one. I have asked, but to date not been given one.

But given the platform of hard basaltic rock that will need to be cut through to dredge the wharf and its approaches to the required depth envisaged (ie, 14.5m), the cost of the dredging programme may well exceed the usual approx. half cost for dredging associated with building new wharves. So perhaps, using that rule-of-thumb, somewhere between $60-80 million or more will be wasted establishing a new deep channel that at best (if no mega-container-ships use the port) will likely only be needed by the occasional largest cruise liner – from which the Port will only be able to extract a basic berthage fee.

I note the Port has in effect admitted this by couching the dredging in terms of an “ideal”, with the work spread over an indeterminate length of time and to a depth to be determined on an “as needed” basis, up to a 14.5m projected maximum.

I suggest to you that it is both unnecessary and in effect extortionate for the Port to demand ratepayers (through you, through this proposal) pay the costs for such a programme up front when there is no clear evidence such a programme will ever be needed and so ever take place. At the least the costs associated with this programme should be deducted from the amount sought and the overall financials re-worked to establish a truer position of need, particularly in the short-term.

In that regard I also note that the costs associated with this idealised deep-water dredging may well equate to a substantive proportion of – or even exceed - the current Port debt, on which the entire premise of the council’s re-financing proposal is based.

So no, councillors, I do not think labelling this “nonsense” is over-stating the case.

2)

Moreover regardless of the wishes of the port or the council or anyone else, the decision on whether any “deep-water” facility at Napier will actually be utilised is entirely up to the shipping companies. Just because you build it does not mean they will come. On the contrary, international shipping companies have frequently demonstrated that they will only go where they wish to go, irrespective of any “welcome mat” laid out for them, and at this point it is impossible to predict whether they would consider Napier a worthwhile port-of-call.

Submitter	Commentary

I suggest the evidence is against it, if only because the goods flowing through Napier are relatively small-volume. It would be a rare day when a "megaship" could call and expect to fully offload and pick up 9000+ containers (=18,000+ TEUs), and if such a ship cannot do that at a given port then it will not use that port – or certainly not on a regular basis.

Even if the shipping companies decided to make use of a megaship berth at Napier, and even if the Port's projected growth in container traffic is accurate, a mere fifteen or so such visits per year would be sufficient to service the entire containerised output of the region. Allowing a 2-day turnaround per vessel, what does the very expensive wharf and its equally- or more-expensive handling facilities do for the other 335 days of the year?

This is the point at which the idea of being a hub port for such vessels goes from grandiose wish to patent absurdity. No business can function well, or indeed survive, by spending an inordinate amount of capital - $320 million plus in this case – on a specialist facility that will at best be used ten percent of the time.

How do you keep a specialised workforce employed for the rest of the year? How do you maintain all the multi-faceted infrastructure needed to service each megaship visit and keep it busy otherwise? How can anyone expect to run any even break-even operation based on such a boom-bust cycle of servicing? And perhaps most pertinently for the purpose of this discussion, how do you service the debt for establishing these facilities when they are so under-utilised?

For example, how many extra trucks will have to be bought to adequately service (ie, meet the turnaround demands of) a megaship visit? Who will pay for those trucks to stand idle the rest of the time, when there is not a need for them? I'm sure the producers won't want to have to add to their costs to do so, but how else will the trucking companies stay in business?

The only possible answer is that this project is predicated on the idea that the Port of Napier will, somehow, be able to become a "hub" port for megaships and be sent sufficient cargo re-directed from other ports to achieve and sustain a reasonable business for its investment.

That idea is pure fantasy.

No-one is going to send goods from, say, Hamilton or New Plymouth to Napier for export when they have other already-more-capable ports nearer at hand, in Auckland and Tauranga and Wellington. Certainly no-one in those port centres is going to send goods elsewhere, adding thousands of dollars per container to their costs as well as time delays in getting goods here and storing them until they can be shipped away to sea.

From top to bottom, this concept simply does not come close to stacking up.

So again, I do not think labelling this "nonsense" is over-stating the case.

3)

Finally on this point, central government is currently overhauling its national shipping strategy, presumably with input from and in line with the wishes of the shipping industry. At this stage no-one knows what the detail of that strategy will reveal. But it is highly likely that insofar as megaships are concerned, the strategy will nominate one port – or at most two, one for North Island, one for South – as a megaship hub for New Zealand. All other ports will become feeder ports to that hub.

Again, it is pure wish-fulfilment to imagine that Napier – far from the centres of the majority of export production or import demand, sited on a relatively unpopulated coast at the end of wandering long-distance road and rail lines – will or ever could be the nominated hub.

It may even be that no New Zealand port will be serviced by the megaships, and that our "local" regional hub will be Melbourne, or perhaps Sydney.

By now, surely, one can see that this concept is not only fundamentally and irrevocably flawed, but that to pursue it is to throw hundreds of millions of dollars into the ocean and watch as it sinks.

Frankly, to my mind, if there was good reason needed to fire the current Port directors, this proposal provides it.

Please note that this submission in no way disputes the apparent need for increased berthage and handling facilities at the Port of Napier. What it intends, instead, is to argue that the scope of the works proposed, and the rationale put forward for that scope, is demonstrably unsupportable; and further that if it is agreed that scope needs to be scaled back, it is reasonable to assume the Port could, according to its own projections, manage the reduced cost of expansion from within its existing business case without external help and regardless of any existing debt.

One Minus One Plus One Does Not Equal One Good Idea:

1) The Rationale for this Proposal and the Risks Associated with it:

I accept – and indeed, fully support – the need for building an "environmental fighting fund" to enable council to begin to cope with the huge challenges ahead of the region in terms of climate change and resource and biodiversity depletion/protection.

But basing the formation of such a fund on a flawed business case for expanding the port that requires, in order for it to get over the line of the port's financial constraints, a debt of some $86.6m to be absorbed by this council, and from that deducing sale of part of the port is the solution to both problems, is making a fundamental error of mixing two entirely anomalous concepts together and thinking they are robust bedfellows. They are not.

Submitter	Commentary

Regardless of whether some portion of the port is sold, if the port's projected growth does not occur or at least does not provide the sort of cashflow projections underpinning its estimates for servicing its expansion, then the cost of that expansion has the potential to become an albatross around the neck of this council and its ratepayers. It will be cold comfort if further costs are shared with other investors if the result in any event is to impact on first the annual dividend the port provides and second the sum accrued for the environmental fund, and even colder comfort to ratepayers if further portions of the port must be sold (doubtless at a discount price) to redress any losses.

Council appears to have accepted the word of the Port company directors and their advisors and consultants on blind faith, since I am unaware of any peer-review of the Port's business case by anyone independent of either body. I have asked the Port if there has been one, but to date had no reply.

Regardless, I submit their case is flawed insofar as any "need" for berthage for megaships is concerned - since if those ships won't use it (and we don't know that they will) there is no need – and in any event given the scant operational use a specialised megaship facility would be put to if it was used at all, the associated financial projections must at best be scrutinised with a jaundiced eye. Which makes the idea of leveraging that expansion to produce funds for another purpose doubly fraught.

We ratepayers of course as mere technical collective owners of the port, through you, have not had the opportunity to so scrutinise the financial projections of the port's business case to even a summary degree. We can only presume that you have had opportunity to fully scrutinise those figures in detail, and have asked the sort of questions I and others have raised as to the adequacy, certainty, and reliability of them. I am sure you must have done so in order to derive your recommendation backing a part sale of the port. However it may be that as a result of these public submissions you may wish to review those projections and perhaps ask a few pertinent questions that may not have been asked first time around.

That is of course the sort of due diligence any buyer would look to undertake, with the answers reflecting the likelihood of a purchase and helping set a determined value for same. It would be unfortunate if in their enthusiasm to see the port partly privatised, the directors had over-sold the case to you, such that in reality the various risks associated with the proposal mean its market value turns out to be less than hoped for.

Should that (for whatever reason) prove to be the case, obviously that would impact, possibly severely, on the amount generated to not only retire the port's existing debt but be left to create an investment fund. At which point the whole rationale behind any sale as proposed falls over, I submit.

2) Alternate Funding Options:

Certainly it seems both unwise and premature – especially given the significant costs associated with listing - to offer port shares to the open market, and therefor let the market determine their value, when there are other options which have not been, and in the interim could be, fully tested.

The prospect of the government's regional growth fund providing capital – either for the port expansion, or an environmental fund, or both – has curiously not formed any part of this discussion, as far as I am aware. But that surely is one avenue that must be explored.

Then there is the idea of a modified version of council's "Option C", sale of a strategic stake to an investment partner. There are two aspects that could be used to modify this proposal which I submit would, to a large extent, allay ratepayer concern over "loss" of part of the port: to sell to another public body, such as Hawke's Bay Power Consumer's Trust (Unison) or the likes of the New Zealand Superannuation Fund, and to tag any share sold with a buy-back provision should the investor later wish to divest itself of its shareholding.

While I accept it is probable neither option may extract the full value that council seeks from the investment, apart from removing the costs associated with an open share sale these funding options provide other benefits a market float does not: the knowledge the other shareholder is a "co-operative partner" in the venture rather than an investor motivated primarily by the need for profits, and the retention of the assurance of overall control of the business.

That last is one aspect that, I submit, most troubles the average citizen: that, as backed by New Zealand case law (such as viz Air New Zealand and the "Kiwi Share"), any investor holding 24.9 percent or more of a company can exercise a reasonable degree of control over that company, particularly if it is in majority held by a public body; because private commercial interest trumps public good.

As unlikely as it may seem, were council to sell, say, 45% of the port, it is perfectly possible an investor could accumulate sufficient shares to hold 25% of the company, at which point they could exercise such commercial imperative – quite possibly to the public's (or more particularly, their customers') disadvantage. At which point council may find its "control" is in name only, and its ratepayers are in rebellion.

Perhaps that is the biggest "intangible" advantage of seeking a government or other public body partner in the port: it would satisfy the electorate that their concerns have not only been heard but met.

Submitter	Commentary

3) Other Options for an Environmental Fund:
In addition to monies generated via the options above, including any funds provided directly from sources such as the regional growth fund, I submit that council has perhaps allowed itself to be misled as to the extent to which the ratepayers of Hawke's Bay may be willing to go to retain what is rightly seen as a vital public asset.
It is perfectly feasible that ratepayers may be willing to fully forego the current dividend underwriting their rates if they were assured of maintaining the port in full public ownership and in the knowledge that by doing so they were building – and funding in an ongoing way – a sizeable investment fund for council to use as appropriate in the future.
Moreover while I don't mean to appear churlish in pointing this out, council's literature regarding this proposal was very misleading on this subject; the figures provided to attempt to show the impact per ratepayer of citizens direct-funding the port expansion (through assimilation of the port's existing debt) were calculated as if that project were funded via a reducing loan over a ten year period, when in all likelihood it would be (or certainly could and should be) a table loan over a much longer term. In addition the interest rate assumed, at 6%, was approx. double what council could expect to obtain via the LGA's lending arm.
Nor did it compare apples with apples, since the amount "lost" per average ratepayer in foregone dividends over that ten year period was not compared against the amount of dividend lost not only over ten years but forever if 45-49% – ie, effectively half – of the port was sold.
A simplified approach would have been to state the additional amount per ratepayer needed to replace the dividend if it were repurposed. The corrected figure for the loss per year of the dividend offset to an average person's rates is approx. $91. Given selling half the port would remove half that benefit regardless, the actual amount council would be asking ratepayers to forego if the whole dividend were repurposed is approx. $45.50 per annum.
I submit that the figures given in the consultation booklet, which contrived to start with a $142 cost in the first year reducing to $60 in the ninth, were not only a serious mis-stating of the impact on ratepayers of repurposing the dividend, but that most citizens I know and have talked to about this proposal would be happy – albeit reluctantly – to spend $45 (or even $91!) "extra" per year on their rates in the knowledge that this both retained the port in public ownership and provided an income-stream to build an environmental investment fund.
Similarly stating Option B – council's preferred sale option – would have "no impact" on rates is a contrived fiction, since this depends on mixing the return from the Port with a theoretical return from a theoretical lump sum invested from the proposed partial sale; a sum that in any event may well, and quickly, be re-invested in some other asset – which may or may not make any return at all; or indeed may demand further investment.
Again, a simplified statement relating only to the Port dividend would (and should) have stated the impact as approx. $45.50 per ratepayer per year – half the dividend payout. Mixing the two arguments both confused and misled people as to the true impact of the proposal as far as the Port's dividend was concerned.
Note that over the course of the timeline of the expansion project (ie, 10 years) repurposing the dividend would create a fund in excess of $100 million. And it would continue to grow by whatever amount (for the purpose of this submission, let us conservatively say $10m pa) the port paid out every year thereafter.
Every year thereafter.
Compare that to the nominal expected windfall of some $80 million council may reap if its best-guess scenario for the sale proves correct, and frankly I wonder only that this course – selling the public on the need to repurpose the dividend – was not attempted in the first instance.
But of course, if it were and were accepted, then there would be no need to sell any of the port.
No Such Thing as Less Risk:
The final point in this rather truncated submission – for there are many points that I could voice an opinion on, but which I'm sure others will cover as well or better – has to do with the concept of "many eggs in one basket" being a bad investment risk.
One can only presume this risk has nothing to do with the projected profitability or otherwise of the Port company, for if it did then one would assume further investment of the scale envisaged, and around which this proposal is based, would be foolhardy in the extreme! And that council would not only not be supporting it, but actively attempting to discourage it.
Which, to some extent in my opinion, it ought in fact be doing.
No, the risk talked about in this case has, somewhat ironically, to do with environmental factors: earthquakes, tsunamis, rising sea-levels, and the like. And I submit that in the event of large-scale natural disaster, there is no such thing as "less risk"; at least, not as far as built infrastructure is concerned, and perhaps not even for natural investments such as forestry.
Of course we members of the public are shooting blind when it comes to critiquing this aspect because to this point we have had no indication – other than some sketchy off-hand mention of afforestation – of what if any projects the council may look to turn its hand to via its new-minted environmental investment fund, when such fund exists.

Submitter	Commentary
But assuming one or more of those projects may be infrastructural – some form of water-storage on the Heretaunga Plains, for example – then certainly as far as the touted bogeyman of a major earthquake is concerned there is no more risk in having two or three or a dozen such investments than there is in having one. If the region were struck by a seismic event strong enough to severely damage or cripple the port, chances are highly probable it would likewise severely damage or cripple any other infrastructure you care to name. The downside then would be that instead of only having to rebuild one asset to operational capability, you would be faced with rebuilding a plethora of them; and the complexity and challenges of that task would likely considerably proportionately outweigh, in time labour materials and money, the task of rebuilding one, regardless of overall nominal value. So in that instance I put it to you that in fact distributing your eggs over many baskets could result in a far greater impact on the council's ability to rebuild whatever it must than in keeping them together in one. I would also simply note that there is no guarantee that any other investors would be in as strong a position as council, or even perhaps any position at all, to assist with the rebuilding of a crippled asset. Yes, rising sea-levels are a distinct acknowledged risk for the port as for anything on or near the shore, but if that risk is in part driving council to divest, it must likewise be causing potential investors to re-evaluate the wisdom of investing in a port; and if that is the case, one suspects the market value of the port might be somewhat discounted against the assumed as-built value this proposal outlines. That could well see one or two eggs broken regardless. Over the mid- to longer-term, rising sea levels would likely also impact on any investments council may fund on the Heretaunga Plains, given such rise is conservatively estimated to be between 1.5-3m by 2100. Leaving aside the less likely (for Hawke's Bay) impacts of volcanic eruptions or major tornados, a tsunami from some offshore or other-continental disturbance is the most likely "other" disaster that could befall the region. But while this certainly could cause major damage, my understanding is that the nature of the port at Napier – sheltered as it is by a substantial breakwater – would to a large extent lessen the impact of such an event and allow for relatively swift recovery. In sum then it is difficult to see how any disaster risk to infrastructure could be averted merely by divesting part of that infrastructure in another owner(s). Council would still have to be the driver for recovery and still have to attempt to make the port operational as swiftly as practicable, regardless; though I note any event large enough to take out the port would likely also cripple the industries that rely on it, and they too would need to be rebuilt. On the other hand, perhaps if the investment fund was to be used solely for things like afforestation or other natural enhancement, then the concept of "spreading the eggs" may bear scrutiny. But personally I would hope that this is not what this fund will be utilised for, given the government's "Billion Trees" scheme is already underway and available for forestry in the Bay, and that there are other more particular needs – yes, such as water storage – which the impacts of climate change coupled with intensive farming are bringing to the Bay and which just such a fund would be most useful in addressing. Certainly I hope that the idea that the fund could be merely a back-up disaster relief fund is not what is intended. To strip away half a vital public asset, losing half its dividend and correspondingly causing rates to rise by that amount, just to put money in the bank for a rainy day does not meet any criteria a reasonable person would put on an infrastructural investment fund or an environmental enhancement and protection fund or any combination of the two. Again, while it is almost-completely opaque as to what said fund will be used for, what little we have gleaned about it indicates it is intended as a positive growth factor for Hawke's Bay – certainly that it how is has been "sold" to date, insofar as its role as the end product of this proposal is concerned. I submit it would be a gross breach of faith to discover the port was to be sold merely to put money in the bank, to no specific purpose. **On Another Note:** Thank you for taking the time to read and consider this submission. You should also view the following links to articles published under my name in the Hawke's Bay Today newspaper, and consider the matters raised therein as forming part of this submission. Part 1: https://www.nzherald.co.nz/hawkes-bay-today/opinion/news/article.cfm?c_id=1503459&objectid=12140737 Part 2: https://www.nzherald.co.nz/hawkes-bay-today/opinion/news/article.cfm?c_id=1503459&objectid=12144758 Part 3: https://www.nzherald.co.nz/hawkes-bay-today/opinion/news/article.cfm?c_id=1503459&objectid=12152847 Part 4: https://www.nzherald.co.nz/hawkes-bay-today/news/article.cfm?c_id=1503462&objectid=12160676&fbclid=IwAR060ITD2bVsPglvWUA6b-Pr6hRCmpit_KSGbbDaVwuTiDNyslXd-QcxdME	

Submitter	Commentary
Amelia Perry Submitter #3511 To be heard? No	Don't sell more than 33% and only to Hawkes Bay investors
Jan Hiha Submitter #3512 To be heard? No	consider having the users of the port pay extra to make up fund shortage
jane beaven Submitter #3513 To be heard? No	there are other reasons such as containers could be increased in price and user pays not ratepayers
TONYA Low Submitter #3515 To be heard? No	User Pays, make the users pay a little increase each, not anyone who doesn't use it.
Fiona Craven Submitter #3520 To be heard? No	I believe that the port should pay. They are very cheap for shipping companies compared to the rest of NZ. Let the wealthy high profit organisations pay instead of the money going off shore to their share holders.
Murray Kenneth Beswick Submitter #3531 To be heard? No	My preferred option is for the HBRC to explore every avenue to secure funding from the Government's Regional Investment Fund. Even if the fund does not cover the full $86.6M as small increase in port fees may be sufficient to lower debt levels to enable the port to self-fund its own expansion. P.S. I received the HBRC "Mailer" on the 12 Nov - hardly 1 month of consultation - I know of neighbours who received theirs much earlier.
David Gold Submitter #3539 To be heard? No	Make the port user pays. If you put a small fee on each container/load that money would add up to a large cash investment to develop the port further. It is also fair for the rate payer. We need to retain our assets and not sell them off.
Sara Neville Submitter #3540 To be heard? No	User Pays
Robin Stewart Submitter #3544 To be heard? No	There should be a 'USER PAYS' option. I have been led to believe that port charges, etc. at Napier's port are somewhat less than similar institutions around the country. Those who use the port should be paying for its operation and development.
Barbara & Malcolm Byford Submitter #3545 To be heard? No	None of the above options. Support Paul Bailey's "user pay" option and really appeciated Robin Gwynne's report on the history of dividends. There are more options than those listed and the principal issue is how does the Napier port fit into the use/role of ports nationally? Bigger is not usually better!!
Trevor Plowman Submitter #3551 To be heard? No	

1/ All options (and do nothing) show an abysmal ROR on both the proposed and existing investments.

2/ There is currently not even a surplus that is able to clear the existing $87M debt without increasing rates.

3/ No options include increasing Port fees to address what would be on paper a doubling of the Port Assets.

4/ The quoted $3.5M pa total loss goes nowhere to compensate the proposed payments associated with a $340M borrowing.

5/ Due the nature and location of the Napier Port, we cannot compete with Tauranga's Port size and efficiency.

6/ The forecast growth neglects to mention the projected peak of exports expected shortly. Why?!

7/ A concern of the writer is, what other adverse expectations are not being presented? e.g. Governments' attitude and possible determinations. Note: that it was only with Government support that the Napier Port is now what it is.

8/ I am a long time part owner of the Port and I really want it to remain in public ownership profitably serving Hawkes Bay.

Submitter	Commentary
Stewart Horn Submitter #3552 To be heard? No	I agree with Mr Bill Sutton's letter to the Editor HB Today,we have not seen a business case that allows proper assessment of the options. I believe the Port should be retained in full public ownership without the need to increase rates
Laura Jackson Submitter #3553 To be heard? No	Make the port user pays.
Ryan Kaarsemaker Submitter #3554 To be heard? No	Consider increasing port user rates so the burden is borne by the users, not the citizens.

Sharleen Baird Submitter #3556 To be heard? Yes

KIA ORA KOUTOU I submit that this consultation process was flawed and cannot be used with any degree of certainty for HBRC to be confident the public has had all the knowledge and information required for us to make informed decisions on the best strategy to pursue in the immediate future.

NUMBER OF OPTIONS PRESENTED -To present only four options to the public omitted at least two further options that the HBRC Councillors and staff were clearly aware of (as per their responses to questions on those issues) and did not include as possibilities. The Public were not clearly informed they could ignore those four options and make suggestions re other Options that were not included. This indicates a lack of transparency, something some present Councillors were unhappy with during the Ruataniwha Dam proposal process.

REPORTS -If reports provided to Councillors did not include credible researched Reports on other options, the sources and scope of reports provided to Councillors could be questioned as biased and too limited.

LIMITED REPRESENTATION -The makeup of the Advisory Board and Directors indicates a limited representation of Hawkes Bay stakeholders (including Jim Scotland who stated to me he wanted the Port sold even earlier during the Ruataniwha process) and Directors who may have a conflict of interest if they're also part of any entity who wish to purchase shares if sold.

TIMEFRAME -I further submit that the timeframe for this consultation was unreasonably short to allow for full consideration by the wider community (including inclusive iwi processes) of the issues involved.

COMMUNICATION - Also written communication made input difficult for some. The email address given on the form to use for submissions was incorrect (hbrc.govt.nz without the info@ as part of it, which would have made it deliverable) and postal information did not and still hasn't reached all affected households. Lack of any public meetings where the public could hear what other members of the public had to say on the night or day. These were only provided by other groups such as Greypower. One-one meetings with Councillors and staff were good for those who wished to talk privately but did not meet the need for larger open public meetings many prefer.

REFERENDUM -For these reasons alone, I support a referendum so voters have enough time to become informed re potential options and strategies.

MY PREFERRED OPTIONS

1. CENTRAL GOVERNMENT LEAD -Waiting for Central government's outcome of their work on the Nationwide integrated Transport Policy (revisiting Labour's Seachange 2008 document aided by Green's commitment to nonsale of strategic assets and integrated comprehensive strategies and NZ First's commitment to NZ based solutions). The Port Company's urgency cited is manufactured. Offsite storage and careful timetabling will assist bottlenecks and logjams for the immediate future . I'm also having difficulty accessing information on capacity and strategies of land use at Whakatu for the inland Port Oversupply of tourists is already becoming a problem throughout Aotearoa/NZ. and at present, we have enough cruise ship visits to contribute to local tourism economy so there is no urgency. (Great to save all the water they take from HB to fill up when in Port). If we wait, we will then be able to clearly see what strategies, degree of upgrade and finance will be required to maintain Port profitability.

2. OWNERSHIP -Whatever strategy, I submit that the Port of Napier aka Hawkes Bay Port, remains in 100% public ownership, with no sharesales to mums and dads, individuals, Companies, iwi groups or quasi public utilities such as ACC or Unison. ALL these groups can vote to onsell (Unison only every 5 years at this stage but this can be changed) There is no legal way to restrict this or place conditions on sale. 55% ownership does not give 100% control. The 45% owners have every legal right to maximise profits above any other considerations such as aid to exporters after drought or other disasters . They can also insist on contracting out to cheapest companies competing for the contracts by using casual, part time, lower paid labour force working in poorer conditions. (as happened at Tauranga). This is contrary to HBRC's commitment to living wage employees – contracting out or

Submitter	Commentary

selling would make such a commitment meaningless. The same argument goes for leasing – loss of control over conditions, environment and balance between community needs and maximising profits which may be sent offshore. If it's so attractive to them to lease, it's obviously going to make even more profits in the foreseeable future.

3. FUNDING -After governmental consultation, whatever level of investment is documented and agreed as necessary in a business and strategic plan with clear evidence based present and future benefits, that the funding is spread over the life of the asset not just a paltry 10 years. A lesser yearly charge does not have to be all ratepayer funded as Option A states . It could be via smaller increases e.g. ratepayer longer term repayment, and part small user pays increases and Bond issue as a bottom line if necessary.. HBRC should also have presented a case, and still can, urging central government funding . If they have already explored this option, where is the written confirmation of rejection and why hasn't it been shared with the public? If turned down, the public could then campaign for this funding to be found.

OTHER ISSUES -I agree with other submitters that issues such as earthquake risk, eggs in one basket, congestion, paying off debt, low returns, megaships, etc are all problems that can be managed and mitigated without selling a very valuable strategic asset that we Ratepayers own.

KIA KAHA - NGA MIHI

Clayton Fippard Submitter #3610 To be heard? Yes

SUBMISSION ON THE FUTURE RE NAPIER PORT
(1) The consultation process has been a complete shambles, really, the REC can't organize a mail-out? Management at the higher levels is obviously incompetent and dishones.
After three weeks HBRC realized they had problems with delivery of the submission forms so they took space in HB Today, and sent out a reminder post card. They extended the consultation period by a week. None of this changes the initial failure.
James Palmer the CEO stated in HB Today, 95% Urban and 90% rural ratepayers had received their sumbission forms. He knew this because Sandra and Graeham told him. He lied. If you allow plus or minus 5%, because it is an estimate, then it is impossible to claim a 95% delivery standard because this would include 100% which is not true. As soon as you see round numbers, be suspicions, measured numbers look more like 93% 95.5% etc. The real rate of failure to deliver is probably 20% = 10% Evidence comes from small samples, 2 out of 9 councilers didn't receive forms, only 5 of 13 people I know received their forms, Napier South, Pirimai, Greenmeadows and Taradale. Consider if these had been ballot papers there would be problems. Notice HBRC used a private delivery company, Sandra and Graeham out of a garage in Flaxmere, to deliver the submission forms. The post card reminder contract was given to NZ post. The whole mess would have been avoided by using NZ post in the first place, incompetence. Robin Gwyn took NCC to the High Court and won over failure to consult re Easter Trading. Exactly the same situation has been created here. The decision must be delayed and a new round of consultation begun.

(2) Simple mistakes, in the consultation documents there are a couple of arithmetic errors. These show that nobody in HBRC gave a damn or couldn't be bothered to fact-check.
Example 1.
(Sample (a) cut & pasted onto letter - From Page 5 under "Supporting a growing regional economy" heading, 2nd paragraph)
(Sample (b) cut & pasted onto letter - From Page 5 bottom picture...wording from top right corner of picture)
"Notice that the difference between 57% and 25% is 32% not 26. Nobody noticed the mistake"

Example 1.1.
(Sample cut & pasted onto letter - From Page 12 under heading "This is the Regional Council's preferred option" Option B)
Notice 181m = 45% 239m = 55% 420m = 100%
55% of 420m is 231m not 239 and 45% of 420m is 189m not 181m. And nobody noticed. Incompetence.
Lying with statistics. I think presenting data with the intent to deceive is lying.
(Sample cut & pasted onto letter - from bottom half of Page 6 - graphs)
The title "Container vessel sizes on NZ trades" is a lie. The graph actually is the largests vessels to visit NZ. Aotea Maersk is the only ship of her class to come to NZ and only visits Tauranga. The scale of the ships is laughable. The biggest is huge, 5 x the length of the smallest, almost twice the size of the next smallest. A complete lie. its the impression that counts.
Cruise ship numbers. Desiree prepared this doc and she seems like a nice woman. I spoke to her. She is really artistic with adobe but sadly lacking in the Math dept. She had to "pretty it up" using silly ship shapes instead of straightforward bars. Smiley faces! Grow Up Women, its a consultation document not a travel brochure!

Submitter	Commentary

HBRC claims cruise ship visits will increase by a third, over, I presume, the next ten years. I'd take a bet against that. Look at the graph. In 2012 what would you have predicted over the next five years? In fact we have only returned to this level, what makes HBRC so certain about ship numbers increasing to 90+. Its not very likely is it!
Forecast growth. This is an example of lying by omission. The growth 2016-2018 was a direct result of the Kaikoura earthquake and the damagae to Centre Port, Wellington. Freight was diverted to other ports, Napier included. Now Wellington is repaired and back to full capacity. Expect a drop in business for the port of Napier. Look at the graph. Strike out 2009 as an anomoly, GFC. Strikeout 2017, 2018, because of the earthquake. A better prediction of cargo tonnage is obviously 4m going to a little over 5m. 6m I would take a bet against that. Even at 6m tonnes how would the port service 350m (4x current dept) with only half as much again income? It doesn't work.
The PIE graph. This is really funny, poor Desiree. How big are the pies. They're not quite the same size, put a ruler on them. (A Pie graph sample has been cut & pasted onto the letter - Page 8 bottom right side of page)

Alrighty, 76% equals 10m, the dividend paid. So 16%, funds under management equals = 2m. Notice that forestry as a proportion of income doesn change = 0.4m, trivial. Property = 0.7m again trivial.
Under the preferred option, revenue from managed funds doubles. Is this the interest/return on the 83m invested from the sale?. Its only half I think. Revenue from HBRIC (Port) only decreases by 16% = 2m, but they have sold half the Port, how does this work?
The big problem is the presentation of the information. There is no sum under the "pies" HBRIC
Where do I start? HBRIC was set up to manage the damned Ruatiawha. I was all in favour of the dam and wanted the faces of the responsible cast into the dam, like Mount Rushmore. It never would have worked, damn too expensive for the volume of stored water. At the death of the RWSS one would have expected HBRIC to commit Hari-kari but no! they leeched on. I made an OIA request fro the cost of HBRIC but all I got was "go to their website". Unfortunately HBRIC is bundled up with the port so I coudln't disaggregate HBRIC costs from the Port costs. It is millions per year in salary. alone. and they don't do anything.
HBRIC wants the port sold so they got a pot of money to manage. They all ge to keep their jobs, salaries go up in HBRIC and HBRC and the directors fees rise. This is what happens under privatization.
Look who benefitted most from HBRIC. Andrea Newman. 500k per year and you wonder why he dragged the process out? He ran away in the end and left everybody else to clear up the mess.
The clue is in the use of the words "risk", and protfolio. HBRIC wants to run an empire like Lehman Brothers.
The Best Option.
When work began as the redevelopment of the port, conditions were different, under the new conditions assumptions need to be re-examined. We now have a thing called The Regional Development Fund. The temporary boom in tonnage over the wharves caused by the kaikoura earthquake is over, Centre Port is back. A review of Ports is underway.
- The best thing to do is to wait.
- Let things work themselves out.
- Apply for money from the Regional Development Fund.
- Analyse public submissions and have another round based on the new conditions or wait for the elections and let candidates and the voters have their say.

The only measure of success for a politician is to be re-elected. Good luck to the Counciler who runs on the platform of doubling the rates over 9 years and selling the port.
I may want to speak at the public hearings but I don't know the conditions. Do I get an hour - about a lecture - and have access to audio-visual equipment?

The following submitters selected “None of the Above” however added no commentary or reason for their choice.

	Sub ID	To be Heard
Elizabeth Maas	390	No
Damian Santer	896	No
David Makea	1379	No
Kenneth Morrison	1430	No
Jim Wilson	1433	No
Korrin Torea	1740	No
Duncan McLean	2052	No
Ian Harney	2112	No
Barry Keen	2528	No
Lesley Keen	2529	No