



NAPIER
CITY COUNCIL
Te Kaunihera o Ahuriri

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ORDINARY MEETING OF COUNCIL

Open Attachments (Under separate cover 2)

Meeting Date: Thursday 26 June 2025

Time: 9.30am (Adopt Annual Plan)

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

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~~Draft~~ Napier Hastings Future Development Strategy ~~2024~~ 2025 – 2054 ~~2054~~ ~~November~~ May 2025 ~~2024~~

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1. Foreword

Creating a strong and sustainable future for the Heretaunga Plains has been the focus of the Heretaunga Plains Urban Development Strategy (**HPUDS**) since its inception in 2010. This Future Development Strategy (**FDS**) replaces HPUDS and builds on that legacy by looking out another 30 years. The FDS seeks to manage urban growth on the Heretaunga Plains in a way that acknowledges mana whenua and their aspirations for development, is respectful of the precious land and water resources that sustain us, while supporting our housing, business and community needs. This is not an easy task as there are many conflicts, tensions and trade-offs that need to be navigated, especially considering the challenges that climate change puts before us.

This Strategy looks out to 2054 and has been prepared jointly by the partner councils – Napier City Council, Hastings District Council and Hawke's Bay Regional Council, in partnership with mana whenua through Maungaharuru-Tangitū Trust, Mana Ahuriri Trust and Tamatea Pōkai Whenua. It sets out to meet the councils' obligations under the National Policy Statement on Urban Development 2022 (**NPS-UD**) but is essentially driven by a broader need for continued leadership and collaboration by the councils and mana whenua through the Treaty of Waitangi settlement entities in the way urban development occurs in this special part of Aotearoa New Zealand.

The NPS-UD requires the FDS to set out how well-functioning urban environments will be achieved and must show:

- the general locations for Napier and Hastings capacity to grow, including through intensification within existing urban areas
- the infrastructure needed to support and service that growth
- development constraints that need to be avoided or mitigated.

Three major factors driving our decision-making are mana whenua knowledge and expectations, the need to protect highly productive land, and managing the effects of natural hazards as far as possible. Many other factors have been considered, but we acknowledge that in 30 years many things will change that we cannot foresee. Accordingly, the strategy will be reviewed every three years, to incorporate and respond to current issues. Nevertheless, the strategy takes a long-term approach to how we address urban development on the Heretaunga Plains, with a focus on a preferred settlement pattern that will lead us to more compact development.

This approach means further changes in the current way growth is managed, but we believe that long-term leadership and robust growth management will lead to sustainable growth, while recognising that getting there will necessitate a transitional period over time.

We particularly acknowledge the input of mana whenua in the development of the strategy. Mana whenua have an important role in planning future growth in Napier and Hastings, including the delivery of housing, and the protection of our natural and physical resources. We

will continue to collaborate in genuine partnership with our Treaty partners on the future growth of Napier and Hastings.

Let us look forward, continue to work with our communities to create the kind of region we all love to live, work and play in.

Many thanks to all of those who have provided input into the development of this draft strategy through the informal and formal consultation processes. We look forward to your feedback on the Draft FDS.

Hawke's Bay Regional Council Chair Hinewai Ormsby

Napier City Council Mayor Kirsten Wise

Hastings District Council Mayor Sandra Hazlehurst



2. Mihi

Kei aku maunga whakahī, kei aku awa whakaterere taniwha, tēnā koutou katoa.

Haramai rā ki a au, ki te rautaki nei, ka nui te mihi.

He hua te rautaki nei o te mahinga tahitanga a ngā kaunihera e toru, a Hastings District Council, a Napier City Council me Hawke's Bay Regional Council, ki a Tamatea Pōkai Whenua, Mana Ahuriri Trust me Maungaharuru Tangitū Trust.

I te marama o Hepetema ki te marama o Nōema i tēra tau, i whai wā te marea ki te tuku kōrero mai e pā ana ki tēnei rautaki. I wānangahia ērā whakahokinga kōrero, ā, anei te hua.

He tirohanga 30 tau tēnei, ā, e tūmanako ana ka pūawai te rohe mā roto mai i te rautaki nei.

Heretaunga Haukū nui

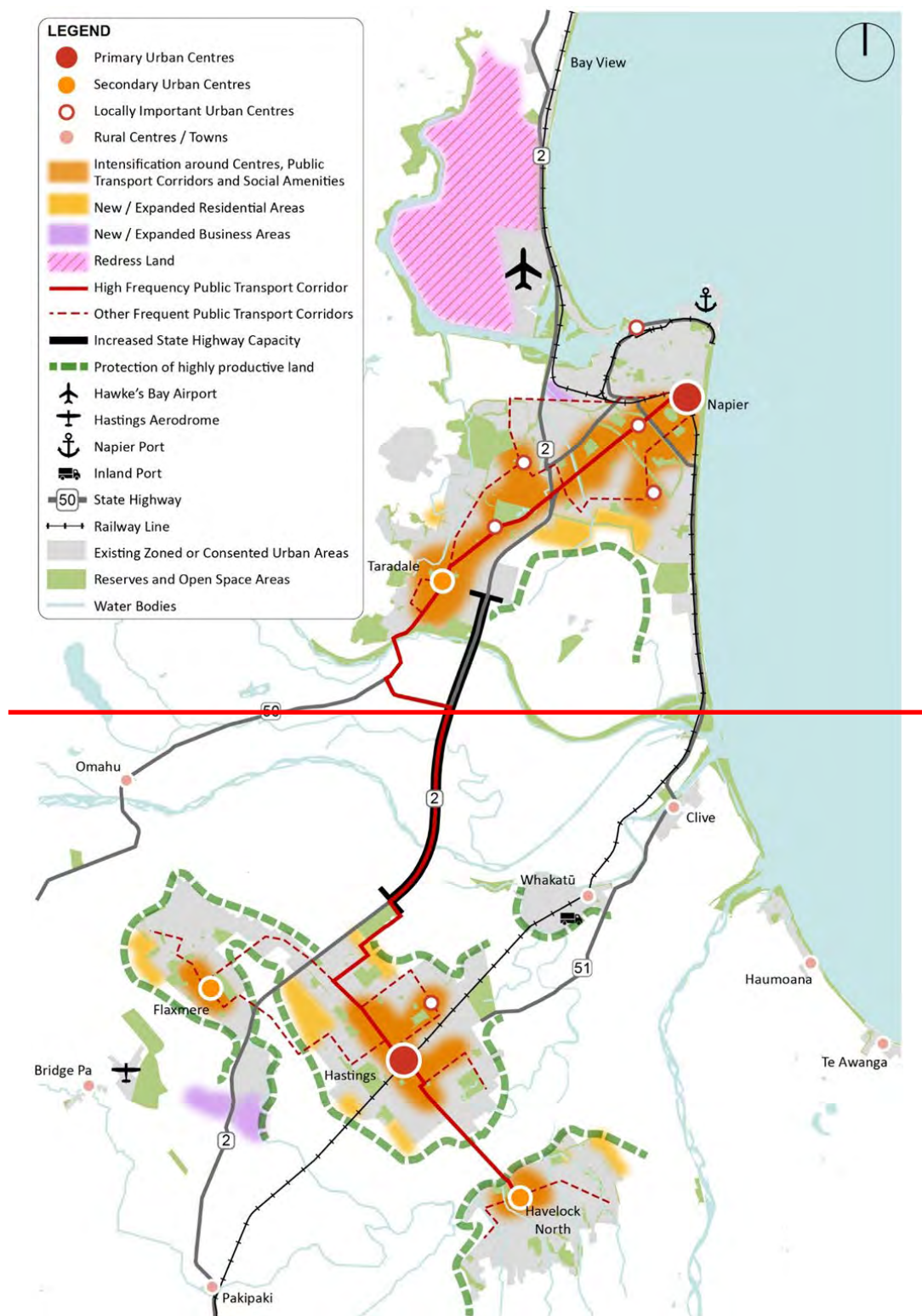
Heretaunga Ararau

Heretaunga Hāro o Te Kāhu

Heretaunga Takoto noa.

Kia tōaitia anō i konei, ko ā mātou mihi ki a koutou, kei aku rangatira.

3. Overview



~~Draft~~ Napier Hastings Future Development Strategy 2024-2055 | Page 7 of 103

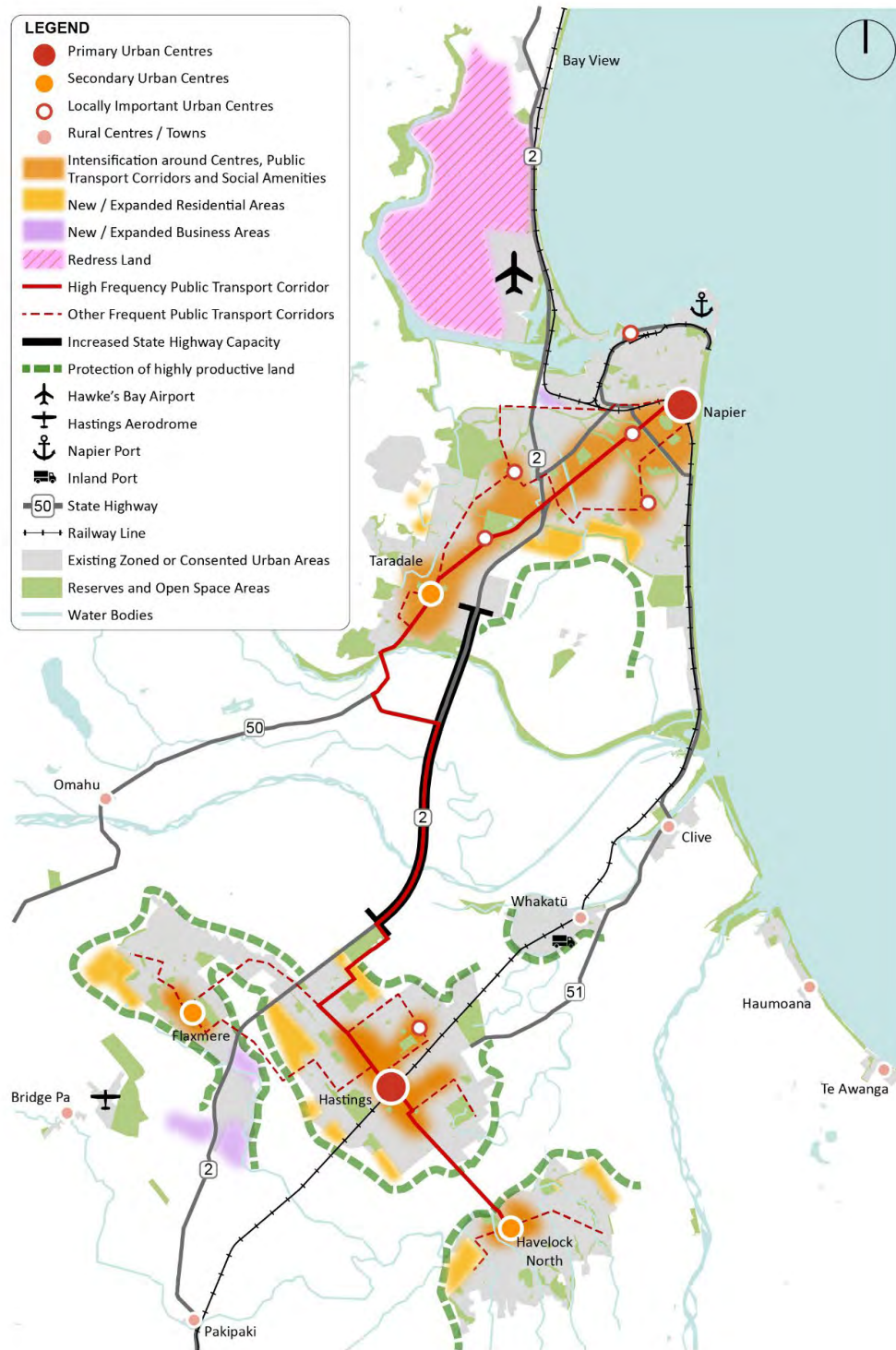


Figure 1 The Draft Future Development Strategy

At its heart, the ~~Draft~~-FDS ~~strategy~~ seeks to achieve a compact urban form, focussed around a network of consolidated and intensified centres in Napier and Hastings. The ~~draft~~-strategy achieves this by enabling more housing growth and choice within and adjoining the existing urban area in locations close to the public transport network and community services. It also achieves this by providing choices for different types of businesses in efficient locations.

The ~~Draft~~-FDS ~~strategy~~ provides for:

- **increased density and diversity of housing**, including apartments and terraced housing, within and close to Napier and Hastings' primary, secondary and locally important centres and high frequency bus corridors;
- **general residential development in other neighbourhoods** within existing urban areas, including small scale infill and suburban scale duplexes and terraced housing;
- **targeted expansion to enable new compact neighbourhoods with a mix of housing types** to the south of Napier's urban area, Mission Estate, and on the fringes of Havelock North, Hastings and Flaxmere, in locations that can integrate efficiently with existing transport networks and services, while avoiding the best productive land;
- **increased density and diversity of retail and commercial activities** in Napier and Hastings' primary, secondary and locally important centres, the Severn Precinct, and in new centres that support new compact neighbourhoods;
- **a new strategic industrial node at Irongate and Irongate West** that is efficiently located close to the state highway network and existing industrial areas;
- **supporting infrastructure**, including transport, three waters, open space and social infrastructure network improvements; and
- **opportunities to deliver ecologically sustainable, resilient urban development at Ahuriri Station.**

The ~~Draft~~-FDS ~~strategy~~ enables a number of benefits to be realised, including:

- providing the **best opportunity to achieve more compact housing** consistent with changing housing needs in Napier and Hastings;
- providing for new housing in a variety of areas which supports **reduced travel times for people with lower impacts on the transport network**;
- directing growth to areas that **better utilise existing amenities and infrastructure** (e.g. drinking water, wastewater, stormwater, roading, schools and public transport);
- **avoiding the need for significant new capital investment in new infrastructure** in areas with limited existing and planned infrastructure;
- **minimising urban expansion** in areas subject to significant natural hazard risks;
- providing opportunities to **more efficiently protect existing communities from natural hazard risks**;
- **minimising urban expansion in areas with highly productive land** used for productive activities;

- **providing opportunities for further economic agglomeration** of the Irongate industrial node should the uptake of industrial land occur faster than anticipated; and
- **recognising Mana Ahuriri's aspirations** for development by identifying Ahuriri Station as Redress Land.

4. Introduction

4.1 What is the Future Development Strategy?

The ~~Draft~~-Napier Hastings Future Development Strategy (**the ~~Draft~~-FDS**) is a strategic tool to assist with the integration of planning decisions under the Resource Management Act 1991 (**RMA**) with infrastructure and funding decisions. It must show:

- where we will grow in Napier and Hastings, including the general locations for growth in existing and new urban areas over the next 30 years;
- The infrastructure needed to support and service that growth; and
- Development constraints.

The ~~Draft~~-FDS has been developed in partnership with Hastings District Council, Napier City Council, Hawke's Bay Regional Council, Maungaharuru Tangitū Trust, Mana Ahuriri Trust and Tamatea Pōkai Whenua. The ~~Draft~~-FDS satisfies the statutory requirements for future development strategies under the National Policy Statement for Urban Development 2020 (**NPS-UD**).

The NPS-UD states that the purpose of an FDS is to promote long term strategic planning by setting out how the partner councils and mana whenua intend to:

- achieve well-functioning urban environments in existing and future urban areas;
- provide at least sufficient development capacity over the next 30 years to meet expected demand; and
- assist with the integration of planning decisions under the RMA with infrastructure planning and funding decisions.

While establishing the overall direction for managing growth of urban environments across Napier and Hastings, it is important to note that an FDS does not:

- rezone land;
- make changes to any district or regional plan;
- set out details and standards around subdivision and building design;
- provide funding and other resourcing to meet costs of development, infrastructure and other services.

4.2 Where does it apply?

In preparing the ~~Draft~~-FDS we have identified a study area around the existing urban areas of Napier and Hastings. The study area is shown in Figure 2 and includes Napier, Taradale, Hastings, Flaxmere, Havelock North, the surrounding Heretaunga Plains and peripheral areas including Bay View and Whirinaki, Whakatū, Clive, Haumoana and Te Awanga, and a number of rural settlements on the Heretaunga Plains within an approximate 20-minute (uncongested) drive time from the main centres of Napier and Hastings.

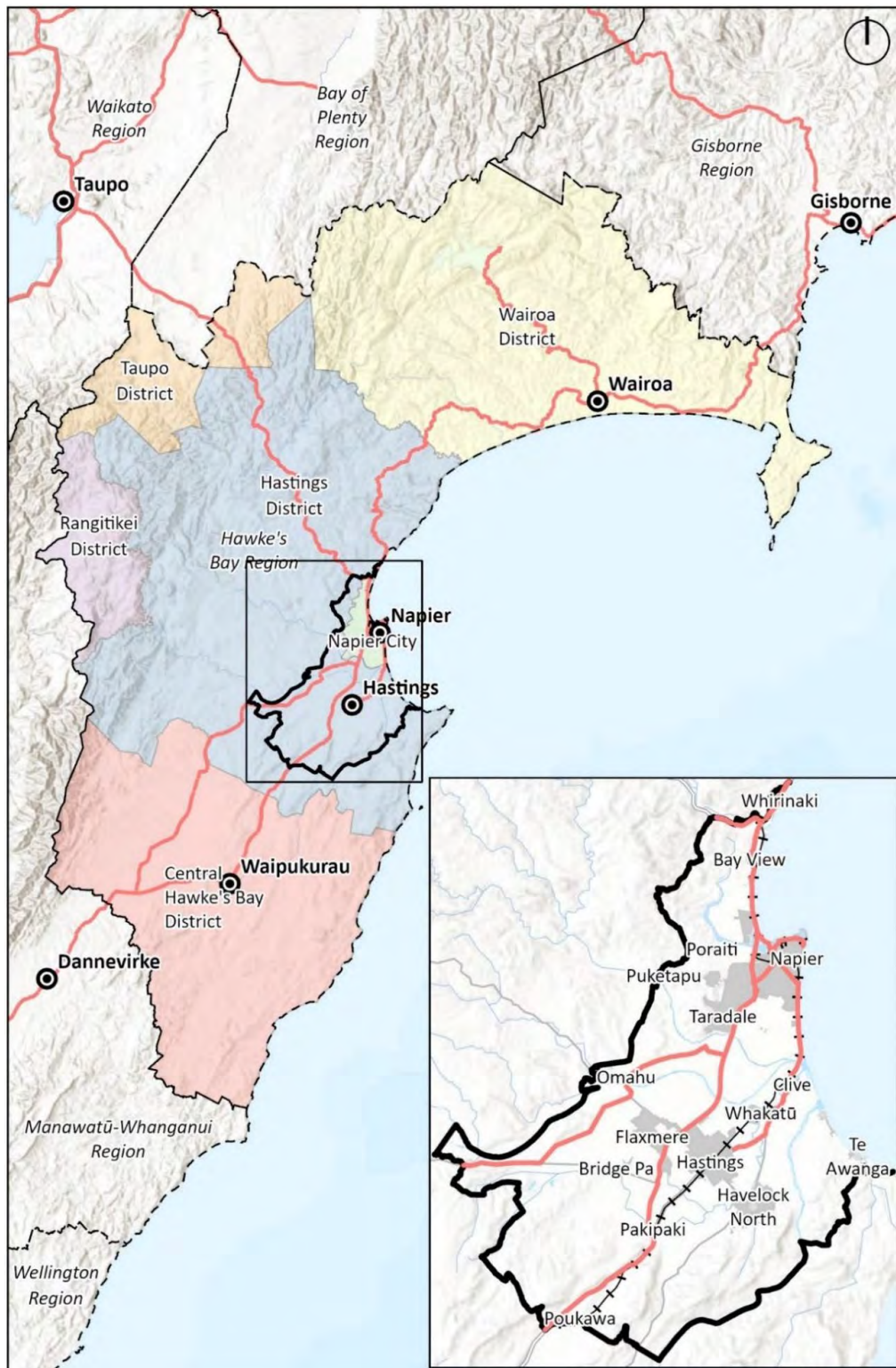


Figure 2 FDS Study Area Extent within Hawke's Bay Region

4.3 Cross Boundary Relationships

The neighbouring districts of Central Hawke's Bay and Wairoa were invited to participate in preparing the FDS, and the relationship of urban development in Napier and Hastings with the community and infrastructure networks in Central Hawke's Bay and Wairoa has been considered in developing the FDS. In terms of Wairoa, the relationship is reasonably limited. While there is movement of people and freight along State Highway 2 that connects the districts, there is a limited spatial connection between the developed urban areas.

The Central Hawke's Bay District is located to the south of Hastings, with the settlements of Ōtāne, Waipawa and Waipukurau being within 30-40 minutes drive time from central Hastings via State Highway 2. Commuting between these areas and Napier beyond is common, and anecdotally, there is a local sense that Ōtāne is becoming more of a satellite town. The FDS provides for strategic employment opportunities on the southern side of Hastings, which improves access for these communities. The relationship of these areas can be considered further through future regional spatial planning exercises.



4.4 Well-functioning urban environments

A key requirement of an FDS is to set out how the partner councils, and mana whenua, through the Treaty Settlement Entities, will achieve well-functioning urban environments. These are described in Policy 1 of the NPS-UD as urban environments that, at a minimum will:

- have or enable a variety of homes that meet the needs, in terms of type, price and location, of different households;
- have or enable a variety of homes that enable Māori to express their cultural traditions and norms;
- have or enable a variety of sites that are suitable for different business sectors in terms of location and site size;
- have good accessibility for all people between housing, jobs, community services, natural spaces and open spaces, including by way of public or active transport;
- support, and limit as much as possible adverse impacts on, the competitive operation of land and development markets;
- support reductions in greenhouse gas emissions; and
- be resilient to the likely current and future effects of climate change.

4.5 Heretaunga Plains Urban Development Strategy

The Heretaunga Plains Urban Development Strategy (HPUDS), initially developed in 2010, was a joint strategy developed by Hastings District Council, Napier City Council, Hawke's Bay Regional Council and mana whenua to manage urban growth on the Heretaunga Plains over a 30-year timeframe through to 2045. Subsequent updates and amendments to HPUDS were made in 2017.

The ~~Draft~~-FDS builds on and replaces HPUDS, responding to the new requirements of the NPS-UD and other recent national direction, including the National Policy Statement for Highly Productive Land 2022 (**NPS-HPL**). In preparing this ~~Draft~~-FDS, all unzoned future growth areas identified within HPUDS have been reconsidered to determine their appropriateness to accommodate future development.

HPUDS was based on a preferred settlement pattern that recognised the community's preference to maintain the versatile land of the Heretaunga Plains for production purposes. The strategy defined growth areas and urban limits, with a need to balance increased intensification and higher densities close to the commercial nodes and higher amenity areas in the districts, against the provision of lifestyle choice. Under HPUDS, development was expected to transition to 60 per cent intensification, 35 per cent greenfield, and five per cent in rural areas by 2045.

HPUDS sought to recognise and provide for mana whenua values and aspirations, including through governance and implementation of the strategy, and by recognising the unique relationship that mana whenua have with the land, waterways and other people. HPUDS specifically provided for Marae-based settlements at Bridge Pa and Omahu, noting that

servicing could be more practically achieved in these locations from a physical and cost viewpoint than more remote marae. HPUDS also acknowledged and supported the development of papakāinga housing. The ~~Draft~~-FDS continues to promote this approach.

Strong growth since 2015 has seen development in rural and greenfields areas maintain their shares of the market, although a significant proportion of greenfield development has been in higher density retirement villages. It is only in recent years, in a cooling housing market, that a proportionate shift towards intensification and more efficient use of greenfield growth areas has started to occur.

A number of growth areas identified within HPUDS have been enabled through plan changes and detailed planning, and now form part of the existing urban environment. Several have been recently developed or are under development, including:

- Parklands
- Te Awa
- Mission Hills
- Brookvale Road
- Lyndhurst
- York Road (Wairatahi Fast Track Consent)
- Howard Street
- Tomoana (industrial)
- Irongate (industrial)
- Omahu Road (industrial)

4.6 Cyclone Gabrielle

On February 14, 2023, the region experienced the devastating effects of Cyclone Gabrielle. While the full impacts of the cyclone continue to be assessed, significant investment will be required to rebuild and future-proof infrastructure. While the development of the FDS commenced prior to Cyclone Gabrielle, it is important that the ~~Draft~~-FDS responds to the information gathered as a result of, and as part of, the ongoing cyclone recovery process.

The recovery conversations with mana whenua, communities and the Hawke's Bay Regional Recovery Agency (**RRA**) to understand how communities and infrastructure were impacted, and how best to build back for long term resilience, have all influenced the ~~Draft~~-FDS issues and options, and the development of spatial scenarios.

Following Cyclone Gabrielle, councils and mana whenua developed their own locality plans to set out their recovery priorities. The RRA developed a Regional Recovery Plan which presented these priorities within a single cohesive document to advocate for the region and seek support from central government towards the recovery efforts.

In November 2023, a Briefing to Incoming Ministers (**BIM**) setting out the region's priorities was presented to Governments. Both housing and regulatory relief (primarily to support a streamlined planning process for necessary flood protection works) were identified within the

BIM. The region's housing shortfall has been exacerbated as a consequence of those whānau who have been displaced by the cyclone. The flood mitigation works, now able to proceed more quickly under a recently enacted Order in Council, will provide greater certainty to seven residential areas in the region, as well as for the Awatoto industrial area and Napier Wastewater Treatment Plant.

Plan Change 6 (**PC6**) to the Hastings District Plan is progressing which seeks to enable Category 3 impacted sites to relocate within close proximity. This provides the opportunity for cyclone-affected homeowners to relocate within their existing rural communities.

Following Cyclone Gabrielle, the Hawke's Bay Regional Council commissioned an independent review of the response to this major weather event¹. This review includes a number of recommendations for future planning work that should be carried through to the FDS Implementation Plan and future planning processes. This includes recommendations for future natural hazard data collection and Regional Policy Statement and District Plan reviews.

The ongoing cyclone recovery is a separate process from the ~~Draft~~-FDS but forms part of the evidence base which has informed decision making.

4.7 Why has the ~~Draft~~-FDS been prepared?

The councils are required to jointly prepare an FDS for Napier and Hastings in accordance with the requirements of the NPS-UD.

Over the next 30-years, the population of Napier City and the Hastings District is projected to increase by over 40,000 people from 2023 levels. The majority of this increase will be accommodated in or around the main urban areas of Napier, Hastings, Flaxmere and Havelock North. These projections are higher than those used to develop HPUDS and reflect changing migration policy settings from around 2015-2019 and the 2020 COVID-19 repatriation of New Zealanders from abroad. This has seen the growth projections for 2015-2020 (and expectations to 2045), which informed the development of HPUDS, exceeded by a considerable margin.

Strong population growth and the resulting national housing crisis has affected the Napier and Hastings housing market. While HPUDS growth expectations were met and even exceeded by new dwelling construction, this has not been sufficient to meet the unprecedented demand. A sizable backlog of demand for new housing across Napier and Hastings now exists.

The ~~Draft~~-FDS is needed to ensure that the projected population growth across Napier and Hastings over the next 30-years can be accommodated.

4.8 Where does the FDS fit with other council strategies?

Each of the councils involved in the development of the ~~Draft~~-FDS are ~~is~~-required to prepare and implement a number of Plans under various pieces of legislation including the RMA, Local

¹ <https://www.hbrc.govt.nz/our-council/hb-independent-flood-review/>

Government Act 2002 (**LGA**) and Land Transport Management Act 2003 (**LTMA**). These include District Plans, Regional Plans, Long-Term Plans, Regional Land Transport Plans, Infrastructure Strategies, and Annual Plans. The FDS provides strategic direction and is a tool to inform these plans and strategies.

The partner councils are also progressing their own local and regional planning processes, many of which have informed the ~~Draft~~ FDS.



Figure 3 Where the FDS sits

○

5. How the ~~Draft~~ FDS has been prepared

Developing the ~~Draft~~ FDS has involved a partnership approach with mana whenua, and extensive engagement with elected officials, the community, interested landowners and developers, as well as using detailed technical analysis and evaluation. Consistent with the requirements of the NPS-UD, we have undertaken the following steps to get to this point, informed by the RMA and relevant national policy statements.

- **Relevant existing plans, strategies and data have been reviewed**, including the Napier Spatial Picture and Structure Plans, Proposed Napier District Plan (**PDP**), Plan Change 5 to the Hastings District Plan (Right homes, right place) (**PC5**), the Napier Hastings Industrial Land Supply Strategy, the Housing Development Capacity Assessment 2021, Business Development Capacity Assessment 2022, the Hastings Medium Density Housing Strategy, and infrastructure plans and strategies.
- **Partnership and engagement with mana whenua** has enabled an understanding of their values and aspirations for urban development. This engagement has been integral to the development of the ~~Draft~~ FDS, to ensure the principles of the Treaty of Waitangi are taken into account.
- **Community engagement on issues and options**, including a ‘call for opportunities’ in September – October 2023 has resulted in many sites being put forward by the community and landowners for consideration in the ~~Draft~~ FDS.
- **Different spatial scenarios/options have been developed and identified** to accommodate urban growth based on the outcome of the above.
- **The advantages and disadvantages of spatial scenarios** have been evaluated with input from a multi-disciplinary team and supported by independent technical advice on residential and business demand and capacity, highly productive land and transport.
- **Infrastructure providers and Government organisations have been engaged with**, to test the spatial scenarios and supporting analysis. This group included the New Zealand Transport Agency, the Ministry of Education, Kāinga Ora, telecommunications providers, Transpower, Unison, Hawke’s Bay Airport, Port of Napier and the Ministry for the Environment.
- **A preferred spatial scenario was identified** based on the outcome of the above and direction from elected members and mana whenua partners.
- The relevant Council and central Government agencies were worked with to identify in further detail the infrastructure network upgrades necessary to support the preferred spatial scenario.

Further collaborative engagement with mana whenua is required to ensure the partner councils meet their obligations under Te Tiriti o Waitangi. This includes continuing to develop the information base relating to mana whenua demographics, including population distribution and housing needs, as well as information regarding the location of wāhi tapu and sites of cultural significance within the FDS study area. This information will inform the monitoring and

implementation of the FDS as well as future reviews. The Councils will also work collaboratively with Mana Ahuriri Trust to advance development processes for Ahuriri Station that provide for Ahuriri Hapū economic, cultural and social well-being.

6. Iwi and hapū values and aspirations

6.1 Te Tiriti o Waitangi context

Māori have enduring rights and interests affirmed under Te Tiriti o Waitangi/the Treaty of Waitangi and as indigenous peoples under international law.

The principles of Te Tiriti provide a framework for a dynamic and enduring relationship between local authorities and mana whenua that enriches the future of the region with the unique knowledge, wisdoms, practices, and aspirations of te ao Māori. The Councils recognise mana whenua as kaitiaki, contributors to the economy, and leaders within the Region.

Te Tiriti guaranteed Māori authority over their lands, villages and taonga. However, land confiscation and alienation of Māori land by the government occurred within a few decades of the signing of Te Tiriti. What has been left following confiscation or settlement is either encumbered or simply not economically sustainable to hold.

The Treaty settlement process has provided for the return of land to Māori, including for specific purposes. Such Redress Land is land intended to be transferred by the Crown to Treaty appellants claimants, so that those appellants-claimants and other descendants can realise the economic aspirations that should have been afforded to their tīpuna². The land returned through these processes is often located outside of existing urban and future urban areas, which can lead to perceived limitations for the enablement of socio-economic outcomes and undermine the potential for economic or commercial redress.

The use and development of Māori land, including land returned to Māori through Treaty Settlements, is to be enabled as provided for in Te Tiriti and intended by the purpose of Treaty Settlements, subject to relevant statutory resource management considerations being satisfied.

Māori have consistently expressed the aspiration to live on their takiwā with their people. Where they cannot live in papakāinga on their ancestral land, they have expressed a desire to live in papakāinga-style living arrangements with their extended whanau in other areas, including urban areas. It is likely that this can only be realistically achieved in new, affordable developments co-led or owned by mana whenua entities.

The councils will work collaboratively with iwi authorities to help facilitate their economic, environmental, cultural and social objectives.

6.2 Combined statement

An FDS is required to include a clear statement of hapū and iwi values and aspirations for urban development. Three Treaty settlement entities – Maungaharuru-Tangitū Trust, Mana

² Based on *Beresford, Bunker and Rouse v Queenstown Lakes District Council* (2024) NZEnvC 182, paragraph 65

Ahuriri Trust and Tamatea Pōkai Whenua, represent the hapū of Ahuriri (Napier) and Heretaunga (Hastings).

The hapū of Ahuriri and Heretaunga are mana whenua within their respective takiwā or traditional areas. Hapū statements for the three distinct mana whenua are included in this section. Maungaharuru-Tangitū Trust, Mana Ahuriri Trust, and Tamatea Pōkai Whenua participated with the three councils in preparation of this strategy.

Maungaharuru-Tangitū Trust

The hapū and marae of Maungaharuru (the mountain) to Tangitū (the sea) are represented by Maungaharuru-Tangitū Trust. Maungaharuru-Tangitū Trust represents six hapū and one marae within the Maungaharuru to Tangitū region. The Maungaharuru-Tangitū Hapū Claims Settlement Act 2014 finalised settlement redress for the historical Treaty grievances of Maungaharuru-Tangitū Hapū against the Crown. The Maungaharuru-Tangitū region is in northern Hawke's Bay, extending from Keteketerau (the former outlet of Te Whanganui-a-Orotu) in the south, northwards beyond the FDS boundary.

Mana Ahuriri Trust

The hapū and marae of Ahuriri are represented by Mana Ahuriri Trust. Mana Ahuriri Trust represents seven hapū and six marae within the Ahuriri region. The Ahuriri Hapū Claims Settlement Act 2021 finalised settlement redress for the historical Treaty grievances of Ahuriri Hapū against the Crown. The Ahuriri region extends from the Ngaruroro River in the south, northwards beyond the FDS boundary. The northern region of Ahuriri is shared with Maungaharuru-Tangitū.

Tamatea Pōkai Whenua

The hapū and marae of Heretaunga are represented by Tamatea Pōkai Whenua. Tamatea Pōkai Whenua represents 43 hapū and 23 marae within the Heretaunga and Tamatea (Central Hawke's Bay) regions. The Heretaunga Tamatea Claims Settlement Act 2018 finalised settlement redress for the historical Treaty grievances of Heretaunga Tamatea against the Crown. The Heretaunga region extends from the Tūtaekurī River in the north, southwards beyond the FDS boundary.

The following map outlines the regions and areas of interest of the three distinct mana whenua within and beyond the FDS [Study Area boundary](#).

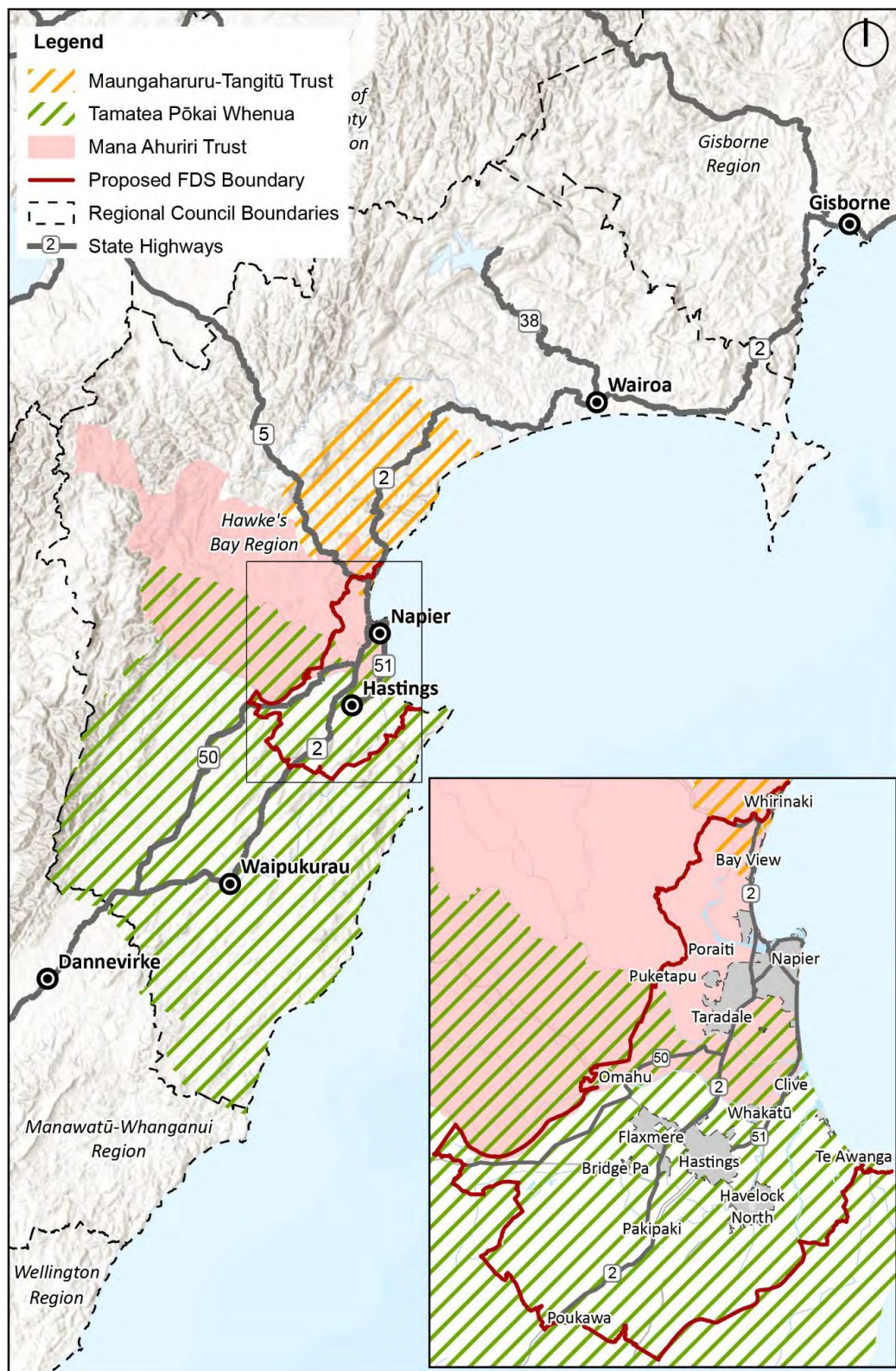


Figure 4 Areas of Interest within and beyond the FDS Study Area

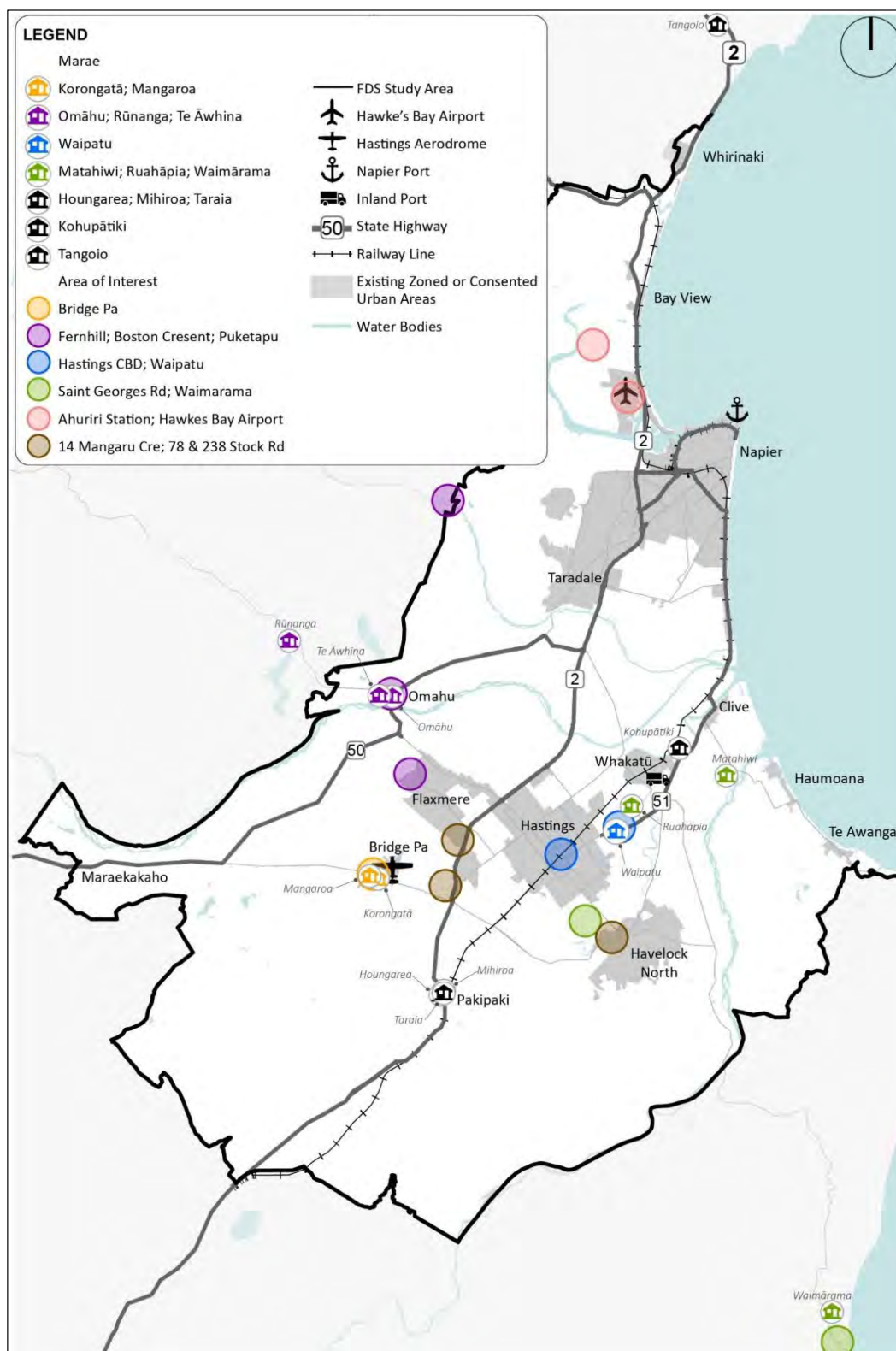
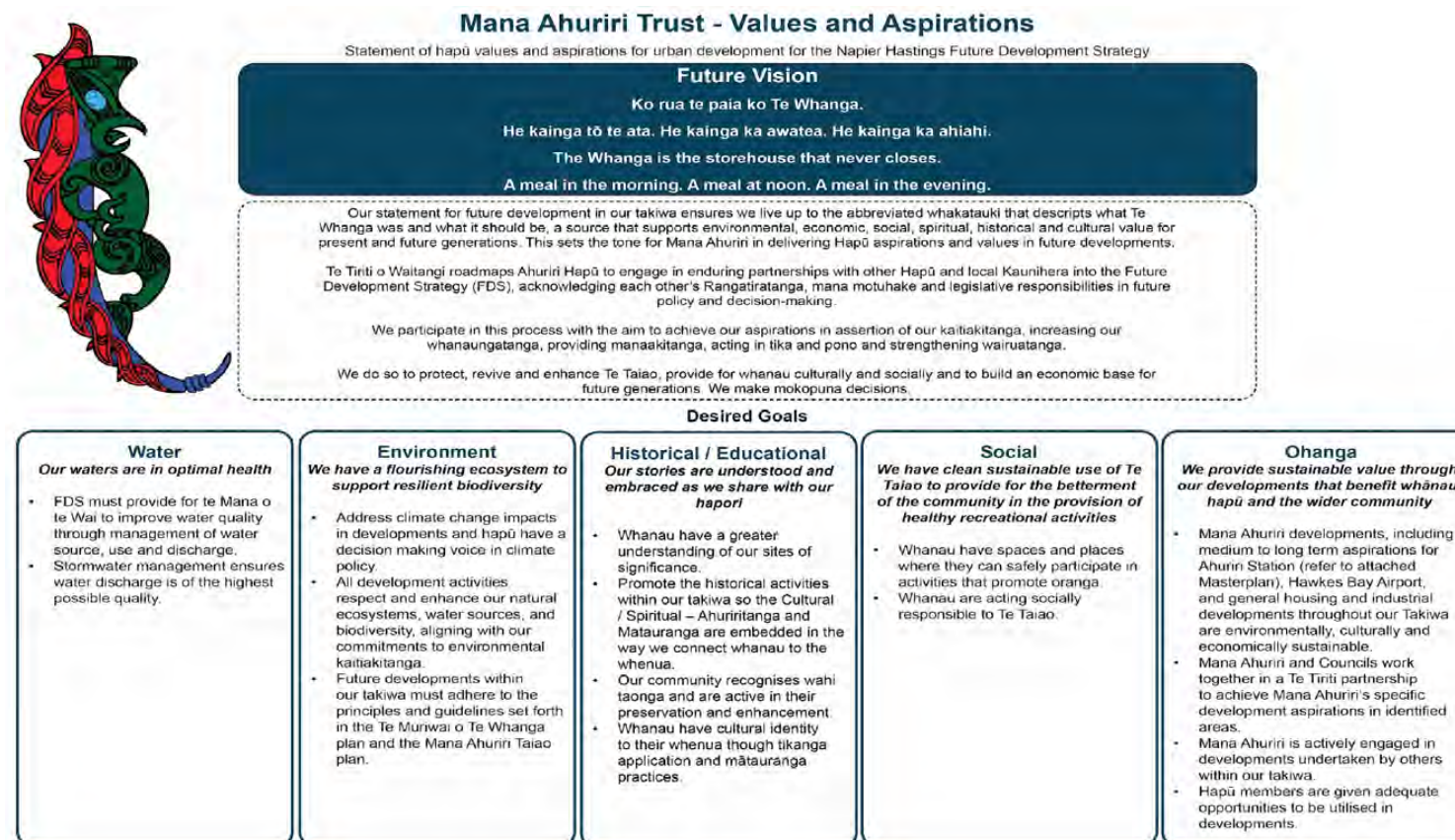


Figure 5 FDS Study Area and Area of Interest identified by PSGEs

6.3 Mana Ahuriri Trust



6.4 Tamatea Pōkai Whenua

Heretaunga Hapū

Statement of hapū values and aspirations for urban development for the Napier Hastings Future Development Strategy

Future Vision

Heretaunga Haukū nui
Heretaunga Ararau
Heretaunga Hāro o te Kāhu
Heretaunga Takoto Noa

This statement summarises the values and priorities of Heretaunga hapū and marae to inform and support future development and growth in the Heretaunga region. Te Tiriti o Waitangi provides the basis for the strategic relationship between local government and Heretaunga hapū, and development in the region.

The priorities outlined in this statement are underpinned by a Heretaunga specific and well-known whakatauki or local proverb:
The priorities seek optimum opportunity for realising hapū values and aspirations for future development. The desired outcomes will facilitate social, cultural, and economic growth, alongside environmental protection, that will enable the well-being of Heretaunga whānau, hapū and marae, and the wider Heretaunga community.

<p>Heretaunga Haukū nui Conserving Fertile Resources of Heretaunga</p> <p>This priority asserts our <i>kaitiakitanga</i>, protecting and enhancing our whenua, our waterways and our taonga.</p> <ul style="list-style-type: none">Heretaunga kawa, tikanga and hapū mātauranga inform kaitiakitanga practices in our region.Native flora and fauna are protected, considered and incorporated into residential and commercial developments.Waterways and riparian zones are protected, sustained and enhanced to ensure thriving communities and to support biodiversity.Heretaunga knowledge and preferred actions underpin future development solutions.	<p>Heretaunga Ararau Enabling Thriving Communities within Heretaunga</p> <p>This priority speaks to <i>thriving mana whenua</i>, our whānau and hapū, and their aspirations for future community development.</p> <ul style="list-style-type: none">Heretaunga hapū demographic forecasts inform investment in planned future development.Expand papakāinga and other housing developments on ancestral land, including on Māori and general land titlesProvision of electricity, wastewater and stormwater infrastructure for development of hapū and marae communities.Amenities, facilities, and public transport are provided in hapū communities, to enhance quality provision of services to Heretaunga hapū and the community.	<p>Heretaunga Hāro o te Kāhu Growing Leadership and Legacy Across Heretaunga</p> <p>This priority focuses on <i>leadership and legacy</i>, the future vision and what we will leave our tamariki and mokopuna.</p> <ul style="list-style-type: none">Hapū are respected and engaged as Treaty of Waitangi partners in decision making for future development opportunities in Heretaunga.Hapū expect equitable outcomes from investment in Heretaunga to enhance hapū development.Priority for progress and development of Tamatea Pōkai Whenua properties to provide for optimum opportunity in realising hapū aspirations.New and specific land development designations are created for ancestral land to facilitate social, cultural and economic growth.	<p>Heretaunga Takoto Noa Securing Heretaunga Language and Culture</p> <p>This priority ensures our <i>language and culture</i> is thriving. We honour our heritage and protect it for future generations.</p> <ul style="list-style-type: none">Heretaunga hapū embrace development that acknowledges the cultural and spiritual wellbeing of hapū and the health of our lands, waterways and taongaHeretaunga histories, language and cultural associations are exemplified, are visible and create cultural connection.Wāhi tapu, wāhi tipuna and sites of cultural significance are identified, protected and restored to maintain and disseminate hapū mātauranga and histories.Heretaunga hapū culturally identify with, feel pride in, and are connected to development in our region.
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Marae, hapū and Tamatea Pōkai Whenua Statements

The statements below are specific aspirations of hapū, marae and Tamatea Pōkai Whenua for sites and areas within the region to protect, enhance or develop. These aspirations have informed the priorities of this statement.

Waipatu Marae

Waipatu marae and associated hapū wish to continue the development of papakāinga and other housing developments on ancestral lands, including on Māori and general land titles. Support to achieve this, including strengthening existing and establishing new infrastructure, is sought. Hapū seek the provision of Council services such as rubbish and recycling collection for existing and future papakāinga. Waipatu Marae and hapū expressed an aspiration to establish urban papakāinga in the middle of the Heretaunga CBD with a kaumātua retirement village, apartments for whānau, a commercial hotel, restaurant and wānanga space. The creation of a Waipatu Boulevard from Karamu Bridge to ngā pou at the Hastings Library is also a desire of the marae and hapū. The Waipatu Community Plan sets out in more detail the priorities of Waipatu marae and hapū for future development in the area.

Ruahapia, Matahiwi and Waimarama Marae

Hapū expressed a strong desire to establish new and expand existing papakāinga and other housing developments on ancestral lands, including in Waimārama and on St Georges Road South, Havelock North. Hapū identified infrastructure and support through Council processes as high priority to enable these developments. The identification and protection of wāhi tapu and sites of cultural significance is a concern and priority, particularly for Te Awanga and the surrounding area. Climate change is a serious concern and issue for coastal hapū and marae due to the significant cost in future proofing marae and marae communities from a changing coastal environment. Mana whenua expect to be engaged and supported with climate change adaptation planning, pathways and implementation within these communities.

Korongatā and Mangaroa Marae

Korongatā and Mangaroa marae and associated hapū assert their role as partners in the community and expect to be consulted about development in the area. Hapū would like Bridge Pā to be zoned and warded as one community. Hapū have identified infrastructure and provision of services as high priority. Hapū seek infrastructure to support papakāinga and other housing developments, provision of social services facilities for the community, multifunctional recreational spaces, access to public transport, and a speed limit of 50km on Maraekakaho Road. Bridge Pā should be a destination, not a thoroughfare. Hapū have also identified the protection of waterways, including water flow, as a major concern and priority. Protecting, maintaining and enhancing the mauri of the waterways is imperative to ensure thriving mana whenua communities and to support biodiversity.

Kohupātiki Marae

Kohupātiki expressed aspirations to continue engaging in papakāinga development opportunities to support affordable housing and encourage the return of their people to their whenua, reconnecting with their grandparents, parents and Marae. “*Kohupātiki ki te rangi, Kohupātiki ki te awa, Kohupātiki ki te whenua*”.

Houngarea, Mihiroa and Taraia Marae

Hapū expect to be engaged and consulted on all developments in and around the area of Te Pakipakitanga o Hinetemoa. The protection of wāhi tapu, sites of cultural significance, waterways and the taiao is of paramount importance. This includes the protection and enhancement of streams, native species, flora and fauna. This is to ensure Te Pakipakitanga o Hinetemoa is culturally safe in all facets, maintains and upholds the mauri of the taiao, and upholds the mana of their tīpuna. Mana whenua seek papakāinga and other housing development opportunities, and support with infrastructure, to provide affordable housing options for whānau. Mana whenua also emphasized the need for community recreational areas in the village. Hastings District Council is encouraged to, and marae welcome, the opportunity to engage and collaborate on community recreational areas. In the short term, mana whenua request quality walkways from the village to Te Kura o Pakipaki and to the Poukawa School bus pickup point, and a new bus shelter to be built in the village.

Omahu, Runanga and Te Āwhina Marae

Omahu, Rūnanga and Te Āwhina marae and hapū were severely impacted by Cyclone Gabrielle. Te Piringa Hapū, the Hapū Authority for Omahu and the surrounding area has led the response and recovery for the community. The Utaina 10 Year Recovery Plan was prepared by Te Piringa Hapū in response to the cyclone and is a key document setting out the short to medium term hapū priorities for the recovery and rebuilding of the Omahu community and surrounding area. Te Piringa Hapū have also developed a Statement of Hapū Values and Aspirations for Future Development. This includes a Spatial Plan that visualises these aspirations, outlining their vision for sustainable and culturally aligned growth. This Statement is included in this strategy and is supported by Tamatea Pōkai Whenua. Both documents are integral to inform and support recovery priorities, and future development and investment in the area.

Tamatea Pōkai Whenua

Tamatea Pōkai Whenua seek to advance hapū aspirations and create valuable enhancements in the region. Tamatea Pōkai Whenua has properties for development at 78 and 238 Stock Road, Hastings and 14 Mangarau Crescent, Havelock North. Tamatea Pōkai Whenua request that these properties are prioritised for residential and industrial developments in the short-medium term. This prioritisation is critical. It will optimise development opportunities for realising hapū aspirations.

6.5 Maungaharuru-Tangitū Trust



**MAUNGAHARURU
TANGITŪ**

Te Hawaikitanga | Our Vision

Puāwaitanga o te Puawānanga | Living our Dreams
A future where our Hapū are living their dreams with our whānau prospering culturally, socially, spiritually and economically

MAUNGAHARURU-TANGITŪ HAPŪ

The Trust represents a collective of hapū including in particular for the purposes of the Draft FDS, Marangātūhetaua (also known as Ngāti Tū), Ngāti Whakaari and Ngāi Te Ruruku ki Tangoio (the Hapū). The Trust is the voice and representative body of the Hapū.

The takiwā of the Hapū extends north of Napier from Keteketerau to the Waitaha River, from the Maungaharuru Range in the west to Tangitū (the sea) in the east. It includes the areas of the Draft FDS at Bay View, Te Waiohingaunga - Esk, Petane and Whirinaki. The Trust also acknowledges the overlapping interests the Hapū have with their whanaunga and neighbouring hapū, Ngāti Matepū.

The only marae of the Hapū at Tangoio and papakāinga at Tangoio, Te Waiohingaunga and Arapawanui were devastated by Cyclone Gabrielle in 2023 and large swathes of their takiwā have been determined to be Category 3. Supporting the relocation and rebuild of Tangoio Marae and papakāinga within the takiwā is a key focus for the Trust, as well as providing housing options for whānau within the wider areas covered by the draft FDS.

The following aspirations and values are based on the Trust's Strategic Plan 2019-2024.

Ngā Aronga | Focus Areas

<p>Kia Niwha Strong People</p> <p>building the capability and capacity of our people to achieve their potential, including the provision of papakāinga that ideally avoids or is resilient to natural hazards.</p>	<p>Kia rirā te Pā kai ngā Rekereke Strong Culture, Reo and Marae</p> <p>relocating and developing our Marae in an area that avoids or is resilient to natural hazards; strengthening our culture through te reo Māori revitalisation and mātauranga Māori to grow a sense of belonging, identity, confidence and pride.</p>	<p>He Kāinga Taurikura A Treasured Environment</p> <p>caring for and protecting our environment including wāhi taonga and taonga species, and planning for adaptations to the effects of climate change.</p>	<p>Kia Rawaka Strong Hapū Economy</p> <p>building our Hapū economy to provide the resources we need to plan and action our dreams and goals.</p>
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Ngā Matapono | Values

<p>Pūmau te Wairua Spiritually Strong</p> <p>understanding, appreciating and applying our spiritual beliefs.</p>	<p>Whai Hua Progressive</p> <p>a commitment to continuous improvement including innovation, ambition and discipline.</p>	<p>Tuakiri Motuhake Strong Identity</p> <p>acknowledging the importance of our cultural identity as a source of pride, uniqueness and connection and the importance of our cultural practices. Ensuring the wāhi taonga of the Hapū are protected and that the cultural identity, practices and mātauranga ā-Hapū are accommodated and expressed in future developments relevant to the Hapū.</p>	<p>Oranga Ngākau Wellbeing</p> <p>focusing on the holistic wellbeing of our people, acknowledging the interconnectedness of our world and promoting a balanced approach to development.</p>	<p>Whanaungatanga Family</p> <p>including: Manaakitanga - Caring, Aroha - Love Tauutuutu - Reciprocity Whakapapa - Connectedness</p>	<p>Te Piri Ngātahi Unity</p> <p>working together for our greater good. Unity provides greater strength and enables us to overcome challenges and achieve our future dreams together.</p>
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7. Vision and objectives

7.1 Te Pae Tawhiti | Vision

The overarching vision which has helped guide the development of the FDS is:

In 2054, Napier and Hastings have thriving, resilient, safe, equitable, sustainable and connected communities, within a protected and enhanced natural environment.

To achieve this vision, a number of principles and objectives were developed. The objectives are intended to state the goals or desired future state for urban growth in Napier and Hastings. The key principles outline our values and how we intend to work together to achieve the objectives.

Ngā Mātāpono | Key Principles

Mahi Ngātahi - Partnership

Mana Taurite - Equity and inclusion

Manawaroa - Resilience

Haumako - Productivity

Taiao - Environment

Tūhononga – Connectivity

Matahūhua – Diversity

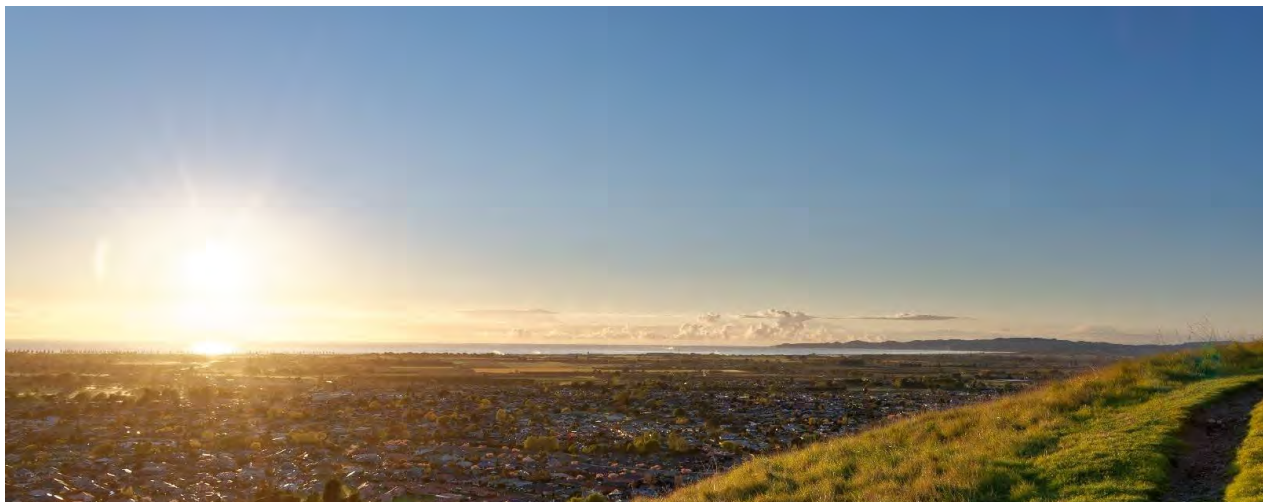
7.2 Ngā Whāinga | Strategic objectives

The strategic objectives set out below describe what the ~~Draft~~ FDS is seeking to achieve to ensure the vision is realised. These objectives will form the basis of future implementation and monitoring of the FDS.

1. Mana whenua and councils work in a **genuine Te Tiriti partnership** to achieve their shared goals for urban development.
2. We have a compact urban form, focussed around **consolidated and intensified urban centres** in Napier and Hastings.
3. Our communities and infrastructure are **resilient to the effects of climate change** and risks from natural hazards.
4. We have a **diverse range of housing choices** that meet people's needs in neighbourhoods that are **safe** and **healthy**.
5. We have a **strong economy**, and businesses can grow in locations that meet their functional needs.
6. The highly productive land of the **Heretaunga Plains** is protected for productive uses.
7. Our communities and business areas are **well connected and accessible**, particularly by public and active transport.
8. We have **sufficient land** for housing and business to meet demand.
9. Te Taiao/our **natural environment is protected and enhanced**, including our water bodies, indigenous biodiversity, wāhi taonga and outstanding landscapes.
- 10A. Our **infrastructure** is planned and designed to ~~efficiently—effectively~~ **support development and be resilient**.

10B. **Operational and functional needs** of nationally and regionally significant infrastructure ~~is~~ are not compromised by the location, design and suitability of new development.

11. Urban growth and infrastructure investment supports **equitable social outcomes**.
12. The **values and aspirations of mana whenua** for development are a priority and are recognised and supported.



8. The Growth Picture

8.1 Responding to demand

The starting point for the FDS is understanding how much residential and business growth to plan for over the next 30 years and what future communities will look like. Within the 30-year timeframe, the FDS needs to consider residential and business demand in the short term, medium term and long term.³

8.2 Residential demand

Population and households

Under a medium-high growth outlook the Statistics New Zealand ('StatsNZ') **subnational population projections** estimate that the populations of Napier City and Hastings District will increase to almost 200,000 people, an increase of over 40,000 people from 2023 levels.⁴ The majority of this increase will be accommodated in or around the main urban areas of Napier, Hastings, Flaxmere and Havelock North.

The census data on 2023 population and households in Napier and Hastings has recently been published. However, StatsNZ has not yet updated the forward-looking household and population projections. These updated projections will be used to inform the monitoring and implementation of the FDS.

To understand the future demand for housing in Napier and Hastings, a Housing Capacity Assessment (**HCA**) was prepared in 2021. The HCA demand has since been updated to include the most up-to-date StatsNZ population projections⁵ which reflects the impact of COVID-19 and more recent information about birth and mortality rates. The updated information is used to inform the ~~Draft~~ FDS and was based on the StatsNZ medium-high outlook. This included updating the baseline to 2022 and undertaking additional development capacity analysis of the Napier PDP and PC5 in Hastings.

Figure 6 shows the changing population composition by age across both Napier and Hastings. The ageing population, combined with factors such as affordability and accessibility have flow-on implications for the total housing demand, including on the type and size of dwellings that will be needed to accommodate our growing population. In response to this and projected reductions in average household sizes, we expect there will be greater demand for smaller houses over time compared to the housing available today.

³ Short term is defined as within the next three years, medium term as between 3 and 10 years, and long term as between 10 and 30 years.

⁴ The impact of Cyclone Gabrielle on population and household numbers and future demand are unknown and not reflected in this analysis. Short-term effects could see an increase in demand due to workers assisting with the rebuild moving to the area. But this could be tempered by shifting migration patterns.

⁵ December 2022.

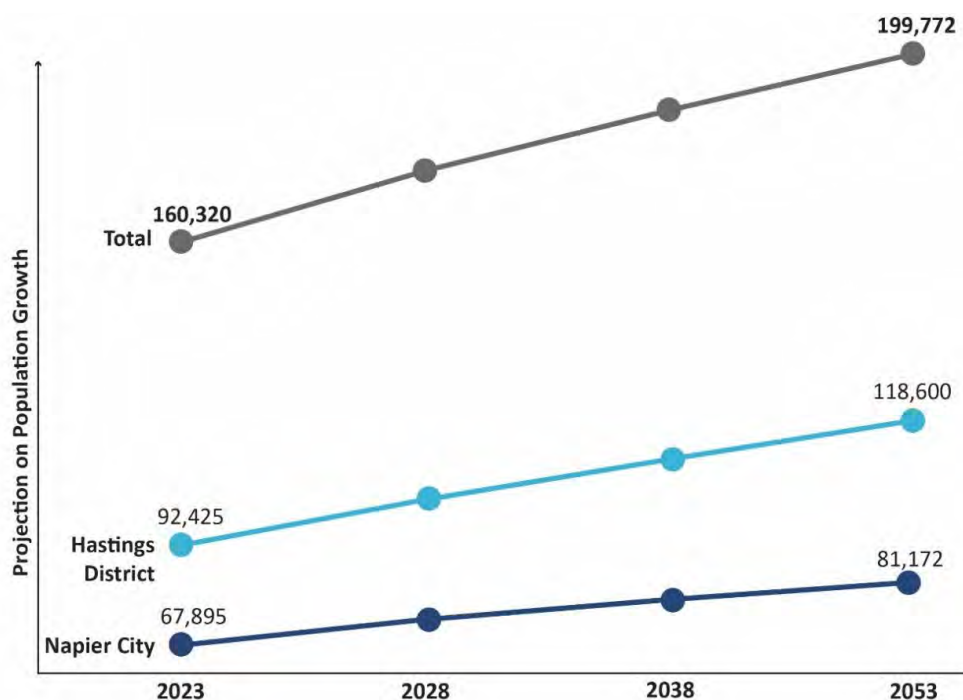


Figure 6 Population Growth (2018- 2048) for Napier and Hastings (Market Economics 2023; StatsNZ, 2022)

The HCA states that households identifying as Māori currently account for about 12 per cent of all households and this is expected to remain relatively stable, with growth of about 650 Māori households expected over the long term. Further analysis of the demand and specific needs of Māori housing is needed to better inform housing policies and initiatives. This is important considering Māori make up almost 28.6 per cent of the Hawke's Bay population (Census, 2023).



Figure 7 Population Changes by Age Group 2018 - 2048 (StatsNZ, 2022)

How much housing does the FDS need to plan for?

In addition to the number of new dwellings required to accommodate projected population growth, the NPS-UD requires that an FDS also provides for a competitiveness margin in enabled housing supply. This is equivalent to 20 per cent over the short-to-medium term and 15 per cent over the long-term.

When we account for this, the FDS needs to ensure there is capacity for at least an additional **16,320 dwellings** across the Napier and Hastings urban area over the next 30-years. Of this, approximately **6,700 additional dwellings** will be needed in Napier and approximately **9,620 additional dwellings** will be needed in Hastings.⁶ Put differently, Napier needs to accommodate for average growth of up to 225 dwellings per annum while Hastings needs to accommodate for average growth of 320 dwellings per annum.

Short-term demand in Napier and Hastings is estimated to be around 980 and 1,510 additional dwellings respectively (equivalent to 830 dwellings per year). Growth is anticipated to slow over the medium-term to 2,040 additional dwellings in Napier and 2,500 additional dwellings in Hastings (equivalent to 650 dwellings per year). **Figure 8** shows the housing demand for Napier and Hastings over the short, medium and long term (including the competitiveness margin). The FDS must, at a minimum, provide sufficient development capacity to meet this demand.

This demand does not account for unmet demand (or latent demand) in the current housing market. Unmet demand refers to the number of households that are seeking housing but are unable to find any that meets their needs. Those households are typically looking for affordable housing, and capacity provided by community housing providers is therefore the key response.

⁶ Across the wider Hastings District, a further 2,050 dwellings, are required to meet demand in rural areas. These will need to be met in rural parts of the Hastings District (including rural residential areas) outside of the main urban areas and are not required to be provided as part of the FDS.

It is important that the FDS broadly provides additional capacity to cater for this demand through a mix of redevelopment and greenfield options.

We have analysed the extent to which this demand would reasonably be met by the supply of new housing within existing urban areas and new housing in greenfield areas. This is important to understand to ensure the ~~Draft~~ FDS provides a variety of homes that will meet the needs of the local market over time.

Within existing urban areas, redevelopment will take many forms, from small-scale infill, to comprehensive and compact redevelopment for townhouses, terraces and apartments. However, there is some uncertainty about how and where the market will deliver this, and how future home buyers will respond, which the FDS needs to account for. Development outside of the existing urban area (greenfield) can also deliver compact development but may offer a different lifestyle/location choice for people.

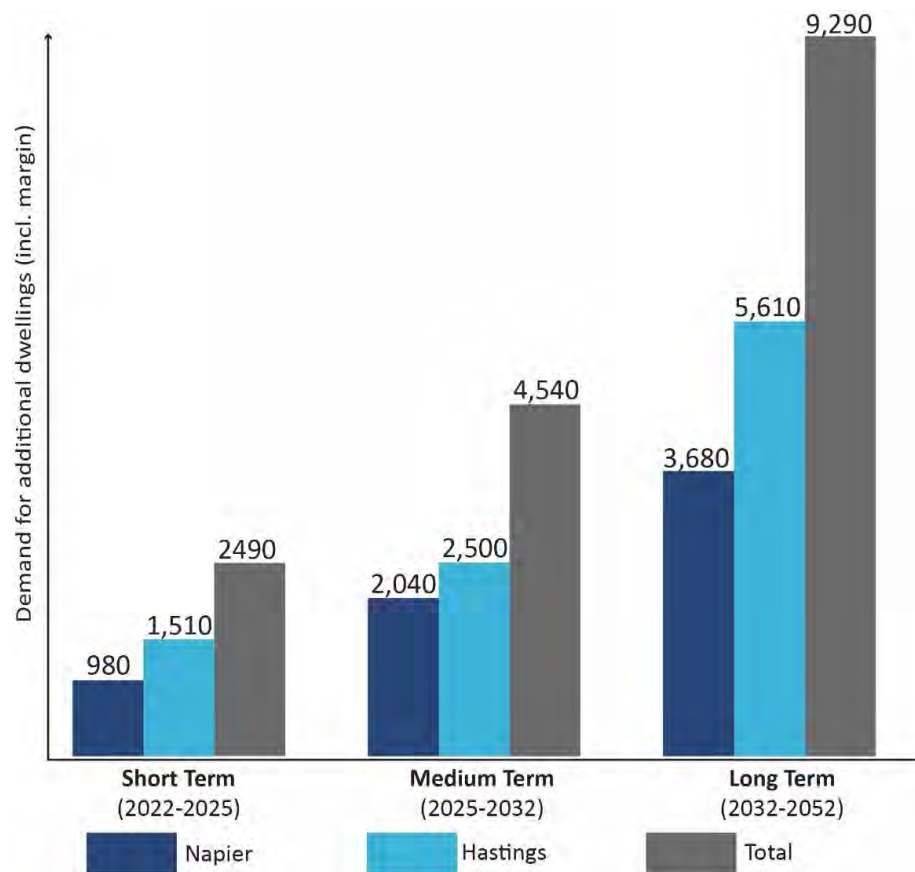


Figure 8 Housing Demand for Napier and Hastings

For these reasons, the ~~Draft~~ FDS splits the total housing demand by location, being that met within the existing urban area and in greenfield areas. These splits are set out in **Table 1** and are based on observed trends in other New Zealand cities. We expect that demand for housing

in the existing urban area will grow over time from 40 per cent in the short term to 60 per cent in the long term. Conversely, we expect that demand for housing in greenfield locations will decrease over time, from 60 per cent in the short term to 40 per cent in the long term. Over the life of the FDS we expect demand will be evenly split.

Adopting this approach is important to ensure the ~~Draft~~ FDS is realistic about the rate of development that might be delivered through redevelopment in the existing urban area, and ensures it does not over-provide or under-provide housing opportunities in greenfield locations.

However, the FDS can and should aim to achieve greater levels of development in the existing urban area. If the rate of development in the existing urban area in the future is greater than we predict today, the need to release greenfield areas for development will decrease.

Table 1 – Housing Demand by Location

Broad Type	Short Term	Medium Term	Long Term	Total
Redevelopment in the existing urban area	40% (996 dwellings)	50% (2,270 dwellings)	60% (5,574 dwellings)	54% (8,840 dwellings)
New housing in greenfield areas	60% (1,494 dwellings)	50% (2,270 dwellings)	40% (3,716 dwellings)	46% (7,480 dwellings)
Total	2,490 dwellings	4,540 dwellings	9,290 dwellings	16,320 dwellings

8.3 Business demand

The Napier and Hastings centres are the main economic centres in Hawke's Bay. Napier has significant regional economic assets in the Port of Napier and Hawke's Bay Airport. Napier is also viewed as the tourism and retail centre of the wider region. The Hastings economy includes a large rural and industrial component. The wider sub-region has a strong diversified primary sector economy including pip fruit, timber, viticulture, other crops and pastoral farming.

There are several factors currently putting pressure on the Hawke's Bay economy, including higher interest costs, the increasing costs of production, labour shortages and tightening economic conditions in key export markets. Combined with the ongoing impacts and recovery from the COVID-19 pandemic and Cyclone Gabrielle, short-term economic growth in the region is likely to remain subdued. However, the medium-to-long term outlook for the economy remains positive, with growth forecast across a number of different sectors.

Figure 9 below shows the projected employment growth of Napier and Hastings over the short, medium and long term.

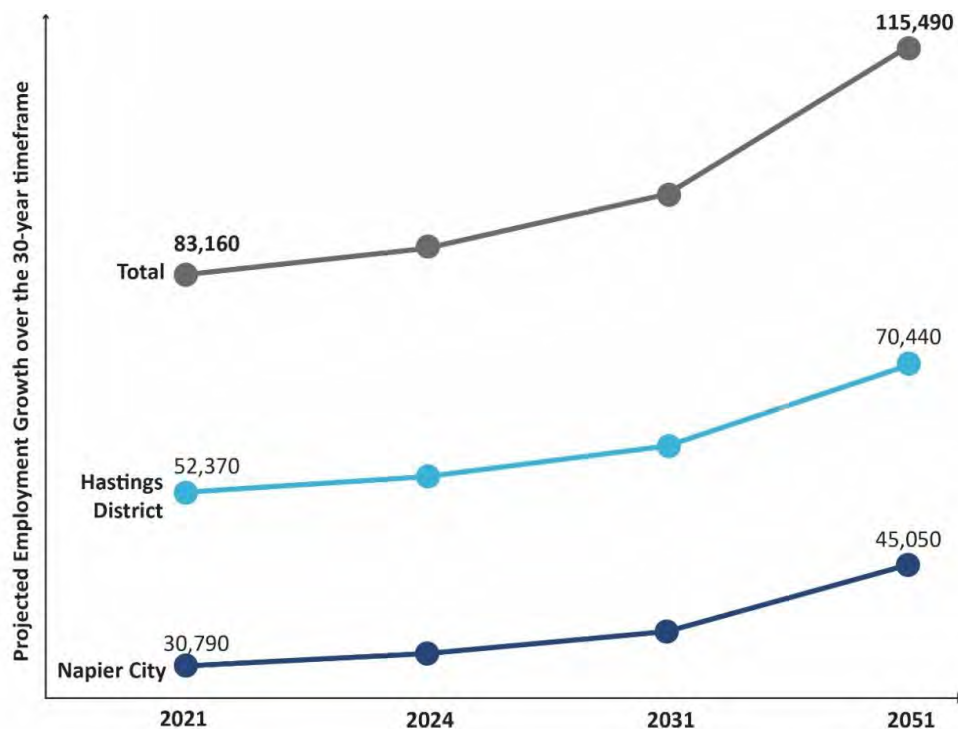


Figure 9 Employment Growth (2018-2048) for Napier and Hastings (Market Economics, 2022)

A Business Capacity Assessment (**BCA**) for Napier and Hastings was completed in September 2022 and has been used to inform the development of the ~~Draft~~ FDS. The BCA identifies the

retail, commercial and industrial land requirements over the next 30-years across Napier and Hastings.

Retail and commercial demand

Retail demand captures all forms of retail activity and retail-based services such as personal services (e.g. hairdressers) and repair services. Commercial demand generally refers to office-based activities and public administration, and includes visitor accommodation and the health and education sectors.

The BCA found there will be demand for 21.4 additional hectares of commercial and retail floorspace in Napier and 13 hectares in Hastings over the long term. Vacant land capable of redevelopment for retail and commercial use is limited in both Napier and Hastings. However, sufficient land is available to support this future demand if redevelopment and intensification of existing commercially zoned land occurs in line with what is currently enabled.

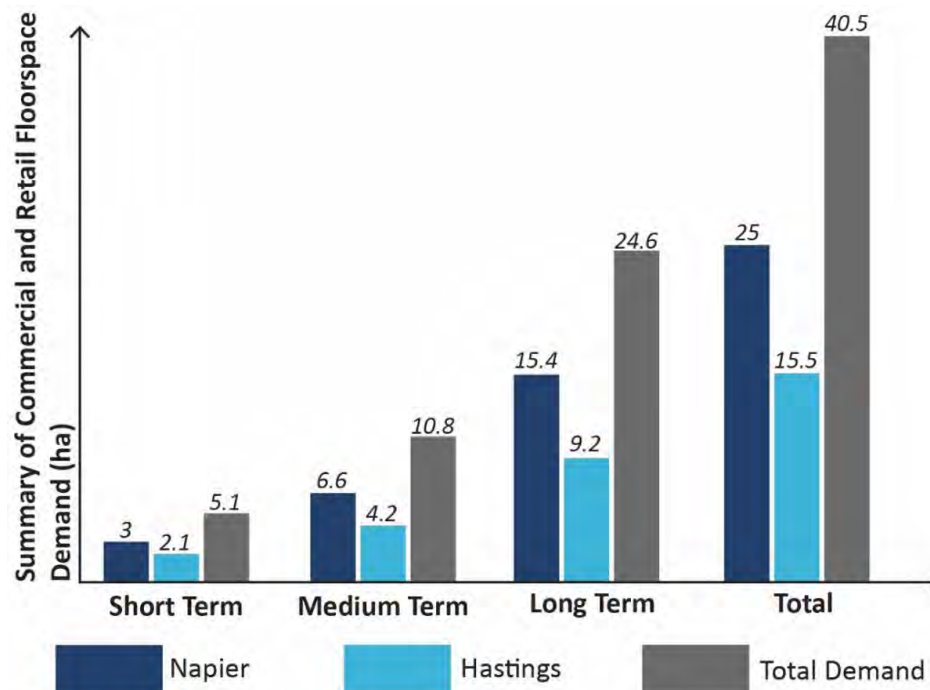


Figure 10 Commercial Floor Space Demand (incl. Competitiveness Margin) for Napier and Hastings (Market Economics, 2022)

Industrial demand

The BCA found there will be additional demand for industrial land of approximately 55 hectares in Napier and 141 hectares in Hastings over the long term. Of this demand, approximately 61 hectares is for wet industry, which is defined in the BCA and relate to certain types of manufacturing activities.

At a regional and city-wide level in both Napier and Hastings, there is sufficient industrial (plan-enabled) capacity to accommodate the future demand for industrial land. However, there are some identified deficiencies at a local level (e.g. Havelock North, light industrial and Whirinaki). It is assumed that some of the localised deficiencies in industrial capacity can be relocated elsewhere (e.g. to Irongate).

Within Napier, the consideration of sufficient capacity assumes that development within the vacant airport land to the south of Watchman Road can be realised. There are some constraints associated with development in this area associated with the location of the airport runway, natural hazards and ground suitability.

If development of the vacant airport land to the south of Watchman Road does not occur, then there would be a shortfall of 30 hectares of industrial land within Napier to meet future requirements.

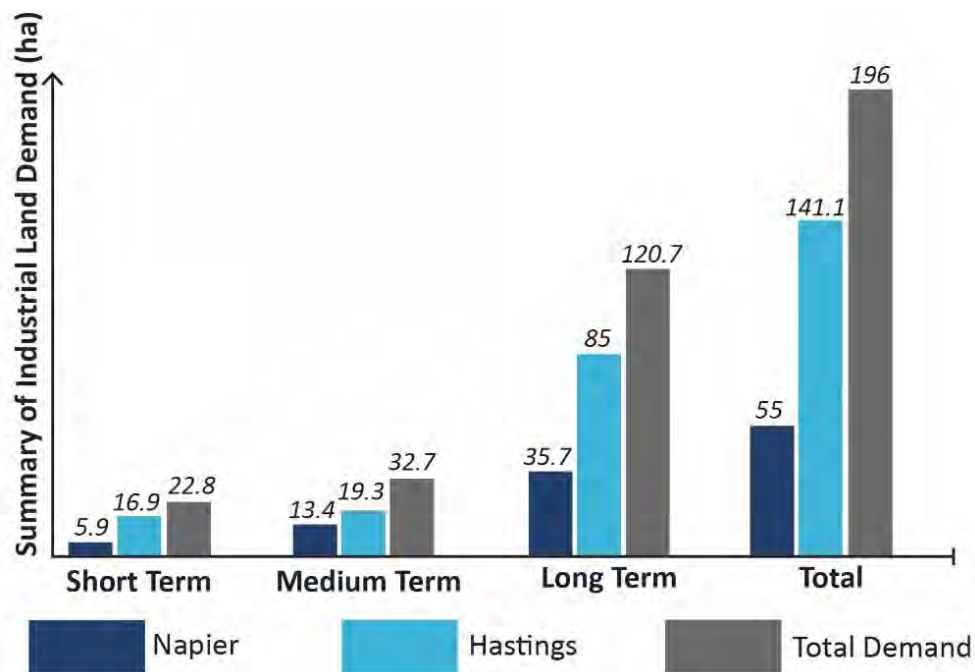


Figure 11 Industrial Land Demand (incl. Competitiveness Margin) for Napier and Hastings (Market Economics, 2022)

In addition to these capacity estimates, the BCA identifies strong recent growth in industrial development in Hastings. While this rate of growth will rise and fall over time, it indicates strong demand, at least in the short term. This is consistent with what we heard from the industrial development sector when preparing the ~~Draft~~ FDS.

Other key considerations for industry relate to water supply and trade waste capacity. Access to water is constrained, which limits the ability to establish new wet industry. Similarly, trade

waste networks that are needed to support wet industry are localised and in the Hastings context currently service the Whakatū and Omaha Road industrial areas. There is capacity in these areas to meet demand for wet industry in the long term, but there is a risk that this capacity is taken up by other industrial activities. If there is strong uptake of these areas for dry industry, then there may be a shortfall of capacity for wet industry in the long term.

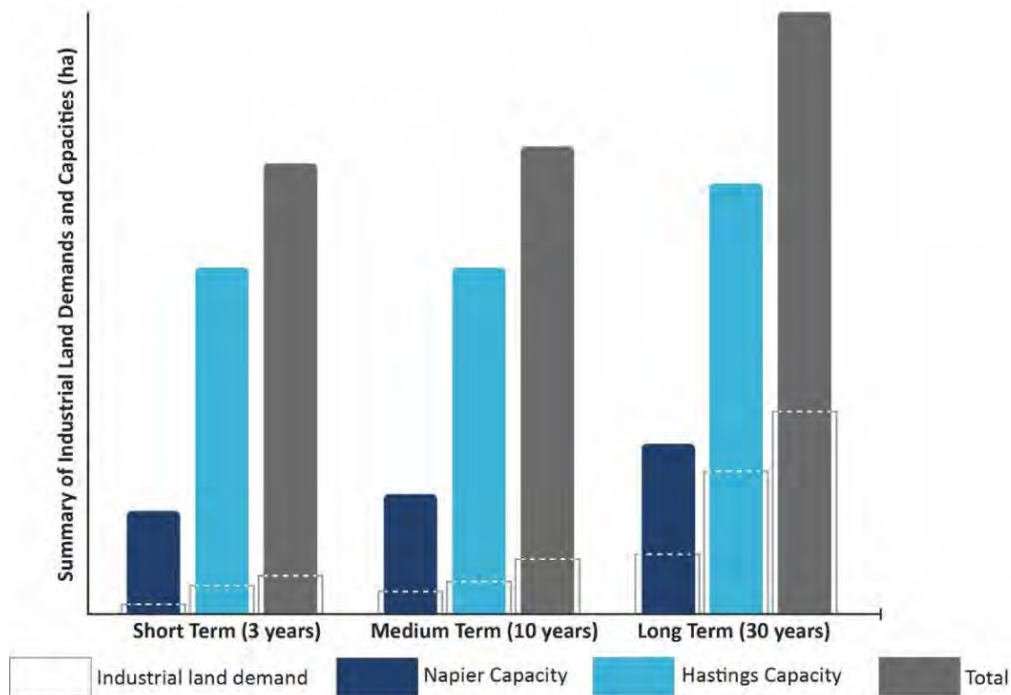


Figure 12 Business Land Capacity and Demand for Napier and Hastings

How much business land does the FDS need to plan for?

For commercial and retail the ~~Draft~~-FDS assumes that additional demand can be met within Napier and Hastings existing network of centres and commercial areas. That is consistent with Objective 2 of the ~~Draft~~-FDS, which seeks to deliver consolidated and intensified urban centres. Comprehensive development in greenfield locations also provides the opportunity to expand Napier and Hastings centre network in a strategic and coordinated way.

For industrial, there is technically sufficient zoned capacity to meet projected demand for industrial over the short, medium and long term. However, there are localised shortfalls and market feedback indicates there is strong and continuing demand. The need to provide secure long-term locations for wet industry is also important, taking into account the location of the trade waste network.

Tomoana, Whakatu and the industrial land to the south of Omaha Road (Omahu South) have access to Hastings' separated trade waste network. This is a strategic advantage for wet industries such as food processing that produce high volumes of trade waste. Notwithstanding

issues of water supply, if there is strong uptake at Whakatu, Tomoana and Omaha South for dry industry of 50 percent or more in these locations, then there may be a shortfall of capacity for wet industry in the long term of approximately 20 hectares or more. However, there is uncertainty regarding this, given that not all wet industries will require access to the separated trade waste network.

To address these matters the ~~Draft~~ FDS takes a strategic approach to industrial capacity and seeks to enable greater supply to encourage choice and competition in the market. This focuses on defining efficient long-term locations for industrial activities based on site suitability, access to transport networks, potential to minimise reverse sensitivity effects, and access to the employment base, amongst other matters.

Industrial development aspirations of mana whenua

Tamatea Pōkai Whenua and Mana Ahuriri Trust have expressed clear aspirations to develop land at 78 Stock Road and Ahuriri Station for industrial uses.

The ~~Draft~~ FDS seeks to prioritise and support the future development aspirations of mana whenua for their land, including the development of assets acquired through Treaty Settlement processes, where their aspirations align with other FDS objectives. Land that has been returned to (or retained by) mana whenua is often subject to development constraints. Where aligned with other FDS objectives, the ~~Draft~~ FDS recognises this restriction on Māori land and seeks to enable mana whenua to give effect to their development aspirations in a way that accounts for any development constraints while also ensuring mana whenua needs are met, including their economic development needs. In addition, the ~~Draft~~ FDS recognises Ahuriri Station as Redress Land.

9. Development constraints and opportunities

9.1 Introduction

Section 3.13(2)(c) of the NPS-UD requires every FDS to spatially identify “any constraints on [urban] development.” In many instances, constraints on urban development may also represent opportunities for other forms of development, involve values which the community have identified as being important and which must be protected, or which are necessary to support the creation of well-functioning urban environments (for example, avoiding development in areas likely to be subject to coastal inundation as a result of sea level rise).

Key constraints and opportunities of relevance to the ~~Draft~~ FDS are set out below. Further details are set out in the Technical Report.

9.2 Constraints

There are a wide range of development constraints that have been identified within the FDS study area. These are summarised in **Figure 13** and include areas for the safe operation and functional needs of nationally and regionally significant infrastructure, coastal hazards, land hazards, flooding, outstanding landscapes, significant natural areas, areas with limited infrastructure capacity, highly productive land, wetlands, and areas of conservation value. The attributes of particular constraints vary depending on location and some areas may contain multiple constraints that, when combined, could make an area unsuitable or unfeasible for development.

Some constraints relate to significant natural hazard risks, significant ecological sites and protected areas, which are matters of national importance under the RMA. In some instances, areas where these constraints have been identified are unsuitable for any urban development because they are either unsafe to develop (e.g. subject to significant and ongoing coastal inundation risks) or have significant values that need to be protected (e.g. Conservation land).

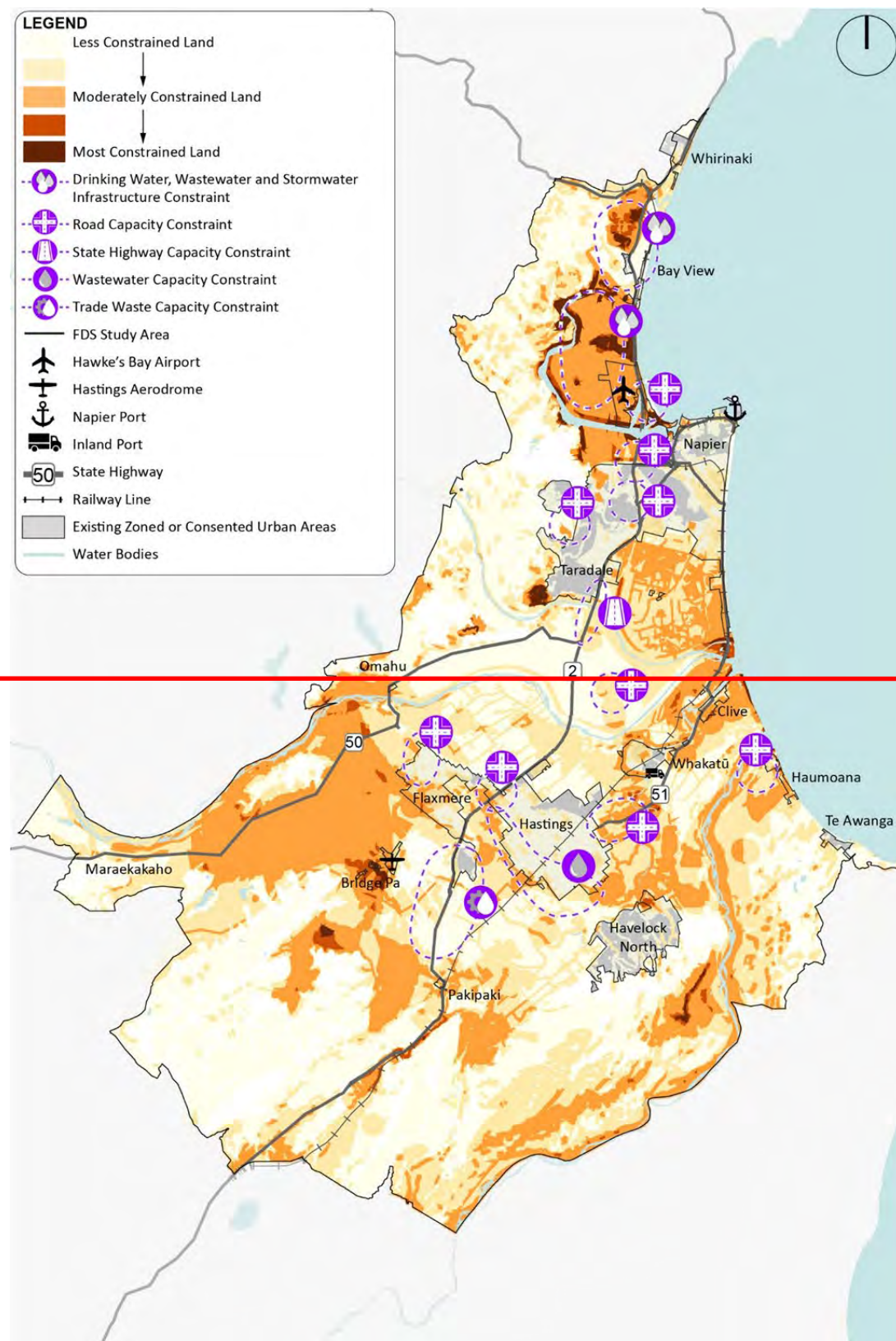
In other instances, identified constraints require careful consideration when urban development is undertaken. This may require some restrictions on the extent of development to protect identified values (e.g. building setbacks) or the application of mitigation options through design to ensure risks can be sufficiently mitigated (e.g. raised ground levels to avoid flooding). These areas would not, overall, be unsuitable for development, but rather greater care would be required to ensure an appropriate design solution is implemented.

Layering the FDS study area with the constraints highlights the most constrained areas for potential urban development (see **Figure 13**). These areas include the eastern areas along the coastline around Bay View, Clive, and Haumoana, areas to the east of Hastings and north-east of Havelock North, parts of land in proximity to Hawke's Bay Airport, and areas south of Napier around Meeanee. These are affected by a variety of natural and man-made constraints which make them less suitable for long-term urbanisation, compared with other less constrained areas.

The sections below provide further information on natural hazards and highly productive land, which are key constraints that impact Napier and Hastings spatial pattern of growth.

Statutory acknowledgement areas, Wāhi Tapu and sites of cultural significance

Statutory Acknowledgement Areas present opportunities and constraints for urban development. Wāhi tapu and sites of cultural significance have not yet been fully identified in the FDS study area. In the past, wāhi tapu and sites of cultural significance have been negatively impacted by development. The councils will work with mana whenua to identify these areas and ensure they are appropriately protected. This is a key implementation action in the FDS.



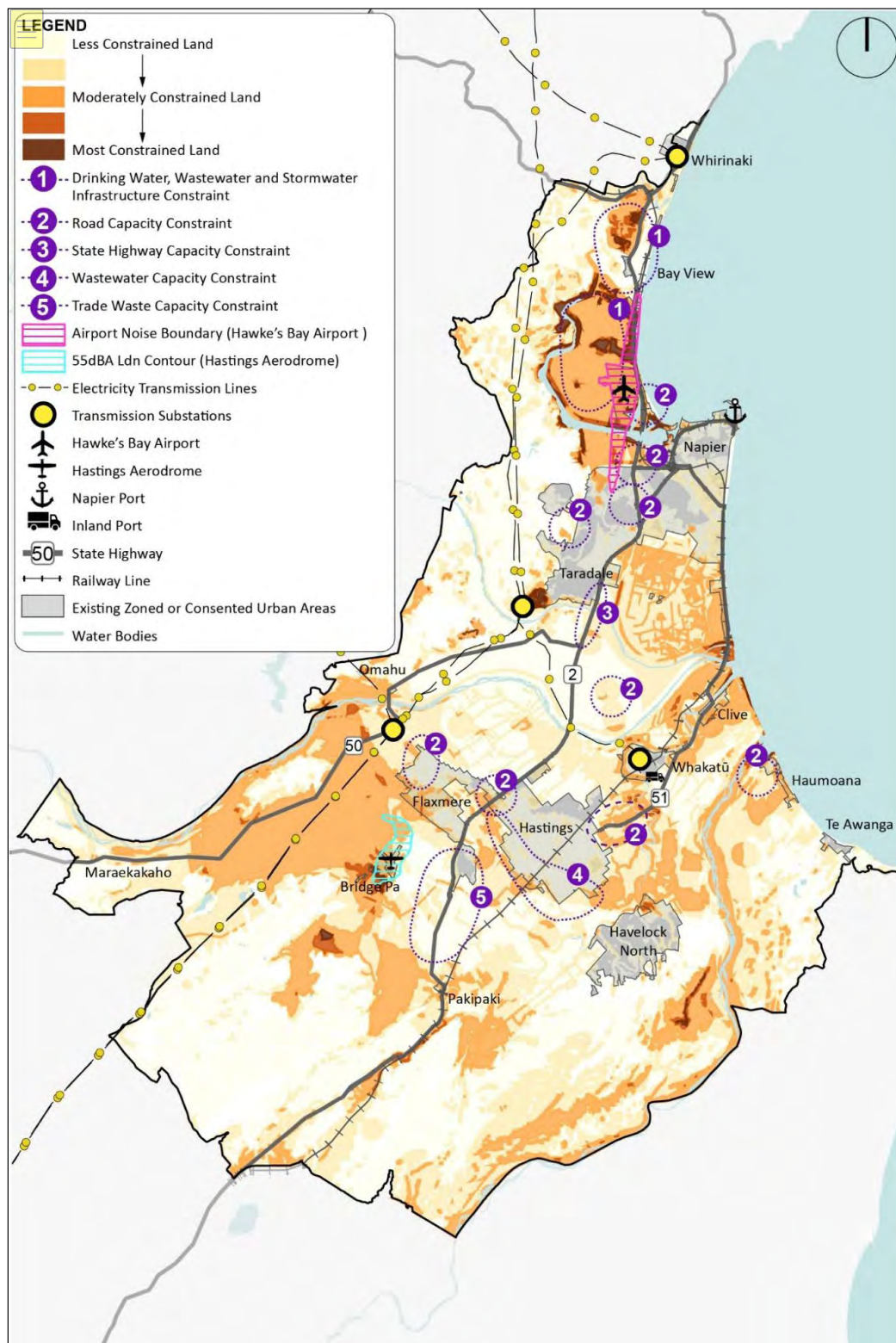


Figure 13 Summary of development constraints across the FDS study area

9.3 Natural hazards

Areas in Napier and Hastings are at risk from a number of natural hazards including flooding, droughts, coastal erosion and inundation, tsunamis, landslide and seismic hazards, and the effects of a rising sea-level.

Each of these hazards will have varying impacts on different types of urban activities. Low probability events with high impacts need attention and management in a different way to frequently occurring hazards with lesser impacts. Therefore, it is important that the ~~Draft~~ FDS not only consider the type of natural hazards but also the varying degrees of impact (consequences) for different types of urban activities occurring in at-risk locations.

Land hazards

A number of different land hazards have been identified within the study area. These include liquefaction, land instability and fault lines.

The risks associated with these land hazards is unlikely to make development completely inappropriate however it does impact on building and infrastructure design/placement and can therefore ultimately impact on development cost and feasibility.

Flood hazards

The study area is subject to two main types of flooding events – fluvial flooding (i.e. rises in river levels following sustained rainfall over a period of time) and pluvial flooding (i.e. isolated events when extreme rainfall can exceed the infiltration capacity of the surrounding area and may or may not be associated with a nearby waterbody).

Floods and storms are the most frequent hazard in Hawke's Bay. With climate change, they will likely increase in frequency and intensity. Historically there have been numerous major storms resulting in severe flooding which has resulted in stop banks, pumping stations and other protection measures being put in place.

Flood modelling for the main river flood risk areas has been undertaken by the Hawke's Bay Regional Council, using a 100-year return and 50-year return period (1% and 2% annual exceedance probability). The flood risk results from this modelling are shown in **Figure 14** and the main areas of risk are located around the Tūtaekuri, Ngaruroro and Te Awa o Mokotūāraro (Clive) Rivers, Ahuriri Lagoon, low-lying areas of Napier such as Te Awa, Maraenui and Meeanee, and inland areas near Pakipaki.

However, flood risk modelling has not been undertaken for all of the FDS study area. Large portions of the study area, including existing urban areas in Hastings, are not included within existing models, as also shown in **Figure 14**. As such, a degree of caution is needed when assessing existing flood hazards.

While there are often engineering solutions available to address flood risk, other factors need to be considered. This includes the frequency and impact of the hazards and how residual risk

will be managed. The relative affordability of maintaining engineered solutions (e.g. stop banks and pumped stormwater systems) for ratepayers in the long term is also a consideration.

Cyclone Gabrielle

Figure 14 shows the area impacted by Cyclone Gabrielle land, and the land identified as Category 3 areas where the risk of future severe weather event risk cannot be mitigated and presents a risk to life. The impact and consequences of Cyclone Gabrielle illustrate how quickly one event can trigger a series of cascading and compounding events that have significant consequences. Cyclone Gabrielle resulted in:

- the tragic loss of eight lives, as well as hundreds more injuries or hospitalisations;
- the displacement of hundreds of families and whānau;
- significant damage to, or loss of, homes and property;
- the failure of bridges between Napier and Hastings and impacts on the transport network;
- power supply issues (including loss of supply to Napier) resulting in the declaration of a grid emergency for Hawke's Bay;
- the failure of telecommunication systems;
- stop bank breaches at Awatoto which led to inundation of the Napier wastewater treatment facility and other industrial operations, resulting in contamination of surrounding land;
- the failure of Napier's wastewater treatment plant; and
- the closure of flooded businesses.

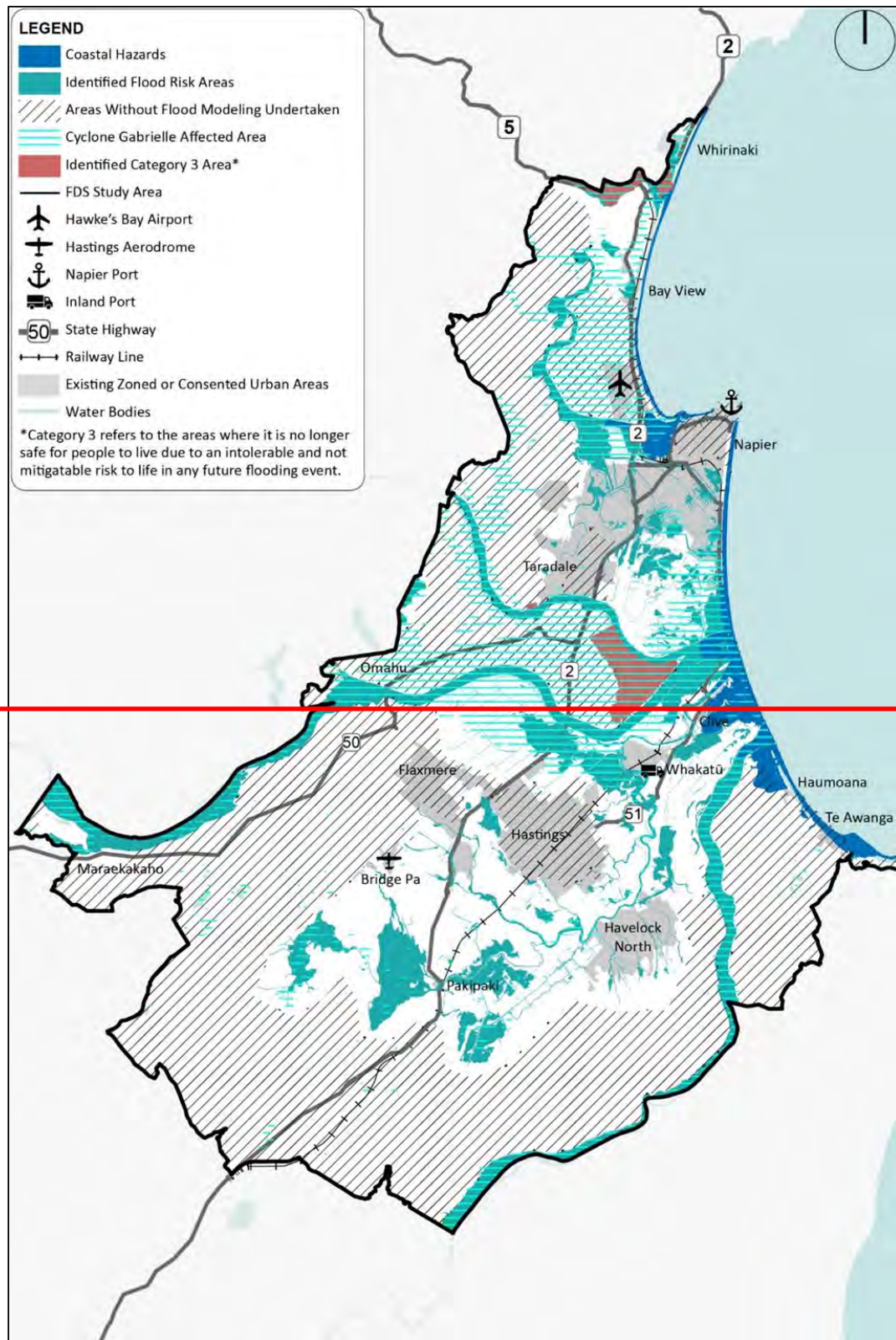
Collectively, this has significantly impacted the economic and social wellbeing of all communities, particularly in terms of property damage or loss, reduced productivity, and increased costs to ratepayers to pay for cyclone-damaged infrastructure and the worst affected properties.

Coastal hazards

Coastal hazards in Hawke's Bay include storm erosion, tsunami and coastal inundation. The present-day extent and likelihood of these coastal hazard risks are expected to increase as a result of climate change projections with increased storm intensities, sea level rise, and coastal subsidence. Low-lying parts of Napier including Pandora, Ahuriri, and Awatoto are identified as being particularly vulnerable. Coastal hazards in low-lying parts of Napier in particular, are also exacerbated by land subsidence.

The coastline south of Clive through to Te Awanga is particularly vulnerable to coastal hazards and has been subject to the effects of coastal inundation and coastal erosion, most recently in June 2024. The Clifton to Tangoio Coastal Hazards Strategy 2120 project aims to set an adaptive management pathway to manage these risks over the next 100 years. As at April 2025, the Hawke's Bay Regional Council is establishing a community reference group for further testing of the possible options, their costs and how those could be funded. In 2025, the

~~partner councils will be seeking feedback from the community on proposed coastal adaptation options.~~



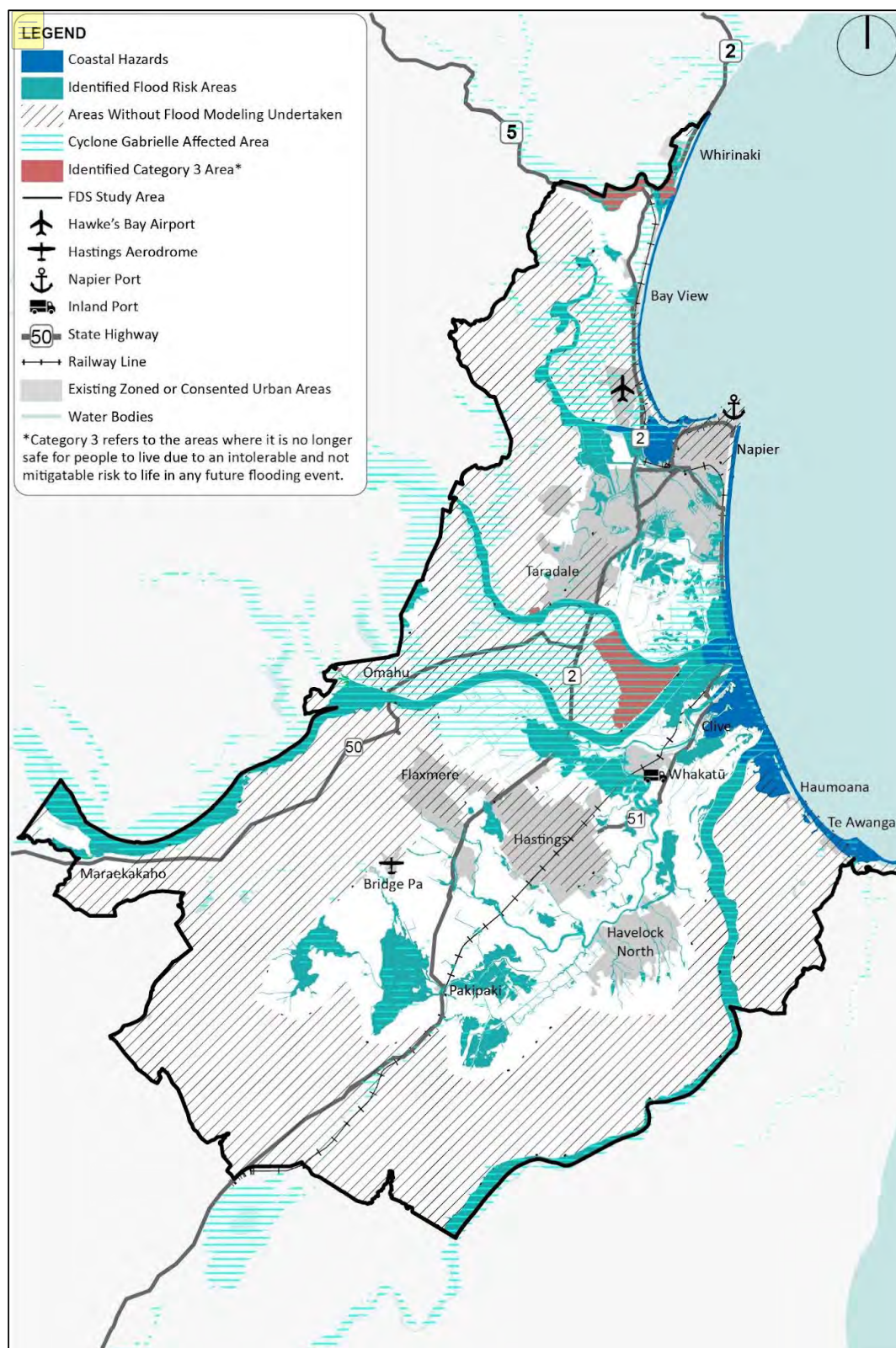


Figure 14 Natural Hazard Constraints across the FDS Study Area (Feb 2025 Cyclone Gabrielle data)

Tsunami

Hawke's Bay faces tsunami risk from near and distant earthquake sources. Tsunami hazard mapping has been commissioned by the Hawke's Bay Regional Council to help inform future land-use planning along the coastal margin. Within the FDS study area, a number of scenarios have been modelled, based on different earthquake sources and strengths, and considering a range of possible sea level rises.

Figure 15 demonstrates potential inundation for an infrequent but significant impact earthquake, using two sea level rise possibilities: a tsunami with a 1 in 1000 Year Annual Return Interval (ARI) event, and sea level rise of 1m and 1.99m. The latter has been used to inform an understanding of potential risks associated with new urban development of areas. However, it is acknowledged that tsunami inundation is a low probability, yet high consequence event affecting much of the urban area. Emergency management preparedness will also play an important role in managing some of this risk in the future.

Key areas impacted in a tsunami event include Bay View, Hawke's Bay Airport, Ahuriri, Awatoto, Clive and Haumoana. Large areas within and to the south of Napier are also subject to tsunami inundation under a larger sea level rise scenario (1.99m)

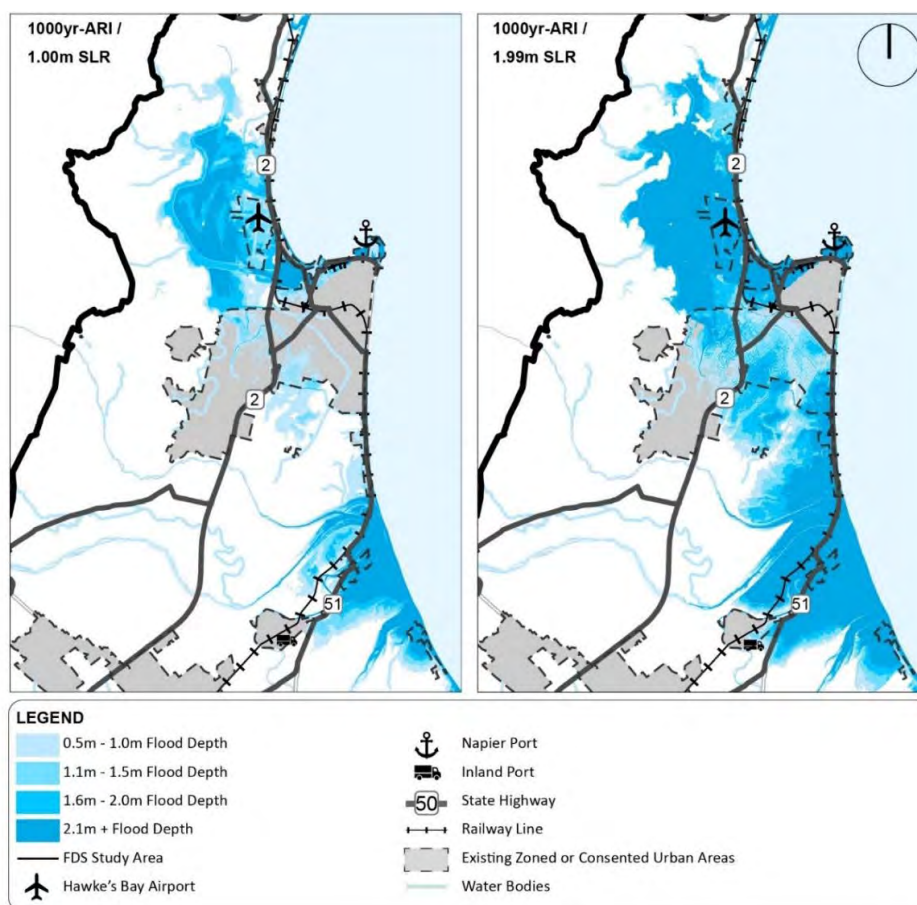


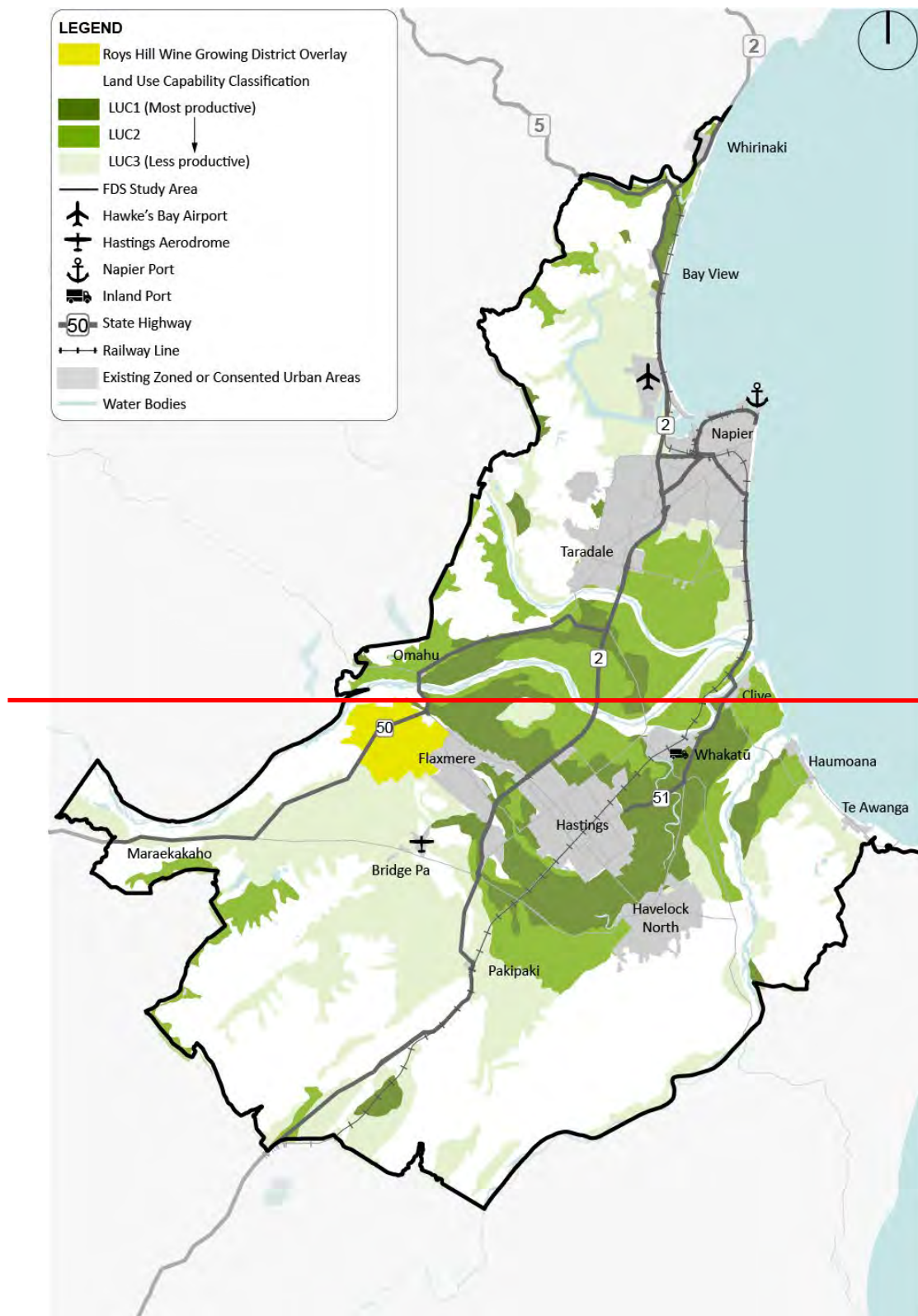
Figure 15 Tsunami Hazard Risks 1000 Year ARI event

9.4 Highly productive land

The versatile and productive soils of the Heretaunga Plains are a significant productive resource for Hawke's Bay and New Zealand and are highly valued by the community. Hawke's Bay is one of the two largest fruit producing regions in the country, and the rural environment has become increasingly popular for vineyards and wineries. The primary sector (which includes agriculture and horticulture) is the largest employer across Napier and Hastings, supporting approximately one fifth of total employment.

The importance of the productive values associated with the land across the Heretaunga Plains, including its economic benefits for the region, is one of the primary constraints on urban development given its location on the urban fringes. The National Policy Statement on Highly Productive Land (**NPS-HPL**) places greater emphasis on protection of highly productive land and requires regional councils to map this land.

Until the Hawke's Bay Regional Council completes this mapping, the ~~Draft~~ FDS has identified LUC 1, 2 and 3 land and the Roy's Hill winegrowing area as highly productive land, as shown in **Figure 15**. This mapping excludes land with urban or rural lifestyle zonings.



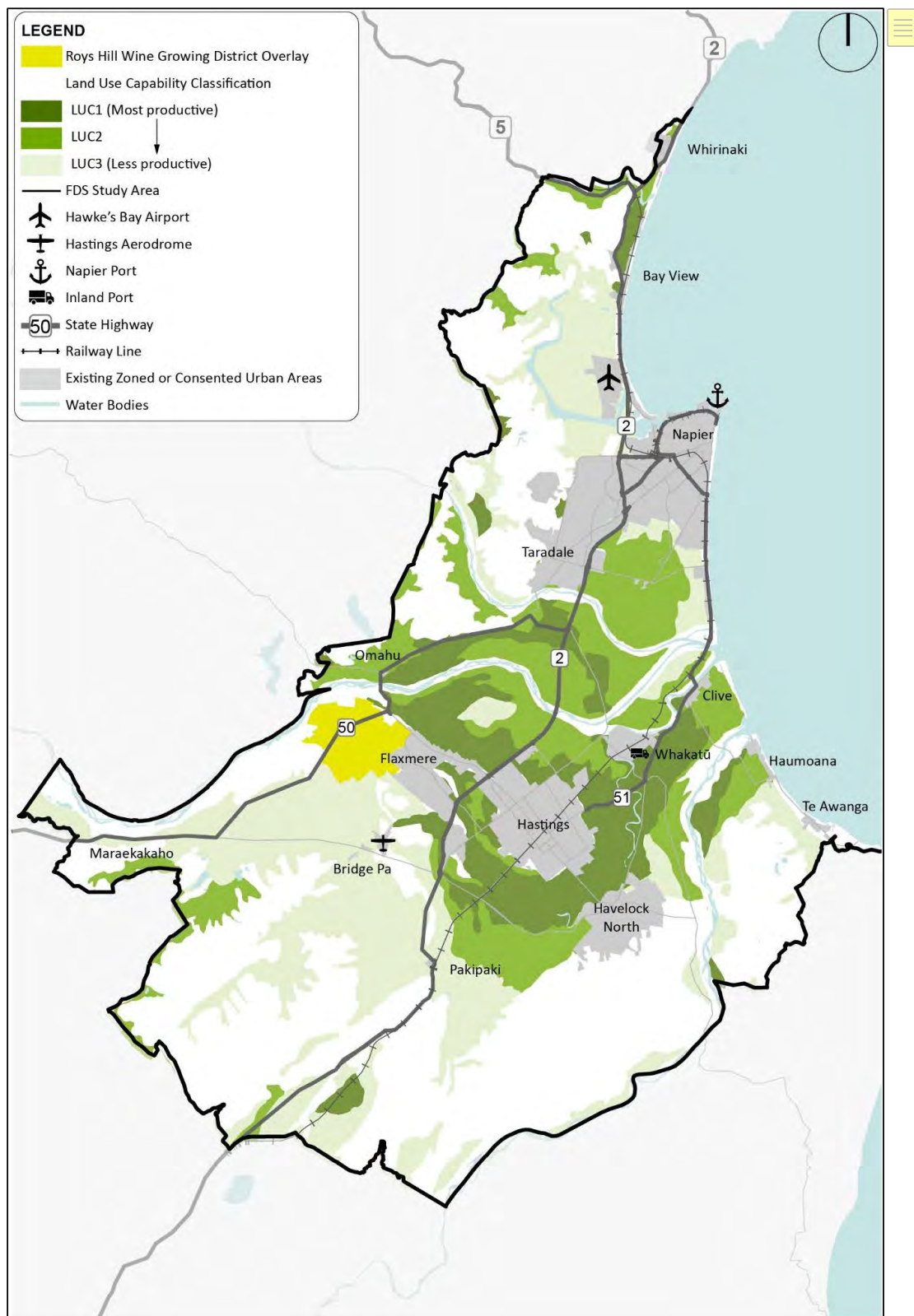


Figure 16 Highly Productive Land within the FDS Study Area

Napier

The most productive land in Napier is located to the north (around Bay View) and south (around Meeanee). These areas contain large expanses of land identified as either LUC1 or LUC2, the most productive type of land within the LUC system. LUC3 land tends to border existing urban areas in Napier, including around the airport and at the southern fringe. While LUC3 land is also considered productive, poor drainage and waterlogging has limited its use to seasonal cropping and pasture.

Hastings

Hastings, Flaxmere and Havelock North are largely surrounded by LUC1 and LUC2 land. While there are some isolated pockets of poorly drained and waterlogged soil, there are generally few limitations on this land's value for productive purposes. Limits on water allocation and reverse sensitivities to urban land uses place some constraints on productive uses.

South of Havelock North, the steeper hills are of lower soil quality, while south of Flaxmere and around Bridge Pa and Pakipaki, there are large areas of LUC3 land alongside organic soils and other soils of less productive value.

North-west of Flaxmere, the Roys Hill Wine Growing Area is a highly productive area for grape growing and wine production, known as the 'Gimblett Gravel' soils.

Māori land

Policy 3.8(1)(b) of the NPS-HPL provides a potential exclusion pathway for Māori land from the subdivision restrictions of highly productive land provided that any potential cumulative effects on the loss of productive capacity and reverse sensitivity effects are mitigated or avoided. This allows mana whenua to exercise rangatiratanga over their whenua and determine whether subdividing and building on their land is appropriate.



9.5 Opportunities

The low-lying land within and around Napier is subject to a number of natural hazard risks, while the Western Hills area is not suitable for significant levels of urban development due to the topography. In contrast, Hastings, Flaxmere and Havelock North are all relatively unconstrained by natural hazards but all border the Heretaunga Plains' most productive land, which is a critical feature of the local economy and important source of employment. Despite this, there are still opportunities for growth.

Intensification

Intensification of existing urban areas provides a significant opportunity to accommodate both Napier and Hastings' future housing demands. Intensification of existing urban areas can take many forms, including small scale infill, and comprehensive and compact redevelopment made up of town houses, terraces and apartments.

Intensification has a number of benefits, including:

- providing a greater variety of housing choices that can better serve a diverse range of socio-economic and demographic needs;
- allowing more people to live in close proximity to jobs, social amenities (e.g. schools) and areas of high natural amenity;
- reducing reliance on private vehicle travel, in turn supporting a reduction in greenhouse gas emissions and enabling a more viable public transport system; and
- Making more efficient use of existing infrastructure and reducing the need to extend existing networks.

In line with the NPS-UD, intensification should be targeted at those areas with good accessibility to a wide range of commercial and community services. This is reflected in the locations that enable greater levels of intensification by the Napier PDP and Hastings' PC5. Local area planning and other tools and incentives will support intensification by defining the local infrastructure needed to support growth in Napier and Hastings' neighbourhoods and centres.

The Hawke's Bay Racecourse is 32 hectares of land within a short walk of Hastings' city centre. There is potential for the racecourse to relocate in the future to a new purpose-built facility elsewhere in the Hastings district. While not factored into the ~~Draft-FDS-strategy~~, the redevelopment of the racecourse presents a significant opportunity to deliver a quality mixed-use development in a highly accessible location in the future.

Affordable Housing

Like many other urban centres across New Zealand, demand for social and more affordable housing options is growing. There is currently a waitlist of 1,380 households on the social

housing register across both Napier and Hastings⁷. Demand projections indicate the majority of demand will be for lower cost homes, which modelling indicates will be challenging from a commercial feasibility perspective.

Long-term, the provision of social and affordable housing will remain a critical issue for Napier and Hastings. Enabling higher density housing developments at different price points and in different tenure models, including public and community housing will remain vital to meeting the projected increase in demand for more affordable dwellings.

Mana whenua have shared their concern that intensification can lead to gentrification and increased prices and rates in areas where Māori have lived for generations. They have also shared concerns regarding increased council rates for Māori living rurally in areas bordering new greenfield development. In the past, Māori have experienced increases simply for adjoining these developments and it has priced them off their land.

Retirement villages

Due to the ageing populations in both Napier and Hastings, the retirement housing sector is likely to capture a significant portion of overall demand for housing. It is expected that up to 1,560 additional retirement units (or 52 units per year on average) may be needed over the next 30-years across Napier and Hastings combined.⁸

Retirement villages typically have unique land requirements compared with conventional housing. This reflects that retirement villages include a broader range of activities including, residential, care facilities, and recreation and support services. Greenfield options are more likely to suit this demand given the larger size of sites available.

Providing retirement living options in the community will be important in enabling intensification and greater housing choice. People of retirement age often sell up a larger family home in established communities to down-size and relocate to a retirement village. This can support increases in the availability of larger older homes for families, or alternatively help to deliver larger sites onto the market for developers to realise more intensive forms of housing.

⁷ Ministry of Social Development, March 2024.

⁸ Market Economics, 2024, pg. 19.

10. The ~~Draft~~ FDS Strategy

10.1 Summary

At its heart, the ~~Draft~~ FDS ~~strategy~~ seeks to achieve a compact urban form, focussed around a network of consolidated and intensified centres in Napier and Hastings. The ~~draft~~ strategy achieves this by enabling more housing growth and choice within and adjoining the existing urban area in locations close to the public transport network and community services. It also achieves this by providing choices for different types of businesses in efficient locations.

The ~~Draft~~ FDS ~~strategy~~ provides for:

- **increased density and diversity of housing**, including apartments and terraced housing, within and close to Napier and Hastings' primary, secondary and locally important centres and high frequency bus corridors;
- **general residential development in other neighbourhoods** within existing urban areas, including small scale infill and suburban scale duplexes and terraced housing;
- **targeted expansion to enable new compact neighbourhoods with a mix of housing types** to the south of Napier's urban area, Mission Estate, and on the fringes of Havelock North, Hastings and Flaxmere, in locations that can integrate efficiently with existing transport networks and services, while avoiding the best productive land;
- **increased density and diversity of retail and commercial activities** in Napier and Hastings' primary, secondary and locally important centres, the Severn Precinct, and in new centres that support new compact neighbourhoods;
- **a new strategic industrial node at Irongate and Irongate West** that is efficiently located close to the state highway network and existing industrial areas;
- **supporting infrastructure**, including transport, three waters, open space and social infrastructure network improvements; and
- **opportunities to deliver ecologically sustainable, resilient urban development at Ahuriri Station.**

The ~~Draft~~ FDS ~~strategy~~ enables a number of benefits to be realised, including:

- providing the **best opportunity to achieve more compact housing** consistent with changing housing needs in Napier and Hastings;
- providing for new housing in a variety of areas which supports **reduced travel times for people with lower impacts on the transport network**;
- directing growth to areas that **better utilise existing amenities and infrastructure** (e.g. drinking water, wastewater, stormwater, roading, schools and public transport);
- **avoiding the need for significant new capital investment in new infrastructure** in areas with limited existing and planned infrastructure;
- **minimising urban expansion** in areas subject to significant natural hazard risks;

- providing opportunities to **more efficiently protect existing communities from natural hazard risks;**
- **minimising urban expansion in areas with highly productive land** used for productive activities;
- **retaining future flexibility to accommodate changes in housing demand;**
- **providing opportunities for further economic agglomeration** of the Irongate industrial node should the uptake of industrial land occur faster than anticipated.; and
- **recognising Mana Ahuriri's aspirations** for development by identifying Ahuriri Station as Redress Land.

The ~~Draft~~-FDS ~~strategy~~ provides limited opportunities for new greenfield expansion in Napier and promotes development within the existing urban area. This reflects that land surrounding Napier's urban area is generally low lying, is vulnerable to land subsidence and rising ground water levels, and a range of other natural hazards. These hazards are also present in the existing urban area, and the ~~Draft~~-FDS provides the opportunity to concentrate efforts on mitigating these effects for existing communities.

The ~~Draft~~-FDS also avoids the best productive land in the Heretaunga Plains by promoting development within the existing urban area and directing opportunities for new greenfield development to locations with lower quality soils. This approach ensures that the life supporting capacity of the Heretaunga Plains is protected for future generations.

The boundaries of the new growth areas identified in the FDS are indicative only. Future structure planning and rezoning will determine the extent of any urban zones needed to support development and this will be based on detailed technical evaluations undertaken at the time.

The FDS is focussed on identifying strategic opportunities for growth across the urban areas of Napier and Hastings. Except in some circumstances, smaller sites with capacity for less than 100 dwellings or singular business/commercial development proposals are not identified. It is intended that proposals of this scale, or other unanticipated development, are considered on their merits through a plan change/review and/or resource consent processes. Collectively, development on smaller sites may make a meaningful contribution to housing and business capacity and this will be regularly monitored and documented through the Councils' three yearly Housing and Business Capacity Assessments.

Ahuriri Station Redress Land

Mana Ahuriri Trust has strong aspirations to deliver ecologically sustainable, resilient urban development at Ahuriri Station.

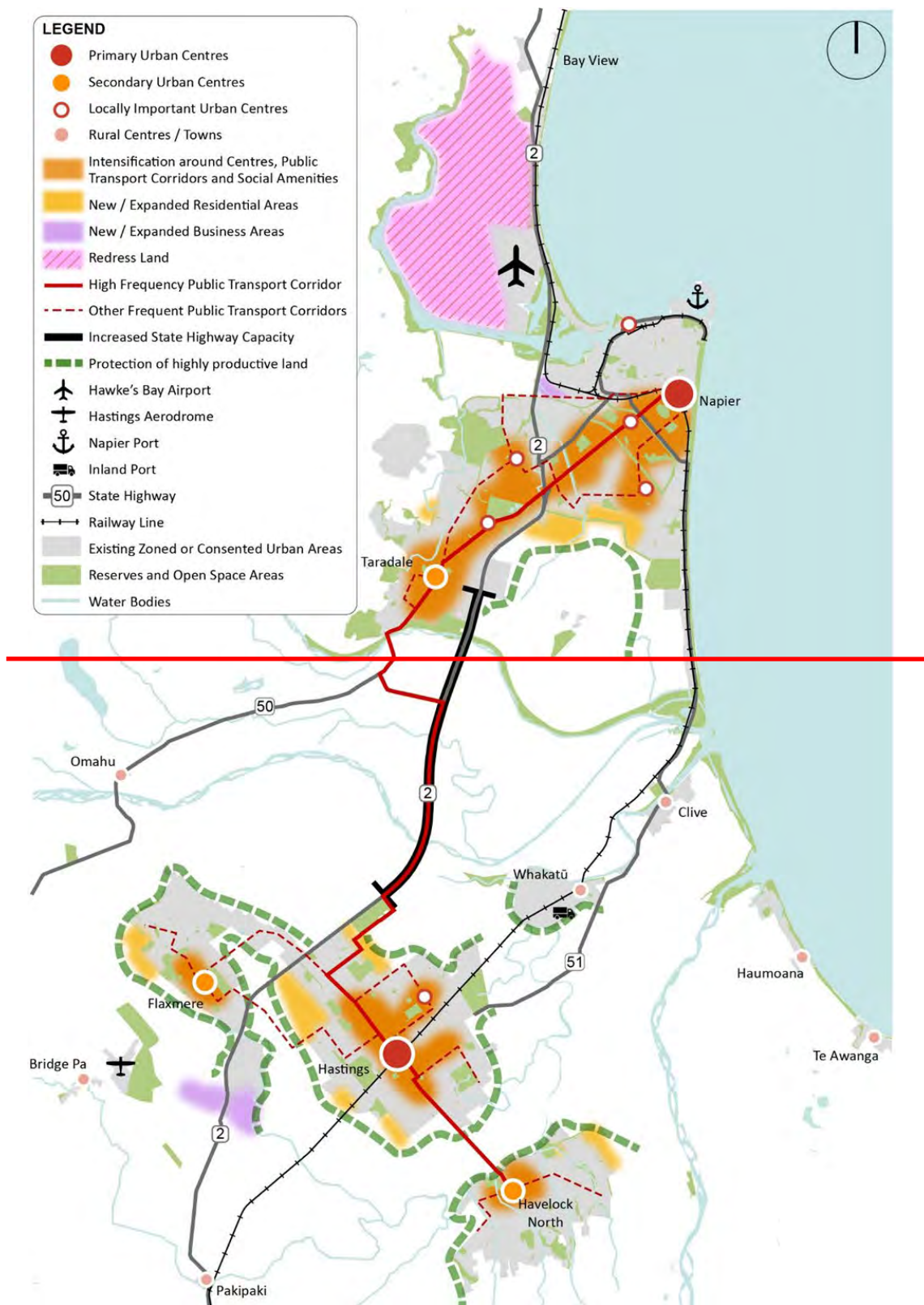
This land is available for Mana Ahuriri Trust to purchase as part of Mana Ahuriri's Treaty settlement with the Crown, which was received in 2022. The settlement recognises the losses suffered by Ahuriri Hapū arising from the breaches by the Crown of its obligations to Ahuriri Hapū under the Treaty of Waitangi and its principles. The ability to purchase Ahuriri Station is intended to provide Ahuriri Hapū with resources to advance the development of their economic and social well-being and assist with their cultural aspirations.

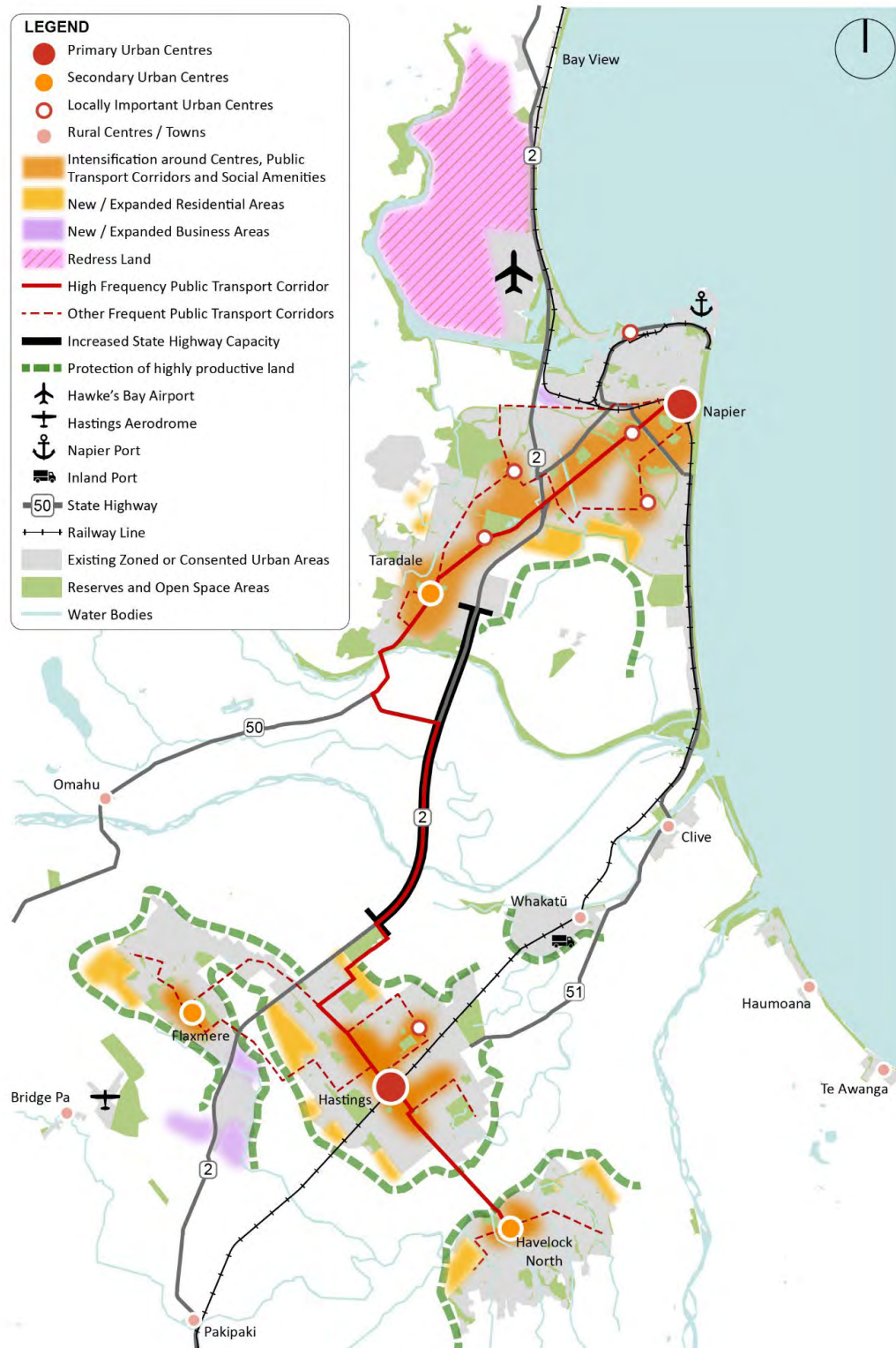
It is also recognised that some of the hapū represented by Mana Ahuriri Trust, such as Ngāi Te Ruruku ki Tangoio and Ngāti Tū, are also represented by the Maungaharuru-Tangitū Trust. This reflects shared and overlapping relationships and highlights that Ahuriri Station will provide benefits beyond Mana Ahuriri Trust's interests alone. Mana Ahuriri Trust acknowledges the support of its post settlement entity partners, the Maungaharuru-Tangitū Trust and Tamatea Pōkai Whenua, for the inclusion of the Ahuriri Station in the FDS.

The land comprised in Ahuriri Station is of a regionally significant and strategic scale for the Hawke's Bay region and there are potentially significant benefits to unlocking development of that scale. Developing the land has the potential to support the economic, social and cultural aspirations of Ahuriri Hapū, Napier, and the wider Hawke's Bay economy and its people. The site is of sufficient scale to present potential opportunities for resilience, adaptive design and ecological restoration.

Significant engineering works would be required to reduce potential or currently modelled natural hazard risks and maintain important environmental values to an acceptable level to enable a sustainable and resilient development both now and into the future. In addition to the mitigation measures required to safely enable any development, significant and ongoing infrastructure investment would be required, as with any project of this scale and regional significance given its engineering challenges and complexity. As part of its masterplanning, Ahuriri Hapū will take the lead on planning and developing Ahuriri Station.

The Councils will work collaboratively with Mana Ahuriri Trust to advance development processes for Ahuriri Station that provide for Ahuriri Hapū economic, cultural and social well-being. Given the scale of the opportunity, this will likely occur in stages over time and the FDS provides sufficient additional capacity for this to happen. Mana Ahuriri Trust does not intend to delay its planning for making the most of its redress land for Ahuriri Hapū.



Figure 17 The ~~Draft~~ Future Development Strategy 2025-2055

10.2 Summary of residential development capacity

Consistent with the approach outlined above, approximately 80 per cent of future residential development capacity enabled by the ~~Draft FDS strategy~~ would be on land already zoned for urban development. About 60 per cent of this will be through redevelopment of existing sites, and about 20 per cent will be through development of already zoned greenfield land, some of which is consented but not yet developed. The broad location and type of residential growth enabled by the ~~Draft FDS~~ is set out in **Table 2** below and shown in **Figure 17**.

Table 2 – Residential Development Capacity Enabled by Council Area

Broad Type	Napier	Hastings	Total
Redevelopment / Infill in the existing urban area	4,070	5,840	9,910
Existing Zoned / Consented Greenfield Development	2,085	2,125	4,210
New Greenfield Development ⁹	2,420	1,560 <u>2,695</u>	3,980 <u>5,115</u>
Total Dwellings Enabled	8,575	9,525 <u>10,660</u>	19,235 <u>18,400</u> ¹⁰
Total Demand	6,700	9,620	16,320
Sufficiency	+1,875	-95 <u>+1,040</u>	+1,780 <u>+2,915</u>

⁹ Unless detailed masterplanning information was made available by landowners / developers during the preparation of the Draft FDS, a conservative density of 15 dwellings per hectare on the net developable area has been used to derive capacity numbers. Based on detailed design, development capacity figures could be higher than this figure.

¹⁰ The total enabled residential development capacity does not equate to the total number of new homes that will be built. It includes allowance for a competitiveness margin which is equivalent to 2,390 dwellings across Napier and Hastings.

10.3 Redevelopment in the existing urban area

Promoting a compact urban form focussed around a network of consolidated and intensified centres in Napier and Hastings is the core concept underpinning the ~~Draft-FDS-strategy~~.

Over the 30-year life of the FDS, growth within the existing urban area is expected to deliver at least 50 per cent of all residential growth. Over the long-term, intensification is anticipated to deliver the majority (60 per cent) of future residential growth across both Napier and Hastings toward the end of the 30 years. This will mean new housing across the region will increasingly move towards medium and higher density housing types, such as townhouses, terraced housing and multi-storey apartment buildings.

Greater intensification in and around the key centres of Napier, Taradale, Hastings, Flaxmere and Havelock North and along more frequent public transport routes will help support the development of a range of dwelling types to meet the changing demographic profile in Napier and Hastings, particularly for an ageing population and smaller household sizes. Intensification in these areas will also have more proximate access to local shops and businesses for people to access their daily needs and services. They will also be closer to education, employment and community facilities. There are also opportunities for more mixed-use development along key public transport corridors.

Moving towards the delivery of more medium and higher density housing types and supporting mixed use development will take time. It requires a range of factors to come together, including willing landowners, enabling planning rules, available infrastructure and a development and construction sector willing and able to deliver different forms of housing. The community must also be willing to accept that existing amenity values may change, and that this can be positive for future generations and can help to protect those aspects of the natural environment that we value the most. These factors will be key to successfully implementing the ~~Draft-FDS strategy~~.

10.4 Development in greenfield locations

Greenfield development allows for housing and supporting services to be delivered at scale and pace. This differs from growth in the existing urban area, which tends to occur incrementally over time.

The release of greenfield land for development can assist to moderate land prices and support overall housing affordability, however, it may also attract demand away from the existing urban areas and impact broader outcomes to intensify and achieve a compact urban form. Therefore, there is a need to closely monitor the uptake of development in the existing urban area and manage the timing of greenfield land release in response, to ensure there is sufficient land to meet demand.

There are a number of large development areas that have already been zoned or consented for urban development, or where subdivision and development has already commenced.

Combined, these currently provide capacity for approximately 4210 dwellings. These will provide sufficient capacity over the short-to-medium term to meet the demand for new greenfield housing. Significant areas of existing residential development capacity include:

- Mission Hills (800 dwellings)
- Te Awa (615 dwellings)
- Parklands (320 dwellings)
- Wharerangi Road (350 dwellings)
- Wairatahi (460 dwellings)
- Brookvale Road (550 dwellings)
- Howard Street (350 dwellings)
- Iona (350 dwellings)
- Lyndhurst Stage 2 (140 dwellings)
- other smaller-scale sites around the FDS Study Area (275 dwellings).

Over the long-term, the creation of new greenfield development areas will continue to be part of how Napier and Hastings meet future urban housing requirements. This will ensure that a range of lifestyle choices and sufficient residential development capacity can continue to be provided.

Opportunities for new greenfield growth across both Napier and Hastings outside of these areas are limited. A combination of development constraints including natural hazards, highly productive land and topography mean the greenfield growth locations signalled in the ~~Draft~~ FDS are limited to a number of smaller development areas at the edge of existing urban areas. They are broadly located close to existing centres, existing or proposed frequent public transport routes and social amenities.

These areas and their approximate development capacity are set out in **Table 3** below. In many instances, the development capacity set out in Table 3 is likely to be lower than what might be realised, given that the estimates are preliminary and site-specific investigations and structure planning have not yet been undertaken. When these areas are progressed for rezoning, greater density should be sought to reduce the need for further expansion into areas with known constraints.

Table 3 – New Residential Greenfield Development Areas (Currently not zoned for residential development)

Site Ref	Site Name / Location	Approx. Capacity
NC4a	Riverbend Road / Willowbank Avenue, Napier	290 dwellings
NC4b ¹¹	Riverbend Road, Napier	660 dwellings
NC4d	South Pirimai, Ulyatt Road, Napier	370 dwellings
NC6	Mission Estate, Church Road, Napier	100 dwellings
H2a	Lyndhurst Extension, Hastings	280 dwellings
H3	Kaiapo Road, Hastings	430 dwellings
H4	Murdoch Road, Hastings	120 dwellings
H8	Copeland Road, Hastings	130 dwellings
FM2 & FM9	Portsmouth Road, Flaxmere	330 655 dwellings
HN2b	Arataki Road Extension, Havelock North	140 170 dwellings
HN6	Brookvale Road, Havelock North	125 dwellings
HN10	Oderings Site, Havelock North	35 dwellings
H5	Wall Road, Hastings	110 dwellings
HN3a and HN3b	Middle Road, Havelock North	640 dwellings
AS	Ahuriri Station, Bay View	1,000 dwellings
Total		3,980 5,115 dwellings

10.5 Business land

The ~~Draft~~ FDS ~~strategy~~ provides sufficient capacity to meet demand for business activities over the short, medium and long term. Business development will continue to be concentrated around established nodes and connected with an improved bus network. Capacity enhancements to the state highway network will help to improve the resilience and reliability of strategic freight corridors which provide access to the Port of Napier and Hawke's Bay Airport.

Centres (retail and commercial)

Centres are focal points where people meet to learn, work, shop and play.

Napier city centre and Hastings city centre will remain the primary retail, commercial, civic and entertainment hubs for the region. Intensification of commercial activities (e.g. offices) will need

¹¹ Additional land will be required to manage stormwater and flooding effects arising from development of Riverbend Road (NC4b), with the exact location to be determined through future planning processes.

to occur to ensure they can continue to support a growing population within their urban areas and across the region more broadly.

Taradale, Flaxmere and Havelock North Town Centres are also important centres for their local communities and provide access to a range of goods and services in close proximity to residents.

Over time, these centres, particularly Napier and Hastings city centres, will become increasingly important as places for people to live as well. An increased residential population in and around centres can help support new business establishing but has the potential to displace some commercial activity. Any shortfalls in commercial land across these centres, as well as other commercial zones, over the long-term are expected to be met through intensification. As such, planning controls will need to ensure a suitable balance between residential and commercial uses can be provided.

Development in greenfield locations also provide the opportunity to efficiently integrate new centres and commercial areas as part of delivering compact neighbourhoods. Careful consideration will be needed to ensure new centres and commercial areas support and reinforce the existing network of centres in Napier and Hastings. The planned centre as part of the Wharerangi Road development in Napier is a good example of how to achieve this through a structure planning and rezoning process.

In addition to intensification of centres, a further six hectares of commercial land in the Severn Precinct (off Prebensen Drive) has been identified within the ~~Draft~~ FDS. This provides opportunities for large format retail and other commercial activities in an area with good access to the strategic road network.

Industrial land

The ~~Draft~~ FDS ~~strategy~~ provides sufficient capacity to meet demand for industrial activities over the short, medium and long term. However, there may be localised shortfalls in capacity for wet industry depending on the extent to which future wet industrial activities require access to Hastings' separated trade waste network.

There is approximately 60 hectares of industrially zoned vacant land still to be developed in Napier, the majority of which is located within the vacant airport land to the south of Watchman Road. In Hastings, there is approximately 200 hectares of vacant industrial land primarily located in established nodes in Omaha Road, Irongate, Whakatū and Tomoana.

For Napier, a critical assumption around sufficiency is that the Airport Zone to the south of Watchman Road (42 hectares) will be available for development. This area faces some challenges around access, ground suitability and vulnerability to natural hazards. If development of this area was unable to occur, there would be a shortfall in industrial land of approximately 30 hectares. Such a shortfall could be met by additional development capacity in Hastings or in Napier if industrial development is realised at Ahuriri Station. Existing industrial capacity at Pandora is also vulnerable to a number of natural hazards.

Within Hastings, an additional ~~100~~ **119** hectares of industrial land has been identified around the Irongate industrial node, to be developed over the long-term. This area can accommodate dry industry, and wet industrial activities that do not have a functional need to access Hastings separated trade waste network. Council monitoring has indicated that uptake of industrial land at Irongate has been strong, and its location on the strategic road network, close to areas of primary production and between two main urban areas means it is ideally suited for further growth should demand arise. While this land is not required to meet any requirements under the NPS-UD, there are advantages in signalling that further development may occur in this location. These include that it:

- supports the development aspirations of Tamatea Pōkai Whenua which is a major landowner in the area;
- provides an opportunity for enabling established dry industries to decant/relocate from areas where there is existing trade waste capacity, potentially releasing vacated sites for wet industries (e.g. Tomoana and Whakatū); and
- provides opportunities to explore rezoning of existing industrial land close to Hastings city centre for commercial or mixed-use zones to better realise more intensive forms of residential and commercial uses.

The FDS does not identify additional areas for wet industry and relies on existing capacity in Omahu South, Tomoana and Whakatu in the short to medium term. However, In the long term, there is potential for a shortfall in development capacity for wet industry if a large proportion of that demand requires access to Hastings separated trade waste network and the level of dry industry uptake is greater in these areas. If that occurs, and if additional land is required, then further expansion to the existing industrial areas at Tomoana and/or Whakatu may be appropriate.

At that time, the available options would be comprehensively assessed in order to minimise loss of highly productive land. This includes ensuring that the planning framework protects any rezoned land for wet industry only, has a functional need to access Hastings separated trade waste network, and could not otherwise occur efficiently elsewhere with mitigation in place.

To reduce the likelihood of this occurring, the FDS recommends that the Hastings District Council explore policy options in the short term to better protect remaining capacity in Whakatu for wet industry, and potentially Omahu South depending on the amount of trade waste capacity available there.

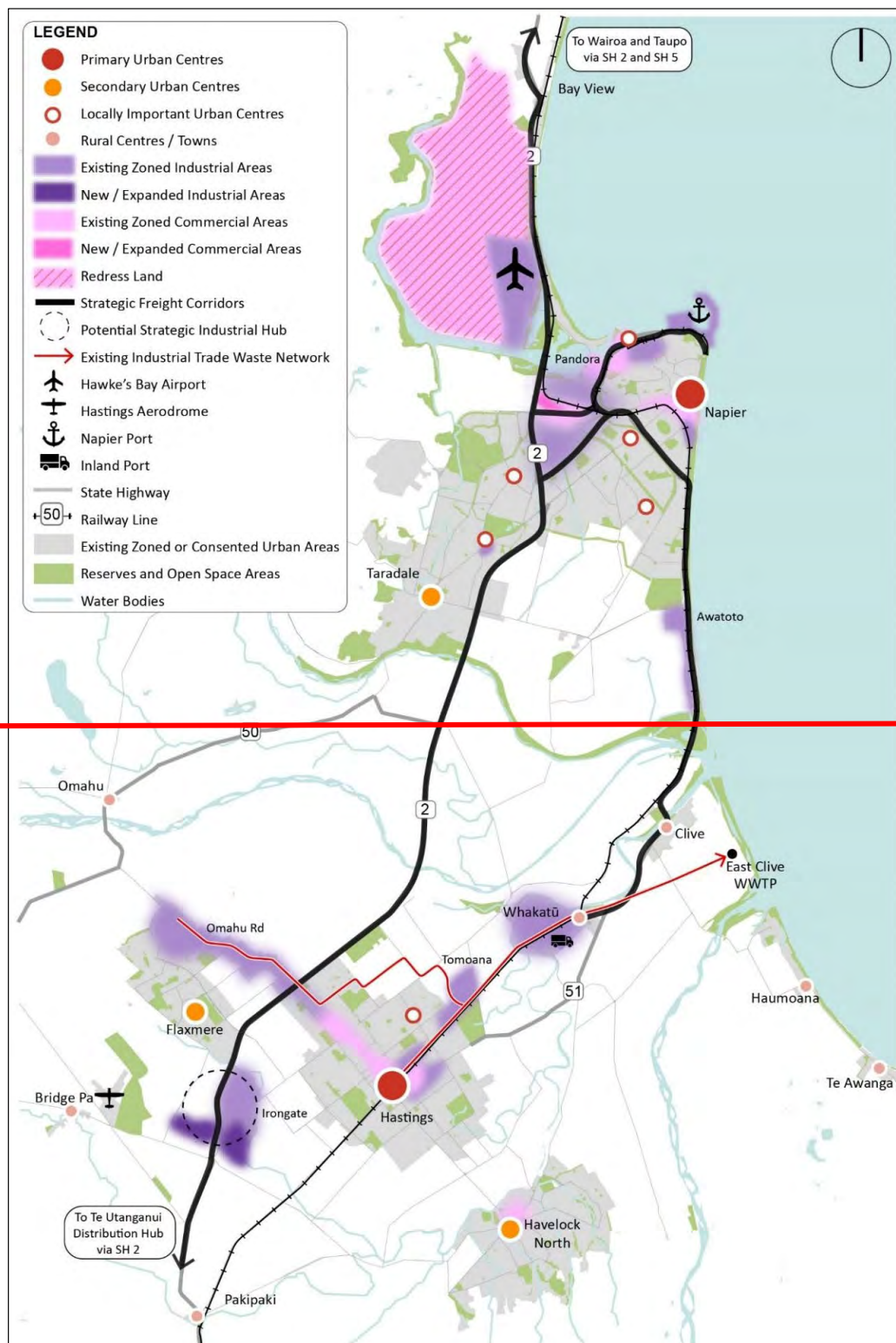
At the same time, a sustainable long-term solution for water supply should be progressed as a high priority as this is the key constraint for new industrial activities across Napier and Hastings.

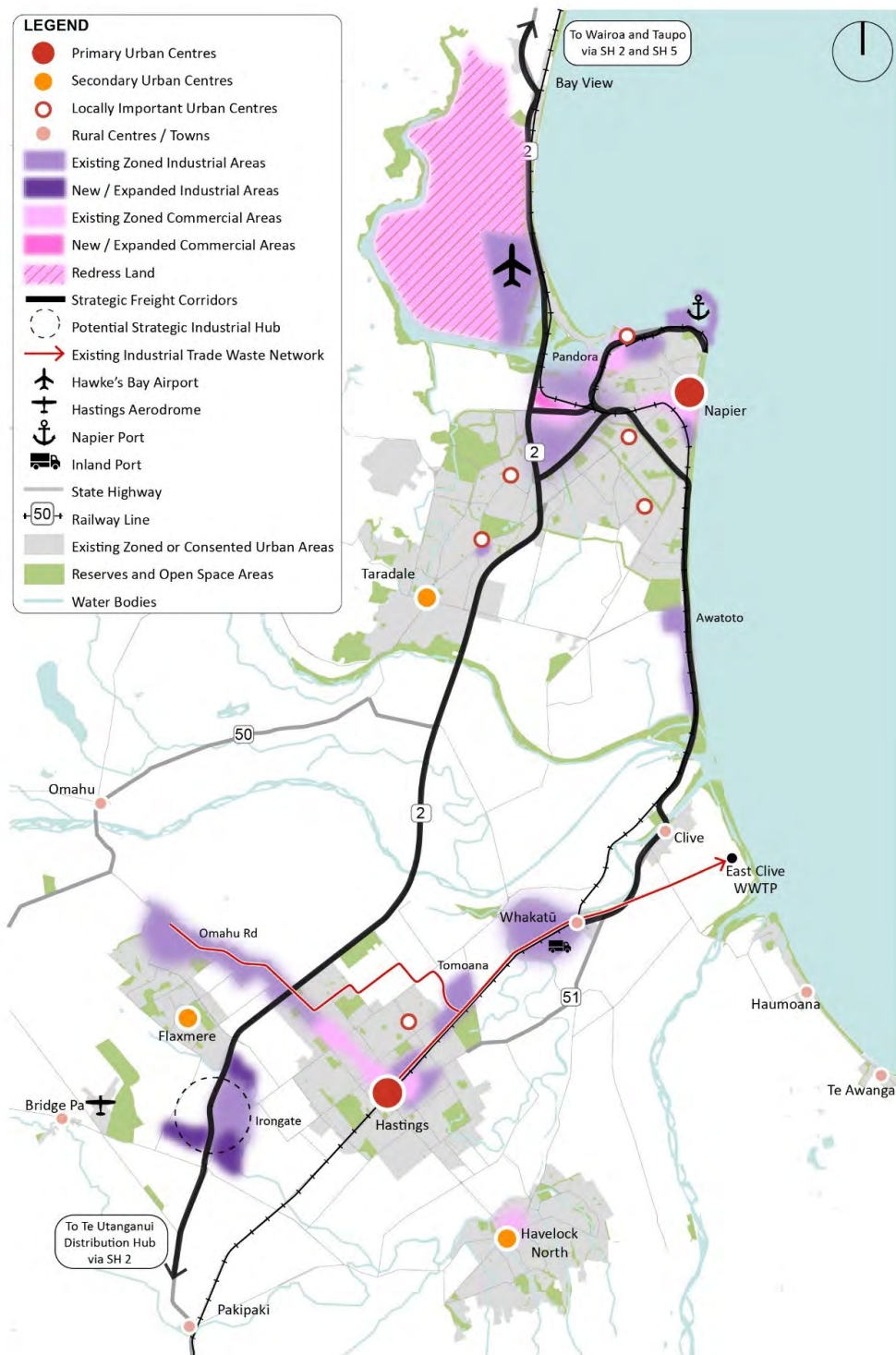
Other strategies to better encourage wet industries to locate to areas with existing trade waste capacity will need to be considered if demand rises, and broader issues around water supply across the Heretaunga Plains must be addressed.

Other industrial options considered

The **Awatoto** industrial area and Wastewater Treatment Plant (**WWTP**) was heavily impacted by Cyclone Gabrielle. As part of the recovery process, flood mitigation and protection works are required to support the long-term operation of established industrial sites and the WWTP. Current investigations include the potential for flood protection along the alignment of McLeods Road. This could support the development of an additional 37 hectares of land for industrial development, contiguous with the existing industrially zoned land and with good access to strategic freight links. However, there are a number of constraints to redevelopment of the site related to natural hazards and ground conditions.

This option has been carefully considered but has not been included in the **Draft** FDS at this time as it is not needed to meet demand in the 2024-2054 period.



Figure 18 ~~Draft~~ Industrial and Business Land Strategy

10.6 Rural lifestyle and rural and coastal settlements

The ~~Draft~~ FDS strategy does not identify opportunities for new rural residential living. While rural residential development close to the existing urban area forms part of the urban housing market, it does not form a core component of urban growth. However, rural residential living does provide a type of housing and lifestyle that some households prefer. For this reason, the partner councils could consider separately progressing a Rural Residential Strategy. If progressed, this work would define future demand and supply for rural residential and would identify locations or other planning mechanisms available for meeting this demand over the short, medium and long term.

The ~~Draft~~ FDS does not identify the future form, function and growth potential of Napier and Hastings rural and coastal settlements. The ~~Draft~~ FDS promotes a compact urban form and does not propose significant intensification and growth of rural and coastal settlements on the grounds that these locations are distant from the urban area and would be challenging to affordably service with infrastructure.

However, area-specific planning for rural and coastal settlements is essential to ensure local community needs are met. This is particularly important for communities impacted by coastal hazards including Haumoana, Te Awanga and Clifton, and this will progress as a priority once the Clifton to Tangoio Coastal Hazards Strategy 2120 is further developed. The partner councils will progress planning for other rural and coastal settlements on a staged basis over time.

In the interim, the strategic direction for coastal and rural settlements from HPUDS 2017 is set out in the Appendix to the FDS. This ensures that the strategic direction for our rural and coastal settlements remains in place until such time as it is superseded by a Rural Residential Strategy or similar.

The strategic direction set out in HPUDS 2017 was high level and our rural and coastal communities have changed and evolved since then, so too has our understanding of environmental factors and limitations. It is important to note that the interim strategic direction imported from HPUDS 2017 does not account for changes in policy direction or the environment that have occurred since 2017, for example, the effects of Cyclone Gabrielle on affected rural communities, infrastructure and the environment.

10.7 Papakainga

Mana whenua have expressed a clear desire to develop papakāinga. The partner councils will continue to work with mana whenua to realise their aspirations to develop papakāinga. This includes reviewing rules in the district plans to ensure they provide an enabling framework for development and potentially expanding the definition of land where papakāinga can be developed.

Te Piringa Hapū has also expressed strong aspirations to develop their whenua close to Omahu Marae, Te Awhina Marae and Rūnanga Marae for a mix of papakāinga, urban development and recreational facilities. The Hawke's Bay Regional Council is progressing consenting and design for flood protection works in Omahu which will provide greater resilience for the community. The partner councils will continue to work with Te Piringa Hapū to support it to realise those aspirations for development.

10.8 Mana whenua values and aspirations

Mana whenua expect that the taiao is at the forefront of all decisions on new development. This includes providing for Te Mana o te Wai – ensuring water supplies are prioritised and secured into the future, minimising the impact of development on the taiao, and protecting and incorporating native flora and fauna into residential and commercial developments.

10.9 Napier

The majority of future residential growth (up to 60 per cent) over the next 30-years is anticipated to be delivered through intensification within existing urban areas connecting to centres and employment nodes through more frequent public transport services. Up to 30 per cent can be delivered in existing greenfield areas which have already been zoned or consented for urban development, such as Mission Hills, Parklands and Te Awa.

A total of 2,420 dwellings have been identified as being located on land not currently zoned or consented for urban development, although the majority of these sites are identified as long-term development areas within HPU DS. If all of these areas were developed to this potential, this would be equivalent to 21 per cent of Napier's long-term housing demand.

Greenfield development in the southern part of Napier (incorporating South Pirimai, Riverbend and The Loop) has the potential to deliver approximately 1,320 new dwellings. Future development in this area is well located to take advantage of existing cycling and public transport infrastructure, and amenities including supermarkets, primary and secondary schools, and public open spaces.

Whilst some development has already occurred in this location (such as the Willowbank Retirement Village), the area has some known flooding constraints which will need to be addressed prior to any further development. This is likely to include raising the land to suitable levels and the development of extensive stormwater detention facilities. Significant planning and investigation has already been undertaken to support potential redevelopment in parts of this area. Significant investment in stormwater infrastructure will be required.

A small area of greenfield development has also been included on the southern portion of the Mission Estate area in the vicinity of Church Road and Tironui Drive. Development of this area provides an opportunity to enhance Taipo Stream, which passes through the site.

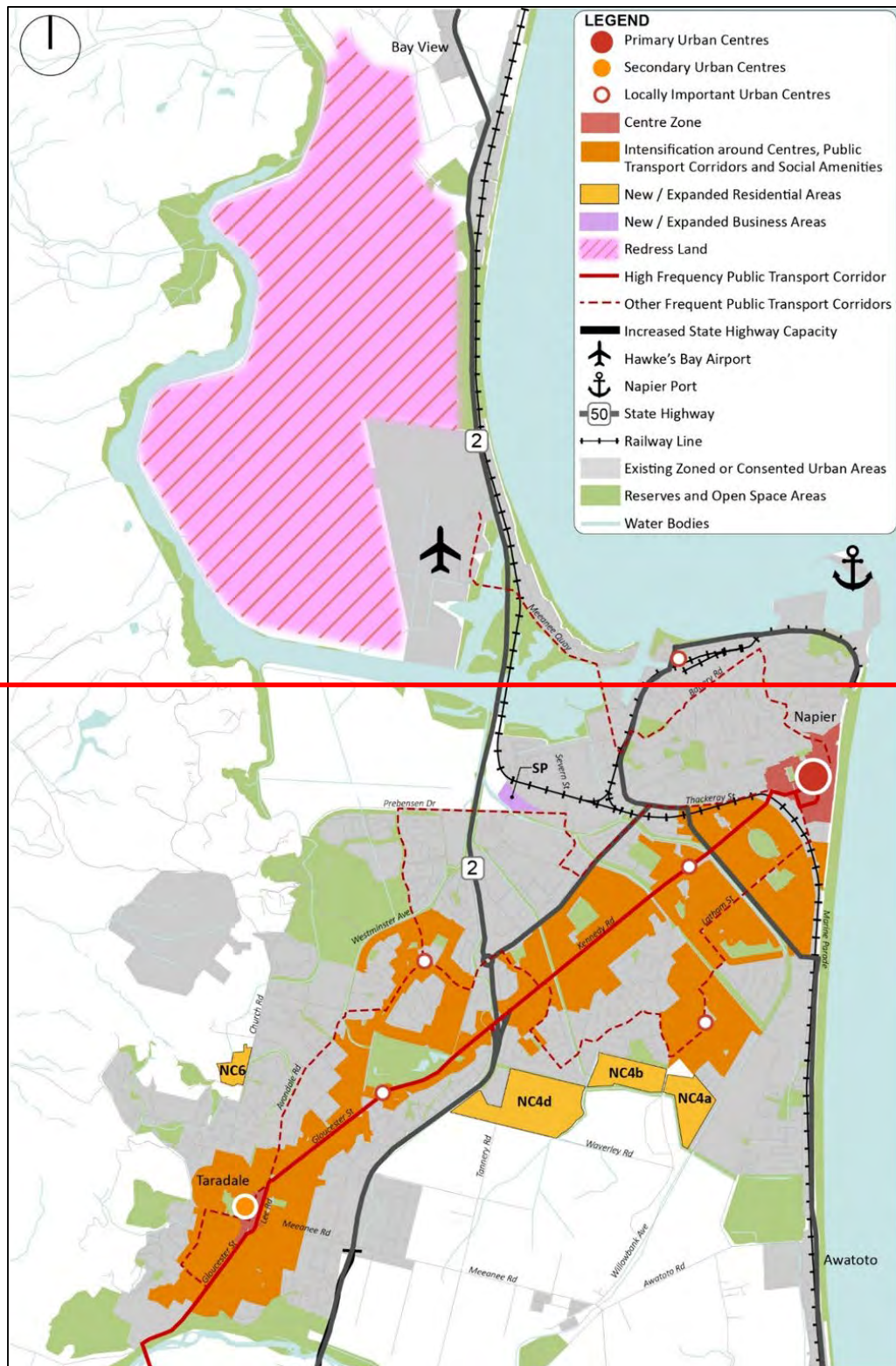
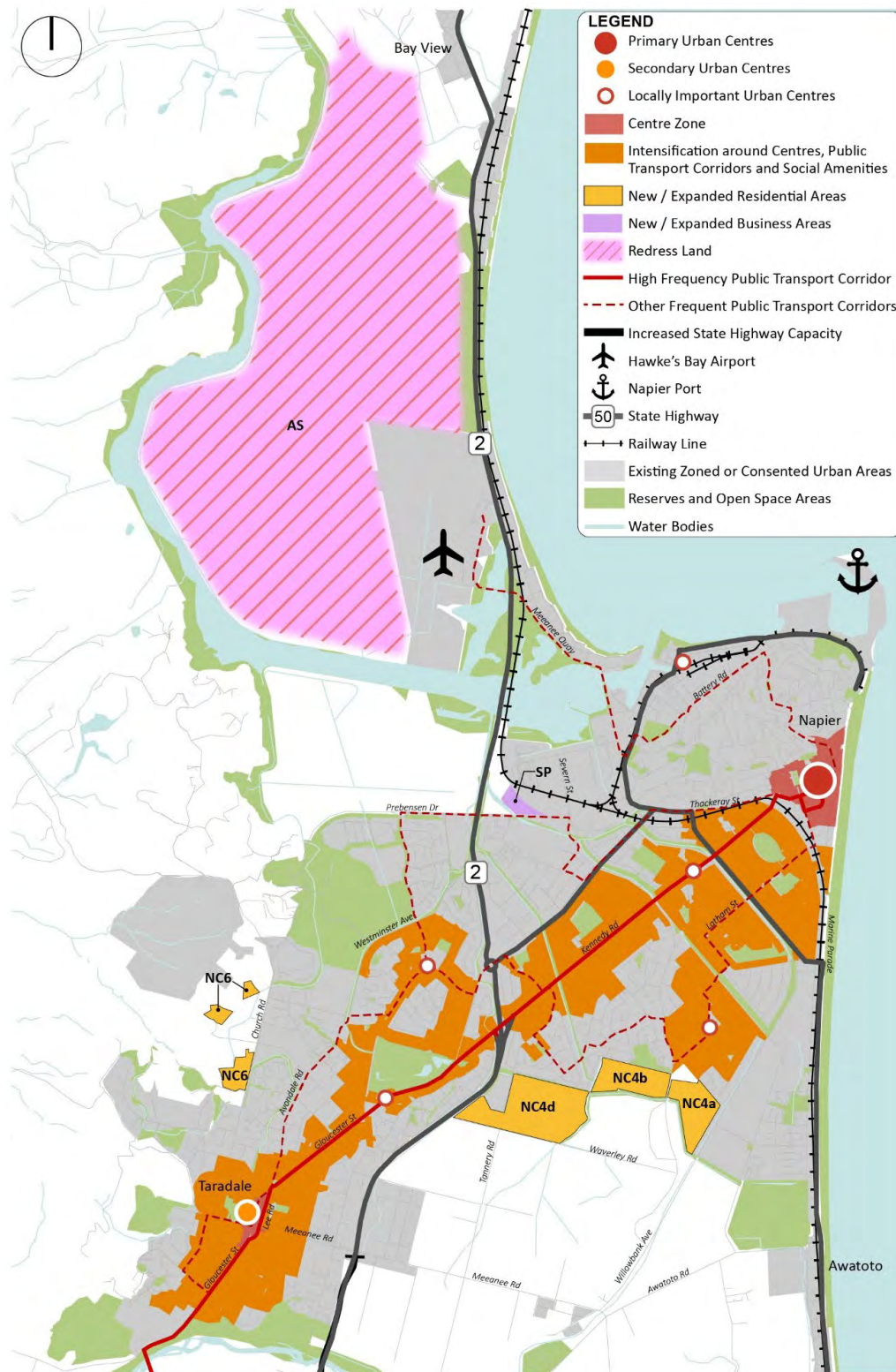


Figure 19 Draft Future Development Strategy (Napier)



10.10 Hastings

Hastings

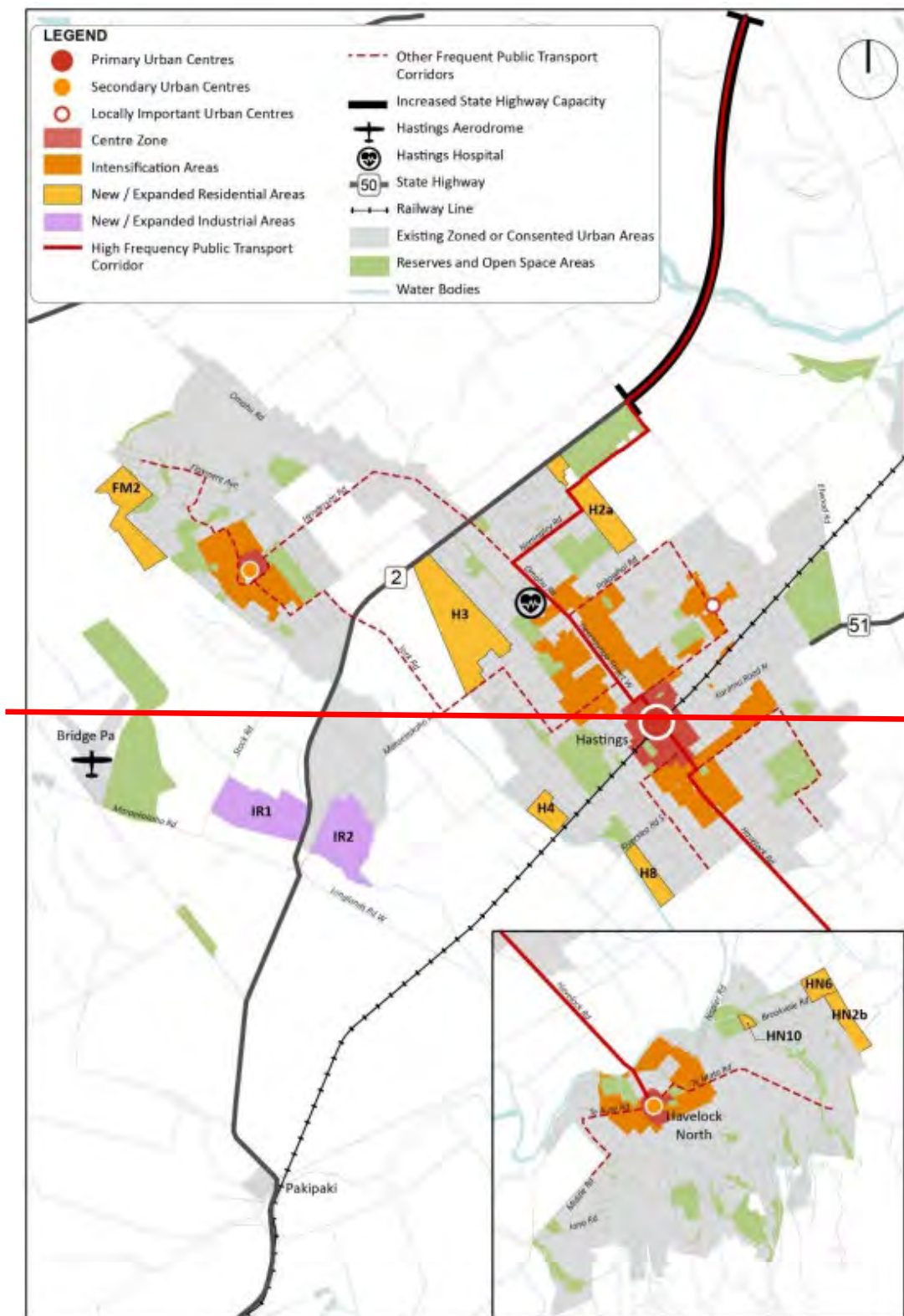
Hastings will accommodate the majority of its growth through intensification of existing residential areas and the city centre. A number of smaller scale opportunities for greenfield growth have been identified at the edge of the urban area. This includes approximately ~~680~~790 new dwellings along its western edge, with the Southland Drain forming the long-term western boundary of Hastings' urban area. These areas are generally well located in terms of proximity to employment, schools and public open space. However, there are known infrastructure capacity constraints which would need to be addressed before development can commence. A further 280 new dwellings have been identified as being located east of Lyndhurst Road. This land is ideally placed near the regional sports park, frequent public transport, schools and employment areas.

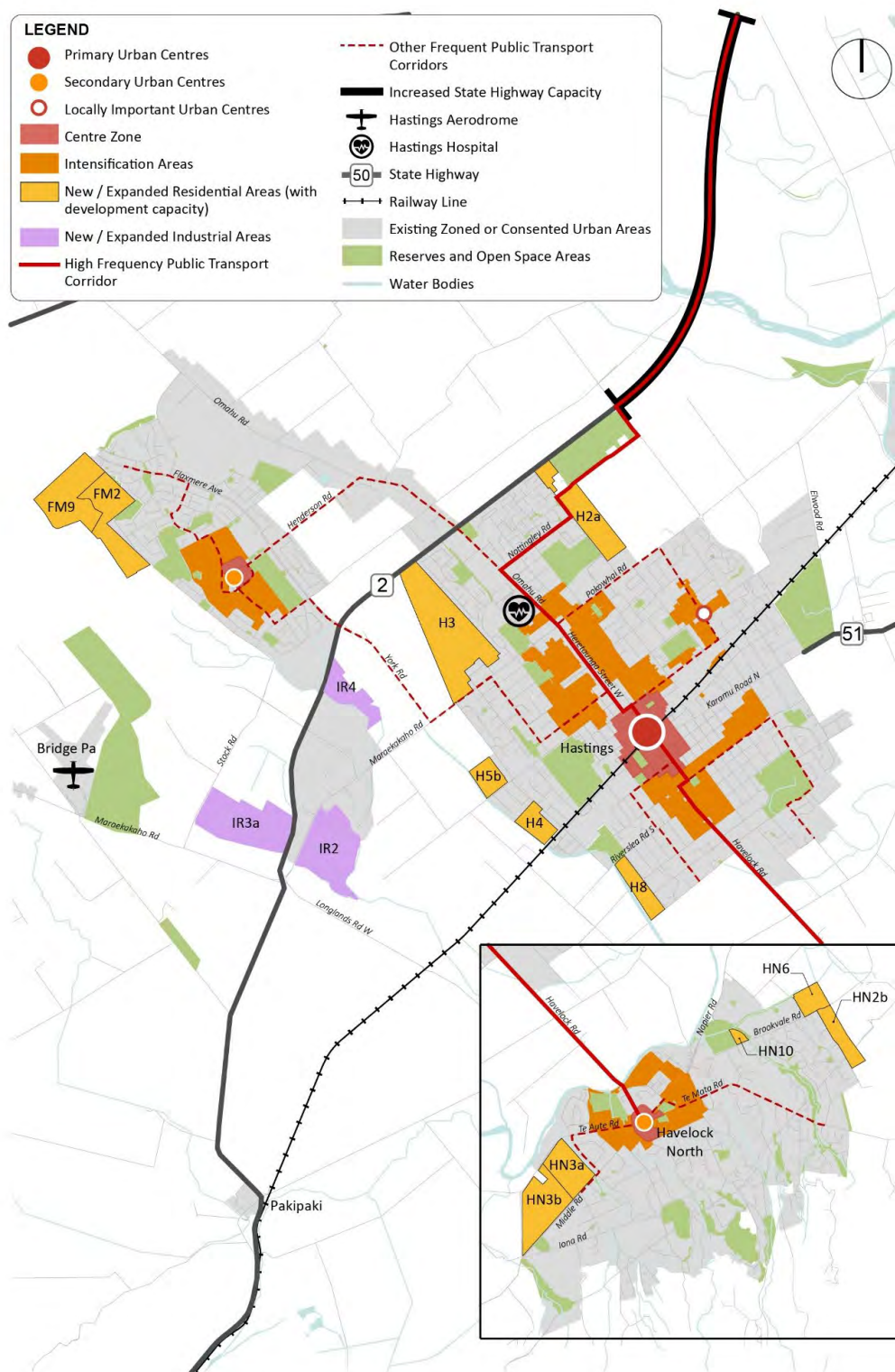
Flaxmere

The majority of future development in Flaxmere will occur within the existing urban area through intensification, as well as in the recently consented Wairatahi area south of Dundee Drive. Approximately ~~330~~655 new dwellings on a greenfield site extending along the northern end of Portsmouth Road has been identified. Existing development patterns mean this area can be well integrated into the existing residential environment and provide the opportunity to expand the services and amenities offered within the Flaxmere centre. These also ensure convenient connections with nearby amenities including public open spaces and schools. Consideration of appropriate acoustic treatment of any new dwellings may be required to mitigate any potential noise effects from the Hastings Aerodrome, while physical setbacks/landscaped buffers from adjoining productive uses will also be required.

Havelock North

Over the short-to-medium term, development in Havelock North will be enabled through intensification around the centre and in established greenfield locations including Brookvale, Arataki and Iona. Over the long-term, there is potential for further greenfield development of approximately ~~235~~ 640 new dwellings ~~east of Arataki and Davidsons Roads~~ around Middle Road.



Figure 20 **Draft** Future Development Strategy (Hastings)

10.11 Strategic infrastructure

The NPS-UD requires an FDS to spatially identify development infrastructure and additional infrastructure required to support development. Development infrastructure refers to network infrastructure for three waters (drinking water, wastewater and stormwater) and land transport. Additional infrastructure includes things like social infrastructure (such as schools), public open spaces, and electricity and gas distribution.

This FDS also recognises the importance of the operational and functional needs of nationally and regionally significant infrastructure. The location, design and suitability of new urban development must not compromise the operational and functional needs of nationally and regionally infrastructure now or in the future. Nationally and regionally significant infrastructure refers to those types of infrastructure that are of national or regional significance – more than just local importance.

Drinking water supply is a significant infrastructure issue for mana whenua. Demands on water, the impacts of residential and commercial intensification, and plans for water storage must be factored into the viability and sustainability of the FDS as it is implemented.

Key development and additional infrastructure are shown in **Figures 21 – 23** and are described briefly below. This does not include the infrastructure required to support development at Ahuriri Station.

Water supply

Drinking water in Napier and Hastings is largely sourced from the Heretaunga Plains Groundwater Quantity Area, parts of which are identified as Hastings and Napier Source Protection Zones. This area is fully allocated, and the water management regime proposed by the Hawke's Bay Regional Council under changes to the Regional Plan is currently subject to appeal.

According to the Regional Water Assessment, the region could experience fresh water demand shortfall of nearly 25 million cubic metres, increasing to 33 million cubic metres by 2060.

Addressing this projected shortfall will require much more efficient use of existing water sources, demand management, new ways of securing water supplies, and consideration of the needs of all water users, including for municipal supplies, mana whenua, industry and primary production, such as horticulture, viticulture and agriculture.

Protecting waterways, water sources, and ensuring water is clean is of critical importance to mana whenua. Water scarcity is already an issue for mana whenua communities. Mana whenua believe we must reduce water allocation and improve the health of our waterways as quickly as we develop land.

Investigations of all practical options for increasing freshwater supplies in Hawke's Bay is being undertaken as part of the Regional Water Security Programme. This includes community-scale water storage investigations for Heretaunga. This work remains a high priority.

In addition to resolving water supply constraints for the Heretaunga Plains, growth identified in the ~~Draft~~ FDS will need to be supported. Improvements across the municipal water supply networks (including new and upgraded pipelines) have been programmed, committed to and funded to help accommodate growth, improve network efficiency and ensure network resilience across both Napier and Hastings.

In addition to network wide upgrades, key pieces of bulk infrastructure required to support growth are identified in **Figures 21 – 23**. This includes two new water reservoirs to enable intensification across Napier and greenfield development within the Taradale and Mission Hill areas. Upgrades and improvements are required to a number of existing water pump stations, storage, water bore and treatment plants across Hastings, Flaxmere and Havelock North areas. Upgrades to the existing Bridge Pa Drinking Water Supply have also been identified to better support the existing community as well as future industrial growth around Irongate.

Wastewater

The wastewater networks serving urban areas in both Napier and Hastings have been under significant pressure to accommodate recent housing growth. Many elements of the wastewater network (e.g. pump stations) are currently either at or reaching capacity.

Figures 22 and 23 show the general locations of upgrades required to the network to service existing or planned growth in Napier, Hastings, Flaxmere and Havelock North areas.

In Napier, the construction of new wastewater main trunk infrastructure and pump stations is required to enable wider uptake of medium-density development and urban intensification, and to provide for future residential greenfield growth in the south (South Pirimai, Riverbend and The Loop).

In Hastings, significant investment in wastewater capacity has already been planned and funded as part a 10-year wastewater programme. In addition to this, the construction of new wastewater main trunk infrastructure is required. This is shown as the Infrastructure Acceleration Fund (IAF) project in **Figure 23** and it comprises major new wastewater pipes that add capacity to the Hastings and Flaxmere network, improving capacity and connectivity to the main trunk interceptor pipes that convey wastewater to the East Clive Wastewater Treatment Plant. Further capacity upgrades will be required over the long-term to support intensification within Kaiapo and Akina (which includes the future residential greenfield growth around Copeland Road).

Stormwater

The approach to stormwater in Napier and Hastings will need to adapt to growth pressures, increasing environmental standards and the future impacts of climate change (e.g. more intense rainfall events). As development in greenfield areas occurs over time or as part of

structure planning or subdivision processes, new and upgraded infrastructure may be required to provide stormwater capacity, detention and treatment. The development of stormwater infrastructure may involve land acquisitions and is likely to be addressed catchment by catchment at the time development occurs. Any stormwater solution is encouraged to be developed in the most effective and efficient way to achieve yield while managing potential effects, whether this is located within or outside of FDS growth areas.

Figures 22 and 23 show the general locations of new stormwater infrastructure that will be required to service future growth. This includes the provision of stormwater detention and storage facilities for planned development at Wharerangi Road and Parklands in Napier, and Iona in Havelock North. Additional stormwater detention and storage facilities will also be required to enable residential development and mitigate natural hazard risks in the Waverly area of Napier as well as Kaiapo Road (Hastings) . In addition to these new stormwater facilities, upgrades to the existing network will also be required.

Electricity

A reliable and resilient electricity supply is critical for both existing and future residents and businesses, as well as enabling transition to a lower carbon economy. The Napier and Hastings electricity supply is provided by the National Grid (the high voltage transmission network operated by Transpower) and the local electricity distribution network is operated by Unison.

National grid

Transpower has not identified the need for any significant upgrades or projects to support additional demand in the distribution network based on current forecasts. However, the forecasts will be annually reviewed in conjunction with Unison.

Transpower has announced its intention to strengthen and raise the Redclyffe substation in its current location in response to the impacts of Cyclone Gabrielle. Transpower will continue to monitor the resilience of the National Grid generally in the context of climate change and natural hazard risks.

The ~~Draft~~-FDS recognises the role that the National Grid will play in transitioning to a low carbon economy. To support this, the National Grid will need to be protected from inappropriate subdivision, land use and development, which will continue to be implemented through rules in the District Plan.

Electricity distribution

The majority of sites identified in the ~~Draft~~-FDS fall within Unison's existing planned growth zones. Some localised upgrades to existing electricity infrastructure will be required and this will be determined based on the timing and extent of residential and industrial development.

Telecommunications

Telecommunications is critical infrastructure providing digital services that support and enable social interaction, entertainment, education, business activities and engagement with Government, medical and emergency services.

The increased height of residential developments and building is increasingly leading to the need to replace existing poles and add new sites. Consideration of the existing telecommunications facilities is important as growth and development occurs to avoid unnecessary relocation of existing infrastructure. Telecommunications networks can be most effectively developed to suit the needs of a growing population by early planning in association with developers and councils.

Social infrastructure

Capacity in primary, intermediate, and secondary school networks across existing urban areas in Napier, Flaxmere and northern neighbourhoods in Hastings is expected to be sufficient to accommodate the growth anticipated in the ~~Draft~~-FDS strategy. There are some potential capacity constraints for primary schools that would service central Hastings, while there are potential constraints to primary, intermediate and secondary schools serving Havelock North. The Ministry of Education will work with schools and communities as growth occurs to ensure the appropriate responses, including new property provision where necessary. Close monitoring on the rates and timing of household growth in these areas will be needed over the life of the FDS to determine if capacity expansions will be required for schools in these locations.

~~The forecast demographic changes and population growth of the Māori population means existing schools may not meet the demand for Māori medium and kaupapa Māori education in Napier and Hastings. While there is growth in the Māori population, the overall school aged population is declining.~~ Mana whenua have expressed aspirations for more kohanga reo, kura kaupapa Māori and wharekura over the next 30 years. ~~Further consideration is required to determine whether existing schools are sufficient to accommodate the future growth and demand for Māori medium and kaupapa Māori schools in Napier and Hastings. The Ministry of Education is working with whānau, hapū and iwi and is expanding capacity at existing Te Kura Kaupapa Māori to meet any demand.~~

Redevelopment or replacement of the Hawke's Bay Fallen Soldiers Memorial Hospital has been identified in Tranche 2 of Te Whatu Ora / Health NZ's Regional Hospital Redevelopment Programme in response to seismic and capacity issues. Te Whatu Ora / Health NZ is currently (as at July 2024) undertaking a business case assessment.

Public open spaces

Public open spaces are vital for the wellbeing of the community and offer opportunities to gain multiple environmental benefits and help mitigate the effects of climate change.

Both Napier and Hastings have identified existing shortfalls in the provision of public open spaces across the urban area. Potential acquisition of land for use as public open space will need to be considered within existing urban areas to support growth informed by Local Area Plans. The provision of new public open spaces, including playgrounds, in existing urban areas will also be considered as part of master planning/neighbourhood planning of any large-scale developments. Structure planning or master planning being undertaken to inform development in residential greenfield areas will need to include provision for new public open spaces; the size and function of which will be informed by the overall scale of development proposed.

Transport

The strategic transport network provides regionally significant connections for people and freight within and beyond the region via road, rail, air and sea.

Figure 21 shows the key upgrades and committed projects under the Napier and Hastings strategic transport network, which is made up of:

- four-laning the Hawke's Bay Expressway between Napier and Hastings;
- planned service improvements on bus routes as part of the Regional Public Transport Plan 2022-2032;
- key prioritised capital projects as identified in the Regional Land Transport Plan 2024-2034;
- general improvements and upgrades of the existing cycling and walking networks across Napier and Hastings; and
- improvements and upgrades to identified intersections and roads to improve capacity across the Napier and Hastings roading networks.

Four-laning of the Hawke's Bay Expressway will improve capacity along this strategic freight connection to the port and airport, and improve access between existing and proposed areas of residential growth and employment areas.

Proposed increases to bus frequencies on a number of routes will better support transport choice and mode shift in areas where intensification is being enabled. Several high frequency routes will support the larger residential greenfield growth areas, including at the south of Napier, Portsmouth Road (Flaxmere), Kaiapo Road and Lyndhurst Road (Hastings).

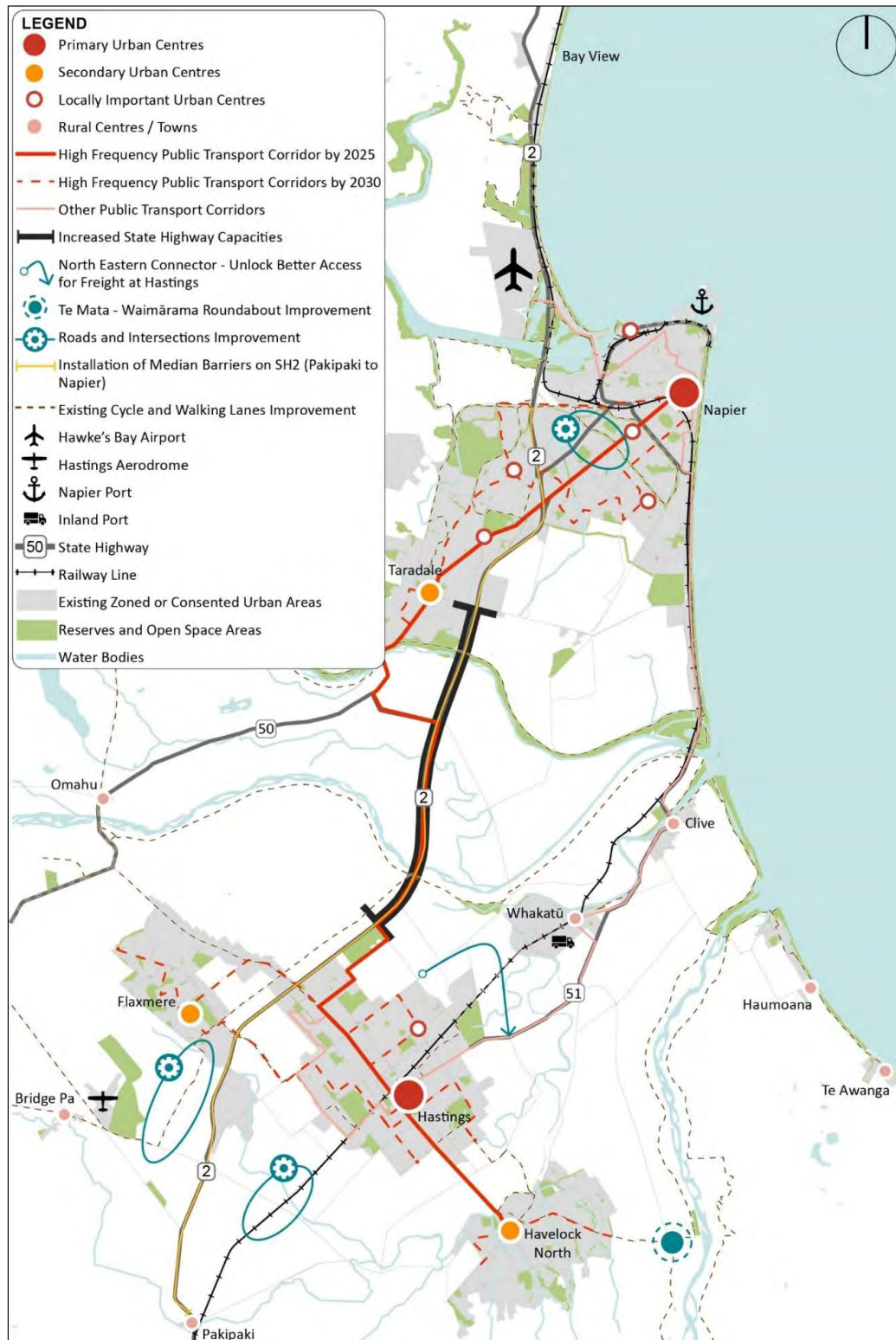
Solid waste

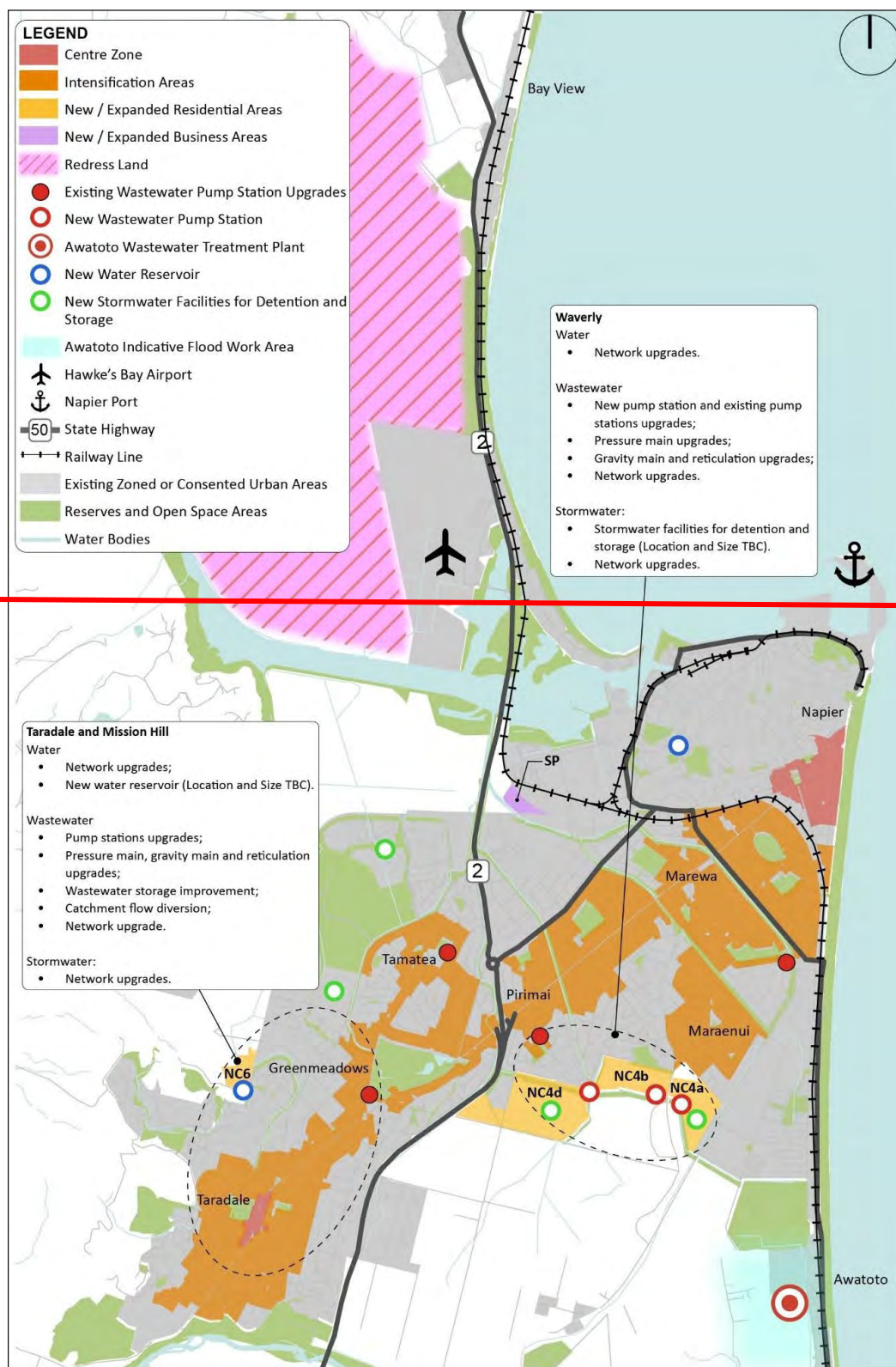
Napier City and Hastings District Councils manage solid waste through a Joint Waste Management and Minimisation Plan, which is currently being reviewed. Omarunui Landfill serves both councils, receiving waste from the three refuse transfer stations at Henderson's Road, Redclyffe and Blackbridge, as well as kerbside waste and commercial and industrial waste. The new plan, Te Rautaki Para Waste Strategy, is expected to place more emphasis on achieving a low emissions and low waste society, built upon a circular economy, by 2050. New development needs to provide for operational needs for waste collection, transportation and resource recovery infrastructure when sites are being developed.

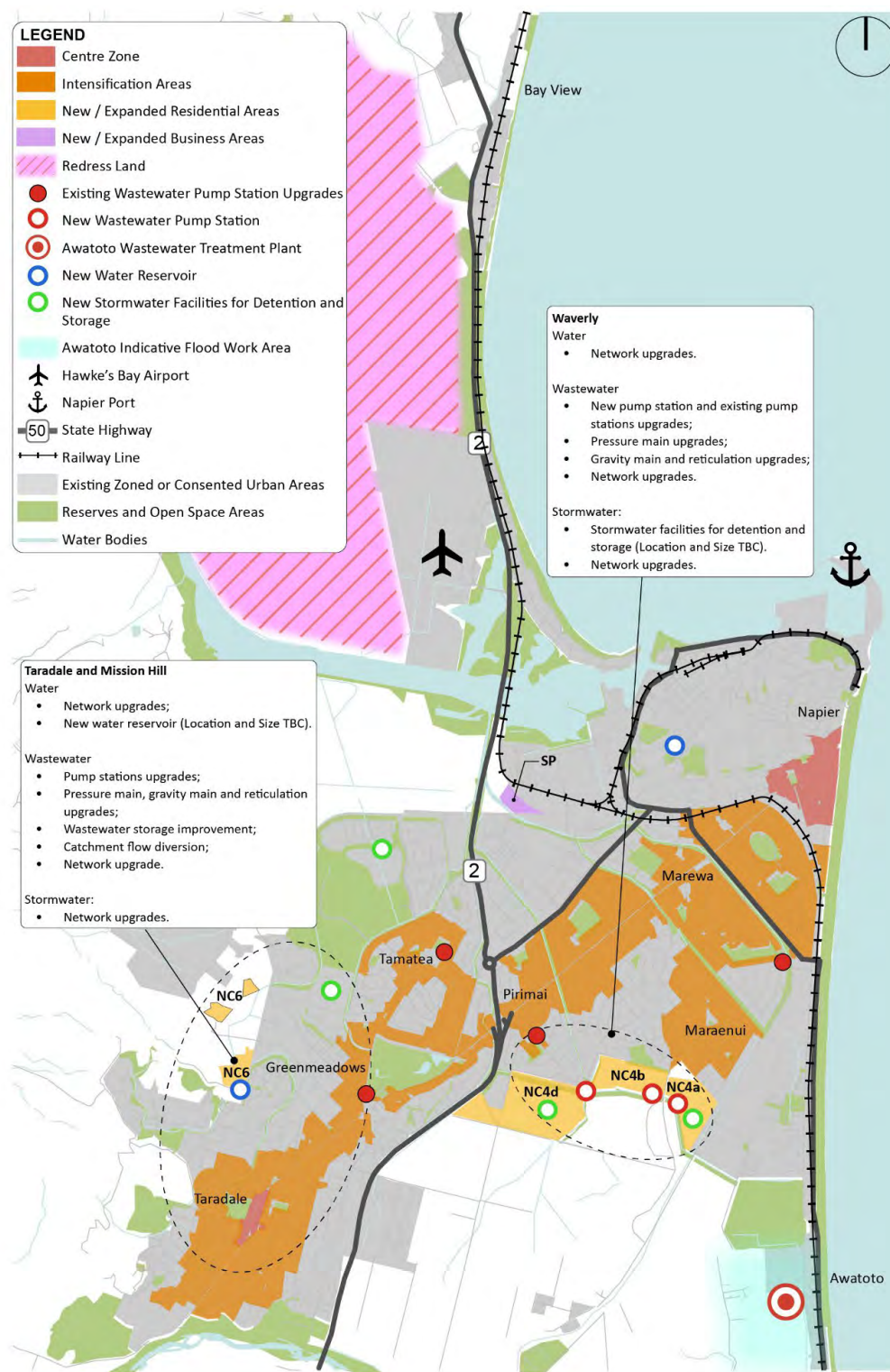
Nationally and regionally significant infrastructure

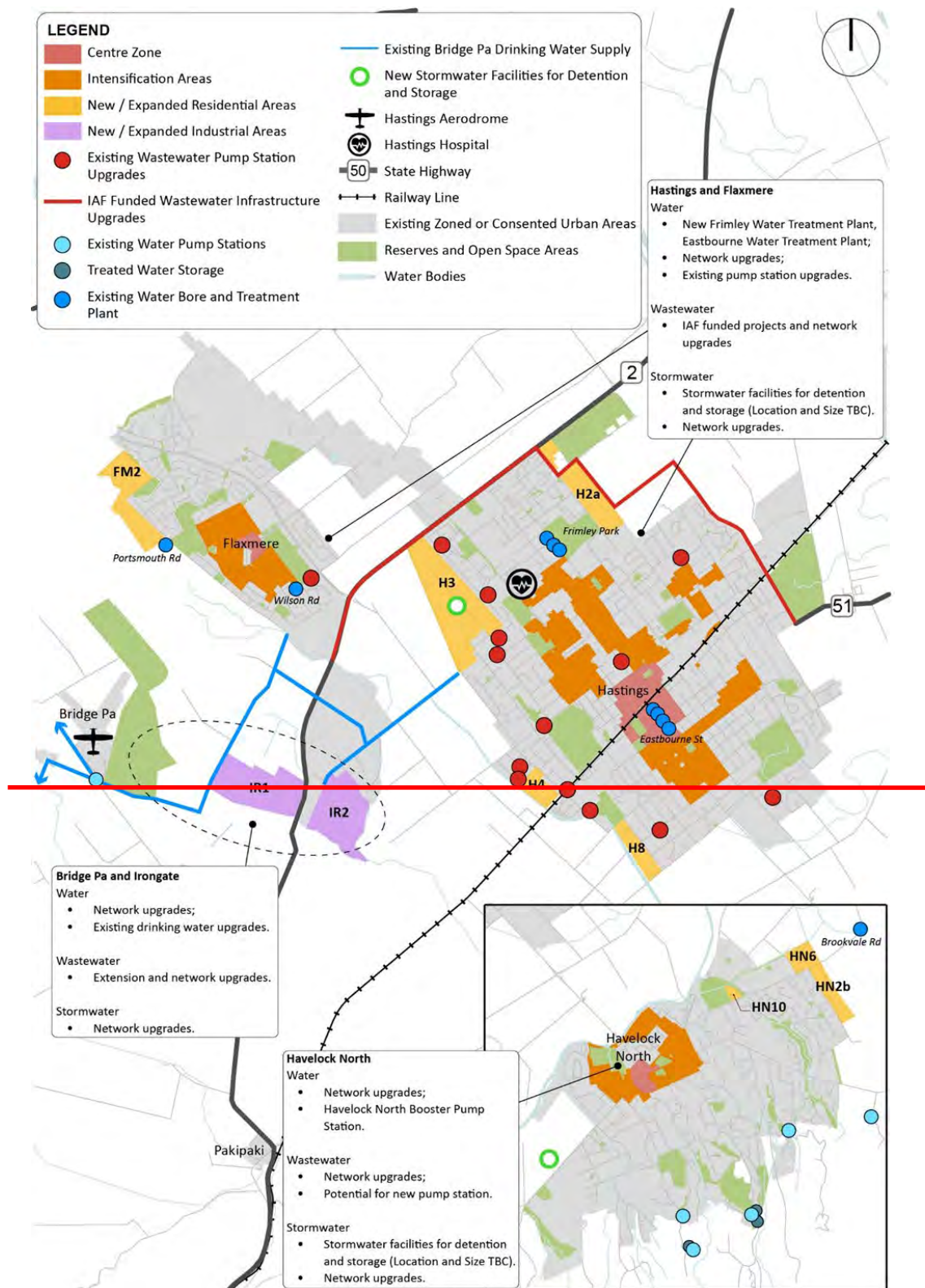
It is important that future urban development is appropriately located so that the safe and efficient development, operation and maintenance of nationally and regionally significant infrastructure is not compromised now or in the future. Careful consideration also needs to be given to protecting communities' health and safety and amenity values when planning for urban activities in proximity to nationally and regionally significant infrastructure.



Figure 21 ~~Draft~~ Future Development Strategy – Transport Upgrades



Figure 22 ~~Draft~~ Future Development Strategy – Napier 3 Waters Upgrades



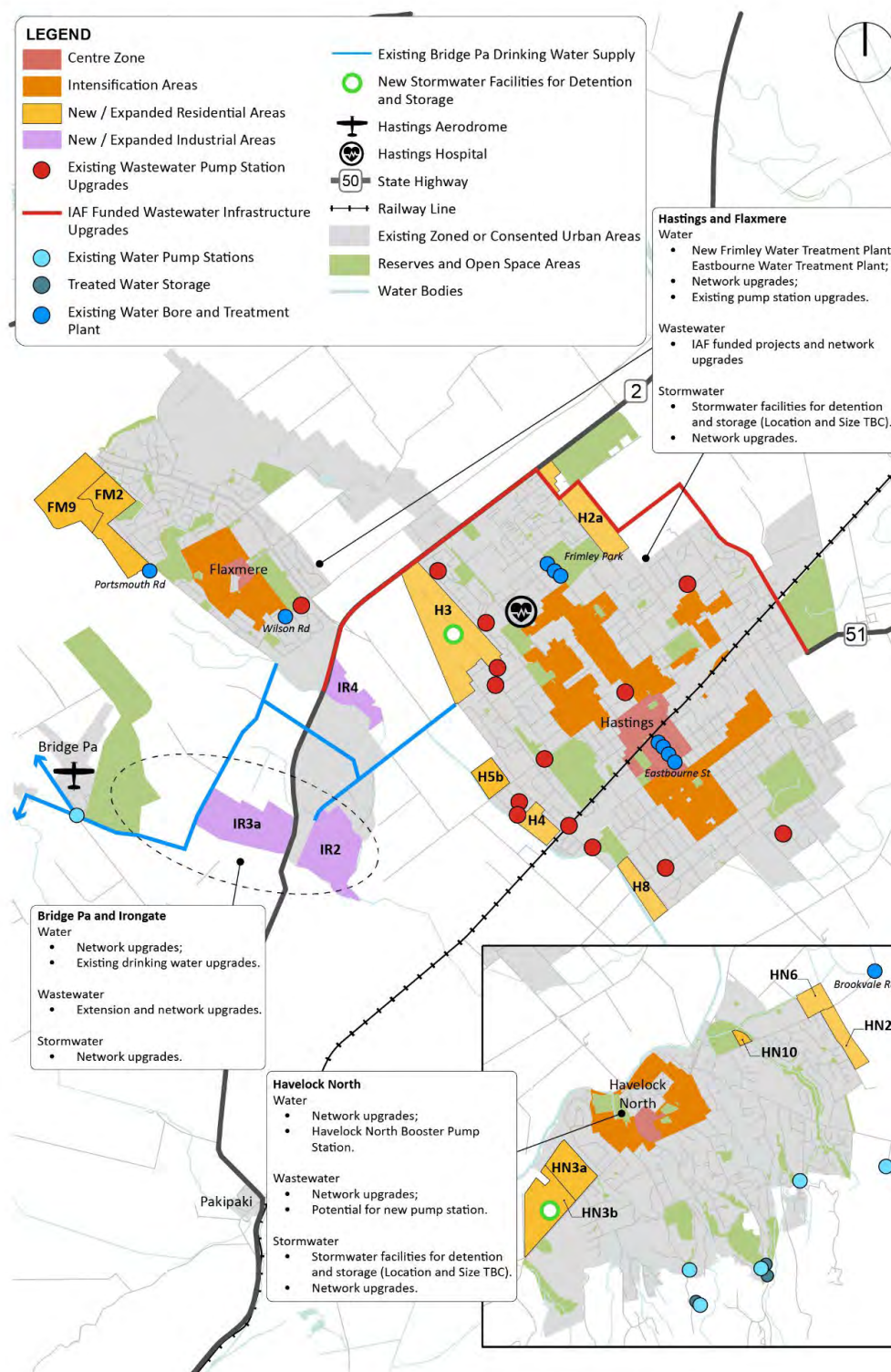


Figure 23 ~~Draft~~ Future Development Strategy – Hastings 3 Waters Upgrades

10.12 Staging/prioritisation

It is important to prioritise how and where Napier and Hastings grows over time to achieve a compact urban form. This will assist to focus councils' investment priorities and ensure the capacity provided meets housing needs and supports efforts to promote redevelopment within the existing urban area.

Figure 24 and **Table 4** below set out how the ~~Draft~~-FDS intends to stage development capacity to meet demand over the short, medium and long term across the FDS area. This is particularly important given the longer lead-in times and significant investment required to structure plan, rezone, plan and fund the infrastructure required to support new greenfield opportunities.

The ~~Draft~~-FDS staging is as follows.

- **Short-Long term:** Prioritise supporting redevelopment within the existing urban area from the short term onwards. These areas are currently being rezoned and the partner councils will need to support the level of development enabled with significant infrastructure planning and investment over time.
- **Short-medium term:** Prioritise supporting greenfield development within the existing urban area that is live zoned and progressing through the consenting and development process.
- **Medium-long term:** Identify greenfield areas at Kaiapo Road, Lyndhurst, Mission Estate and the Oderings site where some active planning work is currently being undertaken.
- **Long Term:** Identify other greenfield areas not currently zoned as long-term priorities. These areas may proceed earlier where infrastructure funding solutions are available, and the development would meet demand and support efforts to promote redevelopment in the existing urban area.

The ~~Draft~~-FDS provides sufficient capacity to meet the projected demand for new intensified housing types across Napier and Hastings. In the short-to-medium term there is more than sufficient capacity already zoned to meet demand. In the long term, there is ~~a slight shortfall in greenfield also sufficient~~ capacity ~~however there is sufficient capacity~~ enabled over the full 30-year horizon of the ~~Draft~~-FDS. The partner councils will also work with mana whenua to prioritise residential and papakāinga development as much as possible over the life of the ~~Draft~~ FDS.

Table 4 – Sufficiency of housing development capacity to meet demand

	Short Term	Medium Term	Long Term
Demand for redevelopment in the existing urban area	8,840		
Redevelopment Capacity	9,910 (+1,070)		
Greenfield Demand	3,770		3,710
Greenfield Capacity	4,310 4,605 (+540 +835)		3,880 4,720 (+170 +1,010)

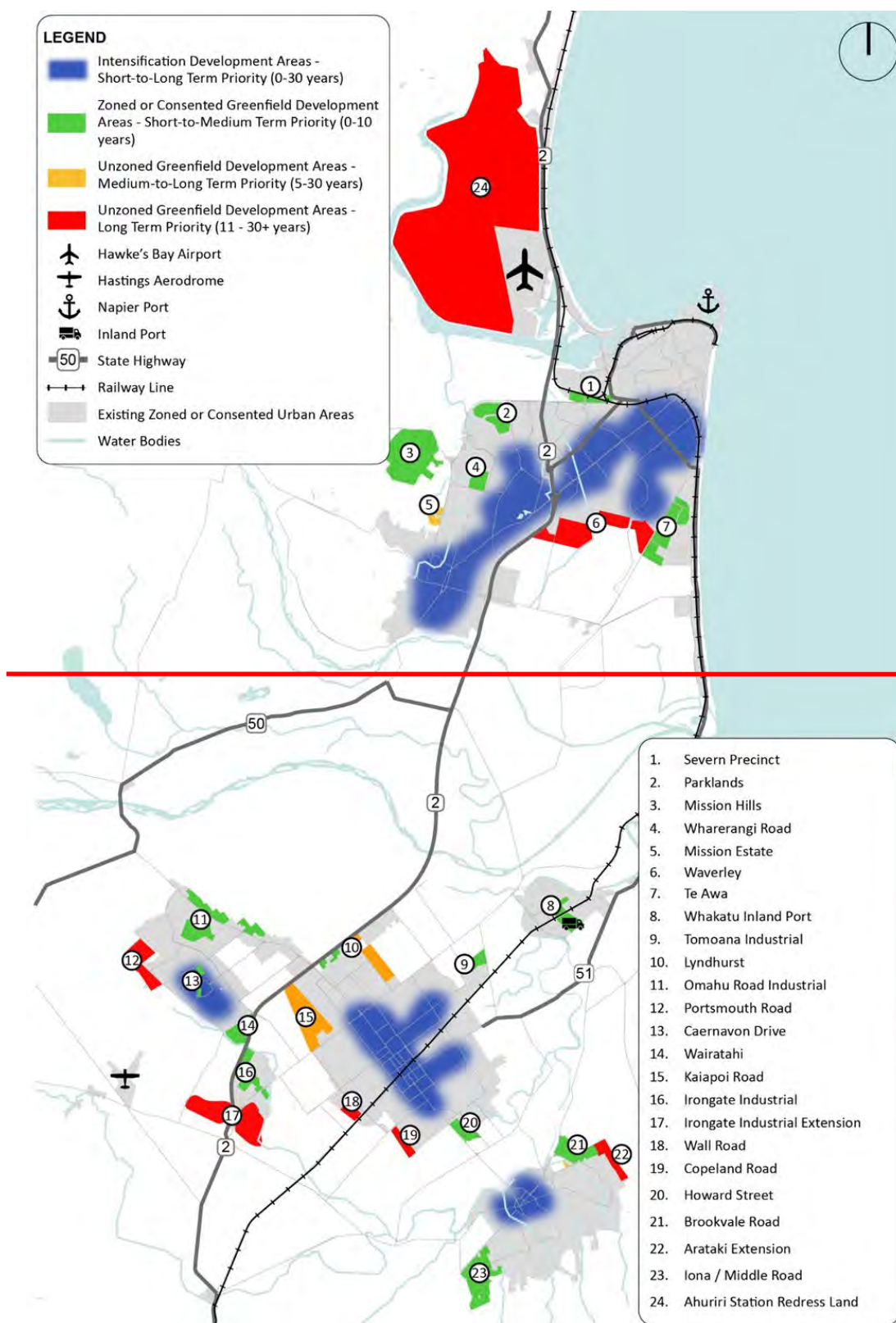
Future policy changes

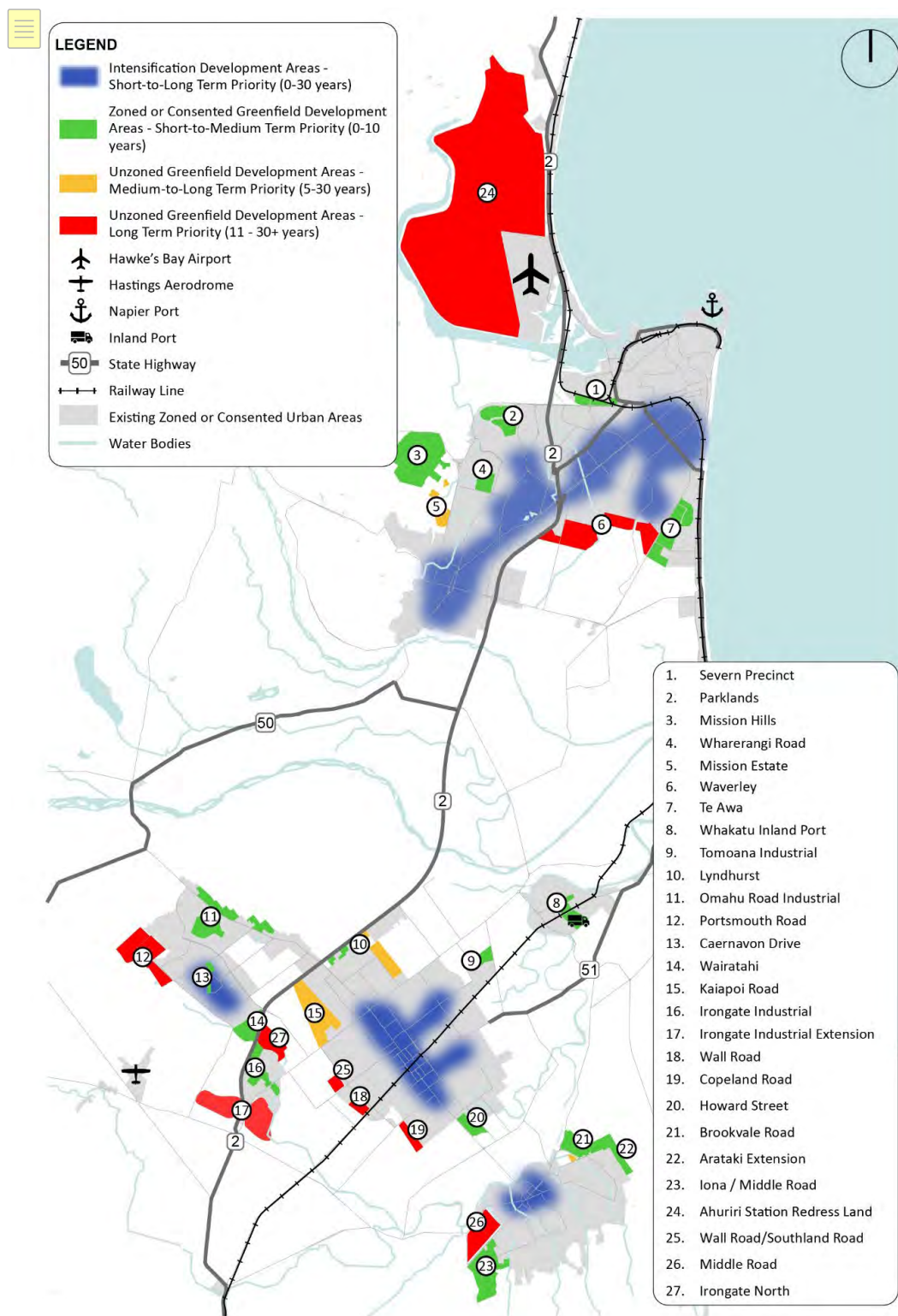
In early July 2024 the Government announced its intention to amend the RMA and NPS-UD to require councils to live-zone 30 years of development capacity and plan for a 50-year period and a high growth scenario. The Government has also foreshadowed it will be making changes to how infrastructure is provided and incentives for councils and developers. These changes will not be introduced until 2025, consequently, the final form of those amendments is unknown and have therefore not informed the ~~Draft~~-FDS. Until there is greater clarity, the ~~Draft~~-FDS recommends that the partner councils be cautious about releasing too much greenfield land, which could undermine efforts to promote redevelopment in existing urban areas, increase pressure to zone scare highly productive land, and stretch financial resources.

Responsive planning

Both Napier and Hastings councils will need to be responsive to landowners wanting to bring forward areas for development through a plan change, should the development be required to meet changes in demand.

When reviewing any proposal to bring forward development, the scale of the opportunity and the ability of the proposal to deliver on the FDS vision and objectives will need to be considered. In addition, the impacts on the planned and funded programme for infrastructure delivery will need to be considered. Where significant changes from this would be required to enable development, developer-funded infrastructure and/or alternative funding arrangements (e.g. Crown infrastructure financing) will be needed before development can proceed. It will also be relevant to consider whether the proposal will support and reinforce the councils' efforts to promote redevelopment in the existing urban area.



Figure 24 ~~Draft~~ Future Development Strategy Development Staging

Tables 5 and 6 provide a breakdown of development capacity over time for Napier and Hastings. Generally, sufficient development capacity has been provided across both Napier and Hastings to meet long-term housing demand. ~~In achieving this, the Draft FDS has taken an overs/unders approach to meeting the short, medium- and long-term requirements.~~

Table 5 – Sufficiency of housing development capacity in Napier to meet demand

	Short Term	Medium Term	Long Term
Intensification Development Demand	3,620		
Intensification Development Capacity	4,070 (+450)		
Greenfield Development Demand	1,610		1,470
Greenfield Development Capacity	2,185 (+575)		2,320 (+850)
Total Sufficiency of <u>Greenfield</u> Residential Development			+1,425

Table 6– Sufficiency of housing capacity in Hastings to meet minimum development targets

	Short Term	Medium Term	Long Term
Intensification Development Demand	5,220		
Intensification Development Capacity	5,840 (+620)		
Greenfield Development Demand	2,160		2,240
Greenfield Development Capacity	2,125 <u>2,420</u> (-35 +260)		1,560 <u>2,400</u> (-680 +160)
Total Sufficiency of <u>Greenfield</u> Residential Development			-715 +420

11. Implementation

The ~~Draft~~ FDS is a long-term strategic document with a 30-year view of growth and development, and it is acknowledged that it cannot be delivered all at once.

The FDS, once finalised, will be delivered jointly by Napier City Council, Hastings District Council and Hawke's Bay Regional Council, in partnership with iwi and hapū, and in collaboration with Government, non-government organisations, businesses and community groups.

11.1 Implementation plan

To achieve the FDS vision and strategic objectives, and deliver the growth and development set out the ~~Draft~~ FDS, a number of actions will need to be implemented throughout the life of the finalised document (and any subsequent updates). Many of these actions will be delivered through other statutory and non-statutory council processes, including reviews of the regional policy statement and district plans, structure planning, long-term planning and regional transport planning. The recommendations contained in the Hawke's Bay Independent Flood Review Panel's July 2024 Report will be considered in developing the implementation plan, as well as in future reviews of the FDS.

A supporting implementation plan will sit alongside the FDS as a roadmap for the actions required to implement the FDS, including those relating to strategic and statutory planning, advocacy and research, other initiatives and infrastructure investment. It also includes details of who is responsible for delivering each action, as well as supporting agencies and organisations. This plan will be a live document that will be reviewed and updated annually with those involved, as required by the NPS-UD. New actions can be added to the Implementation Plan should the need arise for this in the future.

Development of the implementation plan is a non-statutory process to ensure it will be flexible enough to respond to changing circumstances on the ground. It will involve engagement with a range of stakeholders and local communities will be kept up to date with progress. The actions will be informed by the strategic objectives that guide the FDS, which will provide a framework for prioritising actions over the short, medium and long term.

Joint working group

The FDS is a joint document between the partner councils, Maungaharuru-Tangitū Trust, Mana Ahuriri Trust and Tamatea Pōkai Whenua and implementing it will require a coordinated approach to decision-making.

The ~~Draft~~ FDS recommends retaining the FDS Joint Committee in some form to guide decision-making on the implementation plan to ensure actions are coordinated across the partner councils. This will be supported by a cross-council FDS implementation working group involving Maungaharuru-Tangitū Trust, Mana Ahuriri Trust and Tamatea Pōkai Whenua, key Government agencies and infrastructure providers.

Future planning processes

The FDS is a high-level strategic plan and we need to work through a number of steps before development happens in new greenfield areas.

Planning processes

1. Structure planning (an integrated land use and infrastructure plan)
2. District Plan Change for rezoning
3. Resource consents for development
4. Build

Infrastructure processes

1. Planning, design and funding supporting infrastructure
2. Designation and consents
3. Build

Undertaking structure planning and rezoning can be a council-led or a developer-led process progressed under the Resource Management Act 1991.

The process for supporting redevelopment in an existing urban area is slightly different as development is already enabled. The planning processes are therefore focussed on working with communities on **Local Area Plans** (or similar) to determine the future form and function of existing neighbourhoods, setting out how they will change over time and what amenities and infrastructure are needed to support growth. These plans, and other network planning will inform infrastructure planning processes, including development contributions or financial contributions and other funding allocation through the Long-Term Plans and Annual Plans.

The Government has signalled its intent to progress city and regional deals with councils. These are long-term agreements that set agreed regional outcomes and set out joint funding commitments. This provides an opportunity to help fund the significant infrastructure investment required to support growth in the long term. This opportunity will be explored through the Implementation Plan process.

11.2 Monitoring and review

The NPS-UD requires the FDS to be regularly reviewed and, if needed, updated every three years in time to inform the Long-term Plan processes of each partner council. At a minimum, there is a requirement to refresh and develop a new FDS every six years.

The next Housing and Business Capacity Assessment will be undertaken in 2026, which will involve an update of the outlook for residential and business demand and capacity. This will include an analysis of mana whenua housing needs. This will inform a review of the FDS in late-2027, early-2028.

12. Appendix to the Napier Hastings FDS 2025-2055

12.1 HPUDS strategic direction for Coastal and Rural Settlements

12.2 Preamble

The purpose of the FDS is to set out how the Councils will achieve well-functioning urban environments in its existing and future urban areas and show the broad locations within which development capacity will be provided in those areas to meet demand. To do this, the FDS has a strong focus on the urban areas of Napier and Hastings. Consequently, the FDS does not address rural residential growth in surrounding coastal and rural settlements.

Prior to the FDS, the Councils jointly prepared the Heretaunga Plains Urban Development Strategy (HPUDS) which was first adopted in 2010 and then reviewed in 2017. HPUDS included high level strategic direction for coastal and rural settlements and had a broader geographic Study Area than the FDS – stretching from Waipatiki in the north, Maraekakaho and Te Aute to the west/south-west and Waimarama to the east).

Because the FDS replaces HPUDS, the strategic direction for coastal and rural settlements from HPUDS 2017 is set out below as an Appendix to the FDS. Also included are the relevant maps from HPUDS 2017. This ensures that the strategic direction remains in place until such time as it is superseded by a Rural Residential Strategy or similar.

The strategic direction set out below is high level and was adopted in 2017. Our rural and coastal communities have changed and evolved since then, so too has our understanding of environmental factors and limitations. The strategic direction imported from HPUDS 2017 into this Appendix does not account for changes in policy direction or the environment that have occurred since 2017, for example, the effects of Cyclone Gabrielle on affected rural communities, infrastructure and the environment.

12.3 Coastal Settlements - Interim Strategic Direction

Waipatiki Beach

Waipatiki Beach is located approximately 45 minutes travelling distance north of Napier City and is a popular beach for day trippers and campers. The Hastings Coastal Strategy identifies it as a bach settlement and provides for modest growth in recognition of its high levels of natural amenity. This growth has largely been undertaken and no additional growth should be undertaken in the period 2015-2045 in recognition of its relatively remote location and to protect the scale and natural character of the settlement.

Tangoio Beach

Tangoio Beach previously housed a number of original baches located on the foreshore reserve. These were removed in the mid 2000s. The area is also in a flood hazard zone of the Te Ngarue Stream and in an area of high landscape and natural character values. An area

of land capable of containing 30-40 new baches was rezoned in 2008 as a result of a private plan change. District Plan rules relating to the new zoning require flood mitigation, an effluent treatment system and tight building and design controls to protect a coastal bach settlement character. Due to the aforementioned development constraints there is no additional growth outside of the newly rezoned land proposed over the HPUDS 2015-2045 timeframe.

Whirinaki Beach

Whirinaki Beach is located approximately 5 km north of Bay View. It is an established coastal settlement located between State Highway 2 and the coast and is adjacent to the Pan Pac Pulp Mill and Contact Energy's electricity generation site. There were limited water supply services, but those could be overcome by expansion of HDC's Esk/Whirinaki water supply scheme. While this allows Whirinaki to be removed from the 'inappropriate' list in HPUDS2017, there is insufficient basis or need at this time to include all or part of it as an appropriate residential greenfield growth area (or reserve area) as part of the HPUDS Settlement Pattern.

Haumoana

Haumoana is a popular coastal settlement located approximately 9km east of Hastings. The settlement is low lying and parts of it have been subject to flooding coastal inundation, and coastal erosion. Infrastructure limitations and topographical considerations generally make the settlement unsuitable for further growth. There is however a small area of land located off the southern side of East Road and contiguous to the existing Coastal Residential Zone and close to the Suburban Commercial Zone off Clifton Road, that is free of flooding and coastal hazard constraints and suitable for residential growth.

There is also an area of approximately 20ha on the corner of Raymond Road/Parkhill Road opposite the Haumoana School on 'Ruataniwha f' soils (also described as 'Waipukurau 30' soils), free of flooding and coastal hazard restraints that could be suitable for coastal growth choices. This would be subject to further assessment through the proposed Masterplan process to commence after the completion of the Clifton – Tangoio Coastal Hazards Strategy. This assessment would include matters such as:

- The productive versatility of this area and the Ruataniwha f soil type;
- Reverse sensitivity with nearby horticultural/viticultural and poultry farm activities; and
- Appropriateness in terms of contributing to the Haumoana / Te Awanga development options as part of the HPUDS preferred settlement pattern.

Te Awanga

Te Awanga is situated approximately 2 km to the south of Haumoana. For the most part it is not as low lying as Haumoana and as such is better suited as a growth option to provide for that segment of the market seeking a coastal location. There are however a number of issues that point to any growth being limited in this area. This includes land use compatibility with the area being a valued viticulture area. The landscape in this area also has special qualities. Any

future growth must be away from coast in recognition of climate change and the potential for coastal erosion.

Clifton

Clifton is the gateway to Cape Kidnappers and settlement is limited to the long established camp ground at the site. The area is severely affected by coastal erosion and no development should be permitted in recognition of the coastal hazard and natural character issues.

Ocean Beach

Ocean Beach is recognised by the wider community as a natural coastal environment of significance. Previous development proposals at Ocean Beach were met with considerable resistance from the community as result of the effect on the landscape quality of the area. There are also considerable infrastructure issues for any development at this location. Notwithstanding the Resource Management Act merits or otherwise of urban development at Ocean Beach, the Hastings District Council's preference is that there be no subdivision and development for residential or other significant development activities on the Haupouri Flats, including around and north of the Haupouri Woolshed area. Accordingly, it is not proposed to encourage or facilitate further housing development at Ocean Beach beyond the existing Waipuka settlement and consideration should be given to appropriate mechanisms for retaining this value for future generations. Accordingly, no allocation of projected demand has been made for Ocean Beach.

Waimarama

The Hastings Coastal Environment Strategy recommended that provision be made for future growth at Waimarama. The natural coastal character of Waimarama has already been impacted on by the existing level of development.

It is recommended that in order to provide for a range of living environments, low level growth be provided for at Waimarama. This is contingent on planning for infrastructure as the water supply is already fully committed and the surface waters in the area are sensitive to any development. The settlement may also provide an opportunity for further holiday home development once servicing constraints are overcome and depending upon demand this should be considered in the planning for Waimarama.

12.4 Rural Settlements - Interim Strategic Direction

Bay View

Bay View is located approximately 10km north of Napier City and has been a popular alternative to suburban living. Bay View is characterised by large sites and this is due to the area not previously being serviced. Since becoming part of Napier City in 1989 a water supply has been provided but this has placed additional strain on the onsite wastewater systems upon which the community relies. There is a proposal for a serviced wastewater system with cost implications for residents. In order to provide residential choice growth of the area is

recommended at a low level to recognise the infrastructure limitations which include development adjacent to the State Highway. This growth must be sequenced to occur when the servicing issues are resolved.

Puketapu

Puketapu was identified in the Hastings Low Density Strategy as a potential growth option. While the area is located in relatively close proximity to both Napier and Hastings there are parts of the settlement that are susceptible to flooding and servicing in the long term would be problematic. It is recommended that no further growth be provided for due to the natural character of the area and servicing issues.

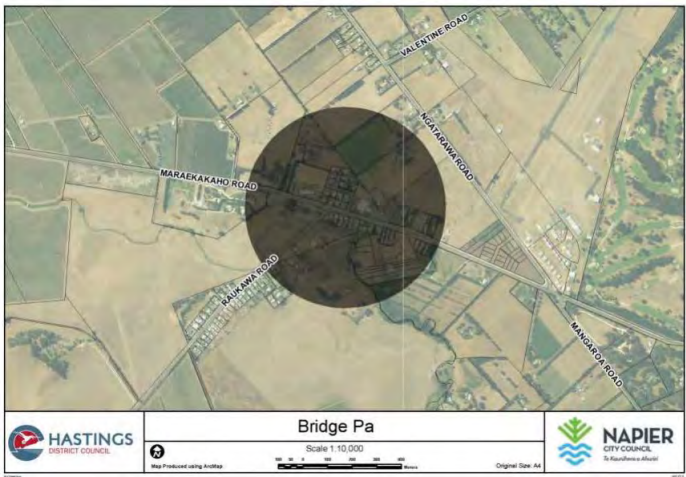
Clive

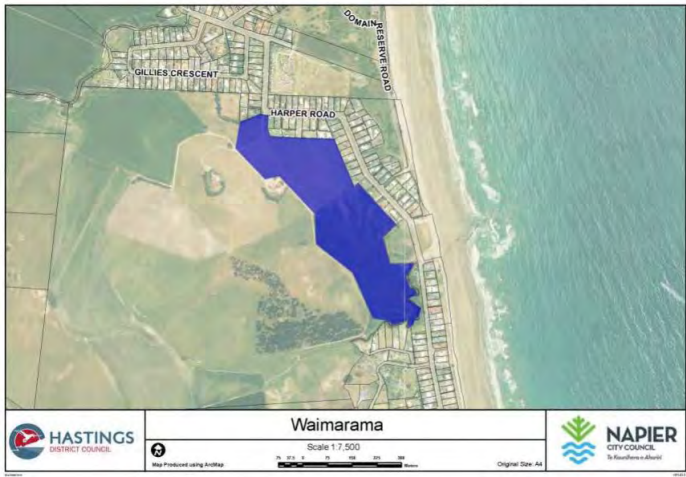
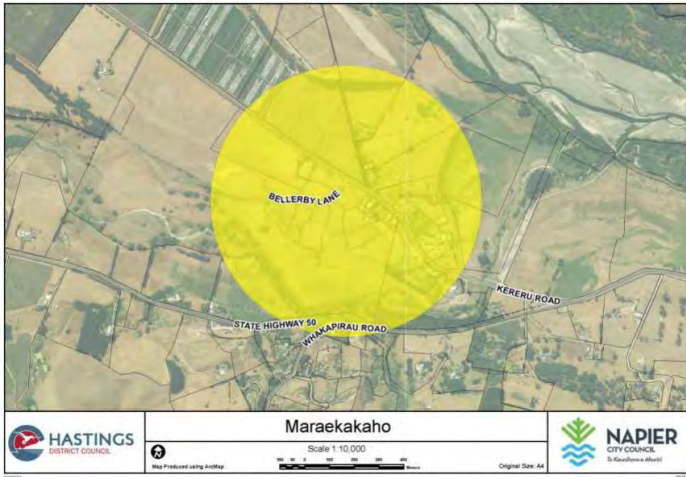
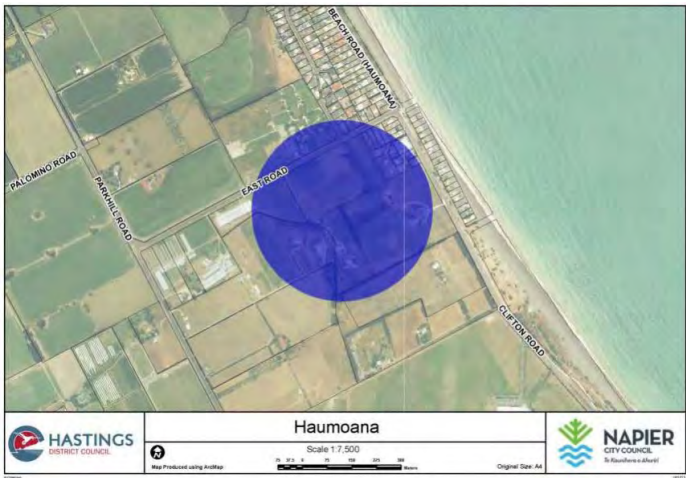
The Clive Development Strategy which was undertaken in 2002 looked at the servicing aspects of future growth to ascertain the potential for future development. Stormwater is the major issue for Clive and a number of sites were identified for future growth that were outside the potential flood hazard areas. Since that time these sites have largely been developed. There has been no stormwater upgrading and therefore it is recommended that no growth be provided for in Clive due to stormwater servicing issues, apart from some smaller parcels in Clive South where stormwater effects can be managed on site. Maraekakaho Settlement

In considering the future of the Maraekakaho settlement consideration was given to a number of factors. It has an existing level of settlement and established social infrastructure including a school. The area is popular in the market but this must be balanced against the energy efficiency principles with the settlement located some distance from the main employment opportunities in Hastings. Previous flood hazards have been mitigated. However constraints around access to water are recognised and will need to be resolved. Maori have reservations about development west of Bridge Pa due to potential effects on the aquifer.

Overall it is recommended that low level growth be provided at Maraekakaho to ensure that there is rural settlement choice for Hastings.

Location Maps – Indicative Only







Recommendations of the Independent Hearings Panel to the Future Development Joint Committee on the Napier-Hastings Future Development Strategy

9 May 2025

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Glossary

The following table sets out some of the acronyms and abbreviations frequently used in this report.

Acronym / abbreviation	Meaning
FDS	Future Development Strategy
FDS Advisors	The Technical Advisory Group comprised of professional experts and advisors from Napier City Council, Hastings District Council and Hawke's Bay Regional Council as well as technical advisors from Tamatea Pōkai Whenua, Mana Ahuriri Trust and Maungaharuru-Tangitū Trust
HBAL	Hawke's Bay Airport Ltd
HBRC	Hawke's Bay Regional Council
HDC	Hastings District Council
HDP	Hastings District Plan
Hearing Report	Napier Hastings FDS Report for Hearings Panel on submissions to the Draft FDS dated 14 March 2025
HPL	Highly Productive Land
HPUDS	Heretaunga Plains Urban Development Strategy 2017
IHP / the Panel	Independent Hearings Panel
Joint Committee	The Napier-Hastings Future Development Strategy Joint Committee, being a partnership of Hastings District, Napier City and Hawke's Bay Regional Councils and Maungaharuru Tangitū Trust, Mana Ahuriri Trust and Tamatea Pōkai Whenua.
LGA	Local Government Act
LTP	Long Term Plan
LUC	Land Use Capability, derived from the NZLRI
MAT	Mana Ahuriri Trust
MCA	Multi-Criteria Analysis
MTT	Maungaharuru Tangitū Trust
NCC	Napier City Council
NDP	Napier City District Plan
NES	National Environmental Standards
NHC	Natural Hazards Commission
NKII	Ngati Kahungunu Iwi Incorporated
NPS	National Policy Statement
NPS-HPL	National Policy Statement for Highly Productive Land 2022
NPS-UD	National Policy Statement on Urban Development 2020
NZLRI	New Zealand Land Resource Inventory
Reply Report	Napier Hastings FDS Report for Hearings Panel on submissions to the Draft FDS Officer Reply dated 4 April 2025
RMA / the Act	Resource Management Act 1991
RPS	Hawke's Bay Regional Policy Statement
TPW	Tamatea Pōkai Whenua

The Councils	Hastings District Council, Napier City Council and Hawke's Bay Regional Council
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1. Executive Summary

1. Having considered the submissions received, the Independent Hearings Panel (IHP or Hearings Panel) has recommended several changes to the draft FDS. Most of those changes were recommended to us by the professional experts and advisors representing Napier City Council, Hastings District Council and the Hawke's Bay Regional Council and Tamatea Pōkai Whenua (TPW), Mana Ahuriri Trust (MAT) and Maungaharuru-Tangitū Trust (MTT) (FDS Advisors).
2. Our more substantive recommended changes to the draft FDS include:
 - (a) A new section 4.3 on cross-boundary relationships
 - (b) References to the Hawke's Bay Independent Flood Review Report recommendations in respect to natural hazard data collection and Regional Policy Statement and district plan reviews
 - (c) Amendments to section 6 to address redress land and papakāinga
 - (d) Amendment to the strategic objectives in section 7 to amend objective 10 and include a new objective relating to nationally and regionally significant infrastructure
 - (e) Reference to latent demand and that there may be a shortfall in wet industry in the long term in section 8
 - (f) Amend the constraints identified in Figure 13 to include areas for the safe operation and functional needs of nationally and regionally significant infrastructure
 - (g) Amend section 10 to address that growth area boundaries shown in the FDS are indicative only and why small sites have not been included
 - (h) Amend table 2 in section 10 to include the additional capacity identified for the Hastings District
 - (i) Inclusion of Middle Road (HN3a and HN3b), Wall Road (HN3b) and FM9 Portsmouth Road, Flaxmere as new Residential Greenfield Development Areas in Table 3, and include the additional land at the Mission Estate
 - (j) Include Irongate North as a new industrial area in section 10
 - (k) Include reference in section 10 about a potential shortfall in development capacity for wet industry and the approach to be taken if this eventuates
 - (l) Amend 10.6 to reference a carry-over of the strategic direction for coastal and rural settlements from HPU DS in an appendix, including maps, until such time as a Rural Residential Strategy is promulgated
 - (m) New paragraph in section 10.11 to reference the importance of the operational and functional needs of nationally and regionally significant infrastructure,
 - (n) Amend section 10.11 to say that stormwater solutions may occur out of identified growth areas and reference specific Māori education demands
 - (o) Include new sections in 10.11 on solid waste and nationally and regionally significant infrastructure
 - (p) Amend table 6 to reference additional greenfield capacity and remove reference to an "overs/unders" approach.

3. Other than for the matters listed above, we do not recommend any substantial changes to any 'spatial' components of the FDS are recommended.
4. Our recommendations are to be considered by the Napier-Hastings Future Development Strategy Joint Committee, with final decisions made by the Councils.

2. Introduction

Draft Future Development Strategy 2025-2055

5. Hastings District Council, Napier City Council, Hawke's Bay Regional Council (the Councils) and iwi Post-Settlement Groups (Maungaharuru Tangitū Trust, Mana Ahuriri Trust and Tamatea Pōkai Whenua) (the Joint Committee) jointly developed the draft Napier-Hastings Future Development Strategy (FDS).
6. The Councils' website sets out the following in respect to the purpose of the FDS:

The FDS will guide the location of urban, industrial and commercial development in the two districts over the next 30 years. It is a requirement of the Government's National Policy Statement – Urban Development. The FDS replaces the Hastings and Napier's long-standing Heretaunga Urban Development Strategy prepared by the councils in 2010 and updated in 2017.

The FDS will ensure development areas are available to meet projected residential and business needs, while protecting the region's highly productive soils, freshwater and natural environments, and sites and areas of significance to Māori. It also addresses the challenges natural hazards, including the affects posed by climate change, will have on development. The development constraints include flood risk information gathered post-Cyclone Gabrielle (2023). It will allow us to plan and deliver the necessary infrastructure to support growth.

Land identified for development in the FDS will still need to go through Resource Management Approval and Building Consent processes, which will address issues specific to a site and any mitigations proposed.

It is also of note that all areas included in the plan are private property, so decisions on whether or not to develop those areas will be made by the owners of the properties. The councils will consider the public infrastructure required to enable these developments during their Long-term Plan and Annual Plan deliberations¹.

7. In summary, a FDS is a high-level strategic guidance document that broadly shows how the Councils intend to achieve a "well-functioning urban environment", as required by the National Policy Statement on Urban Development 2020 (NPS-UD), and confirms that

¹ <https://www.hastingsdc.govt.nz/hastingsnapierfuturedevelopment/>

they have identified the general location and opportunities for how sufficient development capacity to meet future growth needs over the next 30 years will be provided. The FDS will inform the Council's planning and infrastructure investment decisions and be implemented through an Implementation Plan (which does not form part of our recommendations) and other relevant plans and strategies. These include the Hawke's Bay Regional Policy Statement, the Napier City District Plan, the Hastings District Plan, and the Councils' Long Term Plans (LTPs) and Annual Plans.

8. We also record our acknowledgement that section 3.16(1) of the NPS-UD requires every tier 1 and tier 2 local authority to "regularly review its FDS to determine whether it needs updating, and the review must be done in time to inform the next long-term plan (i.e. every 3 years)". This presents an opportunity on a regular basis to review, adjust and incorporate additional land areas or amend the approach to intensification as may be required and appropriate. Aside from the separate RMA opportunities that exists immediately through plan change and resource consent processes, this also means that this current FDS process does not foreclose options for requested areas to be included in the future.

Independent Hearing Panel

9. The Councils jointly appointed an Independent Hearing Panel (IHP / Hearing Panel) to hear and make recommendations on submissions made on the draft FDS. The IHP comprised:
 - Gina Sweetman (chair)
 - Julianne Chetham
 - Michael Parsonson
 - Shad Rolleston
 - Steven Wilson
10. We held a hearing on submissions to the draft FDS where the submitters wished to be heard from 24 to 26 March 2025. Initial deliberations were held on 27 March, with final deliberations occurring on 11 April 2025.

Officers' Reports

11. The IHP received two jointly authored reports prepared by the FDS Advisors. These reports were:
 - Napier Hastings FDS Report for Hearings Panel on submissions to the Draft FDS dated 14 March 2025 (Hearing Report)
 - Napier Hastings FDS Report for Hearings Panel on submissions to the Draft FDS Officer Reply dated 4 April 2025 (Reply Report)
12. We refer collectively to these reports as "FDS Advisors' Reports". Both reports were made available to the public on the FDS website.

Consideration of Submissions

13. The draft FDS was publicly notified on 23 November 2024, with the submission period ending on 23 December 2024, and it followed the Special Consultative Procedure in accordance with section 83 of the Local Government Act and the requirements of the NPS-UD 2020. In total 139 submissions were received. These consisted of Draft FDS Survey submissions² and other forms of submissions³. Eighty-six submissions were spoken to at the hearing as listed in Appendix Three. We record that we considered all submissions in making our recommendations to the Joint Committee.
14. To ensure that submitters had the opportunity to respond to the Hearing Report in a meaningful way before and at the hearing, we issued our Direction 1 on 4 March 2025. This set out our request for submitters to provide any further information, evidence or legal representations to support their submissions in advance of the hearing and in response to the Hearing Report. We thank those submitters who took up this opportunity, as it assisted all participants to the hearings to better understand the relief sought through submissions, most importantly ourselves in making our recommendations. This first Direction also set out our request for the FDS Advisors to provide a Reply Report after the conclusion of the hearing. Our Direction 2 on 6 March 2025 clarified some points from our first Direction in response to submitter feedback and our final Direction 3 on 28 March 2025 set out specific questions to be addressed in the Reply Report.
15. The two FDS Advisors' Reports assessed the submissions and recommended amendments to the draft FDS's narrative, maps, tables and figures, as well as all the additional information, evidence and legal representations provided through the hearing process. We have considered the FDS Advisors' recommendations alongside the submissions and all evidence and information that was presented to us before and at the hearing.

Approach to our recommendation report

16. We found that the FDS Advisors' Reports provide a comprehensive summary of submissions made on the draft FDS and the issues they raised in respect of the FDS narrative, maps, tables and figures. We have generally structured our report using that same format, however, there are some FDS-wide issues we have addressed first to avoid unnecessary repetition.
17. Also to avoid unnecessary repetition or duplication, we have adopted the approach of focusing our written analysis on those aspects of the FDS Advisors' Reports where:
 - (a) we disagreed with the reasoning and/or recommendations in the FDS Advisors' Reports

² 55 (39.6%)

³ 84 (60.4%)

- (b) material provided to us by submitters, either in the form of evidence or representations, called into question the reasoning/recommendations in the FDS Advisors' Reports
 - (c) there are additional matters that we wish to address in respect to FDS Advisors' recommendations on particular submissions or issues; and/or
 - (d) the FDS Advisors, having considered the evidence or representations of submitters, and following questioning from the IHP, altered their initial recommendations to us, as set out in the Reply Report.
18. If we do not refer to an individual submission or group of submissions on a particular matter addressed in submissions and during the hearing, or discuss the reasons for our recommendations in relation to it, that is because, having reviewed the submissions alongside the written and oral evidence and representations from submitters, and the commentary, recommendations and reasoning in the two FDS Advisors' Reports, we have accepted (and accordingly adopted) the FDS Advisors' final recommendations to us. This means that our recommendation report must be read in conjunction with both FDS Advisors' Reports, with our recommendations taking precedence over the FDS Advisors' recommendations where they differ.
19. Our recommendation report, accordingly, generally takes the form of an 'exceptions' report.

3. Recommended amendments with overarching consequence

Overview

20. There are several matters raised in submissions and addressed through the FDS Advisors' Reports which have overarching consequences for our subsequent recommendations on particular chapters of the FDS and / or are best addressed comprehensively. These matters are:
- (a) Urban Housing Demand, Capacity and Choice
 - (b) Staging of development
 - (c) Development constraints – highly productive land and natural hazards
 - (d) Riverbend - NC4b
 - (e) Ahuriri Station - AS1 and AS2
 - (f) Approach to smaller sites
 - (g) Wet industry
 - (h) Regionally and nationally significant infrastructure
 - (i) Coastal and rural settlements and rural lifestyle development.
21. We address these matters first and then move to consider more specific requests under the next section of this report.

Urban Housing Demand, Capacity and Choice

22. As outlined in the FDS Advisors' Hearing Report⁴, many of the submissions raised higher level issues regarding housing demand, development capacity and housing choice. Concerns raised from there being an over-supply, assumptions of uptake of intensification and greenfield development being wrong, latent demand and the needs of the retirement sector not having been considered, and that the NPS-UD does not allow for a shortfall in greenfield development capacity to be made-up by an over-supply in Napier. We carefully considered the FDS Advisors' evidence alongside that produced through submissions and in evidence before and during the hearing.
23. Overall, we find that the FDS Advisors' evidence-based approach to evaluating demand and consequential land allocation aligns with the objectives of the FDS and is consistent with national direction under the NPS-UD and National Policy Statement on Highly Productive Land (NPS-HPL).
24. We accept the FDS Advisors' assessment that with the inclusion of Middle Road (HN3a and 3b) and Wall Road (H5b), along with FM9, the FDS now identifies sufficient residential capacity for both Napier and Hastings to meet medium- to long-term demand and the requirements of the NPS-UD.
25. In respect of the retirement village sector and projected growth demands, we agree with FDS Advisors that it is not the place of an FDS to ringfence greenfield land specifically for retirement village development. This is the same with wet industry, which we address later in this report. We also agree with FDS Advisors that there are a range of considerations and constraints at play, which we also discuss in this report, which mean that this sector may need to consider different development models to a greenfield approach.
26. In respect of latent demand, we carefully considered the FDS Advisors' evidence and that provided by submitters. We are satisfied that the FDS Advisors' recommended approach as set out in section 4.4 of their Hearing Report to take into account latent demand in the overall demand projections set out in the FDS and provide greater greenfield capacity and flexibility, satisfactorily addresses the submitters' concerns.
27. We find that the FDS, through a combination of intensification and greenfield expansion, identifies sufficient land to meet expected population growth and urban development needs for residential and business, along with latent demand, without extending into additional unplanned or less serviceable areas. We also reiterate that this FDS is not the final document guiding growth over the next 30 years. It is required to be reviewed on a regular basis and amended where necessary.

⁴ Section 4.1 of the Napier Hastings FDS Report for Hearings Panel on submissions to the Draft FDS

Reprioritising the timing of development

28. There were a number of submissions where submitters whose land was recommended for inclusion within the FDS sought that their sites be “brought forward” for an earlier timing of development, for instance from long-term, to short or medium-term.
29. We carefully considered the submissions that sought these changes and the FDS Advisors’ responses in their Hearing Report and Reply Report. We record here that we agree with the FDS Advisors’ analysis that while there is no specific requirement under the NPS-UD to include staging and prioritisation within an FDS, being able to provide an indication of what is required over the short, medium and long term is good planning practice and provides an indication of development priorities over the 30-year period. The FDS Advisors’ Reply Report frames the NPS-UD’s meaning of ‘plan-enabled’ and ‘infrastructure ready’ development capacity and NPS-UD Clause 3.4 as helpful criteria guiding how sites should be considered in this regard.
30. FDS Advisors accepted that an indication of development timing within the FDS to ensure consistency for developers and landowners alike is helpful, but where individual submitters sought recognition of short-term timing then relative certainty that the project would be committed to within the short term is important. As the FDS Advisors highlighted, potential impacts of bringing development timings forward resulting in expectations that the Councils will change their respective LTPs and Infrastructure Strategies to align with the altered staging would have a flow on effect on development contributions and funding mechanisms. The FDS Advisors further cautioned that if the land is delivered to market as indicated, then while the generous supply could offset development contributions’ increases, the higher uptake stimulated may be at the expense of intensification. This could increase pressure for release of even more greenfield land in the longer term, thus undermining efforts to protect HPL and increase intensification.
31. In light of this analysis and additional evidence put forward at the hearing, FDS Advisors reconsidered submissions seeking amendments to indicated staging in the FDS. They recommended that the Arataki Extension land (HN2b) should be reconsidered as short-medium term supply. This was due to the Fast Track Approvals Act consenting requirements and pre-application discussions held with HDC signalling a reasonable likelihood that this development is achievable within the short-medium term period. Additionally, the FDS Advisors considered that the infrastructure upgrade requirements for this site are relatively minor, lessening the risks on HDC of bringing it forward. For similar reasons, FDS Advisors recommend bringing forward the timing of the Brookvale Extension (HN6) land to short-medium term. This land does not have the certainty and timeframe parameters as the Arataki Extension land but is reasonably far advanced in the private plan change process under the RMA. While granting of a plan change request is not absolute, they accepted that following approval the development would likely occur relatively quickly.
32. In terms of all other sites requested to be reprioritised, the FDS Advisors did not recommend amending staging of these as evidence was not sufficient to give reasonable

certainty as to when the development may occur, or when the location might be 'infrastructure ready.'

33. Finally, the FDS Advisors' Reply Report notes that the inclusion of both Arataki and Brookvale Extension as short-medium term priority will resolve the short-medium term deficit in the Hastings area, changing capacity from -35, to a surplus of +260 (being 170 dwellings for Arataki and 125 for Brookvale). We concur with the FDS Advisors that this level of sufficiency is adequate and will not negatively impact the intensification objectives of the FDS.
34. In accordance with these findings, we agree with the analysis provided and support the recommended amendments to the Strategy Prioritisation Map at Figure 24 of the FDS.

Development Constraints – highly productive land and natural hazards

Introduction

35. Development constraints are addressed in Section 5.0 of the FDS Advisors' Hearing Report, through various submissions, and in the FDS Advisors' Reply Report. The focus of the submissions were on:
 - (a) Highly productive land (HPL)⁵ – to what extent urban growth should avoid encroachment into Class 1, 2 and 3 land⁶ and balancing the outcomes sought by the NPS-UD and NPS-HPL
 - (b) Natural hazards – to what extent urban growth would mitigate or avoid natural hazards, in this case being focussed on flooding, liquefaction and tsunami risk. Land instability was not directly addressed by the FDS Advisors or submitters.
36. Potential HPL and flooding effects are relevant to both the Napier and Hastings urban areas, but in a general sense, the HPL issue is primarily focussed on the Hastings District portion of the FDS area, while flooding, liquefaction and tsunami risk is more focussed on the Napier City portion. Accordingly, while not reading down the relevance of all these issues to both districts, we take this focus in our following discussion.
37. Overall, we adopt the recommendations of the FDS Advisors' Hearing and Reply Reports. We consider that to have appropriately balanced the competing issues and opportunities.

Highly Productive Land

38. It is obvious that the pattern of urban development of the Hastings urban areas has been a patchwork extensions from the central hub of Hastings, and the settlements of Flaxmere and Havelock North.⁷

⁵ As defined in Section 3.4 of the National Policy Statement for Highly Productive Land, comprising Class 1, 2 and 3 land under the New Zealand Land Use Inventory 1:50,000 map series.

⁶ Ibid

⁷ This pattern is also evident in the urban growth between Napier and Taradale.

39. Significantly, those extensions have occurred across HPL and now result in quite significant areas of Class 1 and 2 land and associated primary production being situated between, and bounding directly with, residential, commercial and industrial urban areas. This fundamental characteristic of the Hastings district, and the significance of horticultural production to the district (fruit, vegetables and grapes), has been emphasised by many submitters, both for and against urban expansion onto that land.
40. The presence of HPL presents a tension between typical urban design efficiency and ongoing access to that productive land capacity. This is expressed through various submissions including the submissions from:
- the Heretaunga Connection Project that identified the approximately 470ha area of predominately Class 1 and 2 land between Hastings, Flaxmere and the Omaha Road industrial strip for long-term, master-planned urban expansion.
 - Mr Apple, who sought inclusion of its approximately 34ha Class 1 land holding at 334 State Highway 51, primarily but not exclusively for future wet industry use.
 - Save the Plains, Horticulture New Zealand, Hawke's Bay Vegetable Growers, Hawke's Bay Fruit Growers and others who promoted avoidance of HPL and a refocus of urban expansion onto lower class soils, including hill slopes and rural and coastal settlements.
 - Horticulture New Zealand, Hawke's Bay Vegetable Growers and Hawke's Bay Fruit Growers who considered the current absence of highly productive use of some land was a result of current restrictions that could be resolved through improved water availability and land parcel amalgamation. Hawke's Bay Wine Growers also identified the Gimblett Gravels as Class 7 land that has a high primary production value.
41. We find that the current patchwork pattern of development is not fundamentally inconsistent with the various policies of the NPS-UD, in that the provision of urban land uses can accommodate this District's distinct characteristics and resources. We do not accept that best urban outcomes for this district necessitates a complete 'closing the gaps' approach to urban form.
42. Distinct from the above issues, various submitters sought recognition of constraints at an individual property scale, as justification for inclusion of their properties within the area identified for future urban expansion. These issues included fragmentation of land parcels, isolation from other HPL land, reverse sensitivity caused by residential boundaries, other comprising characteristics of sites such as existing or proposed development and infrastructure, and inaccuracy of the New Zealand Land Resource Inventory (NZLRI) mapping system at a site-specific scale.
43. In relation to the accuracy of land use capability mapping, the report by Hanmore Land Management provided with the submission by Vermont Street Partners in particular, describes the scale and originally intended purpose of the NZLRI regional mapping system. This is not debated. However, until updated regional mapping is incorporated by way of a notified change to the Regional Policy Statement, the NPS-HPL requires us to adopt the NZLRI mapping for planning purposes. We were⁴ advised that the regional

mapping process is underway, but a change to the RPS has not yet been publicly notified under the RMA.

44. Various submitters described how the land area of their properties was no longer of an economical scale due to fragmentation and separate ownership of adjacent small land holdings. In general, we have not accepted that proposition, noting the options raised by Horticulture New Zealand for amalgamation and economic productive use of adjacent land parcels through purchase or lease by larger operators. The exception is Wall Road (H5b) and Middle Road (H3a and 3b), where we agree with the FDS Advisors' recommendation and reasons that they should be identified as Development Areas.
45. Gareth Holder on behalf of Hawke's Bay Vegetable Growers and others submitted in favour of protection of HPL across both districts. Through the Hawke's Bay Vegetable Growers submission, Mr Holder made particular reference to Class 3 land that he leases at Pirimai South (NC4d) in Napier, which is proposed for inclusion in the FDS for residential development. We acknowledge Mr Holder's stated investment in the productive capacity of that property. However, we accept the FDS Advisors' recommendation for its inclusion along with Riverbend (NC4b) and The Loop (NC4a), for the reasons discussed elsewhere in this report.
46. We consider that FDS Advisors have demonstrated that the recommended areas for inclusion have been selected to avoid or minimise the use of HPL wherever possible. In cases where some sites intersect with LUC 1 or 2 land, a robust justification has been provided that clearly outlines the functional or locational need for development, the absence of feasible alternatives, and the consistency of the proposed land use with broader urban planning strategies. In all such cases, the land is contiguous with existing urban form, does not lead to leapfrog development, and does not undermine the integrity of surrounding productive land holdings. The Panel is satisfied that these instances align with the limited exceptions stipulated under the NPS-HPL and that the required evidential threshold has been met for purposes of preparing a FDS under the NPS-UD.
47. Overall, we find that our adoption of the FDS Advisors' recommendations strikes an appropriate balance between retention of the long-term productive capacity of the land and particular constraints and limitations of the incorporated sites. We find that inclusion of a greater extent of HPL is not justified on the basis of necessary development capacity⁸. Doing so at an FDS level is not sufficiently justified under the NPS-UD and would be inconsistent with the NPS-HPL. This does not preclude the more granular consideration of rezoning of additional areas under future individual RMA plan changes and/or resource consent decision-making.

Natural Hazards

48. Overall, we adopt the FDS Advisors' recommendations with respect to inclusion and exclusion of properties that are subject to identified significant natural hazard risk, which we address in more detail through the body of this report. We acknowledge that

⁸ As discussed earlier in this report.

some sites nominated for inclusion in the FDS have other factors that must be given significant weight in their consideration. Below we make specific recognition of those sites which drew the greatest focus through submissions.

49. We take account of the Hawke's Bay Independent Flood Review Panel (HBIFRP) July 2024 report and its recommendations, as discussed in section 3.2.1 of the FDS Advisors' Hearing Report. In particular, we note its recommendation to update the RPS and the district plans in relation to managing natural hazards, including flood modelling. At the hearing, Gavin Ide, Principal Advisor for the Hawke's Bay Regional Council, advised that newer riverine flood hazard modelling is underway and continuing through 2025. The FDS Advisors' Hearing Report makes specific note of the HBIFRP's recommendation 25, which the FDS Advisors' Hearing Report states as "to ensure that new and intensified residential development and subdivision is prohibited in areas subject to unacceptable flood hazard".
50. We find that the FDS should acknowledge the risks presented by natural hazards and climate change, be forward-looking not only for urban development capacity but also the health and safety of people, and enable resilience for existing and future communities. In that we support the inclusion of FDS Objective 3:

Our communities and infrastructure are resilient to the effects of climate change and risks from natural hazards.

51. Avoiding unacceptable natural hazard risks and identified opportunities for mitigating risks guide our recommendations. In the absence of an updated RPS, natural hazards mapping, and national policy guidance on natural hazards management⁹, we agree with the FDS Advisors' Hearing Report statement that *"In the interim, the Draft FDS grapples with managing natural hazard risk in the existing policy environment and with best available information for now"*.
52. We accept there are site-specific opportunities to mitigate some risks but, consistent with the FDS Advisors' Hearing Report, we limit inclusion of sites with identified significant (before mitigation) natural hazard risk to the sites discussed below that are subject to other relevant factors that support their inclusion. We agree with the FDS Advisors' Hearing Report in its response to the Natural Hazards Commission and the Hawke's Bay District Health Board submissions, that site specific risk assessments for those future growth areas are most appropriately undertaken *"at the structure planning and plan change [and resource consent] stage, where a detailed stormwater and flood modelling can be undertaken in the context of a specific proposal"*.
53. We recommend an addition to the FDS Implementation section that the HBIFRP recommendations for RPS changes must be taken into account when preparing the FDS Implementation Plan and in future FDS reviews.

⁹ The National Policy Statement for Natural Hazards is currently expected to be in place late 2025.

Riverbend – NC4b

Introduction

54. Riverbend is a residential growth area in the Heretaunga Plains Urban Development Strategy (HPUDS) and meets the definition of being “*identified for urban development*.”¹⁰ The draft FDS identifies the area as a suitable specific growth area, acknowledging that the area is subject to complex and overlapping natural hazards constraints. While there are engineering solutions available to address these constraints, they may impact the feasibility and timing of development.¹¹
55. The development division of Ngāti Kahungunu Iwi Incorporated (NKII), K3 Development, has an interest in developing part of this area as a joint venture with several other parties. An application for referral through the fast track process under the Natural and Built Environment Act 2023¹² has been made to the Environmental Protection Authority, and is under consideration by the relevant Minister. NKII is a Post-settlement Governance Entity which resulted from a fisheries settlement in the 1990s stretching from Wairoa to Wairarapa. As such they do not have an interest in land that could support additional points being awarded through the multi-criteria analysis (MCA) to support the aspirations of the mana whenua of Ahuriri.¹³
56. Legal submissions¹⁴ on behalf of the Joint Venture provided the planning history of this site. It is clear that the site has a long history of recognition as a future development area, including through Heretaunga Plains Urban Development Strategy 2010 and 2017. It is also noted that a private Development Agreement between the Joint Venture and NCC was agreed in principle in 2023, to address infrastructure requirements and financial contributions. The current version of that agreement was executed on 18 February 2025. Additional land (the Southern Area – approximately 16.7ha) for stormwater management has been conditionally purchased by parties to the Joint Venture to the south of the Riverbend site and Cross-Country Drain.
57. Submitters had differing positions on including Riverbend area NC4b in the FDS; some supporting,¹⁵ some requesting more information¹⁶, and others opposing (on natural hazard and environmental grounds)¹⁷. The submissions are analysed in section 9.3.3 of the FDS Advisors’ Hearing Report and the analysis is not repeated here.
58. The Draft FDS notes the divergence in view with the Joint Committee’s recommendation to include the Riverbend site NC4b in the draft FDS, while the HBRC recommended

¹⁰ Section 5.3.1 of Napier Hastings FDS Report for Hearings Panel on submissions to the Draft FDS

¹¹ Section 4.3.5 of Napier Hastings FDS Report for Hearings Panel on submissions to the Draft FDS

¹² This is a referral application made prior to Parliament repealing much of the Natural and Built Environment Act 2003 in late 2024.

¹³ Section 6.3 of Napier Hastings FDS Report for Hearings Panel on submissions to the Draft FDS

¹⁴ Legal Submissions on Behalf of Te Orokohanga Hou Joint Venture; 19 March 2025

¹⁵ Te Orokohanga Hou Joint Venture, Bayden Barger for Ngāti Kahungunu Iwi Incorporated

¹⁶ Maungaharuru Tangitū Trust

¹⁷ Natural Hazards Commission; HBRC, John Reid; Myriam Parker; Gary Curtis; Andrew Lessells; Simon Nash; Samatha McPherson; Susan Garner; Forest and Bird

excluding NC4b from the FDS.¹⁸ HBRC submitted that *“that inclusion of those sites within the FDS in no way guarantees any or all necessary consents and approvals required by the Hawke’s Bay Regional Resource Management Plan or national regulations administered by the Regional Council.”*¹⁹

Development Constraints

59. The HBRC remains opposed to the inclusion of the site at this time, based on the ongoing uncertainty about methods to mitigate flood risk at this site to an acceptable level. We do not criticise HBRC for taking that stance. There is well documented recent evidence of rain event flooding of the site (2020 and 2023), with the site providing significant flood storage adjacent to the existing residential area.
60. Stormwater engineering evidence was presented on behalf of the Joint Venture by Ms Landon of Development Nours Limited. Ms Landon acknowledged that the site currently functions as an “unofficial” stormwater detention area for the surrounding urban areas. She described the likely approach to flood mitigation for development of the site, which included flood storage and pumping, and conservatism in her assumptions. This is subject to ongoing analysis and design and will require detailed interrogation through a resource consent process.
61. We agree with Mr Winchester at paragraph 8 of his legal submissions for the Joint Venture that “the history of planning for the land, the nature of the development proposed, the level of work, engagement and analysis which has been done to support the approval of the Riverbend proposal, and the likely processes that will be pursued in order to achieve those approvals” are relevant to our consideration of its inclusion in the FDS. We do not agree with his submission at paragraph 6 that:

“With respect to the submissions lodged by both the Hawke’s Bay Regional Council (HBRC) and the Natural Hazards Commission (NHC), while their underlying concerns and their policy positions are understood, the issues that they raise are submitted to be at a level of abstraction that they should not be given significant weight.”
62. The matters raised in the submission by HBRC in particular are highly relevant. We also acknowledge the submission by Dooney Brothers Partnership and evidence by Angela McFlynn that the adjacent Waverley Road site (NC4c), which is not recommended for inclusion, may have less flood risk than the Riverbend site (NC4b) and potentially less reliance on off-site areas for flood mitigation. HBRC’s submission also mooted that site as potentially more suitable for development.
63. FDS Advisors in their Reports recommended including a statement in the FDS explaining that additional land will be required to manage stormwater and flooding effects arising from development of the Riverbend site, with the exact location to be determined through future planning processes. This was addressed by the addition of footnote 11 to NC4b in Table 3 of the FDS. We think this appropriate as it recognises the constraints

¹⁸ Preamble, Draft Napier Hasting Future Development Strategy 2024 – 2054.

¹⁹ Hawkes Bay Regional Council.

associated with the site while not predetermining the design details still being worked through by the Joint Venture parties.

NPS-UD

64. We concur with the FDS Advisors' that the site represents a relatively efficient location for growth at the southern extent of Napier with good access to services and amenities in Onekawa and Maraenui. During our site visit it was apparent that this location would avoid ribbon development, and we observed the close connection of the site to existing urban development and public facilities such as sport and recreation facilities and Pukemokimoki Marae. Mr Barber's comments on behalf Ngāti Kahungunu Iwi Incorporated emphasised the benefits of this site being able to offer locational choice, housing types and price point and meet Iwi and community aspirations. He stated that most Māori who were not mana whenua to the area live in two main places, Maraenui and Flaxmere and Pukemokimoki Marae is a mātāwaka marae, which is available for all people and is a solution for Māori living in but who whakapapa to places outside the area.
65. We agree with these sentiments and are cognisant that removing Riverbend site NC4b from the FDS would result in a significant reduction in residential greenfield capacity of approximately 660 dwellings, and share the view presented in the FDS Advisors' Reports that there are no viable alternatives for that scale of capacity for Napier at present.

Summary

66. For the reasons outlined above, we accept and adopt the recommendation of the FDS Advisors' Hearing Report to include Riverbend site NC4b in the FDS, at the timing recommended by the FDS Advisors. Ultimately, its suitability for development will be managed through the more granular plan change and resource consent processes. Its planning history and the consequential investment in development planning weighs in favour of its inclusion. We also note that a rebalancing of the Napier residential development capacity might be achieved on the adjacent Waverley site if insufficient capacity can be achieved on the Riverbend site. We also note that should they choose, Dooney Brothers Partnership could separately seek a plan change and/or resource consents for development of their site.

Ahuriri Station – AS1 and AS2

Introduction

67. Submitters had differing positions on including Ahuriri Station in the FDS; some supporting²⁰, some requesting more information or seeking to partner with Mana Ahuriri Trust²¹, and others opposing (on natural hazard and environmental grounds).²²

²⁰ Mana Ahuriri Trust, Maungaharuru Tangitū Trust, Tamatea Pōkai Whenua, Hawke's Bay Airport

²¹ NZTA, Ministry of Education

²² Ahuriri Protection Society, Forest and Bird, Natural Hazard Commission, Simon Nash, Susan Garner, Lunne Anderson, Chris Maclean, Garth Eyles

68. Ahuriri Station is redress land available from the Tiriti o Waitangi settlement process. Ahuriri Station is a Listed Project under the Fast Track Approvals Act 2024. Rezoning is also being sought by Mana Ahuriri Trust through its submission on the proposed NDP.
69. Mr Pohio, the chair of Mana Ahuriri Holdings Limited Partnership, drew parallels with his experience with the Waikato Tainui (Tainui Group Holdings) development at Ruakura, *“a strategically located inland port and major industrial facility”*, and the aspirations for Ahuriri Station. He reinforced the development of Ahuriri Station as a taonga of great importance to Mana Ahuriri and their development aspirations, with such development being an expression of the rangatiratanga of the seven hapū of Ahuriri with the Station.²³
70. Mr Hawaikirangi, the chair of Mana Ahuriri Trust, reinforced those comments discussing the five pou of their strategic framework, Te Ara Whakamua, and how the FDS contributes to achieving their strategy.²⁴ Any development at Ahuriri Station must occur consistent with the values and kaitiaki responsibilities of the hapū of Ahuriri. This includes economic and environmental drivers, and papakāinga development at Ahuriri Station.

Natural Hazards

71. Evidence presented by Mana Ahuriri Trust detailed its aspirations for potential staged future development of that land, and also the various and significant natural hazards that actually and potentially impact the site. Primarily these risks are related to flooding and coastal inundation. A high-level discussion on possible engineering approaches to mitigate those hazards was also provided in evidence.
72. Mr Gardner-Hopkins, for Mana Ahuriri Trust, noted that Mana Ahuriri had spoken with the Natural Hazards Commission (NHC) and he noted that NHC were *“pleased to hear that any development would meet or exceed the relevant MFE’s guideline requirements.”* Following our query, Mr Gardner-Hopkins provided further detail of the meeting with NHC, a meeting prompted by NHC’s initial submission. NHC had a level of comfort following the meeting with Mana Ahuriri and were looking forward to further engagement. While acknowledging the flood risk, NHC are not recommending amending the way in which AS1 and AS2 are provided for in the Draft FDS.²⁵
73. There is no question that significant natural hazard constraints exist on this land. Other submissions also identified these risks²⁶. The final development potential is unknown. We accept that the extent and form of development across the site will be determined through the extent of mitigation that can be achieved through engineering design and construction practicalities. As noted by the Mana Ahuriri Trust and the NHC, this will be tested through future plan change and consenting processes.

²³ Mike Pohio speaking notes

²⁴ Te Kaha Hawaikirangi speaking notes

²⁵ Natural Hazards Commission Further Information

²⁶ Andrew Caseley and Chris Maclean

Other constraints

74. Although acknowledging Mana Ahuriri Trust's aspirations for the Ahuriri Station, Hawke's Bay Airport Ltd (HBAL) raised concerns with the inappropriateness of residential and ecological activities in close proximity to the airport, such as proposed at Ahuriri Station. Their concerns related to ensuring safe and efficient airport operation (e.g., wetland development increasing the risk of bird strikes and potential loss of aircraft or occupants), and reverse sensitivity issues (e.g., protecting residents from the adverse effects of aircraft noise).
75. In response to our query on ways to resolve their concerns, HBAL noted that they are submitting to the NCC District Plan review and are seeking relief with statements in the NDP that acknowledges the risk of bird strike and that any habitat restoration that could affect HBAL's operational requirements is required to have an approved Wildlife Management Plan. Following our query Mr Greening, for Mana Ahuriri Trust, commented that Mr Hawaikirangi and he had met with the HBAL and discussed their proposed development at Ahuriri Station and how with, following best practice development, the Trust expected that should allay HBAL's concerns.
76. Mr Maclean spoke of the ecological value of the Ahuriri Station area and the constraints to its development. He talked of how cycling the tracks across the block enables a full appreciation of the site, and how doing so has led him to conclude that the site is unsuitable for development. We address the development challenges of the site. On this matter, we find that the provision of access is a matter of detail that can be addressed through master planning and plan change processes.
77. The Ahuriri Estuary Protection Society sought greater protection for the estuary and opposed encouragement of development that might adversely impact on its natural values. For Mana Ahuriri Trust, Mr Gardner-Hopkins asserted that they believed the Ahuriri Estuary Protection Society's concerns would be *"well addressed by Mana Ahuriri in their development of the Station."*²⁷
78. We find that the matters raised by these submitters are best addressed through future district plan change processes and/or resource consent processes and the inclusion of Ahuriri Station within the FDS now does not foreclose on outcomes acceptable to the airport and those submitters in that regard.

Summary

79. We note above the comments from Mana Ahuriri Trust that, at the level of the FDS, satisfies most of the concerns submitters have raised.
80. As per section 96(2) of the Ahuriri Hapū Claims Settlement Act 2021,²⁸ we have reviewed and had regard to Te Muriwai o te Whanga Plan (2024) ('Plan'). We expect that Te Komiti Muriwai o Te Whanga will give effect to this Plan as the Ahuriri Station is developed.

²⁷ James Gardner-Hopkins speaking notes

²⁸ <https://www.legislation.govt.nz/act/public/2021/0054/latest/whole.html#LMS300576>

81. The impact of development constraints on the Ahuriri Station and the effect of that on future business / industrial land supply can be reconsidered through future reviews of the FDS and district plan change processes.

Approach to smaller sites

82. During the hearing, several submitters requested the inclusion of smaller residential or industrial sites in the FDS. After careful consideration, we recommend that these sites be excluded, based on the FDS Advisor's approach of applying clear and consistent criteria across all proposals. Our approach was guided by the FDS's strategic objectives, as well as the national direction set by the NPS-UD and NPS-HPL, along with the evidence presented in the FDS Advisors' Hearing and Reply Reports.
83. Regarding residential land, we accepted the FDS Advisors' recommendation to include only those sites that demonstrated alignment with compact urban form principles, infrastructure readiness, and the avoidance of HPL, as detailed in the MCA analysis. Most smaller site submissions fell short on one or more of these criteria. Many were either located on LUC 1 or 2 soils, disconnected from existing urban areas, or did not demonstrate sufficient strategic merit to warrant inclusion at this time. We agreed that the currently identified growth areas provide adequate capacity to meet short, medium and long-term demand. Further inclusion of smaller, isolated sites would fragment the urban form and undermine the FDS's integrated and infrastructure-led approach. The only exception where we have included a smaller area is the land sought to be included at Mission Estate (NC6). We address this later in this report.
84. In respect to the submission of Mr. and Mrs. Holder, supported by Willowbrook Village Development, who sought the inclusion of 63 Main Road, Clive, we agreed with the FDS Advisors not to include it in the FDS. While the site has limited productive value, minimal hazard risk, and is well located between existing semi-urban development, in our view, its small scale means it does not meet the threshold for inclusion as a strategic growth area in the FDS. However, we note that the site's development would not offend the principles of the FDS, and the landowner has the opportunity to progress the proposal through a private plan change or resource consent process.
85. Similar considerations applied to industrial land. We endorsed the FDS Advisors' methodology, which was evidence-based and consistently applied across all sites. With one exception (the Irongate North Extension), we agree with FDS Advisors that smaller or ad hoc industrial land submissions should be excluded due to constraints such as hazard exposure, insufficient servicing, and encroachment onto HPL. These recommendations were consistent with the NPS-HPL directive to avoid unnecessary urban expansion into productive soils unless there is a clear and demonstrable need.
86. In summary, the exclusion of smaller sites reflects the strategic, evidence-based approach taken in preparing the FDS. It ensures that urban growth is well integrated with infrastructure and aligns with national policy. We note that future opportunities remain available through subsequent FDS reviews, Council-initiated or private plan changes and resource consent applications.

Wet industry

87. We received several submissions and requests for the inclusion of land identified for wet industry. However, we are satisfied that sufficient capacity exists within the zoned industrial land at Whakatu, Tomoana, and Omahu to accommodate the anticipated short to medium-term wet industry demand. This approach aligns with the evidence presented in the FDS Advisors' Hearing and Reply Reports, which confirmed that the available land at Whakatu remains the most appropriate and strategically located option to support wet industry activity, considering the existing servicing infrastructure and land characteristics.
88. We support the FDS Advisors' recommendation to retain flexibility in the FDS by incorporating a short-term action to investigate policy changes aimed at protecting the remaining capacity for wet industry use at Whakatu. This action acknowledges the importance of maintaining viable land options for water-intensive operations while recognising that the suitability and uptake of land may evolve.
89. Proposals from submitters for additional wet industry land, particularly those situated on HPL or in areas with unresolved servicing or hazard constraints, did not meet the high policy thresholds required under the NPS-HPL. We agree with FDS Advisors that expansion into these areas is not justified at this stage and could risk fragmenting the supply of industrial land, thus undermining the strategic, infrastructure-led direction of the FDS.
90. Importantly, we reiterate that the FDS is not a static document. It will be reviewed every three years as required under the NPS-UD, allowing reconsideration of new evidence and emerging demand trends over time. In the meantime, submitters seeking to facilitate wet industry development in other locations are not precluded from pursuing alternative RMA processes, such as private plan changes or resource consent applications.

Coastal and rural settlements and rural lifestyle development

91. We received many submissions and heard evidence from several submitters who sought inclusion of coastal and rural settlements within the FDS, as well as the identification of new areas for rural lifestyle development. Many of these submissions expressed concern that the HPUDS had included these areas, and these were now excluded from the FDS. As a consequence, they sought identification of areas suitable for new and expansions to existing coastal and rural settlements and rural lifestyle development areas. They also sought high-level policy support that would influence future zoning changes to the Hastings and Napier City District Plans. Submissions also expressed concern that there was no certainty as to when a Rural Residential Strategy would be

developed and that the existing Regional Policy Statement and District Plan provisions are restrictive and at odds with commentary in the draft FDS.²⁹

92. Conversely some submitters supported removing these areas from the FDS, so as to minimise urban sprawl and the risk of natural hazards and the timing of development of a more detailed Rural Residential Strategy.
93. We have carefully considered the submitters' requested relief and the FDS Advisors' recommendations. We concur with the FDS Advisors' advice set out in both reports that the purpose of a FDS as stated in clause 3.13 of the NPS-UD is to set out how the Councils intend to achieve well-functioning urban environments in its existing and future urban areas³⁰, provide at least sufficient development capacity over the next 30 years to meet demand, and to assist with the integration of RMA planning decisions with infrastructure planning and funding decisions³¹. We accept the FDS Advisors's advice that the FDS is focussed on ensuring that Hastings and Napier's future urban housing needs are met, rather than broader rural residential style development in the wider area, and that the approach to development and scope of this FDS is consistent with a number of other FDSs prepared through the country³².
94. We agree with the FDS Advisors' recommendations and reasons given to include the relevant strategic direction set out in the HPUDS as an Appendix to the FDS as an interim measure before a Rural Residential Strategy is promulgated, and to the associated amendments to Section 10.6 of the FDS. We agree with the caution expressed in the recommended new text that the HPUDS was not prepared with the same level of information in respect to environmental factors and limitations. We note the officers comment that the indicative Maps for some of these areas in HPUDS could also be included here. We recommend that the relevant indicative Maps from the HPUDS for each of the areas mentioned in the Appendix are specifically included. We also agree that this should only be an interim measure, and we recommend that the Councils prioritise the development of a Rural Residential Strategy so that it can more meaningfully respond to the issues raised by submitters.

Summary

95. We agree with the FDS Advisors' recommendations, subject to the inclusion of the indicative Maps from the HPUDS for all the areas mentioned in the recommended new Appendix.

²⁹ Sections 8.1 to 8.3 of the Napier Hastings FDS Report for Hearings Panel on submissions to the Draft FDS

³⁰ Sec 8.2 of the Napier Hastings FDS Report for Hearings Panel on submissions to the Draft FDS

³¹ NPS-UD

³² Sec 8.3.1 of the Napier Hastings FDS Report for Hearings Panel on submissions to the Draft FDS and section 2.3 of the Napier Hastings FDS Reply Report.

4. Chapter-related amendments

Iwi and Hapū Development Aspirations and Papakāinga

Introduction

96. Multiple submitters raised a number of key issues in the matter of iwi and hapū development aspirations and papakāinga. These included the approach to council and mana whenua relationships in the planning process, the role of Ngāti Kahungunu Iwi Incorporated in the FDS process, the relative treatment of Māori land and redress land emerging from Te Tiriti o Waitangi settlement processes, resilience of and adaptation to changes, natural hazard risks, a Māori-led study of Māori demographics, a suggested wording change (p 69 of Draft FDS regarding education requirements for Māori populations), and commentary on papakāinga/marae-based development (managing risk in hazard-prone areas, supporting infrastructure and services)³³.
97. The FDS Advisors' Hearing Report responded to the key issues raised and the responses are not repeated here. Following analyses of the submissions received, FDS Advisors recommended *"a range of amendments to the Draft FDS to better reflect iwi and hapū development aspirations. This includes spatially identifying areas of interest, and other actions to be addressed in the FDS Implementation Plan."*³⁴ FDS Advisors summarised the main themes and key issues raised in submissions:
- i. *Recognition that papakāinga, redress land development, and Māori-led demographic studies must be supported as part of any long-term strategy.*
 - ii. *Recognition of stronger meaningful partnership in decision-making, enabling Māori to co-lead growth planning consistent with Te Tiriti commitments.*³⁵

Mana Whenua – Ngāti Kahungunu

98. Bayden Barber, on behalf of Ngāti Kahungunu Iwi Incorporated ('NKII') criticised the Councils in the process to develop the draft FDS in that NKII were not invited to participate in the Napier-Hastings FDS Joint Committee. The FDS Advisors' Hearing Report provides a response to that concern at 6.2, outlining the process to establish the Joint Committee. That response is not repeated here though we do note the FDS Advisors' comment that *"[t]he Implementation Plan should identify actions relating to the partnership approach going forwards (sic.)"*³⁶
99. At the hearing, Mr Barber spoke to his submission expanding on the population and geographical scope of Ngāti Kahungunu. He stated that Ngāti Kahungunu Iwi Incorporated is the only mandated Iwi Authority across the whole of the Ngāti

³³ Section 6 of Napier Hastings FDS Report for Hearings Panel on submissions to the Draft FDS

³⁴ Executive summary of Napier Hastings FDS Report for Hearings Panel on submissions to the Draft FDS

³⁵ Section 2.2 of Napier Hastings FDS Report for Hearings Panel on submissions to the Draft FDS

³⁶ Section 6.3 of Napier Hastings FDS Report for Hearings Panel on submissions to the Draft FDS

Kahungunu rohe. He reiterated his concern at NKII not being at the Joint Committee table.

100. As mentioned in the hearing, we do not comment on the approach to establish the Joint Committee, nor on NKII's involvement in developing the draft FDS, as both are beyond the Panel's scope. We do support the FDS Advisors' comment regarding the partnership approach and hope that this may be a way to resolve Ngāti Kahungunu Iwi Incorporated's concerns in the FDS implementation.

Papakāinga

101. The FDS Advisors' Hearing Report notes:

"Most submitters considered that mana whenua aspirations have been adequately addressed and papakāinga and marae-based development contributed appropriately towards achieving the FDS objectives. However, a few were concerned at the preferential treatment of Māori over non-Māori, perceived non-utilisation of Māori land, or that there were more important priorities to address first."³⁷

102. Submitters raised issues around developing papakāinga in hazard-prone areas, the need for local government to genuinely partner with mana whenua to fix issues with servicing papakāinga, and further consideration to developing papakāinga on land in Māori title, General title, in urban and rural settings.³⁸ These issues are analysed in the FDS Advisors' Hearing Report and are not repeated here.
103. We heard from submitters L Walford and J Scott who, though not speaking on behalf of their hapū and marae, spoke about the importance of marae and papakāinga in the context of their hapū and marae vision, aspirations, tikanga and approach. They discussed the book, 'Te Tangi a te Manu' and 'Te Aranga Māori Cultural Landscapes Strategy', Te Aranga design principles being mentioned in Mr Scott's written submission. We note that reference to Te Aranga design principles form part of the FDS Advisors' recommendations.³⁹
104. Mana Ahuriri Trust referred to their aspirations for papakāinga housing as part of the proposed Ahuriri Station development. NKII noted that Māori owned land was also on HPL. However, the land was where it was and Mr Barber believed that if whānau wanted to develop papakāinga on their land, then they should be able to develop those papakāinga, even if they were on HPL. Whānau often do not have the option of moving to other areas to develop papakāinga.
105. The FDS Advisors' Reply Report helpfully explained how Hastings District Council and Napier City Council are providing for or amending their respective District Plans to enable papakāinga development. They also noted how the NPS-HPL allows subdivision

³⁷ Section 6.4 of Napier Hastings FDS Report for Hearings Panel on submissions to the Draft FDS

³⁸ Ibid.

³⁹ Section 6.5 of Napier Hastings FDS Report for Hearings Panel on submissions to the Draft FDS

on Māori Land providing effects on HPL are avoided or mitigated.⁴⁰ These explanations are not repeated here.

Business and Industrial

Introduction

106. We note that we did not hear from any submitters who sought changes to those aspects of the FDS that dealt with areas identified for business growth. We therefore focus on industrial growth in this section.
107. We generally support the industrial areas identified in the draft FDS, which direct future business and industrial growth to strategic nodes such as Irongate, Irongate West, Tomoana, and Whakatu. We are satisfied that the areas identified in the draft FDS represent a well-considered and efficient industrial footprint that supports the region's long-term economic development while aligning with infrastructure capacity and environmental constraints.
108. The Panel accepts the overall strategic direction the Joint Committee took regarding which sites to include or exclude. We consider the methodology was consistent, evidence-based, and appropriately risk-averse in situations involving constraints such as hazard exposure, lack of servicing, or high soil productivity. In this context, the Panel concurred with all of the FDS Advisors' recommendations *except one*: the proposed extension of the Irongate industrial area to the north.

Irongate North Extension

109. Our recommendation to incorporate the Irongate North Extension into the final FDS represents the only deviation from the FDS Advisors' recommendations in relation to business and industrial land. The submission from the Irongate Landowners Group, backed by Phoenix Contracting, proposed a modest northern extension to the existing Irongate industrial area. The Panel also heard the proposal directly from the submitters. FDS Advisors advised against the extension, primarily because the stream north of the current zone was considered a natural and defensible boundary to further industrial growth.
110. After a thorough evaluation, the Panel found this rationale inadequate. While the stream was identified as a potential boundary, it already intersects with a section of the existing industrial zone. Moreover, there is a precedent for industrial development occurring near the stream, and the submitters convincingly demonstrated to us the technical feasibility of managing stormwater and riparian values through best practice design.
111. Crucially, the land subject to the extension is classified as LUC 7 according to the NZLRI, which is not defined as highly productive under the NPS-HPL. This distinguishes it from other industrial land requests that proposed development on LUC 1 or 2 land. The

⁴⁰ Section 6.1 of Napier Hastings FDS Report for Hearings Panel on submissions to the Draft FDS Officer Reply

absence of HPL constraints, combined with the site's contiguity to the existing Irongate node and its proximity to planned infrastructure, such as the Irongate Road East roundabout and State Highway network, means the extension offers a coherent and efficient expansion opportunity.

112. We also noted that uptake within the Irongate zone has been strong, with industrial land in high demand. The submitters highlighted the risk of land banking or constrained supply, and we agree that a modest extension would provide additional flexibility and resilience within the regional industrial land market. In this case, we considered the expansion to be not only appropriate but also desirable in terms of regional employment, infrastructure optimisation, and long-term economic planning.
113. Therefore, we find that including the Irongate North Extension is warranted due to its planning merits, policy alignment, infrastructure readiness, and the FDS's strategic goals. Given the current availability of zoned industrial land within Irongate and the wider FDS area, and the need to align development with future infrastructure investment, the Panel recommends that Irongate North be identified for long-term growth. Its development should be sequenced accordingly to support coordinated infrastructure planning and ensure a resilient industrial land supply over time.

Additional commentary on industrial land submissions

114. For all other industrial land submissions, the Panel concurred with the recommendations provided by the FDS Advisors. Although the submitters raised valid and often well-reasoned points during the hearing regarding economic development, infrastructure access, landowner aspirations, and regional demand, each proposal fell short in one or more critical respects under the FDS's strategic and statutory frameworks.
115. Most notably, several proposed areas, including those at Wilson Road, Whakatu (Mr Apple Ltd), Awatoto, and other isolated or privately held parcels, are situated on LUC 1 or 2 land. Under the NPS-HPL, such land must be protected unless urban development is deemed necessary, it cannot be reasonably located elsewhere and is strategically justified. In all these cases, business land capacity assessments confirmed that the existing zoned industrial land at Irongate, Tomoana, and Whakatu is sufficient to meet short- to medium-term demand, including the demand for wet industry.
116. During the hearing, we considered Mr. Apple's proposal regarding Whakatu and noted the advice from FDS Advisors, as outlined in both their Hearings and Reply Reports, that the site is located entirely on LUC 1 land. FDS Advisors advised that the proposed expansion did not meet the high threshold required under the NPS-HPL, as it had not been demonstrated that the operational needs could not be met within existing industrial zones. We accept that advice and are satisfied that excluding this site at this point in time aligns with the strategic direction and policy framework underpinning the FDS.
117. Similarly, the Wilson Road submissions and presentation at the hearing highlighted the strategic infrastructure benefits and existing industrial activity. This is within the greater

area promoted for inclusion by the Heretaunga Connection Project. However, the land is highly productive, and the overarching FDS objectives of protecting such land and promoting coordinated growth outweigh the individual site benefits. We acknowledge that Wilson Road may have long-term potential, but equally the amalgamation of smaller land holdings (through ownership or lease) could create economically sustainable production units. We find its inclusion at this stage to be premature.

118. We agree with the FDS Advisors' position in respect to the Awatoto submissions due to unresolved natural hazard risks, particularly flooding from the Tūtaekurī River and servicing limitations. Despite strong arguments regarding existing industrial uses and future potential, the lack of 1:100-year flood protection rendered the proposals inconsistent with the risk-based planning principles underpinning both the FDS and national policy.
119. Finally, we also recommend that the submissions from Te Aratika Group, Hamachek Holdings Ltd, Jim Bishop, and Wrightson Contracting Ltd are rejected. While these submissions proposed socially valuable, innovative, or historically established activities, each was situated on HPL, represented ad hoc development beyond urban nodes or were not of a sufficiently strategic nature to warrant inclusion within the FDS. We accepted the officers' advice that these matters should be addressed better through district plan processes or private plan changes rather than the regional-level FDS.

Summary

120. The Panel's support for most of the FDS Advisors' recommendations reflects our shared commitment to upholding the purpose, objectives and integrity of the FDS. We reaffirm the importance of aligning growth with infrastructure, protecting productive land, and avoiding speculative or ad hoc development. The only exception, the Irongate North Extension, was justified by its strong planning rationale, compatibility with policy, and the absence of constraints affecting other areas nominated in various submissions.

Greenfield Residential Napier

121. As identified in the FDS, there are limited opportunities for new greenfield expansion in Napier due to its low-lying nature, vulnerability to land subsidence and rising ground water levels, and a variety of natural hazards. Overall, we support the conclusions reached by the FDS Advisors in their Reports regarding all new residential growth areas identified in the draft FDS, namely to include Ahuriri Station, Mission Estate, Riverbend, The Loop and South Pirimai, and exclude Waverley Road & Willowbank Road sites. We have addressed the Ahuriri Station and Riverbend site earlier in this report.

Mission Estate

122. In considering Mission Estate, there was a difference of opinion between FDS Advisors and Mr Phil McKay on behalf Marist Holdings Greenmeadows Limited regards identifying the Artisan Village and 'Future Area' of the Mission Estate Masterplan on Figure 18 as part of NC6. While the FDS Advisors saw merit in potentially developing these areas, their preferred approach was to incorporate the two smaller areas by

reference note in the FDS rather than spatially identifying them, which they considered would have limited strategic benefit. Mr McKay while supportive of the footnote, remained firmly of the view that the Artisan Village and Future Area extents need to be spatially incorporated into NC6 as well. In reply, FDS Advisors maintained that subject to the recommended footnote, this matter is best addressed through the proposed NDP or future resource consent pathway. While we understand this logic, as pointed out by Mr McKay, the Mission Estate land scored highly in the comparative analysis exercise (ranked 3rd of 28 sites in the MCA shortlist), and the FDS states a development capacity of 100 dwellings for this location. As these two additional areas are contiguous components of the wider Mission Estate and can help support the developable area to achieve the allocated 100 dwelling development capacity, we recommend that the Artisan Village and Future Area extents be added to the map at Figure 18 (now 19) of the FDS as part of NC6, and retaining NC6 as a medium term priority. To that end, we have not carried through the footnote in Table 3 of the FDS as recommended by FDS Advisors' Reply Report.

Summary

123. In conclusion, the Panel supports including all new residential growth areas recommended by FDS Advisors for Napier, with a minor amendment to the mapped extent of Mission Estate NC6 to include the Artisan Village and Future Area.

Greenfield Residential Hastings/Havelock North/Flaxmere

124. The IHP supports the FDS Advisors' recommendation to include all new residential growth areas identified in the draft FDS, and we accept both the officers' initial report and their subsequent reply report. We agree with the FDS Advisors that the recommended proposed growth areas in Hastings, Havelock North, and Flaxmere represent a logical, coordinated, and well-considered response to projected population growth, housing demand, and regional urban development pressures over the medium to long term.
125. In terms of the relevant tests under the NPS-UD, we find that the new residential areas in Hastings and Havelock North are appropriately situated near existing urban nodes, schools, community amenities, and employment areas, supported by infrastructure planning frameworks that allow for timely servicing. Their inclusion in the FDS fulfils the NPS-UD's directive to enable strategic and forward-looking growth, especially in locations where demand is already demonstrably strong. We support and agree with the FDS Advisors' recommendations and reasons for inclusion of Middle Road {HN3a and HN3b) and Wall Road (H5) development areas. We find that their inclusion is consistent with the application of the MCA used for all other areas.
126. In Flaxmere, the additional growth areas address current housing needs and the identified lack of affordable housing options in the western urban corridor of the Hastings District. The recommendation from FDS Advisors reflects a strong alignment with the FDS objective to enable inclusive, diverse, and resilient communities. The Panel agrees that including these areas is warranted and strategically important. The proposed

sites in Flaxmere are situated on land that can be effectively serviced with wastewater and water supply upgrades already programmed through HDC's Long-Term Plan. This ensures alignment with the FDS principle of infrastructure-led growth.

Summary

127. In conclusion, we support including in the FDS all new residential growth areas recommended by FDS Advisors within Hastings, Havelock North, and Flaxmere.

Additional commentary on land not recommended for residential identification

128. We recognise that the submitters' requests for inclusion of land that we have not recommended be included are driven by a growing demand for residential land, particularly in areas where population growth, market interest, and infrastructure investment converge. Many of the proposed sites requested for identification are located on the outskirts of existing urban areas or in places that, at first glance, seem suitable for greenfield development. Some submitters cited the benefits of proximity to established amenities, future transport corridors, and servicing capacity as key justifications for inclusion in the FDS. We understand the importance of providing a pipeline of development-ready land and the private sector's significant role in ensuring land supply and market responsiveness.

129. However, after carefully considering the submissions, supporting documentation, and the planning analysis provided by FDS Advisors in their Reports, the Panel agree with their recommendations not to include most of these requested areas in the current iteration of the FDS. We consider that the FDS Advisors undertook a robust and methodical assessment of all proposed growth areas using an MCA that considers factors such as land productivity, servicing feasibility, natural hazard exposure, connectivity, and alignment with compact urban form principles.

130. Our recommendations do not reflect on the quality or intent of the submissions; rather, they stem from the FDS's strategic and evidence-based framework, designed to prioritise growth in areas well-aligned with infrastructure readiness, environmental constraints, hazard risk, and national policy direction.

Infrastructure

131. A range of submitters identified infrastructure issues associated with provision for future growth, and we generally agree with the way the Draft FDS has addressed strategic infrastructure given that the availability of, and provisioning for, infrastructure has guided preferential locations for urban development along with indicative timings of development in those locations. Based on feedback received through the submissions and evidence presented before and at the hearing, the FDS Advisors, through their Hearings and Reply Reports, have recommended adding text to the Infrastructure section to clearly identify planning requirements for solid waste management, the effective and efficient development of stormwater solutions, and protecting the

development, operation and maintenance of nationally and regionally significant infrastructure. We agree with the general intent of those recommended additions.

132. Infrastructure providers such as the New Zealand Transport Agency (NZTA), Transpower and the Ministry of Education (MoE) as well as HBAL and Hawke's Bay & East Coast Aero Club Incorporated (HBECAC) raised matters specific to them and sought changes to the Draft FDS.

133. Turning to the FDS strategic objectives, HBAL requested Objective 10 be amended to better recognise the relationship between the provision and operation of infrastructure and urban development. In response to evidence from HBAL and the NHC, FDS Advisors recommended amending this objective through their Hearing and Reply Reports as follows:

10A. Our infrastructure is planned and designed to effectively support development and be resilient.

10B. Operational and functional needs of nationally and regionally significant infrastructure are not unduly compromised by the location, design and suitability of new development.

134. We consider these amendments to be appropriate, apart from use of the word "unduly" proposed in Objective 10B which is somewhat vague and likely subjective in interpretation and implementation. We are uncomfortable with an objective that implies that new development could compromise the operational and functional needs of nationally and regionally significant infrastructure. We agree that the operational and functional needs of such infrastructure should be maintained for the benefit of current and future generations. The requirement to avoid compromising the operational and functional needs of such infrastructure does not preclude all development. It just requires appropriately located and designed development. As such, we recommend that the word "unduly" be removed from recommended new Objective 10B as it does not add anything and the objective is sufficiently clear that new development can still occur, provided it does not compromise nationally and regionally significant infrastructure.

135. Consequential to amending Objective 10, FDS Advisors recommended rewording in section 9.2 and 10.11. While we address development constraints elsewhere in our recommendation report, we note that the relevant submissions consistently called for infrastructure to be referenced as a constraint and mapped. FDS Advisors have recommended updating Figure 12 (now 13) accordingly to include noise contours for both airport facilities and have added electricity transmission lines and substations. They have also recommended amending Section 9.2 of the FDS to clarify that areas for the safe operation and functional needs of nationally and regionally significant infrastructure are also constraints. Having heard evidence of the relevant submitters and advice that the Hastings Aerodrome would fall within the definition of strategic infrastructure under the RPS we recommend that these changes are accepted. Our only caveat to the additional wording at section 10.11 is inclusion of the term "unduly" and for the reasons mentioned above we recommend that it is also removed from paragraph 2 of section 10.11.

136. In relation to social infrastructure, we agree that the minor revision proposed in section 10.11 responding to the Ministry of Education is needed to properly reflect Māori demographics in education. The Ministry of Education also highlighted that future development will require planning for additional educational services. We agree with the FDS Advisors' comments that engagement with MOE and other providers/government agencies in such specifics is more appropriately addressed via the proposed Implementation Plan than in the FDS itself.
137. Lastly, we consider the FDS Advisors' recommended addition of a subsection on "nationally and regionally significant infrastructure" as worded in their Reply report strikes the right balance between HBAL's proposed wording and being overly prescriptive. We agree with the FDS Advisors' position that "the FDS should not be confused or conflated with being an infrastructure strategy" (pg. 30).

Summary

138. In conclusion, the Panel supports the recommendations made by FDS Advisors in reply in respect of Strategic Infrastructure and recommend a minor amendment to delete the word "unduly" from Objective 10B and paragraph 2 of section 10.11.

5. Conclusion

139. The Panel acknowledges the submissions received from landowners, developers, and community representatives seeking amendments to the FDS. We appreciate the time, effort, and detailed evidence provided by submitters to support their proposals, reflecting a clear commitment to addressing the region's future urban development needs and a desire to contribute constructively to the long-term development of Napier City and the Hastings District.
140. Through this process, we have aimed to balance landowners' economic ambitions with the long-term public interest in coordinated, sustainable, and equitable urban growth and provision of infrastructure.
141. Subject to our recommended amendments, we find that the FDS provides a strategic, efficient, and sustainable response to the Councils' future urban development needs and demands. While we acknowledge the aspirations of submitters seeking additional areas for inclusion, our responsibility is to ensure growth is directed in a manner that integrates with infrastructure, maximises sustainability outcomes, and is consistent with long-term planning objectives. The input provided through submissions has been valuable to this process and will continue to inform future planning. We encourage ongoing engagement between submitters and the Joint Committee to ensure the FDS, the Regional Policy Statement, the two District Plans and Councils' Long Term and Annual Plans are responsive to current and emerging urban development demands.

Signed by the Independent Hearings Panel



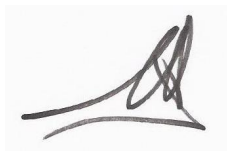
Gina Sweetman (Chair)



Juliane Chetham



Michael Parsonson



Shad Rolleston



Steven (Tipene) Wilson



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Appendix 3	Qualifications and experience of lead authors of this report
Appendix 4	Hastings District Council Memo: Industrial trade waste and wet industry capacity
Appendix 5	Market Economics advice on FDS submissions
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Appendix 7	Napier City Council Memo: Riverbend growth FDS submissions
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Appendix 9	Hawke's Bay Regional Council Memo: Review of submissions impacting soils / HPL
Appendix 10	Hawke's Bay Regional Council Memo: Analysis for potential wet industry impacting soils / HPL

Executive Summary

This report analyses the submissions received on the Draft Napier Hastings Future Development Strategy 2025-2055 (**Draft FDS**). This report provides recommendations to the Hearings Panel for amendments to the Draft FDS in response to the analysis.

This report contains recommendations for changes to the Draft FDS but does not in all instances recommend specific wording/mapping changes and a full revised version of the Draft FDS is not provided. Council officers intend to provide this as part of Reply, taking into account what we have heard during the course of the Hearing.

This report should be read in conjunction with the supporting evidence and analysis undertaken to inform the Draft FDS. In preparing this report, additional advice has been sought from a range of specialists. This is targeted to specific issues raised in submissions.

The key conclusions and recommendations of this report are listed below. In reaching these conclusions, we have taken a balanced approach, noting that there are a range of often competing objectives that the FDS seeks to achieve.

Urban housing demand, capacity and choice

- a) Do not amend the housing demand projections for Napier and Hastings, but provide greater flexibility in development capacity to cater for latent demand and uncertainties about landowner intentions and the timing of development.
- b) Acknowledge that there is some interchangeability of residential and business demand for Napier and Hastings but generally treat them as independent housing and employment markets.

Development constraints

- c) Carry through the key recommendations of the Independent Flood Review on planning controls to the Draft FDS in the implementation section or the Implementation Plan.
- d) Ensure that the FDS is informed by all other National Policy Statements under the RMA but enable the detailed assessments to be carried out through future plan change processes. This includes the detailed requirements of the National Policy Statement for Highly Productive Land (**NPSHPL**) in particular.

Iwi and hapu development aspirations

- e) Make a range of amendments to the Draft FDS to better reflect iwi and hapū development aspirations. This includes spatially identifying areas of interest, and other actions to be addressed in the FDS Implementation Plan.

Business and industrial

- f) Amend Section 10.5 of the Draft FDS to explain that expansion of Tomoana and/or Whakatu may be required in the long term to meet wet industry demand.
- g) Related to (a), include a short term action to investigate policy changes to better protect remaining vacant capacity at Whakatu for wet industry.

Rural residential / rural and coastal settlements

- h) Retain the Draft FDS approach of evaluating growth options for rural residential and rural and coastal settlements through a subsequent Rural Residential Strategy.
- i) Carry over the strategic direction for rural and coastal settlements from HPU DS 2017 as an Appendix to the FDS as an interim measure and until the Rural Residential Strategy is in place.

Greenfield residential – Napier

- j) Retain the greenfield residential sites for Napier identified in the Draft FDS.
- k) Make minor amendments to the description of Mission Estate (NC6) and Riverbend (NC4b) that respond to site specific issues addressed in the landowner submissions for these sites.

Greenfield residential - Hastings

- l) Retain the greenfield residential sites for Hastings identified in the Draft FDS.
- m) Include the following additional greenfield sites in Hastings:
 - Middle Road (HN3a and HN3b);
 - Wall Road/Southland Road (H5b);
 - An expanded area Portsmouth Road (FM9).
- n) Increase the approximate capacity for Arataki Extension (HN2b) by 60 dwellings to total 170 dwellings.

Infrastructure

- o) Amend Objective 10 of the Draft FDS and Section 11 to better provide for the functional and operational needs of significant infrastructure.

Other matters / general

- p) Amend Section 10.1 of the Draft FDS to clearly state that the boundaries are indicative only and that refinements may occur through the structure planning and rezoning process.
- q) Related to (p), include additional text in Section 11.1 that sets out the considerations for stormwater infrastructure, including when it would be appropriate to locate this outside of FDS boundaries.

A full list of recommended changes to the Draft FDS is included at Section 12 of this report.

Section 12 also includes updated and summarised development capacity information.

1.0 Purpose and Introduction

1.1 Purpose

The purpose of this report is to analyse the submissions received on the Draft Napier Hastings Future Development Strategy 2025-2055 (**Draft FDS**). This report provides recommendations to the Hearings Panel for amendments to the Draft FDS in response to the analysis.

This report addresses the key issues raised in submissions and undertakes the analysis thematically. This report does not classify individual points raised by submitters. A list of submitters and full copies of the feedback received is included at **Appendix 2**.

The Hearings Panel has indicated that they would like a written Reply from Council officer's shortly after the Hearing closes on 26th March 2025. The Reply will contain further analysis and any revised recommendations in response to questions from the Panel and further information provided by submitters at the Hearing.

This report contains recommendations for changes to the Draft FDS but does not in all instances recommend specific wording/mapping changes and a full revised version of the Draft FDS is not provided. Council officers intend to provide this as part of Reply, taking into account what they have heard during the course of the Hearing.

This approach and the process generally adopted to prepare this report reflects that the FDS follows the Special Consultative Procedure under the Local Government Act 2002.

1.2 Report Authors

This report has been prepared by the Technical Advisory Group for the project, who have worked collaboratively to develop the recommendations.

The Technical Advisory Group includes professional experts and advisors from Napier City Council, Hastings District Council and Hawke's Bay Regional Council (**HBRC**) as well as technical advisors from Tamatea Pokai Whenua (**TPW**), Mana Ahuriri Trust (**MAT**) and Maungaharuru-Tangitū Trust (**MTT**).

Below is a list of the lead author for the various sections of the report, although each section has involved multiple authors (not only the lead) in its preparation and review.

The qualifications and experience of the lead authors are included in **Appendix 3**.

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Table 1 List of lead author

Topic	Report Section	Lead Author
General matters Urban Housing demand, capacity and choice Development Constraints	Section 3-5	Rachel Morgan, Barker & Associates
Iwi and hapū development aspirations and papakāinga	Section 6	Dale Meredith, Hawke's Bay Regional Council Heather Bosselmann, Tamatea Pōkai Whenua
Business and Industrial, Rural residential, Greenfield Residential Napier	Section 7-9	Rachel Morgan, Barker & Associates
Greenfield Residential Hastings	Section 10	Mark Clews, Hastings District Council Craig Scott, Hastings District Council
Infrastructure	Section 11	Dale Meredith, Hawke's Bay Regional Council

In preparing this report, the report authors have had various discussions with some of the submitters to better understand the basis for their respective requested changes. Further details of these discussions are contained in the relevant sections of the report below.

1.3 Supporting Evidence and Analysis

The Technical Advisory Group undertook extensive analysis and evaluation to assist preparation of the Draft FDS by the Joint Committee. This is detailed in the Draft FDS and the Technical Report that supports it¹.

The reports and advice relied on to prepare the Draft FDS that were specifically developed for the FDS are summarised as follows:

- a) **Barker & Associates Issues and Options Report (dated July 2023):** This Report was prepared to outline the identified key issues and strategic choices shaping the draft FDS. Taking all identified issues into consideration, the Report suggested several initial spatial scenarios, including increased infill in existing urban areas, additional greenfield

¹ All information is available in the consultation documents tab available here: <https://www.hastingsdc.govt.nz/hastingsnapierfuturedevelopment/>

growth and potential satellite developments. This formed the basis of early public consultation for the project.

- b) **MCA Analysis and Site Summaries (*dated November 2024*):** The MCA Analysis is contained within Appendix 3 of the Technical Report and it applied scores to each potential refined growth area against a broad set of criteria, such as cultural values, housing capacity, highly productive soils, and natural hazards (e.g., flooding, coastal risk, or land instability). The set of criteria was made up of key policy drivers, such as NPS-UD and NPS-HPL, as well as key issues that have been identified in the Issues and Options Report. The analysis helped to guide decisions on which areas or parts of an area, were considered to be suitable for growth.
- c) **The Site Summaries** (Appendix 4 of the Technical Report) were prepared to offer more detailed profiles for each shortlisted growth area. For each area, it lays out background information including current land use, ownership patterns, estimated housing yield or industrial capacity, and significant constraints. Infrastructure needs and cost implications were also highlighted. This document translated the high-level MCA findings into a comparison of the advantages and disadvantages of residential intensification, greenfield housing, industrial expansion, or a combination of uses of each area. The findings of this document have fed into the Draft FDS's recommended spatial strategy.
- d) **Market Economics Residential Capacity Assessment – Intensification Options (*dated May 2024*):** This Assessment forms part of Appendix 5 of the Draft FDS Technical Report and provides updated residential demand and capacity information. It provides capacity estimates for the various spatial scenarios assessed. The Draft FDS adopts the residential intensification estimates from this report.
- e) **Birman Retirement Village Section Housing Assessment (*dated May 2023*):** This Assessment is contained in Appendix 5 of the Draft FDS Technical Report. It highlighted the growing importance of retirement and aged-care developments.
- f) **Stantec Transportation Network Impact Assessment (*dated July 2024*):** This assessment is contained in Appendix 6 of the Draft FDS Technical Report and it evaluated four future development scenarios in Napier and Hastings that could affect the transport network up to 2048 in both the interpeak and evening peak periods. The four future development scenarios included the intensification scenario, Ahuriri-focused growth scenario, Flaxmere-focused growth scenario and Napier South-focused growth scenario. The Assessment recommended targeted transport improvements to support growth areas, which has informed the evaluation of spatial scenarios.

In response to feedback, further focussed technical evidence has been sought from Market Economics on industrial demand and development capacity. This advice is included at **Appendix 5**.

Submitters did not raise fundamental issues with the use of the MCA framework to guide decision-making, or the broad process adopted to evaluate spatial scenarios for the Draft FDS. We therefore do not address the spatial scenario or site selection methodology further in this report.

However, various submitters queried how specific constraints such as highly productive land and natural hazards are evaluated and addressed in the preferred spatial scenario. Submitters also raised issues with the scoring of specific sites using the MCA framework. These matters are addressed in the relevant sections of the report below.

With the exception of the Hawke's Bay Airport Limited, submitters also did not raise fundamental issues with the Principles or Objectives contained in the Draft FDS. Hawke's Bay Airport Limited did request changes to Objective 10 regarding significant infrastructure and this is addressed in Section 11 of this report. No other changes to the Principles or Objectives were sought from submitters.

2.0 Overview of Submissions

2.1 Origin of submitters

The Draft FDS was publicly notified on 23rd November and following the Special Consultative Procedure (in accordance with section 83 of the LGA) the public engagement period on the Draft FDS was between 23rd November to 23rd December 2024. A total of 139 submissions were received. The submissions consisted of:

- a) 55 (39.6%) through the Draft FDS Survey submissions;
- b) 84 (60.4%) through other forms of submissions.

Submissions came from land developers or organisations with development interests, representatives of community groups, horticultural interests and individual property owners. Submissions were received from locations across Napier and Hastings, including Bay View, Riverbend, Te Awanga, Haumoana, Havelock North, Pakipaki, Maraekakaho, as well as peripheral areas on the Heretaunga Plains. **Figure 1** showing the general origins of the submissions is provided below.

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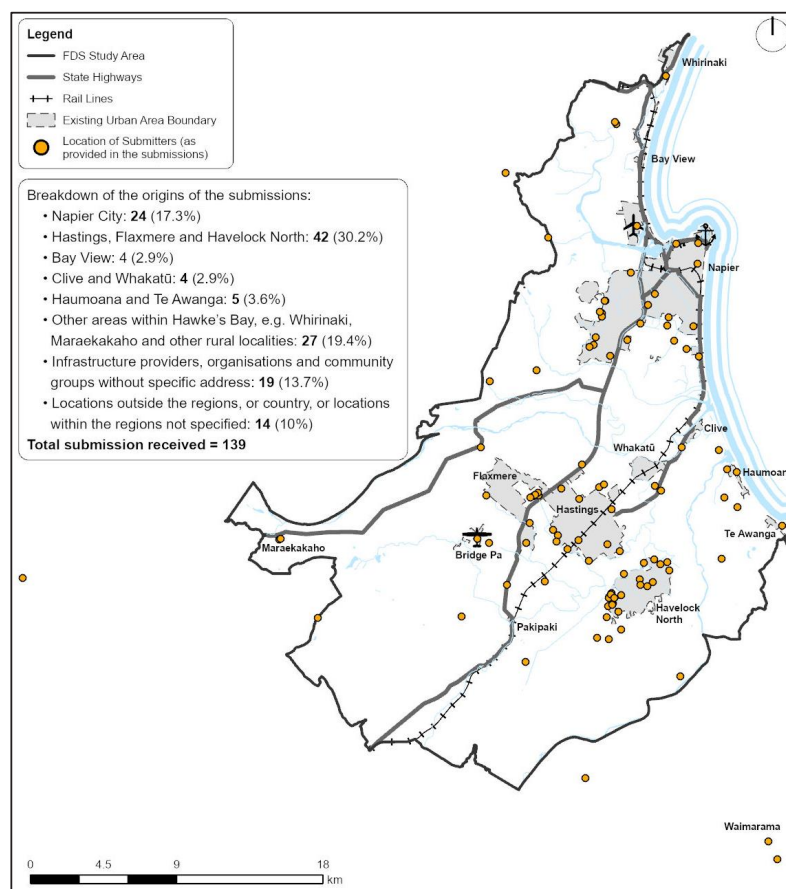


Figure 1 Showing submitter origins and breakdown.

2.2 Key themes and issues

The main themes and key issues arising from submissions can be summarised as follows:

a) General Matters:

- Request to expand the spatial extent of the FDS.
- The strategic approach and weighting underpinning the FDS.
- Request to extend the consultation timeframe for providing feedback.

b) Urban Housing Demand, Capacity and Choice:

- Differing views on whether the population/housing demand forecasts are too high or too low.
- Calls to increase both infill/intensification and new greenfield land supply.
- Concerns that the 60% intensification / 40% greenfield target might be too rigid or too lenient, depending on stakeholder interest.

- (iv) Request for more explicit provision for retirement villages and aged-care housing.
- c) **Development Constraints:**
 - (i) Clear division between those wanting strict protection of LUC 1–3 soils and those preferring balanced expansion.
 - (ii) Strong emphasis on aligning with recent flood review findings, steering urban growth out of high-risk areas if possible, and using robust mitigation in any hazard-prone zone.
 - (iii) Concerns on site-specific hazard assessments, air quality and other human health considerations.
- d) **Iwi and Hapū Development Aspirations and Papakāinga:**
 - (i) Recognition that papakāinga, redress land development, and Māori-led demographic studies must be supported as part of any long-term strategy.
 - (ii) Recognition of stronger meaningful partnership in decision-making, enabling Māori to co-lead growth planning consistent with Te Tiriti commitments.
- e) **Business and Industrial:**
 - (i) Request for rezoning and specifically to provide a new supermarket.
 - (ii) Support enabling more mixed-use development near high-density housing areas.
 - (iii) Calls for identifying sufficient land for ‘wet industry’, distinguishing it from dry industrial uses in growth scenarios.
- f) **Rural Residential and Coastal Settlements:**
 - (i) Calls for more rural-residential growth, rezoning or intensifying existing rural-residential zones.
 - (ii) Support for a dedicated rural-residential strategy or policy to guide future rezoning and coordinate with local infrastructure (e.g. schools, roads).
- g) **Infrastructure:**
 - (i) Widespread calls for improved alignment of growth areas with existing or planned services and for exploring new funding/financing models to deliver long-term network upgrades.

Beyond the abovementioned main themes and key issues, site-specific submissions on greenfield residential areas in Napier and Hastings were also considered.

Submissions that broadly support or oppose the Draft FDS are noted.

3.0 General Matters

3.1 Issues Raised in Submissions

Multiple submitters raised general matters about the scope and approach of the Draft FDS.

The key issues raised are as follows:

The Draft FDS should include the wider Hawke's Bay / Central Hawke's Bay (St Columba Presbyterian Church; Walter Breustedt)

Revise the Draft FDS with respect to the weighting to be applied to the FDS for District Plan level decisions (Angela McFlynn)

The timeframe for providing feedback should be extended (Cheryl Nicholls).

3.2 Analysis and Discussion

3.2.1 Spatial Extent of the FDS

The NPSUD requires an FDS to be prepared for the Napier and Hastings Tier 2 urban environment. This is set out in Table 2 of the NPSUD.

Statistics New Zealand defines the Napier Hastings urban area as shown on **Figure 2** below. The *Study Area* for the FDS was deliberately expanded to cover a wider area (20 minute drive time from the main centres of Napier and Hastings). This allowed a comprehensive consideration of potential locations for future growth, which was important when taking into account the development constraints present adjoining the existing urban areas. The 'study area' does not, nor is intended to, illustrate the extent of the urban area over the FDS's 30-year planning horizon.

The neighbouring districts of Central Hawke's Bay and Wairoa have been invited to participate in preparing the draft FDS and the relationship of urban development in Napier and Hastings with the community and infrastructure networks in Central Hawke's Bay and Wairoa has been considered in developing the draft FDS. In terms of Wairoa, the relationship is reasonably limited. While there is movement of people and freight along State Highway 2 that connects the districts, there is a limited spatial connection between the developed urban areas.

There is a stronger spatial relationship between Central Hawke's Bay and Hastings, with commuting occurring from the rural settlements of Ōtāne, Waipawa and Waipukurau, which are located about 30-40 minutes drive time from central Hastings. Anecdotally, there is a local sense that Ōtāne is becoming more of a satellite town². Providing for strategic employment opportunities on the southern side of Hastings improves access for these communities. This is a

² Refer to the Central Hawke's Bay Integrated Spatial Plan 2020-2050 (pg. 10).

matter to explore further through a future regional spatial planning exercise for Hawke's Bay.

The Draft FDS does not contain commentary on regional relationships with Wairoa and Central Hawke's Bay. We recommend including additional commentary on this matter on the FDS as per the recommendations of St Columba Presbyterian Church and Walter Breustedt. The additions would reflect the matters discussed above.

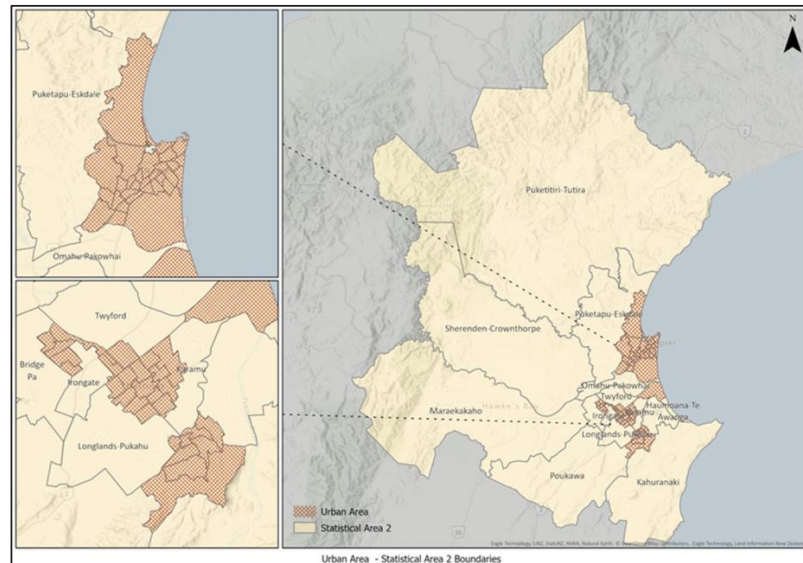


Figure 2 Showing the Napier-Hastings Urban Areas as defined by Statistics New Zealand (StatsNZ).

3.2.2 Weighting to apply to the FDS

Angela McFlynn requests changes to the FDS to make it clear that it is unnecessary to consider the FDS when making or considering applications for resource consent or private plan changes. Clause 3.17 of the NPSUD sets out the effect of an FDS. It states that Councils must “have regard to” the relevant FDS when preparing or change RMA planning documents. This includes the Regional Policy Statement and District Plans. On this basis, we see no reason to amend the description of the weighting the FDS in the document.

3.2.3 Timeframes and process

Cheryl Nicholls requested an extension to the timeframe for providing feedback on the Draft FDS. The NPSUD requires that councils use the Local Government Act Special Consultative Procedure for release of the draft FDS. HDC's standard Special Consultative Procedure was used for this given HDC is the administering council for the joint FDS project. Prior to this, opportunities for public engagement on early issues and options were provided from February 2023-July 2024. This included public engagement sessions and one-on-one discussions with those wanting to discuss their issues/concerns. There are further opportunities for submitters to present to the Hearings Panel and

provide information through that phase of the Special Consultative Procedure process.

3.3 Recommendations

In relation to general matters, we make the following recommendations for amendments to the Draft FDS:

- a) Amend the Draft FDS to include further brief information on cross-boundary relationships with Wairoa and Central Hawke's Bay districts. Draft wording for the Panel's consideration is as follows, for inclusion in a new Section 4.3. This would be supported with an appropriate plan:

4.3 Cross Boundary Relationships

The neighbouring districts of Central Hawke's Bay and Wairoa have been invited to participate in preparing the draft FDS and the relationship of urban development in Napier and Hastings with the community and infrastructure networks in Central Hawke's Bay and Wairoa has been considered in developing the FDS. In terms of Wairoa, the relationship is reasonably limited. While there is movement of people and freight along State Highway 2 that connects the districts, there is a limited spatial connection between the developed urban areas.

The Central Hawke's Bay District is located to the south of Hastings, with the settlements of Ōtāne, Waipawa and Waipukurau being within 30-40 minutes drive time from central Hastings via State Highway 2. Commuting between these areas and Napier beyond is common, and anecdotally, there is a local sense that Ōtāne is becoming more of a satellite town. The FDS provides for strategic employment opportunities on the southern side of Hastings improves access for these communities. The relationship of these areas can be considered further through future regional spatial planning exercises.

4.0 Urban Housing Demand, Capacity & Choice

4.1 Issues Raised in Submissions

Multiple submitters raised broader issues regarding housing demand, development capacity and housing choice. Submitters raised these issues directly and indirectly.

Issues relating to rural residential demand and capacity are addressed in Section 8 of this report.

The key issues raised are as follows:

- a) The housing demand projections underpinning the draft FDS are inaccurate leading to over-supply of housing and intensification (Myriam Parker; Kirk Doyle; Lynne Anderson);

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- b) The FDS should provide greater residential development capacity across the board (intensification and greenfield) to enable greater market competition and increase housing choice (Matt Holder; multiple land development submitters including for example Heretaunga Connection Project Limited, CDL Land (NZ) Limited and T&J McKenna; Carl Wezel);
- c) Related to the above, the 60% assumption for intensification is either too high (Myriam Parker; Kirk Doyle; Lynne Anderson; Susan Garner; Rachel Hayward) or too low (Hawke's Bay Wine Growers Association; Matt Holder). Other submitters stated that the greenfield assumption of 40% is too high (Save the Plains);
- d) Latent demand for housing is not clearly addressed/catered for in the demand projections (Heretaunga Connections Project Limited; Development Nous Ltd; The Strawberry Patch Ltd; Meeanee Developments Limited; Te Orokohanga Hou Joint Venture; CDL Land (NZ) Ltd);
- e) The needs of the retirement sector have not been catered for in the demand projections and the development capacity enabled does not cater for the sector's specific land requirements (Summerset; Heretaunga Connections Project Limited; Development Nous Ltd; The Strawberry Patch Ltd; Meeanee Developments Limited; Te Orokohanga Hou Joint Venture; CDL Land (NZ) Ltd; Carl Wezel; Oceania Village Company Ltd; Bupa Care Services Ltd);
- f) The shortfall in greenfield residential development capacity in Hastings cannot be "made up" with an over supply of residential development capacity in Napier given the requirements of the National Policy Statement: Urban Development (**NPSUD**) (Development Nous submissions);
- g) Query the intensification calculations in Section 10.9 compared to earlier versions of the Draft FDS (Transpower).

4.2 Information and Evidence

The key evidence relating to the issue of urban housing demand, capacity and choice that underpin the Draft FDS is as follows³:

- a) Napier and Hastings Housing Development Capacity Assessment 2021 (prepared by Market Economics);
- b) Napier and Hastings Business Development Capacity Assessment 2022 (prepared by Market Economics);
- c) Napier and Hastings Urban Housing Market Snapshots, which provide real time quarterly information about residential land capacity and affordability;
- d) Housing and Business Capacity Assessments undertaken for the Draft FDS (prepared by Market Economics) – refer to Appendix 5 of the Technical Report;

³ Documents (a)-(c) can be found here: <https://www.hpuds.co.nz/resources/>

- e) Retirement Village Sector Housing Demand Forecasts 2023-2053 (prepared by Birman Consulting)⁴.

To respond to specific issues raised by submissions, Market Economics has prepared a memo included at **Appendix 5**. This addresses issues raised in submissions regarding retirement village demand, and latent demand for housing.

4.3 Analysis and Discussion

4.3.1 Housing Demand Projections

Several submitters queried the demand projections that underpin the FDS, arguing that they are too high / inaccurate, which has led to an over-supply of housing.

Overall, we are satisfied that the demand projections that have been used to inform the FDS are compliant with the NPSUD and are reliable for strategic planning purposes. They have been analysed by highly experienced urban economists, and we rely on their expert opinion. It is also important to keep in mind that household projections are a best estimate at a given point in time and are not intended to be pin-point accurate.

We make the following additional comments on the issues raised by submitters:

- a) The NPSUD sets out the framework for how councils are to establish residential demand projections through their Housing and Business Capacity Assessments. HBAs must then be used to inform the FDS (see 3.14 of the NPSUD). The HBA is required to set out a range of projections across the short, medium and long term and select the projections that they consider to be most likely.
- b) The **most likely** demand projections have been assessed by Market Economics and are the medium-high population projections series provided by Stats NZ. This reflects historic observed development patterns in Napier and Hastings. Submitters have not provided evidence to suggest that the medium-high series is not the most likely.
- c) Councils are required to add a **competitiveness margin** to the projections, which are then translated into housing bottom lines. This is an additional 20% in the short and medium term and an additional 15% in the long term. This purposefully inflates residential demand in the form of housing bottom lines, to encourage greater market competition and support improved housing affordability.

4.3.2 Latent Demand

A number of submitters have stated that latent demand has not been addressed in the demand projections. The submitters state:

⁴ Refer to the supporting documents available here:
<https://www.hastingsdc.govt.nz/hastingsnapierfuturedevelopment/>

Part 3.3.2 of the HBCA does not clearly consider this matter, and HCP notes that the estimated demand adds between 680 -1425 additional dwellings that will need to be accommodated. This is in addition to the growth figures listed that are to be fulfilled by the mainstream market.

Submitters have not provided evidence of accurate latent demand numbers nor evidence of methodologies that should be used to calculate numbers of latent demand housing.

Section 3.3.2 of the Napier Hastings HCA addresses latent demand. This is also addressed in the memo prepared by Market Economics at **Appendix 5**.

Latent demand refers to the amount of housing demand that is not currently being met by the market. In other words, it is the number of households that would like a dwelling but cannot find one that meets their needs. The reasons for this are varied and may relate to a mismatch of the price of current housing stock relative to current household incomes. This occurs at the lower end of the market. Latent demand is not captured by Stats NZ demand projections given that they are based on future growth rates.

There is no known established methodology for calculating latent demand, but the social housing waitlist provides an indicator by proxy of the number of households that do not have housing that meets their needs. As at December 2024 there were 522 applicants on the social housing register in Napier and 582 in Hastings (1,104 total). This has trended down over recent years following highs in 2022.

The Napier Hastings HCA provided broad estimates of latent demand expressed as a range:

- a) Napier 60 – 360
- b) Hastings 620 – 1,065
- c) **Total 680 – 1,425**

The current social housing waitlist sits generally at the mid-point of this range and provides a guide as to the current extent of latent demand for housing in Napier and Hastings, but again, is not pin-point accurate.

Meeting this demand will largely be delivered by social and community housing providers that have a different development model to typical residential land developers. The development model of social and community housing providers is not catered for in the development capacity analysis undertaken for the HCA and this needs to be taken into account when considering where and how this demand is met. For example, additional rural residential or other high value housing would not meet the needs of those on the social housing waitlist. The private development market can play a role in meeting affordable housing needs although this is difficult to quantify.

We agree with the submitters that latent demand should be taken into account when considering whether development capacity enabled by the FDS would meet demand. However, in our opinion, it should continue to be separately

identified given that the development capacity provided to meet that demand has different characteristics to typical development. We discuss this further in Section 4.3.5 below, with respect to the overall sufficiency of residential capacity to meet demand.

4.3.3 Retirement Village Demand

Several submitters stated that the needs of the retirement sector have not been catered for in the demand projections and the development capacity enabled does not cater for the sector's specific land requirements.

As stated above, we are satisfied that the demand projections are reliable for this process. Retirement villages accommodate older people which is a growing sector of the population. These demographic changes, including changes to household composition are factored into the demand projections.

The concerns expressed in the submissions are more relevant to the matter of development capacity and where and how the FDS provides for that. The submitters outline that retirement village operators have specific functional requirements and typically look for sites of approximately 8-10 hectares to allow for comprehensive development. We agree with this statement, and it aligns with our experience and discussions with retirement village operators across New Zealand.

Like the rest of New Zealand, Napier and Hastings population is aging and broadly, there will continue to be strong demand for retirement villages and aged care facilities⁵. It is therefore appropriate to take into account their functional requirements when considering locations for development capacity. However, the Draft FDS does not ringfence greenfield land specifically for retirement village development. This would create a competitive advantage for retirement village operators and would reduce innovation and diversity in the housing market for retirement style housing. This reinforces the need for a balanced approach to growth with a mix of intensification and greenfield options.

There are a range of considerations at play, including the need to protect highly productive land and effectively manage significant natural hazard risks which constrains opportunities for greenfield expansion. Responding to these constraints will require the retirement sector to develop with a high level of land efficiency and explore new development models, including redevelopment and intensification in existing urban areas.

4.3.4 Intensification / Greenfield Assumptions

Submitters raised concerns about the intensification assumptions used in the Draft FDS stating that they are either too high or too low. Those stating that the assumptions are too high generally opposed intensification on amenity and infrastructure grounds. Conversely, other submitters considered that the

⁵ This is consistent with the findings of the Birman Report commissioned for the FDS and the further analysis undertaken by Market Economics.

intensification assumptions are too low given the need to limit greenfield expansion and protect the fertile soils of the Heretaunga Plains. Save our Plains raised similar concerns stating that the greenfield assumption of 40% is too high. Matt Holder considered that greater intensification capacity should be allowed.

The total urban demand number for Napier and Hastings have been categorised into “urban” and “greenfield” demand. This aligns with the NPSUD requirement for housing demand to be assessed for different locations⁶. It is also useful to guide where and how the FDS provides development capacity. This is one method for ensuring that the preferred spatial scenario is realistic and can reasonably be delivered by the market.

The Market Economics assessment at Appendix 5 of the Draft FDS outlines the methodology that sits behind the intensification and greenfield splits. This analysed attached vs detached dwellings consent data in cities across New Zealand, with attached dwellings used as a proxy for intensification. It then compared these to Napier and Hastings to determine a realistic scenario that accounts for the trend towards intensification in New Zealand’s larger cities.

For completeness the assumed splits are provided below:

Table 2 Housing Demand by Location

Broad Type	Short Term	Medium Term	Long Term	Total
Redevelopment in the existing urban area	40% (996 dwellings)	50% (2,270 dwellings)	60% (5,574 dwellings)	54% (8,840 dwellings)
New housing in greenfield areas	60% (1,494 dwellings)	50% (2,270 dwellings)	40% (3,716 dwellings)	46% (7,480 dwellings)
Total	2,490 dwellings	4,540 dwellings	9,290 dwellings	16,320 dwellings

It is important to note that **these splits are not a target or a limit**. They simply provide an indication of demand by location in terms of what we might realistically expect the market to deliver. This then flows through to the development capacity and spatial scenario analysis, with respect to whether a scenario provides sufficient capacity to meet demand. The market could deliver more housing in the urban area than what is stated in the table. The Councils themselves are able to enable and encourage intensification to occur through their District Plans and other mechanisms, and this is provided for in the Draft FDS objectives and strategy.

Based on this analysis, it is not realistic or appropriate to assume higher levels of demand for redevelopment in the urban area/intensification as sought by Save our Soils. The Market Economics analysis demonstrates that the

⁶ Refer to clause 3.4(1)(a) of the NPSUD.

assumptions are already ambitious in the Napier Hastings context. Although on the capacity side, ensuring there is ample supply for intensification to occur through District Plan rules and infrastructure provision, will strongly encourage this outcome to occur. The Councils have/are already addressing this through the now Operative Plan Change 5 to the Hastings District Plan and the Napier Proposed District Plan and through their Long Term Plan processes. If the market takes up these opportunities in greater numbers than anticipated by the Draft FDS, this will reduce pressure to release greenfield areas for rezoning and development.

4.3.5 Amount of Residential Capacity

Several submitters stated that the Draft FDS does not provide enough options for greenfield development. For example, Heretaunga Connections Limited states that the FDS must make contingency for the fact that some sites may not in eventuality be developed during the life of the strategy, and if there is a level of attrition, there is a real prospect that a deficit will arise in meeting capacity obligations. They further state that the timing of development will vary immensely depending on market demand and the rate of uptake through economic cycles.

We agree with the submitters that there is uncertainty, and within the confines of the growth areas identified in the FDS, actual landowner intentions and market conditions and preferences will drive when and where land is developed. An analysis of the build out of Napier and Hastings' historical growth areas, which is helpful to demonstrate this (refer **Figure 3** below), noting that the timing/staging of development for these areas was addressed variously in previous growth strategies/plans. This highlights that following:

- a) Historically, greenfield development has occurred in locations identified in previous growth strategies with limited development occurring elsewhere;
- b) Some areas identified in earlier strategies remain undeveloped e.g. Bay View, Wharerangi Road/Park Island, which may be due to landowner intentions or other technical / feasibility reasons;
- c) Some areas identified as long term/reserve areas in HPUDS have been developed, or are in the process of being consented e.g. northern part of Middle Road, and part of South Pirimai for retirement villages, also noting that Arataki extension is a listed project in the Fast Track Approvals Act 2024;
- d) All large scale development areas in HPUDS for Napier are at various stages of completion, including Te Awa, Parklands and Misson Hills. This is similar to Hastings, where development is at various stages of consenting or completion e.g. Brookvale Road, Lyndhurst and Iona, which are partly complete, and Irongate/York which has recently been consented.

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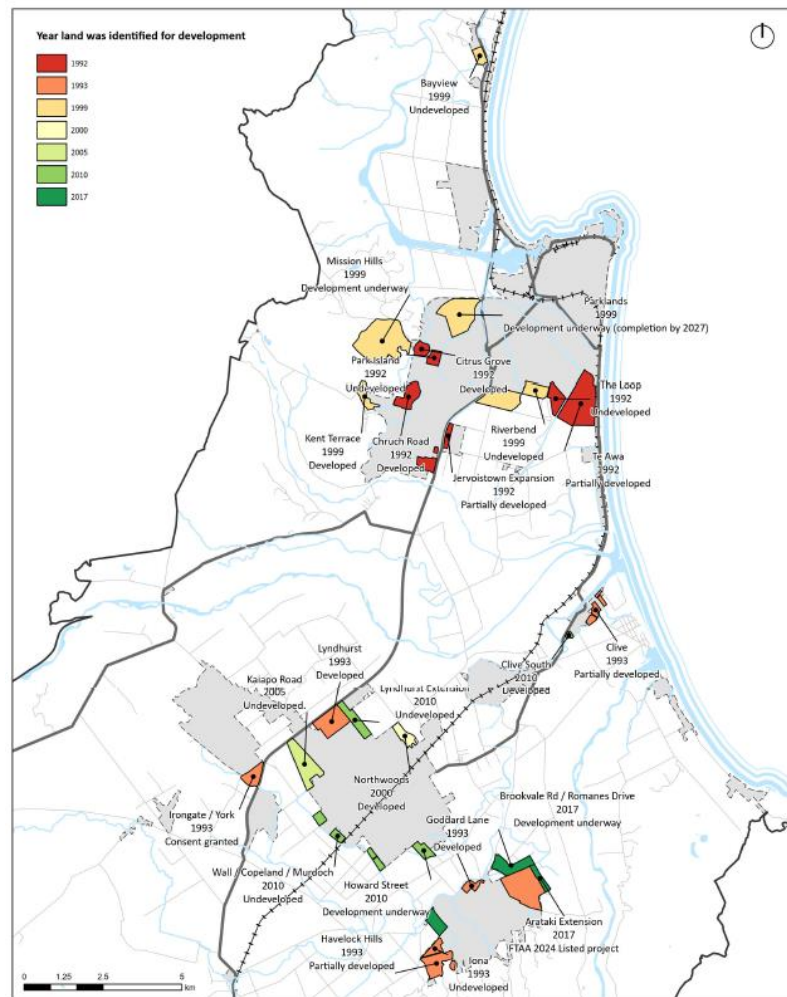


Figure 3 Showing the historic development of greenfield areas in Napier and Hastings.

This demonstrates that the timing of development is variable and driven by a range of factors and that this works in both directions. A limited number of growth areas have not been developed, and conversely some reserve areas/long term options have been partly developed. However, on balance development has unfolded broadly as intended by HPUDS and previous growth strategies, noting that as of 2025, it is only eight years into the planning period for HPUDS 2017.

We also note the following with respect to the effect of market uncertainties on providing sufficient development capacity:

- a) As noted in Section 4.3.1 above, the NPSUD requires a competitiveness margin to be added to the future demand projections that inform the FDS. This is intended to ensure that planning documents cater for the types of market uncertainties described by the submitters.
- b) The feasible capacity analysis undertaken by Market Economics for the Draft FDS has factored in feasibility and a reasonable uptake rate for

intensification⁷. This has ensured that the intensification assumptions underpinning the draft FDS are reasonable and not over-stated.

- c) For greenfield capacity, the draft FDS assumes that all growth areas be developed within the 2024-2054 planning period (30-year time horizon). While there are under and overs, this is a reasonable long-term assumption based on observed historic trends in Napier and Hastings and the additional competitiveness margin buffer. However, it is important to provide some flexibility in greenfield capacity, particularly in Hastings, to account for the following:
 - (i) Several greenfield development areas in the draft FDS are subject to complex and overlapping natural hazards constraints e.g. Riverbend, Kaiapo Road and Ahuriri Station. While there are engineering solutions available to address these constraints, they may impact the feasibility and timing of development.
 - (ii) Within Hastings, there is a shortfall of greenfield residential capacity of 715 dwellings while there is an oversupply in Napier. As per the advice of Market Economics⁸, while there is a degree of interchangeability of residential capacity to meet demand, it cannot be fully substituted. We observe that this will also depend on the location of growth. i.e. growth locations at the southern extent of Napier may more easily substitute growth locations at the northern parts of Hastings and this will relate to the location of key employment nodes.
 - (iii) Latent demand has not been factored into the overall demand calculation. While this is appropriate given the uncertainties set out in Section 4.3.2 above, this weighs in favour of providing greater flexibility in greenfield capacity.

In terms of greenfield capacity numbers, it would be appropriate in our opinion for the FDS to provide sufficient greenfield capacity in Hastings to meet projected demand for greenfield in Hastings (approximately an additional 715 dwellings above the Draft FDS). It would also be appropriate to provide some additional greenfield capacity to account for existing latent demand for housing, noting that this may be met through a combination of redevelopment in the existing urban area and new development in greenfield areas. This affects greenfield capacity in Hastings primarily, where the Draft FDS notes there is a shortfall of capacity to meet demand. The draft FDS provides greater capacity in Napier than what is needed to meet demand, which would broadly address latent demand.

While there is some uncertainty about the timing of development in the more constrained greenfield areas e.g. Riverbend, Kaiapo Road and Ahuriri Station,

⁷ See Section 4.3 of the Market Economics assessment prepared for the Draft FDS.

⁸ Refer to the Market Economics memo included at Appendix 5.

this can be monitored over time as required by the NPSUD⁹ and addressed through subsequent three-yearly reviews of the FDS.

4.4 Recommendations

In relation to urban housing demand, capacity and choice we make the following recommendations that will inform the more site specific recommendations in the report below:

- a) Take into account latent demand into the overall demand projections for Napier and Hastings and amend the Draft FDS to reflect that.
- b) Provide greater greenfield capacity in Hastings to ensure that there is no shortfall (approximately 715 dwellings) and provide some flexibility to account for latent demand that may be provided for within greenfield areas.

5.0 Development Constraints

5.1 Issues Raised in Submissions

Multiple submitters raised broader issues regarding development constraints in Napier and Hastings and how these should inform future locations for growth in the region. Submitters were primarily concerned about highly productive land and natural hazards.

The key issues raised are as follows:

- a) Do not allow development on **highly productive land** (Save the Plains; Hawke's Bay Vegetable Growers Association; Horticulture NZ; Simon Nash; Paula Smith et al¹⁰). Conversely, other submitters stated that a more balanced approach is necessary that reflects the need to provide for urban growth in efficient locations while protecting highly productive land. Or otherwise, recognise the limitations of the NZLRI mapping and take into account site specific matters when considering the productive capacity of the land. These broad comments were generally in the context of justifying the inclusion of sites in the FDS that are mapped as LUC 1-3 (including but not limited to Heretaunga Connections Project Limited; Development Nous Ltd; The Strawberry Patch Ltd; Meeanee Developments Limited; Te Orokohanga Hou Joint Venture; CDL Land (NZ); Mr Apple Ltd; Jim Bishop; Bunnings Ltd; Te Aratika Group);
- b) Ensure that recommendations from the **Hawke's Bay Independent Flood Review Panel** are followed (TPW; MTT);

⁹ Quarterly monitoring is required in terms of housing demand and supply as per clause 3.9, with a full stocktake undertaken on a three-yearly basis through the Housing and Business Capacity Assessment.

¹⁰ Sarah Swinburn; Daniel Kittow; Samantha McPherson; Sarah Swinburn; Barbara Brookfield; Nyla Sorensen; John Reid; Monique Webster; Krysia Shuker; Teresa Munro - Landmarks Trust; Corrie Hughes; Estate R C Macniven; Andrew Lessells; Jacob Scott; Peter Beaven; Trevor & Myffie James; St Columba Presbyterian Church; Walter Breustedt; Sandy Broad; Vanessa Moon.

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- c) Avoid development in **low-lying and hazard prone areas** (Mike Johansson; Peter Richardson; Daniel Kittow; John Reid; Sera Chambers; Save the Plains);
- d) In response to these constraints, **favour development in the hills** (e.g. Bay View, Havelock Hills, Te Awanga) where these constraints are not present/are less present (Daniel Kittow; Sarah Swinburn; Forest and Bird - Hastings/Havelock; Barbara Brookfield; Noel Bates; John Reid; Lynne Anderson; Kirk Doyle; Sera Chambers; Horticulture NZ);
- e) Land with low exposure and vulnerability to natural hazards is prioritised for development and where development must occur on land that has a more than minimal natural hazard risk, mitigations and risk tolerance are both explored before development is undertaken (TPW; MTT);
- f) If an area exposed to high flood risk is considered for future development **sufficient mitigation must be in place**. This includes flood protection that manages residual risk to at least a 1% annual exceedance probably accounting for climate change (Insurance Council New Zealand);
- g) Encourage councils to consider how density impacts overall flood risk noting that greater density may increase flood risk (Insurance Council New Zealand);
- h) Complete **site-specific risk assessments** in every proposed future growth area and consider how to mitigate the natural hazard risk, including feasible evacuation routes in the event of flooding or inundation (Natural Hazards Commission; Te Ikaroa – Hawke’s Bay District Health Board);
- i) Include consideration of any **likely impacts on air pollution** arising from the growth anticipated by the FDS, including any mitigation measures needed to protect human health (Te Ikaroa – Hawke’s Bay District Health Board).

Separate to the submissions, in adopting the Draft FDS for public consultation, the Hastings District Council made the following recommendations in its meeting on 19 November 2024:

That Council notes its priority focus about ensuring;

1.1.1 Future physical building/housing development in the Napier / Hastings Future Development Strategy catchment, is directed away from locations where natural hazards cannot be safely mitigated.

1.1.2 The protection of Land Use Capability 1, 2 and 3 fertile soils.

Council expects these issues to be a topic of robust interrogation and discussion both during the Formal Consultation Process and later as the draft Napier / Hastings Future Development Strategy is considered and finalised by the Partner Councils in 2025.

The focus areas noted by the Hastings District Council have been raised as issues in submissions to the Draft FDS and are addressed below and in subsequent sections of the report.

5.2 Information and Evidence

The key evidence relating to the issue of development constraints that underpin the Draft FDS is set out in the Technical Report – see Section 6 of the report. This is also addressed in the earlier Issues and Options report prepared in the earlier stages of the project.

The project team has used best available information on development constraints to inform the Draft FDS. There are gaps, particularly in the flooding modelling data, and this is clearly stated in the reporting. A combination of information has been used, including flood hazard modelling information available on the Hawke's Bay Hazards Portal, information on Cyclone Gabrielle impacted areas, site specific modelling and analysis, and local knowledge about historic events.

The Hawke's Bay Independent Flood Review made 57 recommendations, including some relating to the Regional Policy Statement (**RPS**). The Panel recommended that the RPS is amended to outline a regionally consistent approach to identifying flood hazard areas, defining climate change assumptions and identifying and managing areas of risk. The Panel state that this work is urgently required. At the time when the Panel released its recommendations, HBRC had already commenced a review of its RPS. This work by HBRC will assist in developing a consistent evidence base and policy framework for flood assessment and land use responses.

HBRC has yet to complete its mapping of highly productive land in accordance with the NPS-HPL. In the interim, the New Zealand Land Resource Inventory LUC1-3 mapping has been used as required by the NPS-HPL. This mapping is at a coarse scale 1:50,000 and is therefore not always accurate at a site-specific level. In addition to this, as part of the MCA analysis of growth areas, advice was sought from Carl O'Brian from AG First (Horticultural Consultant) and Dr Ashton Eaves, Senior Land Scientist at Hawke's Bay Regional Council. Their feedback is captured in the MCA spreadsheet and in the site summaries. Dr Eaves and Dr Kurt Barichievy also provided further advice on particular sites in response to specific submissions, which is addressed in Section 5.3.1 below.

5.3 Analysis and Discussion

5.3.1 Highly Productive Land

Submitters were concerned about the extent of LUC1-3 land that Draft FDS identifies for urban development. The submitters argue that urban and industrial greenfield growth needs to be concentrated on unproductive land and that the Draft FDS contravenes the NPS-HPL.

For context, the table below summarises the sites in the Draft FDS that meet the definition of highly productive land under the NPS-HPL currently. This does not include Kaiapo Road, Lyndhurst Extension, Copeland Road, The Loop or Riverbend. These areas are identified as residential growth areas in HPUDS and meet the definition of "identified for urban development" given that they are

identified in a strategic planning document, are suitable for commencing development over the next 10 years, and have readily identifiable boundaries. It also does not include Mission Estate (NC6) as this is currently zoned Rural Residential. On this basis, these areas are excluded from the definition of highly productive land under clause 3.5(7) of the NPS-HPL.

Table 3 Relevant growth areas and their current HPL status

FDS Growth Area	HPL status (refer to the site summaries for LUC mapping)
South Pirimai (NC4d)	LUC 3. HPUDS Reserve Area.
Arataki Extension (HN2b)	LUC 3. HPUDS Reserve Area.
Murdoch Road (H4)	LUC 2. HPUDS Reserve Area.
Portsmouth Road (FM2)	Within the Roys Hill Winegrowing Area and partly LUC3.
Irongate (IR12 and IR3a)	IR2 – LUC 2. IR3a – mix of LUC 1-3.
Severn Precinct (SP)	LUC 3.
Ahuriri Station	LUC 3.

The NPSUD requires the FDS to be informed by the NPS-HPL as well as other national policy direction¹¹. The NPSHPL restricts the circumstances in which highly productive land can be rezoned or subdivided. In the case of rezoning, this may only occur on highly productive land where the capacity is needed to meet demand, there are no other reasonably practicable options for providing that capacity, and the benefits outweigh the costs¹². The FDS can consider these matters at a high level, but the NPS-HPL appropriately directs this to occur at the plan change/plan review stage, where up to date and detailed demand and capacity information can be provided.

The evaluation of reasonably practicable options for accommodating urban growth has been undertaken at a strategic level through the MCA and spatial scenario development and assessment process. This would be tested and refined as part of a plan change/plan review.

The soil capability of growth area options has been considered through the MCA process with input from a range of qualified experts¹³. The MCA evaluation did

¹¹ See clause 3.14(f) of the NPS-UD.

¹² See clause 3.6 of the NPS-HPL.

¹³ Carl O’Brien (Horticultural and Environmental Consultant, AgFirst) and Lochie MacGillivray (Agribusiness and Environmental Consultant, Director, AgFirst) provided specialist advice during a workshop held in February 2024. Their role included reviewing the long-listed development areas and

not adopt a rigid approach to excluding areas simply because they were on LUC 1, 2 or 3 land. Equally, the MCA evaluation did not put HPL considerations to one side in favour of maximising growth opportunities at the urban fringe. This is not what the NPSHPL requires. The approach has been a more nuanced one, where the productive capacity of sites has been considered at a strategic level in addition to the land use classification. This is a precursor to the nuanced assessment that is required through a plan change/plan review process¹⁴. In our opinion, this is appropriate for informing an FDS as a high level strategic planning document that is seeking to achieve various competing national policy objectives.

5.3.2 Natural Hazards

Submitters raised a range of issues with respect to natural hazards, which we address below.

5.3.2.1 Hawke's Bay Independent Flood Review Panel

Various submitters have voiced support for the recommendations of the Hawke's Bay Independent Flood Review Panel. This report was published in July 2024, having been commissioned by the HBRC in the aftermath of Cyclone Gabrielle¹⁵. The report contains a range of recommendations canvassing structural works, emergency management, and land use planning, amongst other matters.

The discussion on planning controls is pertinent to the FDS (See Chapter 9 of the report). It identifies that the RPS and District Plans are out of date and do not provide a consistent planning framework for managing natural hazard risk. The report observes the gaps in flood modelling data - the same datasets used to inform preparation of the Draft FDS and identified in technical reports. The Independent Panel recommends that the Councils remedy those gaps. These are key recommendations that could be carried over to the implementation section of the FDS or as an alternative, included in the FDS Implementation Plan.

Recommendation 25 states that the review of the RPS should ensure that new and intensified residential development and subdivision is prohibited in areas subject to unacceptable flood hazard. In order to identify areas of unacceptable flood hazard, updates to flood hazard mapping are required, followed by a public discussion about tolerance to risk, undertaken as part of the RPS and District Plan reviews/changes. The upcoming NPS for Natural Hazards will also provide further direction, which we understand will be in place late-2025. In addition to regulatory changes, this data would inform land use and infrastructure planning in the urban areas as well as infrastructure investment aimed at protecting existing communities from the effects of climate change.

contributing to the Multi-Criteria Assessment (MCA) through high-level assessments of Land Use Capability (LUC) classes, soil versatility, and catchment contexts. Their input has contributed to informing the strategic evaluation of potential growth areas for the Draft Napier Hastings FDS.

¹⁴ Note that the recent Environment Court decision in *Blue Grass Limited v Dunedin City Council* [2024] NZEnvC 83 related to a resource consent.

¹⁵ <https://www.hbrc.govt.nz/our-council/hb-independent-flood-review/>.

In the interim, the Draft FDS grapples with managing natural hazard risk in the existing policy environment and with best available information for now. The MCA process has considered this at a strategic level and has taken into account the potential for natural hazard risk to be mitigated. Mitigation of natural hazard risk is required for most growth options, including all of Napier's growth options, with the exception of the rural residential areas in the Western Hills and Bay View.

5.3.2.2 Development in low lying hazard prone areas

Several submitters seek to avoid development in low lying hazard prone areas.

Objective 3 of the Draft FDS is as follows:

Our communities and infrastructure are resilient to the effects of climate change and risks from natural hazards.

Resilience to natural hazards can be delivered by avoiding development in low lying areas, or where appropriate, mitigating natural hazard risks to a tolerable level. The Draft FDS provides a combination of both these approaches, which also accounts for NPSUD objectives, including ensuring sufficient feasible capacity is provided, and people are enabled to live and work in and around centres, areas well-served by public transport and where there is high demand (Objective 3). With the exception of the Treaty Settlement Redress Land at Ahuriri Station and Severn Precinct, greenfield development in Napier's low lying areas with overlapping natural hazards is limited to existing HPUDS areas where site specific technical work has been undertaken.

Mitigation of natural hazard risks is supported by several submitters, including the Insurance Council NZ. They recommend that flood protection works manage residual risk to at least a 1% annual exceedance probability accounting for climate change. This is consistent with the findings of the Independent Flood Review¹⁶ and with the requirements of the New Zealand Coastal Policy Statement (NZCPS). This is a matter to be addressed in the RPS and District Plan reviews but does not preclude the FDS from taking this into account.

Similarly, the Natural Hazards Commission and the Hawke's Bay District Health Board recommend preparing site specific risk assessments for every proposed future growth area. We agree. However, this would be more appropriately required at the structure planning and plan change stage, where a detailed stormwater and flood modelling can be undertaken in the context of a specific proposal. We note that Policy UD10.4 of the RPS already requires a structure plan to be prepared as part of rezoning that amongst other things requires details of how any natural hazards will be avoided or mitigated. This would address the matters raised by the submitters.

The Insurance Council NZ has also requested that the Councils consider how density impacts overall flood risk, with respect to the increase in impervious area. Both Councils have programmes of work underway to address this issue in response to intensification indicated in the Draft FDS and as

¹⁶ Refer to page 142 of the Independent Flood Review Report.

implemented/being implemented through Plan Change 5 in Hastings and the Napier Proposed District Plan. This is being led by the Council's infrastructure planning and delivery managers and is informing a programme of upgrade works in the Long Term Plans.

5.3.3 Development in the Hills

In response to these matters, several submitters favoured development in the hills (e.g. Bay View, Havelock Hills, Te Awanga) where the natural hazards constraints are not present/are less present.

This was broadly considered in Spatial Scenario 2 which assessed the growth option of strictly avoiding highly productive land¹⁷. This scenario assessed the advantages and disadvantages of development generally occurring in the hills as well as some existing HPUDS areas. While there are obvious advantages to this approach, there are disadvantages that mean it is not a reasonably practicable growth option. Specifically, this scenario would result in a highly dispersed pattern of growth with residential located away from employment areas and infrastructure networks, with the effect of increasing car dependence and significantly increasing servicing costs. Importantly, hill country growth drives towards lower density forms of housing that respond to the steeper topography, which drives up house prices. While it would meet some segments of the market, this type of housing alone would not meet Napier and Hastings future housing needs, the majority of which will be in the affordable range given the low household income levels projected¹⁸.

As an example, in 2021 Napier City Council undertook a detailed investigation of the feasibility of developing in the Western Hills in Taradale & Poraiti (refer **Figure 4** below). This work developed layout plans, yield analysis and high level plans for infrastructure servicing that was then costed. While the topography in this area is particularly challenging compared with the Mission Hills development, the analysis showed a low yield, relative to land area (~800 lots) and had unfeasibly high costs to service with bulk infrastructure, conservatively priced at \$242,000-\$285,000 per lot in 2021 dollars¹⁹. While there may be a case for using this land more efficiently for rural residential style development in the Western Hills, this analysis showed that for this area at least, urban scale development is not a reasonably practicable or affordable option.

A similar situation applies to the Havelock Hills, which is extensively populated with rural residential development. Further intensification is potentially possible, although there are infrastructure constraints to consider and the housing delivered is likely to be at the higher end of the market, which would not meet the majority of future housing needs.

¹⁷ Refer to page 61 of the Draft FDS Technical Report.

¹⁸ Refer to Tables 2-13 and 2-14 of the Housing Capacity Assessment 2021.

¹⁹ <https://www.napier.govt.nz/our-council/plans-strategies-reports/napiers-district-plan/district-plan-review-discussion-documents/growth-in-the-hills/>

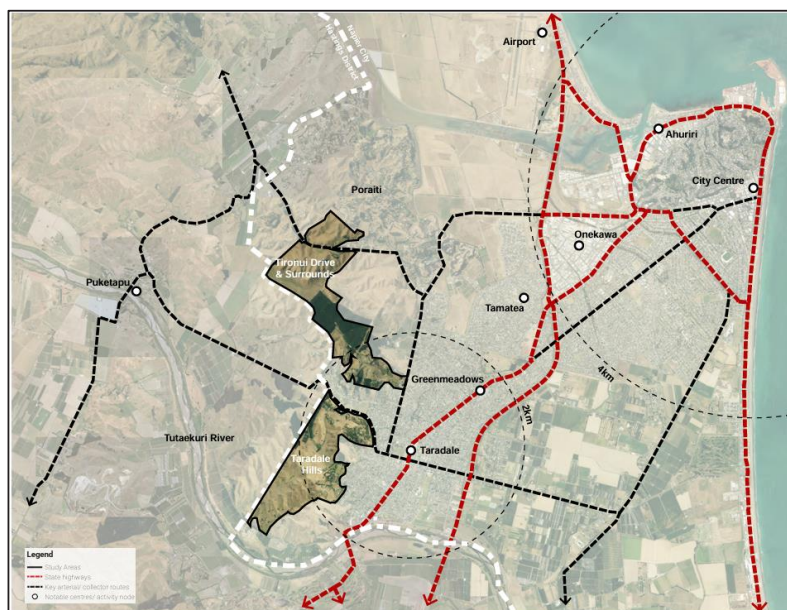


Figure 4 Showing Napier's Western Hills, subject to various structure planning in 2021.

5.3.4 Clifton to Tangoio Coastal Hazards Strategy 2120

The Draft FDS states the following with respect to the Clifton to Tangoio Coastal Hazards Strategy 2120:

The coastline south of Clive through to Te Awanga is particularly vulnerable to coastal hazards and has been subject to the effects of coastal inundation and coastal erosion, most recently in June 2024. The Clifton to Tangoio Coastal Hazards Strategy 2120 project aims to set an adaptive management pathway to manage these risks over the next 100 years. In 2025, the partner councils will be seeking feedback from the community on proposed coastal adaptation options.

The project has evolved since this time, which we explain below.

The Clifton to Tangoio Coastal Hazards Strategy 2120 project has progressed to a point where in August 2024, a draft strategy was agreed by the project partners (the same three council and three PSGEs who have overseen the FDS to date). The Project partners' Joint Committee passed the draft strategy over to HBRC. In January 2025, HBRC agreed to defer formal (Local Government Act Special Consultation Process) consultation on the draft strategy. That decision to defer consultation recognised timing for consultation was not optimal given economic pressures on ratepayers and HBRC's work programme since Cyclone Gabrielle. In the interim, a community reference group is to be formed for further testing of the possible options, their costs and how those could be funded.

This community engagement phase does not detract from the earlier technical assessments of erosion, coastal inundation and tsunami hazards along that

stretch of coast. That geospatial data can be viewed online in the HB Hazards Portal.

Accordingly, we recommend updating the text of the FDS that refers to Clifton to Tangoio Coastal Hazards Strategy 2120 to reflect the project's current status. We propose to provide specific wording as part of the Officer's Reply, reflecting the above.

5.3.5 Air Pollution

The Hawke's Bay District Health Board requested that the FDS consider the likely impacts of air pollution arising from growth, and any mitigation measures needed to address those impacts.

Urban air quality is managed by a combination of rules in regional plans and national regulations. Rules apply to discharges into air from industrial and trade premises. One of the biggest challenges with ambient urban air quality is small particulate contaminants (typically from domestic home heating burning). The HB Regional Resource Management Plan (RRMP) includes policies and rules controlling PM₁₀ particulate matter concentrations in urban 'airzones' (see **Figure 5**) which have been operative since 2012. The subsequent **Figure 6** shows the effectiveness of the rules introduced in 2012, with fewer breaches evident now in Hastings and Napier. The rules, in conjunction with a multi-million dollar home heating improvement financial assistance scheme from HBRC, have achieved significant improvements in PM₁₀ concentrations within the urban airzones over the last decade.

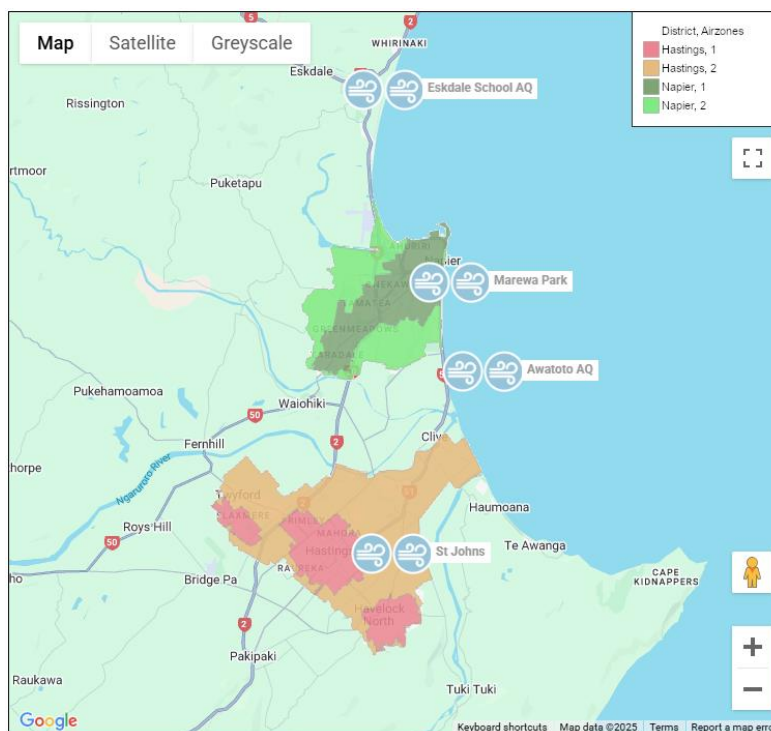


Figure 5 Airzones for Napier and Hastings.

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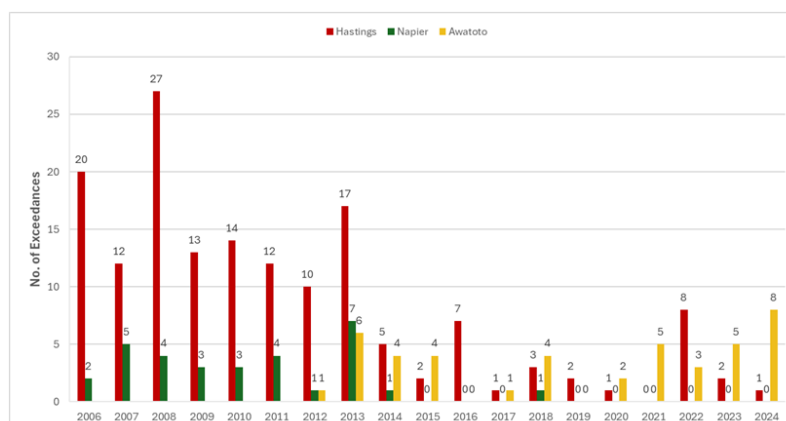


Figure 6 Annual particulate matter exceedances for Hastings, Napier and Awatoto (2006-2024)

HBRC has already commenced a review of the RRMP. That review could accommodate an 'update' of additional urban areas (existing and future) that might be identified in the FDS. This is ultimately a matter for FDS implementation and less about FDS evaluation and content.

5.4 Recommendations

In relation to development constraints, we make the following recommendations for amendments to the Draft FDS:

- Carry through the key recommendations of the Independent Flood Review on planning controls to the Draft FDS in the implementation section. Alternatively, address this separately through the FDS Implementation Plan that will be published separately.
- Update the text of the FDS that refers to Clifton to Tangoio Coastal Hazards Strategy 2120 to reflect the project's current status outlined in Section 5.3.4 above. We propose to provide specific wording as part of the Officer's Reply.

6.0 Iwi and Hapū Development Aspirations and Papakāinga

6.1 Issues Raised in Submissions

Multiple submitters addressed the matter of iwi and hapū development aspirations and papakāinga.

The key issues raised are as follows:

- Take a partnership approach to council relationships, where mana whenua are able to contribute to all aspects of planning (TPW; MTT; MAT);

- b) Role of Ngāti Kahungunu Iwi Incorporated in the FDS process (Bayden Barber);
- c) Support special consideration being given to the use and development of redress land (TPW; MTT; MAT);
- d) Concern over preferential treatment for Māori over non-Māori, and perceived under-utilisation of Māori land;
- e) Ensure that Māori are not disproportionately impacted by risks from natural hazard (MAT; MTT);
- f) Natural hazard risks associated with Ahuriri Station and Riverbend (Natural Hazards Commission/HBRC/others)
- g) Enhance resilience and be able to adapt more easily to new information, unexpected challenges and emerging opportunities for mana whenua in urban, rural and coastal areas (J Scott)
- h) Support scoping and supporting a Māori-led study of Māori demographics (TPW; MTT);
- i) Amend the wording on page 69 of the Draft FDS under the heading Social Infrastructure regarding education requirements for the Māori population (Ministry of Education).

6.2 Council - PSGE Partnership, establishment of the FDS Joint Committee and consultation

In his submission Bayden Barber queried the role of Ngāti Kahungunu Iwi Incorporated (NKII) in the FDS process.

This sub-section provides information on the partnership between the three local authorities and the three PSGEs and provides background as to why NKII were not invited to join the Joint Committee developing the Strategy.

The Napier-Hastings FDS Joint Committee was established by common resolution of each of the three partner local authorities (Hastings District, Napier City and Hawke's Bay Regional Councils) in December 2022, and the Terms of Reference were finalised in March 2023. The key resolution made by each of the three partner councils relating to the partnership with mana whenua was:

- 4.5 *Delegates authority to, and invites, in conjunction with the Hastings District Council and the Napier City Council, the Heretaunga Tamatea Settlement Trust, Mana Ahuriri Trust and Maungaharuru-Tangitū Trust to appoint Mana Whenua representatives to the Napier-Hastings Future Development Strategy Joint Committee as provided for in the Terms of Reference, and notes that these appointments will take effect*

once they have been notified to the Chief Executive of the Administering Authority, Hastings District Council.²⁰

The Agenda paper leading to this resolution is explained at paragraphs 10-14 of the associated staff report:

10. *The NPS-UD requires that the FDS be informed by tāngata whenua values and aspirations for urban development. While not a requirement, it is proposed within the Terms of Reference to provide, alongside representation from the councils, for representation from each of the post settlement governance entities (PSGEs) with statutory acknowledgement within the study area for the FDS (should they each wish to appoint representatives). This is seen as one mechanism, among others, to help to incorporate the values and aspirations of tāngata whenua in a manner that is consistent with a partnership relationship between the Councils and mana whenua.*
11. *On that basis, the proposed make-up of the Committee is as follows:*
 - 11.1. *Hawke's Bay Regional Council – 2 representatives*
 - 11.2. *Napier City Council – 2 representatives*
 - 11.3. *Hastings District Council – 2 representatives*
 - 11.4. *Heretaunga Tamatea Settlement Trust – 2 representatives*
 - 11.5. *Mana Ahuriri Trust – 2 representatives*
 - 11.6. *Maungaharuru Tangitū Trust – 2 representatives.*
12. *This is not to say that engagement with tāngata whenua on the FDS will be limited to the identified PSGEs. Wider and more extensive engagement with iwi and hapū is planned alongside specialist technical input. However, it is proposed that the appropriate approach to seeking governance input is to provide for appointments from the PSGEs within the study area who have a statutory acknowledgement in relation to planning matters (so long as those bodies wish to appoint a representative).*
13. *A modified approach to this would be to provide for a representative to be appointed by Ngāti Kahungunu Iwi Incorporated (NKII) alongside the PSGE representatives. This would recognise the longstanding involvement of NKII in supporting growth planning in the Napier-Hastings area (e.g. via HPUDS). However, the context for mana whenua representation in planning and consenting processes has evolved since previous HPUDS processes due to Treaty settlements and related statutory acknowledgements. Having a governance appointment made by*

²⁰ Example extracted from Minutes of the meeting of the Hawke's Bay Regional Council 14 December 2022

NKII would widen the basis for governance representation beyond organisations that have statutory acknowledgements in terms of planning/consenting matters. It can be argued that relying on a statutory acknowledgement provides a clear, transparent and legally robust basis for drawing governance representation.²¹

NKII were included on the FDS stakeholder list, invited to participate at the initial call for opportunities and subsequent stakeholder meetings, and a possible hui was discussed but did not eventuate.

The three PSGEs worked in their own respective ways to identify mana whenua aspirations, identified in Chapter 6 of the Draft FDS (pages 18-25). Strategic Objective 1 was affirmed, and Strategic Objective 12 (page 27) added in response to feedback from mana whenua.

The Implementation Plan should identify actions relating to the partnership approach going forwards.

6.3 Redress Land and hapu and iwi development aspirations

Both Maungaharuru Tangitū Trust (MTT) and Tamatea Pōkai Whenua (TPW) requested further clarification of redress land, and how this is considered within the multi-criteria assessment framework.

MTT referred to recent case law, *Beresford, Bunker and Rouse v Queenstown Lakes District Council (2024) NZEnvC 182*, where the Environment Court held:

[65] ... It is appropriate for [the Court] to recognise that the Site is redress land intended to be transferred by the Crown so that the appellants and other descendants can realise the economic aspirations that have been afforded to their tīpuna. As a principle under s8 the appellants and their fellow successors must not be deprived of the redress promised to them by the Crown. To the extent which any available zoning option would diminish the value of the Site for those redress purposes is a relevant matter for us to consider, given the principle of redress and the Crown's obligation to right past wrongs.

This case clearly defines redress land as 'redress land committed by the Crown in Treaty settlement'. This would include Ahuriri Station (as proposed in the draft FDS at page 51) but excludes the Riverbend site.

The Riverbend sites (NC 4a The Loop, NC4b Riverbend, NC 4c Waverley Road, NC 4d South Pirimai) lie within a Mana Ahuriri Statutory Acknowledgement area and are held in fee simple title. Mana Ahuriri Trust have expressed their hapū aspirations in Section 6.2 and have not included this development. The development division of Ngāti Kahungunu Iwi Incorporated (NKII), K3 Development, has an interest in developing part of this area, and is party to a fast-track application which includes NC4b (FTA 115) that has been lodged with the Ministry for the Environment. NKII is a PSGE which resulted from a fisheries settlement stretching from Wairoa to Wairarapa. As such they do not have an

²¹ Item 8, Napier Hastings Future Development Strategy Joint Committee Report to Council 14 Dec 2022

interest in land that could support additional points being awarded through the MCA to support the aspirations of the mana whenua of Ahuriri Napier.

All sites were assessed for cultural values, with scores ranging from Green (4 or 3) where the growth area does not adversely affect sites of cultural significance, through Orange (2 or 1) where the growth area may impact sites of cultural significance but has support from iwi and hapu, to Red (1 or 0) where the growth area adversely affects a site of cultural significance and is not supported by iwi and hapu. A red score was assessed as a 'no go' area (no areas fell into this category).

The draft FDS included 'redress land' within the MCA criterion 'hapu and iwi development aspirations'.

Hapu and iwi development aspirations were assessed as a 'bonus' and considered only for sites put forward by iwi and hapu. All sites were scored for factors such as natural hazard risks, highly productive land, infrastructure servicing. Where the site was put forward by iwi and hapu, an additional 4 points were scored, providing a more favourable result against other land, all other factors being equal. The following sites in the draft FDS scored these additional points:

Residential greenfield areas:

- AS 1 Ahuriri Station (north of Onehunga Road)
- AS 2 Ahuriri Station (south of Onehunga Road)

Industrial areas:

- AS 3 Ahuriri Station (north of Onehunga Road)
- AS 4 Ahuriri Station (south of Onehunga Road).
- IR3a Irongate Industrial
- SP Prebenson Drive

The FDS should provide further definition of what constitutes 'redress land', given the above Environment Court decision and one of the functions of redress land being to enable realisation of economic aspirations.

The three PSGEs also requested special consideration for redress land, and a better understanding of what this looks like in practice. It may be better to manage this matter through the Implementation Plan and review of the RPS.

6.4 Papakāinga/Marae-based development

Most submitters considered that mana whenua aspirations have been adequately addressed and papakāinga and marae-based development contributed appropriately towards achieving the FDS objectives. However, a few were concerned at the preferential treatment of Māori over non-Māori, perceived non-utilisation of Māori land, or that there were more important priorities to address first. Others commented that:

- a) Development should not go ahead in hazard-prone areas;
- b) Local government needs to genuinely partner with mana whenua to fix issues with servicing current papakāinga;
- c) The FDS should give further consideration to the intent of establishing papakāinga and supporting infrastructure and services on ancestral lands, including on Māori land and general titles, and developing whenua for urban purposes in specific locations, and that Māori whenua under Te Ture Whenua Māori can and should be developed for papakāinga and marae should that be the wish of the whānau.

One submitter (Jacob Scott), who was involved in developing Auckland Council's Te Aranga Design Principles, advocated for their use locally.

Papakāinga

Papakāinga is a key priority for mana whenua.

Proposed new national direction enabling papakāinga (and granny flats) is expected to be released by the Government soon.

The draft FDS accounts for urban papakāinga within the overall housing demand analysis for Napier and Hastings (illustrated in Figure 7, page 31), which includes all types of housing.

In HPUDS, Bridge Pa and Omahu were identified as marae-based settlements, and it was assumed that any development would independently meet any servicing requirements and district plan provisions. Tangoio and Puketapu were identified as areas inappropriate for future residential growth beyond existing areas. However, the HPUDS study area was much broader than the study area adopted for FDS/NPSUD purposes more recently.

The draft FDS identified more areas of interest for iwi and hapū, including for urban development in general. **Figure 7** below shows the local marae and the location of these specifically identified places, which span both urban land, coastal and smaller settlements, and rural land. This should be included in the FDS as it clarifies where those areas of interest are located.

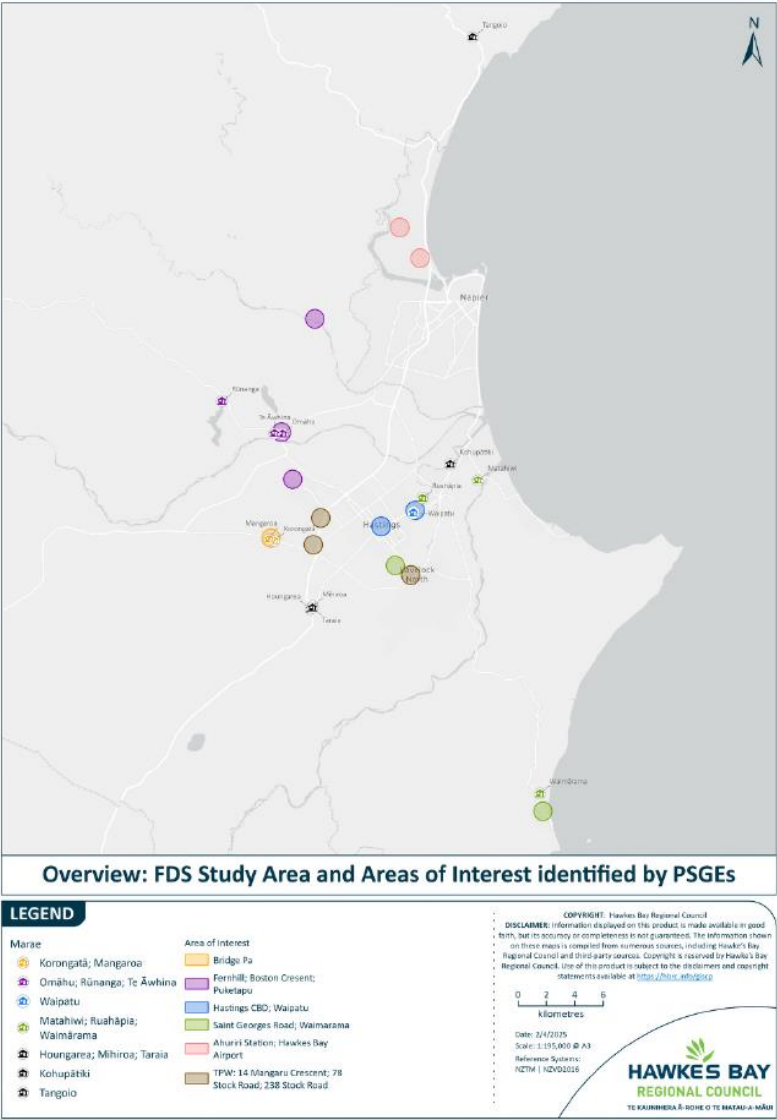


Figure 7 Marae-based areas of interest identified by PSGEs.

Te Aranga Design Principles

The Te Aranga Design Principles²² were originally developed at Te Aranga Marae in Flaxmere, as part of a response to the 2005 New Zealand Urban Design Protocol. These principles recognise Māori values, identity and sense of place, enabling a more holistic consideration of cultural, environmental and social factors in design processes for structure planning and residential development. Submitter Jacob Scott, identifies further elements for consideration, including bringing flood risk and climate adaptation more clearly into the assessment of development options and working with a better understanding of the Māori world view.

²² [Auckland Design Manual Te Aranga Principles](#)

Given the importance of addressing iwi and hapū aspirations for urban development, as articulated by mana whenua and required by the NPSUD, it may be appropriate to consider use of the Te Aranga Principles or updating them in light of new information on natural hazard risks, climate change and evolving understandings of what is required to build resilient, sustainable and culturally vibrant communities. This could be included as an action in the Implementation Plan, when Regional Policy Statement and district plan reviews and plan changes are prepared.

Natural hazards and development constraints

Māori have traditionally responded to natural hazard risks (and events) in different ways. The movement of water across the Heretaunga and Ruataniwha Plains has shaped the movements and choices of mana whenua. Examples of this include:

- a) Abandoning temporary settlements on the Ruataniwha Plains when the waters of the Waipawa swelled;
- b) Seasonal movement of the hapū of Maungaharuru Tangitū from their coastal settlements to the mountains;
- c) Te WhangauPani, a meeting house near the Tūtaekurī, shifted three times in response to flood events, and after the flood in 1867 was moved to Moteo;
- d) Relocation of Matahiwi Marae from the flood-prone flats of the Tukituki River to higher ground.

Ōmahu Marae aspire to move their whānau to higher ground at Puketapu as a long-term solution to the flood risk their current location presents. This is consistent with the pattern of responses by mana whenua to risks from wai over time, where it is accepted that wai will travel where it wants and the best response is to move with it, respecting these movements as immutable.

Over time the ability of marae and hapū to move in this way has become restricted by the alienation of hapū from their takiwā. Although outside the FDS study area, the clearest example of this is Tangoio Marae, which was forced to remain on low-lying floodprone land as the surrounding higher land had been taken out of hapū control. In the wake of Cyclone Gabrielle, they have lost the ability to have their marae within their takiwā.

Māori consistently express the aspiration to live on their takiwā with their people. Where they cannot live in papakāinga on their ancestral land, they express a desire to live in papakāinga-style living arrangements with their extended whanau in other areas. It is likely that this can only be realistically achieved in new, affordable developments co-led or owned by mana whenua entities. We recommend adding this material to the introductory text of Section 6.1 as it summarises one of the issues facing iwi and hapū as they seek to realise their aspirations for papakāinga and development.

In response to Question 7 in the submission form on development constraints, a number of submissions were received on the natural hazard risk inherent in

development at Ahuriri Station and Riverbend Road. Both developments are led by organisations that represent mana whenua and reflect mana whenua aspirations. One of the inherent tensions for the FDS relates to the management of redress land in the face of these constraints. Each proposal is assessed later in this report (at Sections), including with respect to specific mana whenua aspirations.

Social infrastructure (education)

The Ministry of Education requested change to the wording in the section on social infrastructure (FDS page 69) to better reflect the current situation regarding education for Māori students. This revision is appropriate, with a minor modification to clarify the overall school-age population is declining.

Housing needs of Māori

Two of the PSGEs, MTT and TPW, requested a focus on Māori statistics relating to housing needs as part of the first FDS review. This is more appropriately managed under FDS implementation.

6.5 Recommendations

In relation to iwi and hapū development aspirations, we make the following recommendations for amendments to the Draft FDS:

- a) Amend the FDS to better recognise iwi and hapū aspirations for development and papakāinga by inserting a paragraph into the introductory text of 6.1 Iwi and hapū values and aspirations, as shown below:

The use and development of Māori land, including land returned to Māori through Treaty settlements is to be enabled as provided for in Te Tiriti and intended by the purpose of Treaty settlements, subject to relevant statutory resource management considerations being satisfied.

Māori have consistently expressed the aspiration to live on their takiwā with their people. Where they cannot live in papakāinga on their ancestral land, they have expressed a desire to live in papakāinga-style living arrangements with their extended whanau in other areas, including urban areas. It is likely that this can only be realistically achieved in new, affordable developments co-led or owned by mana whenua entities.

The councils will work collaboratively with iwi authorities to help facilitate their economic, environmental, cultural and social objectives.

- b) Include a map of specified areas of interest, at the end of the Section 6.2 combined statement by the three PSGEs, refer to Figure 7 above.
- c) Further define what constitutes 'redress land' by additional wording in Section 6.1 (3rd paragraph, page 18):

...The Treaty settlement process has provided for the return to land to Māori, including for specific purposes. Such 'redress land' is land

intended to be transferred by the Crown to Treaty appellants, so that those appellants and other descendants can realise the economic aspirations that should have been afforded to their tīpuna²³. The land returned through these processes

- d) Update the Social Infrastructure section (2nd paragraph, page 69) to read:

~~*...The forecast demographic changes and population growth of the Māori population means existing schools may not meet the demand for Māori medium and kaupapa Māori education in Napier and Hastings. While there is growth in the Māori population, the overall school aged population is declining. Mana whenua have expressed aspirations for more kohanga reo, kura kaupapa Māori and wharekura over the next 30 years. Further consideration is required to determine whether existing schools are sufficient to accommodate the future growth and demand for Māori medium and kaupapa Māori schools in Napier and Hastings. The Ministry is working with whānau, hapū and iwi and is expanding capacity at existing Te Kura Kaupapa Māori to meet any demand.*~~

- e) Set out a programme of work to support iwi and hapū development aspirations in the Implementation Plan, which may include actions to:
- (i) Establish a genuine partnership between the PSGEs and the councils to implement the FDS;
 - (ii) Support special considerations for addressing redress land;
 - (iii) Work with iwi and hapū to update and include the Te Aranga Design Principles in reviewing the RPS and district plans;
 - (iv) Analyse Māori housing needs ahead as part of the Housing and Business capacity Assessment (HBA);
 - (v) Achieve sustainable water use.

7.0 Business and Industrial

7.1 Issues Raised in Submissions

Multiple submitters raised broad issues regarding business demand and development capacity. Submitters requested that several additional industrial sites be included in the FDS, most of which have been assessed in preparing the Draft FDS. Other submitters requested that the FDS more explicitly provide for commercial/mixed use.

No submissions specifically opposed the inclusion of the new industrial areas at Irongate South (IR2) and Irongate West (IR1) in the Draft FDS. However, land in those areas is LUC1-3 and the submissions opposing new development on highly productive land are therefore relevant.

²³ Based on *Beresford, Bunker and Rouse v Queenstown Lakes District Council* (2024) NZEnvC 182, paragraph 65

The key broad issues raised are as follows:

- a) Taradale is growing quickly and needs land zoned specifically for a supermarket (Pam Lane).
- b) Identify more opportunities for mixed use activities in the areas identified for more intensive housing as this enables more people to access goods and services by active modes (NZTA).
- c) The draft FDS does not provide sufficient capacity for wet industry and additional capacity is required; the MCA framework should separate wet and dry industry requirements (Mr Apple).

The key site-specific issues raised in relation to industrial are set out in the table below. The Plan at **Appendix 6** shows the location of these sites/areas.

Table 4 Site-specific issues raised in relation to industrial areas

Industrial sites/ areas	Submitters and position
<i>Napier</i>	
Ahuriri Station	<p>Submitters supported and opposed the inclusion of Ahuriri Station.</p> <p>MAT supported the inclusion of the site and MTT and TPW supported enabling development on redress land.</p> <p>Hawke’s Bay Airport supports MAT’s development aspirations and outline a range of operational matters that future development will need to address.</p> <p>NZTA requests more detail on the proposed process for investigations, including how infrastructure will be identified and assessed.</p> <p>The Ministry of Education seeks to work with MAT and hapū in the master planning process.</p> <p>Of those submitters opposed to including Ahuriri Station in the FDS, they were on natural hazard and environmental grounds (e.g. Ahuriri Protection Society; Forest and Bird, Natural Hazard Commission et al²⁴)</p>
Severn Precinct	<p>Oppose development of this area on natural hazards grounds (Sara Chambers).</p>
Awatoto	<p>Include additional land at Awatoto for industrial development (129, 133, 148 Awatoto Road, 54 McLeod Road and 60 McLeod Road) (Berkett Commercial 2021 Ltd).</p>

²⁴ Simon Nash; Susan Garner; Lynne Anderson; Chris Maclean; Garth Eyles.

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	Ensure that infrastructure works are undertaken prior to making land use decisions for Awatoto (Hawke's Bay Protein Ltd).
Hastings	
Whakatu	<p>Include additional land at Whakatu in the FDS as wet industry (334 State Highway 51) on the basis that it is required to meet demand and can be efficiently serviced (Mr Apple). Include the site to the east (9 Giles Lane) (Te Aratika).</p> <p>Note that National Grid assets in Whakatu and corridor protection is a constraint (Transpower). <i>This applies to the land within the existing General Industrial Zone at Whakatu.</i></p>
Irongate	<p>Include additional land in the FDS as industrial to the north of the existing Irongate industrial area on the basis of its access, infrastructure capacity, soils classification and limited availability of industrial land (Irongate North Landowners).</p> <p>Extend the land identified for industrial growth at Irongate South to Longlands Road West / Maraekakaho Road to provide a clear industrial boundary (Angela McFlynn).</p>
Evenden Road	Include land at 160 Evenden Road in the FDS as industrial for the purpose of transport related infrastructure in the form of an energy centre (Hamachek Holdings Ltd).
Omahu	Include an additional 47 hectares of land in the FDS as industrial at the western end of the existing Omahu Road General Industrial Zone, given industrial demand and historical land uses (Wrightson Contracting Limited).
Tomoana	<p>Include the land at 1411 and 1403 Pakowhai Road within area H6 in the FDS as industrial to enable Bunnings to expand its Hastings offering (Bunnings Ltd). Include the land in area H6 for industrial (dry and wet) given it can be serviced, does not adjoin a residential zone and is not prone to natural hazards (Jim Bishop).</p> <p>The Natural Hazards Commission supported the exclusion of this land from the FDS on natural hazard grounds.</p>
Wilson Road	Include the land bounded by Wilson Road, Flaxmere Avenue, State Highway 2 and the southern end of the Omahu Road General Industrial Zone in the FDS as

	industrial (Wilson Road Collective; Stephen and Elizabeth Davis; LE Cooke; James Fyfe; Greg Cornes).
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7.2 Information and Evidence

The key evidence relating to the issue of business and industrial demand and capacity that underpin the Draft FDS is the Napier and Hastings Business Development Capacity Assessment 2022 prepared by Market Economics.

To respond to specific issues raised by submissions, Market Economics has prepared a memo included at **Appendix 5**. This addresses issues raised in submissions regarding wet industry demand and capacity particularly as it relates to Whakatu and Hastings.

Brett Chapman, Principal Advisor – Essential Services at Hastings District Council has also provided advice on the Council’s separated trade waste network for industrial activities.

7.3 Analysis and Discussion

7.3.1 Mixed Use & Commercial

Submitters sought to zone more land for supermarket at Taradale and identify more opportunities for mixed use activities in the areas identified for more intensive housing.

Regarding the need for an additional supermarket at Taradale, the FDS is a strategic growth document and this is a detailed matter best addressed through the Napier District Plan review process.

Regarding the potential for greater mixed use, again, in our opinion, this would be best addressed through the District Plan review process/future plan change. There are many options for providing a greater range of mixed use, including through a dedicated Mixed Use zone or through more enabling provisions in higher density residential zones. The way in which this is provided for will depend on the specific context of the area and the activities sought to be enabled. It would also usefully be informed by additional economic analysis focussed on how greater mixed use provision can continue to support and reinforce the primary role of centres in meeting the community’s social and economic needs. The upcoming amendments to the NPSUD will no doubt provide updated direction on the matter.

7.3.2 Industrial Demand

Mr Apple has made a detailed submission on the Draft FDS approach to industrial demand and capacity, in the context of seeking to include the site at 334 State Highway 1, Mangateretere in the FDS as a future industrial growth area. The focus of the submission is on wet industry as a subset of overall industrial demand and supply and is supported by expert economic and engineering analysis. Given that this submission provides new information/evidence we address the issues raised in detail below.

Other submitters have sought to include additional sites in the Draft FDS for industry but these have focussed on the specific qualities of the site/area. We address these requests in the industrial capacity section below.

Industrial demand is addressed by Market Economics in the BCA 2022, which has been relied on for the Draft FDS. This is referred to as the “base scenario” and is medium-high. In summary, across Napier and Hastings, industrial demand by type is as follows, *including the competitiveness margin*:

Table 5 Breakdown of wet and dry industry demand

Type	Napier	Hastings	Total	% of overall demand
Wet industry	10 hectares	51 hectares	61 hectares	31%
Dry industry	45 hectares	90 hectares	135 hectares	69%
Total combined	55 hectares	141 hectares	196 hectares	100%

Mr Apple states that there is significant latent demand for wet industry that has not been properly evaluated. As stated above and consistent with the requirements of 3.14(1) of the NPSUD, the industrial demand projections used for the Draft FDS are derived from the BCA 2022.

Market Economics has addressed the issue of latent demand for industrial in their memo at **Appendix 5**. They observe that a high level review of industrial land for sale shows some listings that have been on the market for four years and that there has been strong uptake of industrial land supply since 2017. This is reinforced by the outcome of discussions with the development sector undertaken as part of the BCA. Market Economics conclude that there is limited evidence of latent demand for industrial land in the local market. We rely on this advice and do not recommend any amendments to the industrial demand projections to account for latent industrial demand. While there may have been some element of unmet demand specifically for wet industry, this may have been due at least in part due to the inability to secure a water allocation since the Hawke’s Bay Regional Council notified TANK Plan Change 9 in May 2020 and currently under appeal, as opposed to an inability to secure land with a trade waste service. This is discussed further below.

No other submitters queried or challenged the industrial demand assumptions underpinning the Draft FDS.

7.3.3 Industrial Capacity - Specific Considerations for Wet Industry

There are a range of specific considerations for wet industry capacity that we address below, before working through the site specific issues.

7.3.3.1 Access to the Trade Waste Network

The memo prepared by Brett Chapman details the role of the Hastings District Council's trade waste network in meeting wet industry needs (see **Appendix 4**). To summarise, Hastings operates a separated industrial trade waste network which collects trade waste from Omahu Road, Tomoana and Whakatu for treatment at the East Clive wastewater treatment plant (see **Figure 8** below). Mr Chapman notes that trade waste capacity is available in the main trunk sewers located along the railway corridor between Coventry Road in Hastings and Anderson Rd in Whakatu. There is some capacity in the industrial area to the south of Omahu Road but this is limited.

For comparison, Napier also operates a trade waste network that services existing industry on Thames Street and in Awatoto. There is some capacity in both areas although upgrades will be required to the network and the inlet works at the wastewater treatment plant in Awatoto. Any additional trade waste flows may also require a change to Council's discharge consent for the Napier wastewater treatment plant.

Access to the trade waste network is needed for wet industries that use and discharge water in manufacturing processes. This includes for example food processing (e.g. Heinz-Watties, Silver Fern Farms) and textile manufacturing (e.g. NZ Wool Scouring; Woolworks). On site pre-treatment for these activities would also be required in line with the District Council's Bylaw requirements.

We agree that access to the trade waste network for wet industry is a strategic advantage and this is already captured in the site assessments for Whakatu and Tomoana and the MCA. However, based on advice from Mr Chapman, we agree that this matter should be elevated in importance when considering potential locations for wet industry. In principle, Mr Chapman agrees with Mr Apple that it is not viable to extend the trade waste network further south to Irongate and that discharging to the municipal network is not an option for wet industries that need it, even with extensive on-site pre-treatment. Mr Chapman also considers that full on-site treatment and discharge solutions are not feasible. We rely on Mr Chapman's advice on this matter.

This therefore narrows the locations within which wet industry capacity can be provided to meet demand, largely to land in Whakatu, Tomoana and Omahu Road South. This must firstly account for capacity provided in existing zoned industrial land in these locations, and then if necessary, consider potential future expansion if that is needed to meet demand. Awatoto is an option for wet industry, however this is limited by current capacity constraints at the Napier wastewater treatment plant and the other matters we address in more detail below.

With that said, it is important to keep in mind that not all wet industry demand will require access to the trade waste network. We understand from Mr Chapman that small trade waste volumes can discharge to the domestic network with appropriate pre-treatment in place. This may be suitable for smaller scale wet industry activities and this already occurs for some, including

packhouses with lower discharge flow rates (Sunfruit Limited & NH Packing and Farming).

As per the BCA and the memo prepared by Market Economics, the following Australian and New Zealand Standard Industrial Classification activities are defined as wet industry:

- a) C11 Food Product Manufacturing
- b) C12 Beverage and Tobacco Product Manufacturing
- c) C13 Textile, Leather, Clothing and Footwear Manufacturing
- d) C15 Pulp, Paper and Converted Paper Product Manufacturing
- e) C17 Petroleum and Coal Product Manufacturing
- f) C18 Basic Chemical and Chemical Product Manufacturing
- g) C19 Polymer Product and Rubber Product Manufacturing
- h) C20 Non-Metallic Mineral Product Manufacturing

Market Economics has analysed the location of current trade waste consents, the output of which is documented in the memo at **Appendix 5**. While this is not determinative of future trends, it provides a sense of the portion of existing activities occurring in Whakatu, Tomoana and Omahu Road south, that actually require access to the trade waste network. This analysis shows that industries that have an existing trade waste consent account for a relatively small portion of land within existing industrial zones, being 3% of land area in the Omahu Road South area, 17% of land area in Tomoana and 8% of land area in Whakatu.

This low percentage is likely to be driven in part by existing vacant capacity in these areas and the operative planning rules that permit a range of industrial activities to establish. While not definitive, it does indicate that:

- a) Demand for land with access to Hastings' trade waste capacity is not necessarily the same as demand for land to accommodate wet industry;
- b) Land with access to the trade waste network in Hastings is not being used as efficiently as it could be for those activities that have a functional need to use the trade waste network. It is not realistic or feasible to assume relocation of established large scale dry industry activities in these areas. However, with the right planning incentives in place it is reasonable to assume that some relocation could occur over time for smaller scale activities or for those sites with lower value improvements, if demand is strong enough.

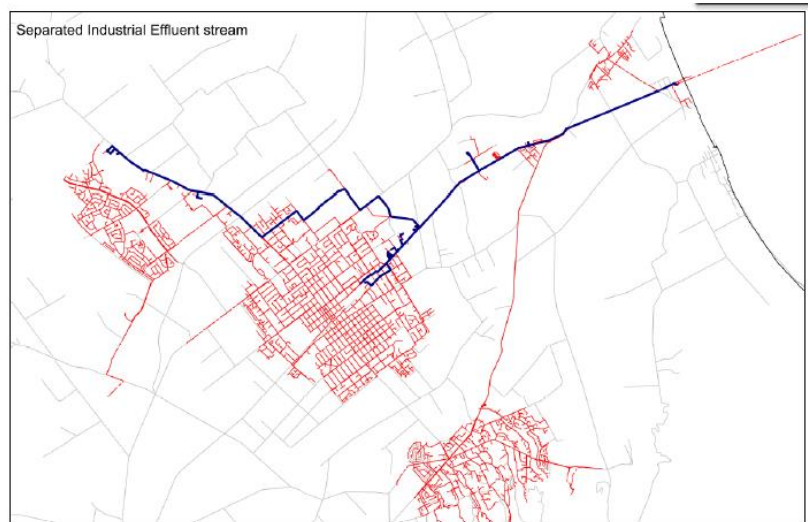


Figure 8 Showing the location of the separated trade waste network.

7.3.3.2 Zoning Framework & Vacant Capacity

The General Industrial Zone applies to Whakatu, Omahu and Tomoana. A portion of Tomoana is within the Tomoana Food Industry Zone and this area was rezoned in 2016 following uplift of the previous deferred zoning. The location of these zones is shown in **Figure 9** below.

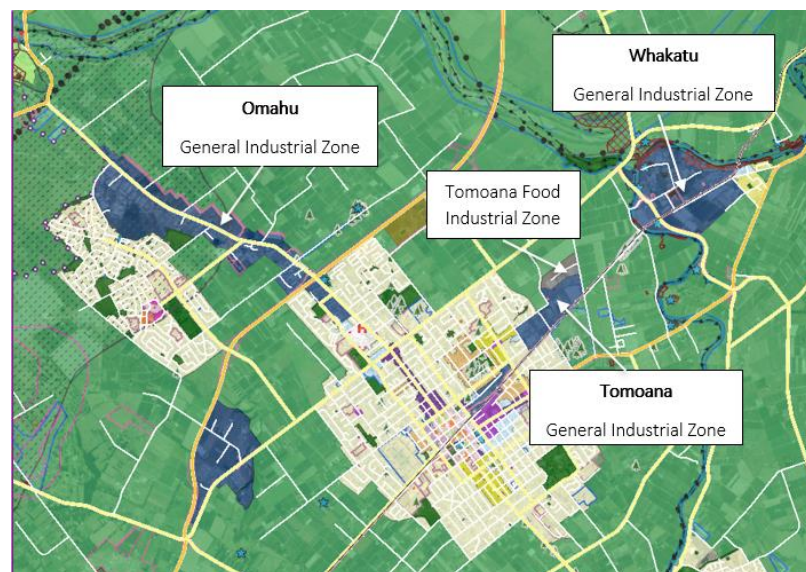


Figure 9 Showing the locations of General Industrial Zones and Tomoana Food Industrial Zone.

The Tomoana Food Industry Zone requires activities to be food related and have a locational requirement to be in the zone. This supports the intent for this area to develop as a major food processing and allied industry hub. In line with this,

only food related industrial activities are permitted in the zone²⁵, with other activities being non-complying. This is not limited to activities that require a trade waste consent, however, it is reasonable to assume that a good proportion of remaining vacant capacity would be used for food processing and manufacturing activities.

Whakatu and Omahu Road South are located within the General Industrial Zone. All industrial activities are permitted in the zone, as is ancillary retail and the sale/hire of industrial & agricultural goods. The operative District Plan takes a market-led approach in Whakatu and Omahu, with remaining vacant capacity potentially able to be used for wet or dry industry. Assuming that the market-led approach will remain, at least for the short and possibly medium term, it is reasonable to assume that remaining vacant capacity in these locations will be used for a combination of wet and dry industry.

7.3.3.3 Access to Water

Wet industrial activities require access to water for manufacturing processes. In some cases, municipal water provides some of the water for potable and sanitary needs and in some cases minor amounts of process water, but typically, the locations of such activities and their quality control requirements (chlorine and fluoride) mean they need to source and access water through their own systems. The HBRC has restrictions²⁶ in place that limit new water take consents given that Heretaunga catchments are currently over-allocated, particularly groundwater. Those limits also apply to new water take consents for agricultural and horticultural activities, which wet industry demand is related to i.e. food processing & manufacturing. New takes of groundwater or surface water are proposed to be a Prohibited activity except in very limited circumstances.²⁷

This constraint limits new wet industry from locating in Napier or Hastings unless it is possible to transfer existing water rights or some other site specific solution can be developed. Transfers/changes of water permits where the purpose for the water use changes will require a resource consent as a Discretionary Activity.²⁸ Policy TANK 45 of Proposed Change 9 requires the HBRC to consider declining applications to change/transfer water away from irrigation of the versatile land of the Heretaunga Plains for primary production, especially food production,

The Tukituki Water Security Project is a listed project under the Fast Track Approvals Act 2024. This project involves damming the Makaroro River and

²⁵ Definition as per Hastings District Plan *Food Related Industrial Activity: means industrial activities and warehousing associated with the processing, manufacturing, storage, packaging, distribution or transportation of produce, food or beverage products or goods used in the processing, manufacturing or packaging of food or beverage products, including food or beverage industry research facilities but excluding freezing works, abattoirs and livestock transportation depots.*

²⁶ Proposed TANK Plan Change 9 to the Hawke's Bay Regional Resource Management Plan. PPC9 is currently subject to Environment Court appeal proceedings, but does have legal effect nonetheless.

²⁷ Rule TANK 12 in Proposed TANK Plan Change 9 to the Hawke's Bay Regional Resource Management Plan.

²⁸ Rule 62B as amended in Proposed TANK Plan Change 9 to the Hawke's Bay Regional Resource Management Plan.

creating a water storage reservoir to enable regional water security and sustainability. The application states that the project would enable potential for enhanced flow from the Tukituki main-stem to be taken and utilised (through a pumped take in the Mangateretere area) into the water-short Lower Heretaunga Plains area (including the Whakatu-Tomoana Wet Industrial Area). This is intended to take pressure off the groundwater resource in that lower catchment²⁹.

Meanwhile, HBRC is currently investigating another water storage scheme, which includes a 27 million cubic metre (Mm³) water storage facility near Whanawhana³⁰. The proposed reservoir would be located on a small tributary off the Ngaruroro River. Peak winter flows would be stored for release back into the lowland river and stream network during dry summer months, to recharge the aquifer and offset water extraction. This project is now in the feasibility stage, which will be overseen by a new governance entity. The outcome of the feasibility stage will be a decision on whether to progress with securing resource consents. There is not yet an established timeframe for this work.

The TANK Plan change's new freshwater limits will continue to restrict, and in some cases prohibit, the taking and use of scarce water resources in the Heretaunga catchments. Innovative alternatives for accessing and using limited water will be crucial. These future water storage scheme projects, or other suitable alternatives could assist in providing additional water capacity for the Heretaunga catchments. In the meantime, new or transfers of water permits to service wet industry in the Heretaunga catchments can be assumed to be extremely constrained by water availability issues.

7.3.3.4 Updated Wet Industry Capacity Analysis

Mr Apple's submission contains a detailed wet industry capacity analysis. On the basis of this, the submitter concludes that "at best the Draft FDS would enable the potential for 9.6 ha of vacant zoned industrial land across Napier and Hastings that is unconstrained and suitable for wet industry." This is based on analysis undertaken by Property Economics included within the submission.

We have discussed this with representatives for Mr Apple who advise that the 9.6 ha includes two sites, being the vacant sites at Hanui Road, Tomoana³¹ and the south-eastern part of the Severn Precinct in Napier³². They advise that other sites with vacant capacity were otherwise excluded on the grounds of infrastructure servicing (water and trade waste), site sizes (sites less than 2 ha were excluded), vulnerability to natural hazards, transport and connectivity and reverse sensitivity. It remains unclear how the last three matters factored into the assessment, in terms of whether sites were specifically excluded on this basis, and if so, how. The submitter may wish to clarify this at the Hearing.

²⁹ From the Fast Track application material for the Tuki Tuki Water Security Project available here: <https://environment.govt.nz/acts-and-regulations/acts/fast-track-approvals/fast-track-projects/tukituki-water-security-project/>

³⁰ [Next steps in Heretaunga water security confirmed | Home | Hawke's Bay Regional Council](#)

³¹ Referred to as Site 53 in the Mr Apple submission (7.73 ha).

³² Referred to as Site 58 in the Mr Apple submission (1.84 ha).

We provide an updated summary of current wet industry vacant capacity below and a comparison with overall demand. We have conservatively focussed the vacant capacity analysis on the areas at Whakatu, Omahu (south) and Tomoana given that these areas have access to Hastings separated trade waste network and given the trade waste network constraints in Napier. Although this constraint in Napier could be resolved, or a bespoke solution to be developed depending on the specific wet industry use.

Vacant capacity for wet industry was assessed through the BCA 2022. Vacant capacity has reduced further since this time, and it is therefore appropriate to provide updated information to inform for this report. The assumptions that this is based on is as follows:

All vacant sites within the Whakatu, Tomoana and Omahu Road South areas are included. This includes sites less than 2 hectares. While larger sites are more efficient for large scale wet industries, smaller sites present opportunities for smaller scale manufacturing and processing activities, which form a component of overall demand. We further note that the minimum site size of subdivision in the Tomoana Food Industry Zone is 5,000m².³³

It is assumed that natural hazard risks within the existing zoned areas can be engineered and designed to mitigate potential adverse effects. This is a reasonable assumption given that the sites are signalled as being appropriate for urban development.

Access to water is not considered a constraint for this analysis given that all sites are currently affected by water allocation limits in the Heretaunga catchments. Including more land for wet industry in the FDS would not address this constraint.

Transport connectivity and reverse sensitivity are not addressed as constraints in this analysis, particularly given that the sites have an industrial zoning and are considered suitable for this use. Although we note that this would have design implications for some industrial uses.

Conservatively, it is assumed that 50% of available remaining vacant capacity within Whakatu, Tomoana and Omahu Road South would be used for wet industry. This accounts for the current enabling zoning framework, and reflects that wet industry accounts for approximately 31% of overall industrial demand in Napier and Hastings but would seek to locate in areas with access to the trade waste network. With stronger rules in place to better protect suitable land for wet industry, together with increased land supply for dry industry, new dry industries will be incentivised to locate in more appropriate locations e.g. Irongate.

³³ Note that a 5,000m² minimum site size for subdivision is consistent with other wet/heavy industry zones around New Zealand.

Table 6 Industrial capacity at Whakatu, Omahu South and Tomoana Food Hub

Location	2022 BCA capacity	Q4 2024 vacant capacity	50% uptake of vacant capacity
Whakatu	47.4 hectares	36 hectares	18 hectares
Omahu South	41.5 hectares	37 hectares	18.5 hectares
Tomoana Food Hub	12.6 hectares	11 hectares	5.5 hectares
Total	101.5 hectares	84 hectares	42 hectares

This indicates that conservatively, there is a potential shortfall of wet industry capacity to meet demand of approximately 20 hectares. This occurs in the long term given the amount of vacant capacity currently available. This capacity number is significantly different to that assessed by Mr Apple and reflects the different assumptions that have been applied, which in our opinion is more appropriate for this strategic planning process.

Given the high degree of uncertainty about how and when water constraints will affect demand for wet industry, the current low proportion of trade waste consents relative to industrial land area, and uncertainty on the potential split of uptake between wet and dry industries, it is appropriate in our opinion to treat these more refined estimates with caution. Particularly where there are other strategic considerations at play such as highly productive land. We discuss this further below.

7.3.4 Industrial Capacity – Site Specific Analysis

7.3.4.1 Whakatu (Mr Apple) & Tomoana

In addition to the Mr Apple site in Whakatu (part of WH1), Jim Bishop and Bunnings Limited have sought to include the Tomoana area (H6) as an industrial area. Both of these areas are identified as indicative industrial areas in HPUDS 2017, and originally identified in the Hastings Industrial Expansion Strategy in 2003, along with Irongate and Omahu North.

Both of these sites have high productive value and are classed as LUC1. High level advice from HBRC's Dr Kurt Barichievy (see **Appendix 10**) states that the loss of these sites for production would be significant in the context of LUC1 being a highly valuable resource. Dr Barichievy states that the loss of the Whakatu site in particular would be significant given the capital and land improvements and the potential downstream impacts on surrounding orchards and supporting sectors. As HPUDS 2017 does not define the boundaries of these areas they are not excluded from the definition of highly productive land under clause 3.4 of the NPS-HPL.

Excluding the issue of soil productivity, the sites themselves are well suited to wet industry use. They adjoin existing industrial hubs, are flat, close to the strategic transport network, have access to the separated trade waste network and can be efficiently accessed by local workers. Both sites have reverse sensitivity issues that would need to be managed and while natural hazard constraints vary, they are not fundamental based on available information and would likely be managed through the engineering and design process.

However, the NPS-HPL introduces a considerably more restrictive policy framework for managing highly productive land. At the time of rezoning, it must be demonstrated that the site/s are needed to provide sufficient development capacity, there are no other reasonably practicable and feasible options, and the benefits outweigh the costs.

In terms of the first matter, the vacant capacity analysis undertaken above illustrates that one of the sites may be needed to provide sufficient development capacity based on current information, however, there is some uncertainty regarding this. In terms of other reasonably practicable and feasible options, these are limited to stronger policy direction for wet industry in existing zoned areas with trade waste capacity to protect what vacant capacity remains, and/or addressing trade waste constraints for remaining capacity at Awatoto and near Thames Street. Both of these are possible but uncertain as to timing and effectiveness. In our opinion, these matters are most appropriately addressed through a plan change process as the NPSHPL intends.

Given the uncertainties set out above with respect to wet industry demand, we recommend amending the Draft FDS to explain that the expansion of Tomoana and/or Whakatu may be required in the long term should monitoring show that there is a shortfall of capacity, which is not limited by industry-wide constraints such as access to water given that additional capacity would not resolve this issue. This can be addressed in text amendments to Section 10.5 of the Draft FDS.

Further, we recommend amending the Draft FDS to include a short-term action to investigate making policy changes to better protect remaining capacity at Whakatu for wet industries, noting that appropriate protection is already in place for Tomoana. The same action could apply to Omahu Road South, subject to having greater certainty over remaining trade waste capacity. Alternatively, these actions could be included in the FDS Implementation Plan.

7.3.4.2 9 Giles Lane, Whakatu

Te Aratika Group seeks to include of 9 Giles Lane, Mangateretere in the FDS for industrial. The site is located on the eastern side State Highway 51 immediately opposite the industrial area sought by Mr Apple at Whakatu.

The submission states that the intention is to relocate the Te Aratika Academy from the Mangateretere School site overtime onto the 9 Giles Lane, and to develop an integrated infrastructure depot and training academy on the one site. They state that the industrial zoning sought would provide for the infrastructure depot and create a consenting pathway for the educational

training component of the activity. The submission also states that retrospective resource consent is required to legitimize the establishment of the infrastructure depot.

The site has good access to the transport network and is close to the established industrial area at Whakatu. However, the site is LUC1 and therefore subject to the NPSHPL. Dr Barichievsky has commented on this site in terms of land productivity. He states that the conclusions in the submission documents do not provide a fair overview of the site and focus on the negatives rather than giving a balanced overview. He states that the site is classified as LUC 1, which is not disputed, with many of the stated limitations caused by anthropogenic reasons. We note that the submission states that the current activities on the site do not have the appropriate consents in place.

While Giles Lane does provide a boundary, it is designed to rural standard and does not provide a strong boundary in the same way that State Highway 51 does.

Given the specific and relatively small-scale nature of the activity that the submitter is seeking to establish, in our view, this matter would be more appropriately addressed through a resource consent or plan change/plan review process.

7.3.4.3 Ahuriri Station & Severn Precinct

Ahuriri Station and Severn Precinct are part of the Ahuriri Deed of Settlement from the Crown which is administered by MAT.

The Draft FDS identifies the potential to establish an ecologically sustainable business development at Ahuriri Station of approximately 300 hectares. The Severn Precinct is already partially zoned under the Operative Napier District Plan and the Draft FDS signals an extension to that area. MAT are seeking to rezone this area for a combination of Large Format Retail and General Industrial Zone through the Napier Proposed District Plan process.

MAT, MTT, TPW support including this land in the Draft FDS. Hawke's Bay Airport also support including Ahuriri Station and together with Ministry of Education wish to continue working with MAT to ensure that the operational needs of the Airport are met and that education infrastructure is addressed through master planning. NZTA request more detail on the process for investigating and identifying supporting infrastructure. We agree that these are important matters that will need to be addressed, and they would be appropriately considered through a plan change/plan review process, informed by a Structure Plan as required by the RPS. This would detail infrastructure requirements and funding options. Input from the Hawke's Bay Airport would be required to determine the layout and design of any development, including wetland restoration areas and building areas & heights, to ensure that operational matters are catered for.

Other submitters opposed including Ahuriri Station on natural hazards and environmental grounds. Ahuriri Station is subject to a range of overlapping and

complex natural hazard constraints, including a high ground water table and vertical land movement, that if left to natural processes would see much of Ahuriri Station permanently underwater, as it was prior to the 1931 earthquake. These types of constraints are not unique for Napier and the scale of the development provides opportunities to mitigate this risk through substantial raising of ground levels, as proposed by MAT. Technical evidence provided by MAT through the call for opportunities process demonstrated at a high level that there is an engineering solution available to manage natural hazard risks.

The evaluation of natural hazard risk in more detail, and the robustness of mitigation measures must be a key component for a future structure planning and plan change/plan review process for Ahuriri Station and the Severn Precinct. In order to mitigate natural hazard risk, we acknowledge that there are potential inefficiencies for the community to develop in this location, in terms of costs to develop and service, compared to other available areas that are less constrained.

We also note that the Ahuriri Station development is a listed project under the Fast Track Approvals Act 2024. Schedule 2 states that the project will involve approximately 1,000 residential dwellings, a commercial and industrial business park, ecological parks and recreational spaces, an approximately 30 to 80 hectare solar farm and preserving and enhancing places of cultural significance.

We do not recommend further changes to the Draft FDS relating to Ahuriri Station or the Severn Precinct.

7.3.4.4 Awatoto

Berkett Commercial 2021 Ltd seeks to include additional land at Awatoto for industrial development as shown on the plan below. This area is identified as a possible industrial expansion area in HPUDS 2017. Hawke's Bay Protein has requested that infrastructure works are undertaken in the short term and prior to making land use decisions regarding possible expansion.



Figure 10 Showing the additional land Berkett Commercial 2021 Ltd seeks to include in the FDS at Awatoto.

The information below has been supplied by HBRC and provides background to some of the infrastructure improvements currently being investigated for Awatoto.

The Awatoto industrial area suffered considerable damage from Cyclone Gabrielle. A stopbank on the lower Tutaekuri River was breached and the entire Awatoto area was flooded, in some cases by over 2.0m. The Napier City Wastewater Treatment Plant was rendered inoperable and many of the businesses also suffered extensive floodwater damages (a total insurance claim over \$270M). The Awatoto Industry Action Group (AIAG)³⁴ has been formed to represent major industry interests in the Awatoto area.

A recent review of HBRC's river flood model for the Tutaekuri River shows that a storm flood in excess of the current level of service (LOS) of the Heretaunga Flood Protection Scheme would result in widespread flooding on the Heretaunga Plains, including Awatoto. The current Level of Service is 1:100 year but the modelling shows that a 1:100 storm (with post-Cyclone Gabrielle flows) results in overtopping of the stopbanks. Currently, there is no budget allocated and no timeframe to make any stopbank improvements. This remains subject to further review and work by HBRC of the Heretaunga Plains Flood Scheme.

The AIAG is focused on increasing the resilience of the area as soon as practical. The AIAG have assessed a number of possible options. The preferred option is a secondary containment scheme involving construction of a bund around the built-up area of Awatoto.

³⁴ AIAG members are: WoolWorks New Zealand Ltd, Bremworth Ltd, Zivi Limited (through land/building owners Hapai Ahuriri & Hapai Zoto), Ravensdown Ltd, Hawke's Bay Protein Ltd, Ruminant, Unison, Napier City Council and mana whenua representatives.

AIAG's preferred route (Option 1) is shown in blue in **Figure 11**. Option 2 (white) has been investigated but is less preferred. Option 1a (red) is an alternative southern route avoiding complexities through the Ravensdown site. Modelling of water depths for a 1:500 year storm with and without a bund (Option 1) has confirmed that a bund would be effective in mitigating flood risks for up to 1:500 year storm (0.2%ARI) if it is constructed to an elevation similar to the current bund at Maraenui golf course (to the north).

Preliminary estimates of capital costs for the secondary containment work range between \$16M-\$20M, excluding any land purchase costs. AIAG is progressing work to refine the costs by further site investigations and detailed design. AIAG anticipates funding would be sourced from beneficiary contributions and loan or grant funding through targeted Government funds.



Figure 11 Showing the secondary containment alignment options for Awatoto.

Should Option 2 be progressed, in our opinion, there is a stronger case for providing for a western expansion of the Awatoto industrial area, although the area remains subject to a range of other natural hazard risks that require further investigation. However, at this time, there is uncertainty over the preferred alignment, and it would therefore be premature to indicate that this area is suitable for urban development.

Berkett Commercial 2021 Ltd also outlines concerns about industrial capacity in Napier to meet demand. We have already addressed wet industry capacity above in response to the Mr Apple submission.

Regarding dry industry, relying on the BCA 2022, demand over 30 years is approximately 135 hectares across Napier and Hastings, with most of that demand occurring in the long term. Existing vacant capacity for dry industry across Napier and Hastings as at 2024 is approximately 103 hectares, excluding the Deferred Airport Zone in Napier. The Draft FDS further provides for approximately 300 hectares of business/industrial development at Ahuriri Station and approximately 100 hectares of industrial land at Irongate. Based on this, the Draft FDS provides significant capacity for dry industry and additional

land at Awatoto is therefore not required at this time, although it remains an option to consider in future FDS reviews.

7.3.4.5 Irongate

Two submissions sought expansions to the industrial areas indicated at Irongate. The Irongate North Landowners sought to extend the existing Irongate industrial area north, as shown on **Figure 12** below. The submitters recommend extending Maultsaid Place north to provide road access. Angela McFlynn sought to extend the proposed industrial south area to Longlands Road West / Maraekakaho Roads to provide a clear industrial boundary.

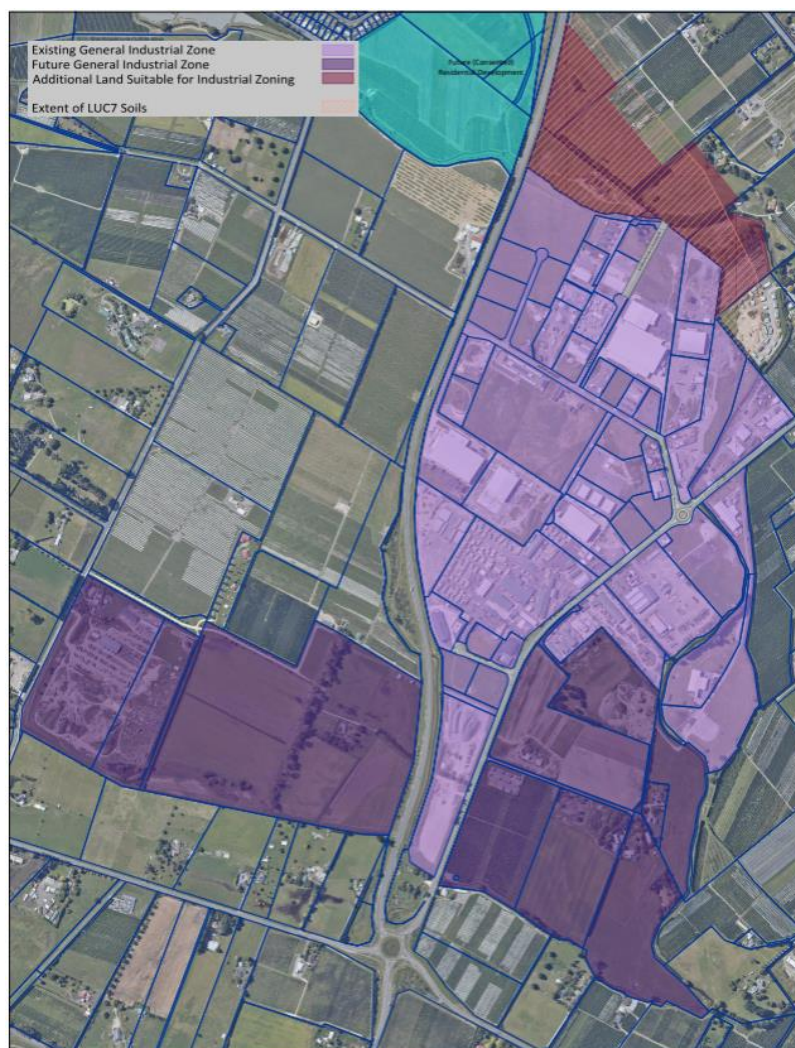


Figure 12 Requested northern expansion of Irongate.

We do not support expanding the existing Irongate industrial area further north. The Irongate Stream provides a clear and defensible boundary at the northern end of Irongate. While the land in question is LUC7, northern expansion of Irongate without a well defined boundary risks further expansion occurring to

the north onto the LUC1 land immediately adjoining. Future demand would comfortably be met by the proposed 100 hectare area proposed further south.

The Draft FDS aligns the southern extent of the proposed Irongate expansion (IR1 and IR2) with existing watercourses to provide a natural boundary. This also serves to protect the LUC1/2 land that is currently in productive uses on the eastern side of State Highway 2. The western side of State Highway 2 has more mixed soil classifications (LUC3 mainly) and accommodates a range of non-productive activities.

There are potentially benefits in extending parts of IR1 and IR2 south as this would provide an additional vehicle access point that is not from State Highway 2. This is particularly the case for IR1, which would be accessed from Stock Road and does not have a secondary access like what exists on the eastern side. In our opinion, there is merit in expanding IR1 and IR2 south, however this would be more appropriately considered through a structure plan and plan change/plan review process, given the productive values and transportation implications present. The boundaries indicated in the FDS are not intended as fixed hard lines as indicated by **Figure 13** below (and as per Figure 19) in the Draft FDS, and structure planning may result in adjustments depending on the outcome of technical assessments and informed by an Integrated Transport Assessment with input from NZTA.

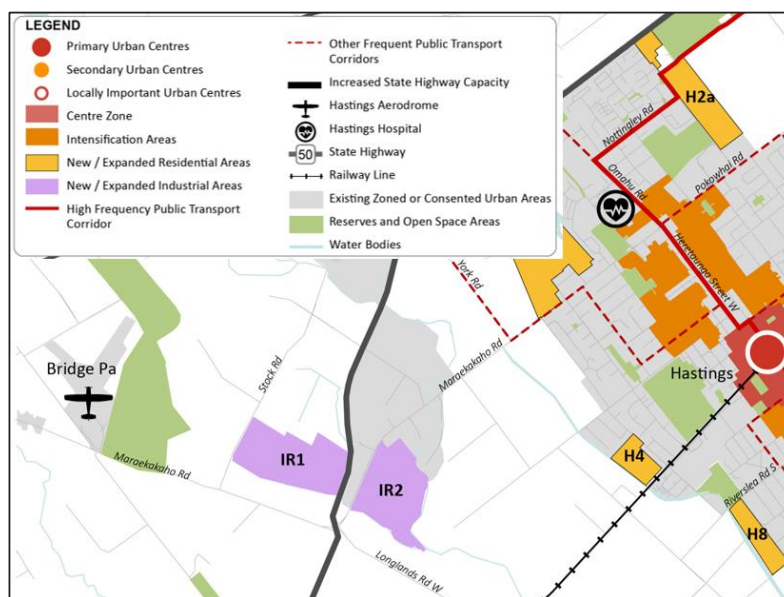


Figure 13 Showing proposed Irongate expansion.

7.3.4.6 Evenden Road

Hamachek Holdings Ltd seeks to include the land at 160 Evenden Road in the FDS as industrial for the purpose of transport related infrastructure in the form of an energy centre. The submission states that the intention is to develop an energy centre offering green hydrogen, electric vehicle charging as well as traditional petrol and diesel offerings. Given the relatively small size of the site

(2.5 hectares) and isolation from other general industrial activities, in our opinion, this matter is best addressed through a resource consent process.

7.3.4.7 Omahu

Wrightson Contracting Limited seeks to include an additional 47 hectares of land in the FDS as industrial at the western end of Omahu Road, given industrial demand and historical land uses. The area is shown in **Figure 14** below. This area was assessed under the MCA as FM3 & FM4. Based on the current network the area would only be suitable for dry industry.

The area is within the Plains Production Zone, but does accommodate a range of rural industrial activities, some of which are provided for as 'scheduled activities' in the Hastings District Plan³⁵. We understand that other activities are operating under resource consents or existing use rights. The area is bordered to the south by the Roys Hill Wine Growing Area. While there are established rural industries in place, identifying a non-contiguous industrial area would pose a risk to future expansion onto what is a strategically important wine-growing district for the region. Furthermore, the area overlays the unconfined Heretaunga aquifer. We are advised by Mr Chapman that there are relatively high costs involved in extending infrastructure networks along Omahu Road that would be needed to service the area.

In the context of the Draft FDS providing sufficient capacity for dry industry by some margin, we do not recommend including this as an industrial area in the FDS.

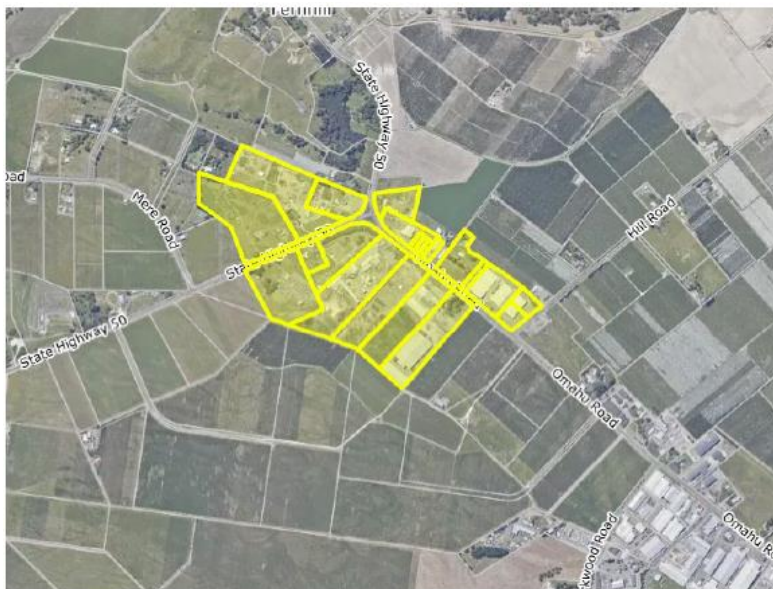


Figure 14 Showing the land at the western end of Omahu Road sought for inclusion as industrial.

³⁵ Schedule 23 provides for timber milling, treatment storage and sales at 2670 Omahu Road. Schedule 29 provides for Agricultural contractors associated with harvesting including storage and servicing of vehicles.

7.3.4.8 Wilson Road

Various submitters sought to include the land bounded by Wilson Road, Flaxmere Avenue, State Highway 2 and the southern end of the Omahu Road General Industrial Zone in the FDS as industrial. It was also part of the Heretaunga Connections project submission. This area is shown on **Figure 15** below. This area was not put forward during the call for opportunities and was therefore not assessed under the MCA.

In terms of advantages, the site immediately adjoins the existing Omahu Road industrial area, is flat, has access to the strategic transport network, close to a source of employees and is efficient for people and other businesses to access. In terms of disadvantages, the land is highly productive, being a combination of LUC1, 2 and 7 and is currently in productive use, as are the neighbouring sites to the east and west. The block also lacks a well defined and defensible boundary. As discussed above, there are also some constraints in the trade waste network for the area south of Omahu Road meaning that this block would likely be suitable for dry industry only. Given that the Draft FDS provides ample capacity for dry industry, in our opinion, there is limited strategic benefit to including this land for industrial when taking into account the productive capacity of the land and the stringent requirements of the NPSHPL.



Figure 15 Showing the location of the Wilson Road industrial expansion sought by several submitters.

7.4 Recommendations

In relation to business and industrial, we make the following recommendations for amendments to the Draft FDS:

- a) Explain that the expansion of Tomoana and/or Whakatu may be required in the long term for wet industry should monitoring show that there is a shortfall of capacity that is not related to the issue of access to water. This can be addressed in text amendments to Section 10.5 of the Draft FDS.
- b) Include a short-term action to investigate policy changes to better protect remaining capacity at Whakatu for wet industries, noting that appropriate protection is already in place for Tomoana. The same action could apply to Omaha Road South, subject to having greater certainty over remaining trade waste capacity. Alternatively, these actions could be included in the FDS Implementation Plan.
- c) Amend the Draft FDS to clearly state that the boundaries are indicative only and that refinements may occur through the structure planning and rezoning process, as a result of more detailed technical analysis.

8.0 Rural Residential and Coastal Settlements

8.1 Issues Raised in Submissions

Multiple submitters raised issues regarding the approach to rural residential taken in the Draft FDS. Submitters also raised issues regarding the approach to development in coastal settlements including Waimarama and Haumoana.

Submitters requested that the FDS includes specific rural residential sites in the FDS or otherwise provide greater certainty over the timing for the development of a Rural Residential Strategy.

The key broad issues raised are as follows:

The FDS should allow growth in rural areas and actively promote rural residential development / satellite development or otherwise identify locations for rural residential (Maree Bradshaw; Neville Bradshaw; Brian Hankin; Jill Hankin; Matt Holder; R C Macniven; Willow View Terrace Ltd; Craig Alexander);

Rezone the rural residential zones, or lower lying parts of rural residential zones, to provide for intensification above what the current rules allow (e.g. Havelock foothills; Te Awanga Hills and Poraiti) given that the land is unproductive, are close to services, are north facing mainly and have suitable contour (Hastings District Landmark Trust; David Oliver; Noel Bates), or otherwise do not limit land sizes to a minimum of one hectare (RCD Group);

Support removing the rural and coastal areas from the FDS to minimise urban sprawl and manage hazards (Andrew Lessells; Kirk Doyle);

Provide opportunities for early engagement in planning for rural residential growth / settlements to inform decisions relating to capacity within the school network (Ministry of Education);

In relation to the Draft FDS recommendation to prepare a Rural Residential Strategy:

- a) Support for progressing a more detailed Rural Residential Strategy (David Oliver; Fernhills Limited);
- b) Support for progressing a more detailed Rural Residential Strategy but do this as part of the FDS now given that the sites/areas have been assessed (RCD Group);
- c) Specific wording changes to the description of the Rural Residential Strategy in the Draft FDS are sought by Kingfisher Pass & Rangimoe Trust and I Grieve & Mutiny Hills Ltd (refer pg. 14-15 of their submission).
- d) Strengthen the references to ensure the strategy is completed in a timely manner and amend section 10.6 of the Draft FDS to recommend that policies be added to the RPS and District Plan that enable rezoning for rural lifestyle development in appropriate locations (Tuki Tuki Road Residents);
- e) Ensure there is a directive in the FDS that spatial strategies are undertaken for rural areas, in particular areas where rural residential living is already occurring to enable growth options with a specified timeframe e.g. 12 months (V & L Howard; Chesterman).

Ensure the FDS includes a directive that enables future rezoning requests for rural residential to be considered on their merits based on achieving specified criteria that are consistent with the FDS objectives (V & L Howard).

The key site/area specific issues raised are set out in the table below. The Plan at **Appendix 6** shows the location of these sites/areas.

Table 7 Site-specific issues raised for rural and coastal settlements

Rural & coastal sites/ areas	Submitters and position
<i>Napier</i>	
Bay View	Expand the rural residential area west of the Bay View township given the area is unproductive hill country already held in small titles (Maree Bradshaw; Neville Bradshaw; Brian Hankin; Jill Hankin).
<i>Hastings – Rural Residential</i>	
Havelock Hills	Include the sites at 120 Endsleigh Drive and Red Hills (72.44 hectares) as rural residential in the FDS. Collectively the sites would provide for approx. 65 new dwellings. (Kingfisher Pass & Rangimoe Trust).
Mutiny Road	Include the land at Mutiny Road in the General Rural Zone (54 hectares) as rural residential in the FDS, with a yield of approximately 54 dwellings. (I Grieve and Mutiny Hills Ltd).
Maraekakaho	Include Maraekakaho in the FDS as a satellite town that provides capacity for about 300 dwellings & an

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	additional 150 dwellings as large lot residential (Focus Maraekakaho; Willow View Terrace Ltd).
Fernhill	Include multiple sites at Fernhill in the future Rural Residential Strategy for development. The sites are approximately 411 hectares (Fernhills Ltd).
Tuki Tuki	Extend the Tuki Tuki Special Character Zone to include approximately 118 hectares of land at the southern end and identify this as rural residential in the FDS (Tuki Tuki Road Residents). Include the site at 116 Matangi Road (5.6 hectares) as rural residential in the FDS (V & L Howard).
Puketapu	Include approximately 90 hectares of land in Puketapu accessed from Seafeld Road/Puketitiri Road as rural lifestyle in the FDS (Robert Pattullo).
Turamoe Road	Include the land at Awanui Station (approx. 688 hectares) at the end of Turamoe Road as residential in the FDS on the basis that the site is close to the existing urban area, is not highly productive, has no flood risk and infrastructure would be provided by the developer (Peter and Caroline Raikes).

Hastings – Coastal Settlements

Haumoana	Include the land generally within one kilometre of Haumoana School as an area for further investigation (RCD Group) including the land at 42 Raymond Road (Endsleigh Cottages). General support for development at Raymond Road (Stephen Gittings; Jacob Scott).
Waimarama	Include the land at Okaihau Road and Te Apiti Road (12.4815 hectares – 10 proposed lots) as rural residential in the FDS (Rangimoe Trust). Include the land at 53 and 155 Harper Road (95 hectares) in the FDS and identify it as a coastal settlement (Chesterman).

8.2 Information and Evidence

In line with the requirements of the NPSUD, the Draft FDS is focussed on identifying broad locations in which development capacity will be provided over the long term in **existing and future urban areas** (clause 3.13(2)(a)). Because of this, the Draft FDS does not address, spatially at least, new locations for rural residential because it is not urban in scale.

With that said, existing rural residential areas on the urban fringe, including the Havelock Hills, Poraiti and Bay View, were factored in urban development capacity and this is addressed in the Market Economics report prepared for the

Draft FDS. In our opinion, this is appropriate given that these locations function as part of the urban environment due to their proximity to urban services.

Urban scale development in rural and coastal settlements was assessed as part of the spatial scenarios – see Scenario 3 assessed in the Technical Report. That considers urban scale development at Maraekakaho, Paki Paki, Bridge Pa and Te Awanga. This scenario was discounted due to high servicing costs and transport efficiency, amongst other matters as explained in the report above.

8.3 Analysis and Discussion

8.3.1 General Approach to Rural Residential & Rural Residential Strategy

Various submitters sought to actively promote rural residential development, including as an alternative to development in low lying areas and on highly productive land. We have already discussed this matter in Section 5 above. While rural residential style development provides a legitimate housing choice for people in terms of Policy 1 of the NPSUD, providing significant additional rural residential capacity would not meet Napier and Hastings future urban housing needs, given the costs of developing and servicing (including on site) and the preferences and needs of buyers, particularly with an aging population.

As explained in Section 3.1.1 of the Market Economics report for the Draft FDS, approximately 20% of total housing demand for Napier and Hastings is expected to be met in rural areas (approximately 2,050 dwellings). This reflects residential consenting volumes outside of the urban Stats NZ SA2 areas over the last three years. The recommended Rural Residential Strategy (see Section 10.6 of the Draft FDS) is intended to determine the most efficient and effective way of providing for this growth that meets the needs of rural communities. Until this occurs, development can occur within established rural and coastal settlements, which have vacant capacity³⁶, as well as within rural areas in accordance with the District Plan rules. In the Hastings context, this includes provision for:

- Rural residential farm parks in the Rural Zone, which provides for rural lifestyle development on larger sites of 60 hectares or more;
- The subdivision of one rural lifestyle lot every three years on sites in the Rural Zone provided that the minimum balance area is at least 20 hectares.

Submitters generally supported the need for a Rural Residential Strategy. However, several observed that the operative Regional Policy Statement includes directive policies that discourage inappropriate rural lifestyle development in the Heretaunga Plains sub-region³⁷ (see Objective UD4 and Policy UD3), which are at odds with the commentary in the Draft FDS. We agree that reconsideration of the RPS objectives and policies on rural residential and lifestyle development may be required, and this would be usefully informed by

³⁶ Refer to Table 4-1 and Table 4-4 of the Market Economics report for the Draft FDS.

³⁷ This area is defined in HPUDS 2017 as shown on the map available here:
<https://www.hpuds.co.nz/themes/hpuds2016/images/hpuds-region-map.jpg>

the outcome of the Rural Residential Strategy. However, in the meantime, we note that Objective UD4 refers to avoiding “inappropriate” lifestyle development, which does leave the door open for “appropriate” lifestyle development to be considered on its merits. At a strategic level, the Strategy would need to carefully consider the impact of rural residential development in terms of scale and location, on the compact urban form objectives of the RPS and the FDS, including impacts on the transport network and currently low volume rural roads.

Kingfisher Pass & Rangimoe Trust and I Grieve & Mutiny Hills Ltd requested specific amendments to Section 10.6 of the Draft FDS (refer pg. 14-15 of their submission). These amendments seek to remove reference to the preparation of a Rural Residential Strategy and instead refer this to the statutory planning process via amendments to the RPS and District Plans. We do not support this approach. A Rural Residential Strategy is an appropriate precursor to changes to the RPS and District Plan. This provides the opportunity to work with existing rural communities and iwi and hapū to establish their vision and values for their local areas. This work could inform a range of Council processes, including infrastructure investment and community initiatives, as well as supporting changes to statutory documents. We acknowledge that this two-step process would occur over a longer period of time. However, the extent of vacant capacity in operative rural residential zones, indicates that amendments to the RPS and District Plans is not an urgent priority from a development capacity perspective.

HPUDS 2017 provides strategic direction on growth outcomes for coastal and rural settlements (see pages 38-39 of the document³⁸). This level of detail is not contained in the Draft FDS given that it is focussed on providing for urban scale growth. However, given that the FDS is intended to replace HPUDS, it is important that this strategic direction is not lost, particularly prior to the preparation of a Rural Residential Strategy. We recommend that this direction is carried over to the Draft FDS as an Appendix, with appropriate introductory and explanatory text. We recommend further amendments to Section 10.6 of the Draft FDS to reference and provide context for this Appendix. This would partly address area-specific concerns raised by submitters, including those relating to Maraekakaho, Te Awanga and Haumoana.

8.3.2 Site Specific Requests

Several submitters requested that specific sites/areas be identified in the FDS as rural residential/lifestyle. As outlined above, we consider that these matters would be more appropriately addressed through a Rural Residential Strategy. However, should the Panel be minded to identify specific rural residential sites in the FDS (which we are not recommending) as part of its preliminary deliberations, the project team can provide further advice on those areas based on information currently available.

³⁸ <https://www.hpuds.co.nz/>

8.4 Recommendations

In relation to rural residential and coastal settlements, we make the following recommendations for amendments to the Draft FDS:

- a) Include the text from pages 38-39 of HPUDS 2017 as an Appendix to the FDS with appropriate explanatory text, stating that the Appendix provides strategic direction for the listed rural and coastal settlements until such time as a Rural Residential Strategy has been prepared. This recommended text is included at **Appendix 1** to this report.
- b) Make appropriate supporting amendments to Section 10.6 of the Draft FDS to reference the Appendix.

9.0 Greenfield Residential Napier

9.1 Issues Raised in Submissions

Multiple submitters raised issues regarding the greenfield sites identified for Napier requesting that they either be retained or removed from the Draft FDS. Various submitters sought to include new sites in the FDS.

This section of the report addresses site specific issues raised by submitters for Napier. These issues are set out in the table below. The Plan at **Appendix 6** shows the location of these sites/areas.

The general submissions, particularly those relating the avoiding development on highly productive land and hazard prone/low lying land set out in Section 5.3 of the report above, are relevant to this topic.

Table 8 Napier site-specific key issues raised

Napier sites/ areas	Submitters and position
Ahuriri Station	<p>Ahuriri Station includes capacity for approximately 1,000 dwellings on the northern side of Onehunga Road in Bay View. Submissions that support or oppose development at Ahuriri Station are detailed in Section 8.1 of the report above.</p> <p>The Natural Hazards Commission specifically opposed the inclusion of AS1 and AS2 at Onehunga Road on natural hazard grounds.</p>
Mission Estate and Mission Hills	<p>Include additional land at Mission Estate for residential development, including the Artisan Village Area within the Rural Lifestyle Zone and the Future Area within the Rural Production Zone as per the Mission Estate Masterplan (Marist Holdings (Greenmeadows) Ltd).</p> <p>General support for the Mission Hills development (Natural Hazards Commission; Daniel Kittow; Samatha</p>

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	McPherson; Forest and Bird). No submitters opposed the Mission Hills area proposal.
<i>Riverbend / South Pirimai / The Loop & Surrounds</i>	
Riverbend	<p>Support for development of Riverbend (Te Orokohanga Hou Joint Venture; Bayden Barber), noting that engineering solutions are available to manage natural hazard risk.</p> <p>Multiple submitters opposed development at Riverbend on natural hazards grounds (Natural Hazards Commission; HBRC, John Reid; Myriam Parker; Gary Curtis; Andrew Lessells; Simon Nash; Samatha McPherson; Susan Garner; Forest and Bird).</p> <p>Some submitters requested further information to determine whether natural hazard mitigations could provide a reasonable level of protection for the Riverbend Road site (MTT).</p>
The Loop	Only one submitter specifically opposed the inclusion of the Loop in the Draft FDS on natural hazard grounds (Natural Hazard Commission).
South Pirimai	<p>Support the inclusion of 225 Waverley Road and 45 Ulyatt Road as part of NC4d – South Pirimai (Currie Family Trust).</p> <p>Only one submitter specifically opposed the inclusion of South Pirimai in the Draft FDS on natural hazard grounds (Natural Hazard Commission).</p>
Waverley Road	<p>Support for the inclusion of land bounded by Waverley Road and South Pirimai, Riverbend and The Loop (approx. 150 hectares) as residential in the FDS (Dooney Brothers Partnership). Note that the western extent of the land is identified as a stormwater management area in the Te Orokohanga Hou Joint Venture submission to facilitate the Riverbend development.</p> <p>The Natural Hazards Commission supported the exclusion of this land from the FDS on natural hazard grounds.</p>
Willowbank Road	Support for the inclusion of the land bounded by Willowbank Road, Eriksen Road and Awatoto Road (approx. 45 hectares) as residential in the FDS (Meeanee Developments Ltd). The submission notes that the site could assist to create an east-west linkage from Awatoto Road to the Waverley Road land and development.

	The Natural Hazards Commission supported the exclusion of this land from the FDS on natural hazard grounds.
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9.2 Information and Evidence

The key information and evidence relating to the issue of Greenfield Residential - Napier that underpin the Draft FDS is as follows:

- Housing Capacity Assessment 2021 and associated quarterly monitoring information;
- Economic Assessment undertaken by Market Economics for the Draft FDS (referred to as Appendix 5 in the Draft FDS documentation);
- Site assessments and MCA of refined growth areas (referred to as Appendix 3 & 4 in the Draft FDS documentation);
- Further advice provided by Simon Bradshaw – Napier City Council’s Manager of Infrastructure Developments, on specific sites/areas (see **Appendix 7**).
- Advice of Craig Goodier, Principal Engineer at Hawke’s Bay Regional Council regarding the Riverbend development (see **Appendix 8**).

The relevant aspects of this information is referenced in the analysis below.

9.3 Analysis and Discussion

9.3.1 Ahuriri Station

Ahuriri Station has been addressed in Section 7.3.4.2 above, and the discussion there equally applies to the residential component of the Mana Ahuriri Trust proposal. The residential area is located on Onehunga Road in Bay View, at the northern end of Ahuriri Station, and is identified as AS1 and AS2 in the site summaries and MCA assessment. The sites have capacity to accommodate approximately 1,000 residential units.

Given its location at the northern end of Napier, greater investment in infrastructure networks will likely be required to realise development compared with other locations. This includes transport and wastewater supply upgrades primarily, as well as the school network, with additional growth likely triggering the need for a new primary school. As part of future structure planning for Onehunga Road, integration with the surrounding Bay View community should be considered, including whether there are other opportunities for urban development that could complement the development and assist to spread the cost of required infrastructure investment.

We acknowledge the issues raised by the Natural Hazards Commission in their submission. The sites are subject to a range of natural hazard constraints and there is incomplete information on flood hazards. This will need to be investigated in detail as a next step to ensure that risks can be mitigated to an

acceptable level. We acknowledge that the scoring of the MCA places the Bay View sites at the lower end. This is primarily driven by the natural hazard constraints and relative inefficiency of servicing development in this location compared to other areas that are more proximate to existing services and transport. However, the sites are Treaty settlement redress land, and they are identified as such in the Draft FDS (refer to the discussion above on iwi and hapū aspirations for urban development in Section 6). The natural hazard constraints are clearly acknowledged and will need to be investigated as a next step.

On the basis of the submissions received, we do not recommend amending the way in which AS1 and AS2 are provided for in the Draft FDS.

9.3.2 Mission Estate

Marist Holdings (Greenmeadows) Limited submitted in support of the Draft FDS and the inclusion NC6 – Mission Estate (Residential). The submitter requests that two additional areas in the Mission Estate Masterplan are also included in the Draft FDS, which is referred to as “Artisan Village Area” and “Future Area” in the submission as shown in **Figure 16** below. The “Church Road General Residential Area” is NC6. The submitter states that the 100 dwelling yield is only realistic if all three areas are included. By the numbers provided in the submission, the breakdown of yield is as follows:

- a) Church Road General Residential Area – 48 residential units;
- b) Artisan Village – 22 residential units;
- c) Future Area – visitor accommodation – no yield provided.

Under the Napier Proposed District Plan, the Church Road General Residential Area and Artisan Village are located in the Rural Lifestyle Zone and are within the Mission Landscape and Visitor Precinct. This precinct provides for a range of visitor accommodation activities and restricts establishment of residential activities to what the Rural Lifestyle Zone allows. We support providing greater flexibility for residential to establish in these locations, informed by site specific analysis undertaken through the Mission Estate Masterplan and provided that the overall purpose of the Precinct is achieved. Given the small scale of development in the Artisan Village, this is more appropriately addressed through the Napier Proposed District Plan in the context of the specific issues and outcomes sought for the Precinct. To enable this to occur, we recommend including a footnote for NC6 in Table 3 of the Draft FDS, stating that NC6 includes consideration of discrete areas in the immediate surrounds, informed by site and development specific analysis. Or words to that effect.

The ‘Future Area’ is located in the Rural Production Zone and is within the Mission Productive Rural Precinct (and is defined as highly productive land under the NPS-HPL). It appears that the submitter intends to use only a very small part of this land for visitor accommodation, which is not currently in productive use. Given the scale of this proposal, it would be more appropriately addressed through the resource consent and/or Napier Proposed District Plan

process. It would otherwise be addressed by the recommendation outlined in the above paragraph.

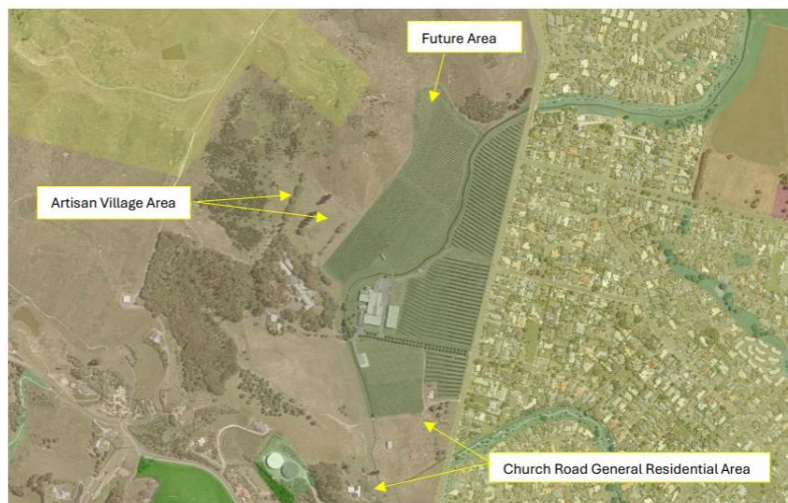


Figure 16 Showing the location of the Artisan Village Area and the Future Area that Marist Holdings seek to include in the Draft FDS.

9.3.3 Riverbend

The Riverbend site (NC4b) attracted a number of submissions that supported and opposed its inclusion in the Draft FDS. The site is included in the Draft FDS and was assessed using the MCA framework. We do not repeat that assessment here.

The key issue in contention is the appropriateness of enabling development on this site given its natural hazard constraints and susceptibility to flooding in particular. We note that these constraints are generally present in all of Napier's low lying areas.

Te Orokohanga Hou Joint Venture which is progressing a development proposal on the site, supported its inclusion, as did Bayden Barber. Their submission outlines the proposed stormwater management solution for the site. This includes a large constructed wetland/stormwater management area to the immediate south of the cross country drain that borders the southern boundary of the site.

The Natural Hazards Commission states that flood risk is their greatest concern for Riverbend, stating that the site was completely inundated in the 2020 floods and during Cyclone Gabrielle, noting that surrounding suburbs were also impacted. They state that further urbanisation of this area will exacerbate localised flooding as it will disrupt natural drainage patterns and increase impervious surfaces. The Commission's submission also references recent flood modelling from Napier City Council that shows the expected extent and depth of flooding under a range of rainfall events. This shows extensive flooding across the site during a 1% AEP event, a portion of which is 500mm or greater. They further note that raising the land prioritises dwellings on the site, and does not

address risks to surrounding areas, and that the approach is not future proofed, and could result in repeated remediations, such as further raising or relocating homes as flood risks continue to evolve.

The site has a long planning history, having been included as an indicative growth area by Napier City Council for the last 26 years, since the 1999 Napier Urban Growth Strategy was published. In recent years, active planning has been undertaken by the landowner through various channels in consultation with the City Council (and only recently with HBRC). This has included resource consent pre-application discussions under the Operative Napier District Plan and the Covid-19 Recovery (Fast Track Consenting) Act 2020. While it was a referred project under the Covid-19 Recovery (Fast Track Consenting) Act 2020, we understand that the landowner did not lodge a resource consent application under that legislation. As part of that process, the landowner and Napier City Council jointly commissioned Stantec to undertake stormwater modelling to determine the effects of development on the stormwater network. This work assessed the effects of displaced water on surrounding sites as a result of raising ground levels on the site.

Following this, the landowner applied for consideration under the new Fast Track Approvals Act 2024, but was not included as a Schedule 2 Listed Project³⁹. More recently, the landowner has lodged a referral application under the fast track process of the Natural and Built Environment Act 2023 (transitional provisions). Earlier this year, the Minister for the Environment invited comments from Napier City Council and HBRC on the referred application. Both councils provided written feedback to the Minister, but that feedback is bound by confidentiality constraints imposed by the Minister and the fast-track referrals process. We understand that the landowner still has a range of issues to address in the stormwater modelling and methodology, including the rainfall data used as the basis for modelling, and assumptions applied for climate change and the effects of ground settlement as it relates to vertical land movement. The landowner/Joint Venture parties have further work to do to demonstrate the effectiveness of the proposed stormwater solution for the site. This long planning history indicates the challenges associated with developing on Napier's low lying land even where there is technically an engineering solution available.

In addition to this, Simon Bradshaw, Napier City Council's Infrastructure Manager of Infrastructure Developments has outlined his opinion on the Riverbend submissions (see **Appendix 7**). He echoes some of the matters raised by the HBRC by Craig Goodier on the veracity of the Stantec modelling assumptions. He also highlights that the shallow groundwater present may impact the feasibility of the stormwater solution proposed. He also states that the on-going capital costs to enable infrastructure upgrades to support development will be higher than development in another area not prone to flood risk. Based on the work undertaken to date for the FDS, given the nature of Napier's growth options, avoiding these costs completely would likely require

³⁹ <https://environment.govt.nz/acts-and-regulations/acts/fast-track-approvals/fast-track-projects/>

looking beyond Napier to accommodate growth, including in Hastings. This may be required for future FDS reviews/Regional Spatial Strategy. We note that for the FDS a full and agreed engineered solution does not need to be determined to a resource consent level of detail.

Overall, while the site is constrained, the landowner has worked over several years to implement HPUDS and develop a viable stormwater solution. It would be premature in our opinion to remove the site on flooding and stormwater grounds at this point given that the landowner, in good faith, is in the process of addressing the issues recently raised by the two Councils. Retaining the site in the FDS would provide the landowner with the opportunity to address these matters through future planning processes. As explained in the site summary, the site is otherwise a relatively efficient location for growth at the southern extent of Napier with good access to services and amenities in Onekawa and Maraenui.

We recommend including a statement in the FDS explaining that additional land will be required to manage stormwater and flooding effects arising from development of the Riverbend site, with the exact location to be determined through future planning processes. This could be addressed through a footnote to NC4b in Table 3 of the Draft FDS. We do not recommend spatially defining the area at this stage, given those design details are still being worked through by the Joint Venture parties.

9.3.4 The Loop & South Pirimai

The Loop (NC4a) and South Pirimai (NC4d) are located to the west and east of Riverbend and are currently identified in HPUDS. South Pirimai is identified as a Reserve Area in HPUDS and has been partly developed for a Bupa retirement village.

The Natural Hazards Commission opposes the inclusion of these sites on natural hazard grounds. The Commission's concerns are similar to those raised for Riverbend although the submission acknowledges that the extent of flooding is not as significant for these sites, owing to the slightly higher land elevation in the case of the Loop. They state that managing stormwater in this context will require significant and coordinated investment, even with pre-established retention basins. They also note that on-going maintenance of these systems present uncertainties which may require further remediation and investment in the future, placing a financial burden on either the council or homeowners.

We agree with these concerns in principle and note that development in this general area is possible from an engineering perspective but may have residual risks for the community after mitigation is in place. These risks are less evident in other more elevated locations, of which there are very few in Napier. However, a range of matters must be considered as outlined in the site assessments and evaluation of spatial scenarios. These sites generally perform well against other criteria, including accessibility and ability to efficiently service with infrastructure. These sites have also been included in Council plans and strategies for several planning cycles and are partly developed in the case of

South Pirimai. While development is not currently actively being planned in these locations, they present viable solutions for urban growth subject to more detailed engineering assessment and we recommend that they be retained in the FDS.

9.3.5 Waverley Road & Willowbank Road

The Dooney Brothers Partnership seeks to include the sites to the north of Waverley Road in the FDS (approx. 150 hectares). Meeanee Developments Ltd seeks to include the land at Willowbank Road, Eriksen Road and Awatoto Road in the FDS (approx. 45 hectares). Both are seeking residential land uses on the sites. **Figure 17** below shows the location of these areas.

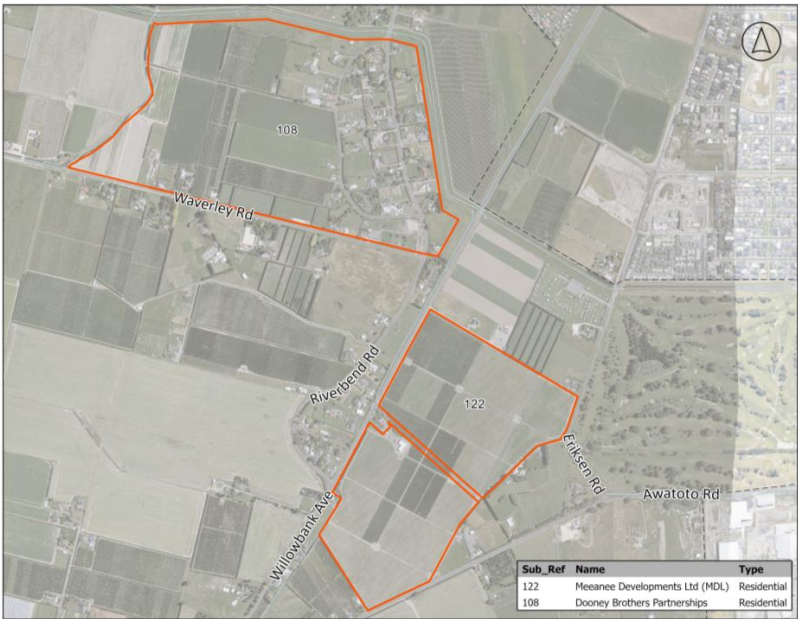


Figure 17 Showing the location of the areas sought for inclusion in the FDS by Meeanee Developments Limited and Dooney Brothers Partnerships.

The Waverley Road site was assessed through the MCA as NC4c. The area to the north of the Willowbank Road site was also assessed through the MCA as NC7a and NC7b. Both of the sites, including the additional area sought by Meeanee Developments Ltd generally have efficient access to the existing urban area of Napier and transport and infrastructure network could be extended, noting that the wastewater treatment plant is located close by in Awatoto. The sites are a mix of LUC 2-3 and are therefore subject to the NPS-HPL and currently accommodate productive uses. The sites are also subject to a range of natural hazards constraints similar to other locations at the southern end of Napier.

A large proportion of the Waverley Road site is required as a stormwater management area to service the Riverbend development. We expect that this area would need to be significantly larger to cater for additional development on the remaining part of the site. The impact of this on development area and yield are unknown.

While there are advantages to extending development further south of Napier relating to accessibility and infrastructure provision, we do not recommend including these sites in the FDS. While we recommend retaining the existing HPUDS areas further north, in our opinion, additional land further south should not be included at this time, at least until there is clearer policy direction on the management of natural hazards at a national level and through amendments to the RPS. Further, these sites are not required at this time to meet residential demand in Napier.

9.4 Recommendations

In relation to greenfield residential in Napier, we make the following recommendations for amendments to the Draft FDS:

- a) Include a footnote for NC6 in Table 3 of the Draft FDS, stating that NC6 includes consideration of discrete areas in the immediate surrounds, informed by site and development specific analysis. Or words to that effect.
- b) Include a statement in the FDS explaining that additional land will be required to manage stormwater and flooding effects arising from development of the Riverbend site, with the exact location to be determined through future planning processes. This could be addressed through a footnote to NC4b in Table 3 of the Draft FDS. We do not recommend spatially defining the area at this stage, given those design details are still being worked though by the Joint Venture parties.

10.0 Greenfield Residential Hastings

10.1 Issues Raised in Submissions

Multiple submitters raised issues regarding the greenfield sites identified for Hastings requesting that they either be retained or removed from the Draft FDS. Various submitters sought to include new sites in the FDS. Various submitters sought to include new sites in the FDS or amend the staging/prioritisation of sites.

This section of the report addresses site specific issues raised by submitters for Hastings. These issues are set out in the table below. The Plan at **Appendix 6** shows the location of these sites/areas.

The general submissions, particularly those relating the avoiding development on highly productive land and hazard prone/low lying land set out in Section 5.3 of the report above, are also relevant to this topic.

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Table 9 Hastings site-specific key issues raised

Hastings sites/ areas	Submitters and position
<i>Hastings / Flaxmere</i>	
Heretaunga Connections	<p>Include approximately 470 hectares of land between Hastings and Flaxmere as urban in the FDS (Heretaunga Connection Project Ltd). The site includes the Kaiapo area included in the Draft FDS. The vision for the land does not specify land use in detail, although provision for a relocated Hastings Racecourse, Hospital and Stockyards are identified⁴⁰</p> <p>Support for development between Flaxmere, Omaha Road, the expressway and Chatham Road given lack of water availability for orcharding (Geoff Ellis).</p> <p>Support for the Heretaunga Connections project (Carl Wezel).</p>
<i>Hastings</i>	
Ada Street	<p>Include the sites at Lot 1 DP 18792, Lot 1 DP 14784 and Lot 2 DP 28292 in the FDS in the short term to allow for the expansion of the Hastings Retirement Village (Summerset).</p> <p>Include the sites Lot 1 DP 18792, Lot 1 DP 14784 and Lot 2 DP 28292 (as listed above) and the sites at Lot 4 DP 402003 and Lot 5 402003 for development in the FDS (Thompson Perry Family Trust).</p>
Wall Road	<p>Include the site at 1211 Southland Road and 600 Wall Road (identified as Wall Road Reserve Area in HPUDS) in the FDS, given it was previously included as a development site in HPUDS, its accessibility, ability to be serviced and limited productive potential (Jason Troup; Hawke's Bay Racing Incorporated).</p> <p>Include the site at 1000 Wall Road in the FDS (Byron Cash).</p> <p>Support for the inclusion of Wall Road within the FDS from Southland Road to Maraekakaho Road along the southland drain in Hastings (Carl Wezel).</p>
Murdoch Road	Support the inclusion of the Murdoch Road site (H4) within the FDS (Tollemache Orchards Ltd).

⁴⁰ Refer to page 7 of the presentation attached to the submission.

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Lyndhurst Extension	Support the inclusion of Lyndhurst Extension (H2A) in the FDS and identify the existing Graceland Retirement Village in the FDS to enable appropriate rezoning in the future (Oceania Village Company Ltd). Noting that the existing zoning of the retirement village is Plains Production.
Flaxmere	
Portsmouth Road	<p>Support the inclusion of Portsmouth Road (FM2) in the FDS, increase the development yield from 330 to 600+ dwellings, provide for small localised mixed commercial retail and service opportunities, and amend the staging/prioritisation for the site from long term to short-medium term (Maven Collective).</p> <p>Update the social infrastructure comments for this site in the MCA table (Ministry of Education).</p> <p>No rezoning or residential development south of Portsmouth Road or west of Stock Road towards the Aerodrome and no residential intensification under the eastern and western helicopter approach and departure paths as per the Aerodrome AIP chart (Hastings Aerodrome Inc).</p>
Flaxmere South	<p>Update the social infrastructure comments for this site (FM11) in the MCA table (Ministry of Education).</p> <p>No rezoning or residential development south of Portsmouth Road or west of Stock Road towards the Aerodrome and no residential intensification under the eastern and western helicopter approach and departure paths as per the Aerodrome AIP chart (Hastings Aerodrome Inc).</p>
Havelock North	
Middle Road	Include land at Middle Road as residential in the FDS (Nicky Gardner; T&J McKenna; Karen Dear - 150 Middle Road; Nigel Rowe and Tammy Bishop; Karen and John Davidson – 47 Gilpin Road; Cherie Barber-Davidson – 166 Middle Road; CDL Land (NZ) Ltd; Bupa Care Services Ltd; Village Baptist Church; Carl Wezel).
Brookvale Road	<p>Support the inclusion of Brookvale Road (HN6) in the FDS and amend Figure 23 to show the site as a short-medium term priority (Metlifecare Retirement Villages Ltd).</p> <p>Update the social infrastructure comments for this site in the MCA table (Ministry of Education). These comments also apply to the Oderings site (HN10).</p>

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Arataki Extension	<p>Support the inclusion of Arataki Extension (HN2b) in the FDS (CDL Land (NZ) Ltd; Metlifecare Retirement Villages Ltd; Carl Wezel).</p> <p>Increase the dwelling capacity for Arataki Extension from 110 dwellings to 200 dwellings, amend the staging/prioritisation to show the site as a short-medium term priority and amend the HPL notation in Figure 1 to exclude the site (CDL Land (NZ) Ltd).</p> <p>Update the social infrastructure comments for this site in the MCA table (Ministry of Education).</p>
Te Mata Mushrooms	<p>Include the site at 174 & 176 Brookvale Road as residential in the FDS given its location on the urban fringe, large landholding, productive capacity constraints and ability to be serviced with infrastructure (Vermont Street Partners No.4 Ltd).</p> <p>Update the social infrastructure comments for this site in the MCA table (Ministry of Education).</p>
147-151 Napier Road	<p>Include the land at 147-151 Napier Road as residential as FDS with capacity for approximately 29 dwellings (Sun Properties Limited).</p>
Thompson Road	<p>Include the eastern extent of the site at 60 Thompson Road as residential within the FDS (approx. 1.85 hectares) or allow for the partial off-setting of the stormwater overlay on the western part of the site (refer to Figures 3 & 4 in the submission) (Paul Stevenson).</p> <p>Include the Thompson Road/Davidson Road blocks in the FDS (Carl Wezel).</p>
Strawberry Patch	<p>Include the land at 76-98 Havelock Road (approx. 10.5 hectares) as residential/retirement in the FDS given its limitations for productive use and the site's accessibility (Shelagh & Neil Mannering; The Strawberry Patch).</p>
Bridge Pa	
Hastings Golf Club	<p>Include the Hastings Golf Club at 1523 Maraekakaho Road as residential within the FDS consistent with the GSDLP Concept Plan contained in the feedback, which has capacity for approx. 150 dwellings (Golf Sports Development Limited; Hastings Golf Club).</p> <p>No rezoning or residential development south of Portsmouth Road or west of Stock Road towards the Aerodrome and no residential intensification under the eastern and western helicopter approach and departure</p>

	paths as per the Aerodrome AIP chart (Hastings Aerodrome Inc). Update the social infrastructure comments for this site in the MCA table (Ministry of Education).
<i>Clive</i>	
63 Main Road	Include the site at 63 Main Road, Clive (approx. 1.76 hectares with capacity for approx. 43 dwellings) as residential/retirement in the FDS, given that the site has no infrastructure servicing constraints, is not flood prone has limited other natural hazards and has limited productive capacity (Chris and Cheryl Holder).

10.2 Information and Evidence

The key information and evidence relating to the issue of Greenfield Residential - Hastings that underpin the Draft FDS is as follows:

- Housing Capacity Assessment 2021 and associated quarterly monitoring information;
- Economic Assessment undertaken by Market Economics for the Draft FDS (referred to as Appendix 5 in the Draft FDS documentation);
- Site assessments and MCA of refined growth areas (referred to as Appendix 3 & 4 in the Draft FDS documentation).

Specific information and evidence supporting the evaluation of Hastings greenfield sites is referenced in Section 10.3 below.

10.3 Analysis and Discussion

10.3.1 Heretaunga Connections

10.3.1.1 Additional Information

Although the Heretaunga Connections Project was submitted as part of the call for opportunities, no specific reports or further work was completed as part of the FDS preparation. A large part of the project land had however, already been identified by the FDS Technical Advisory Group as part of the Expansion Thematic Scenario. As a result, the concept was discounted as part of the scenario refinement process and before the MCA analysis of specific sites was undertaken. Kaiapo Road however, was already included in the Draft FDS, and Wall Road and Wilson Road had been separately identified by others and subject to the MCA evaluation in their own right and are discussed in relation to other submissions below.

The following additional evidence is laid out to better understand the implications of the proposal:

- a) Land Fragmentation - Rateable Units at Kaiapo Road number approx. 20 with an average ha per unit of 3.5 ha. The balance of the connections land

is in approx. 40 rateable units with a 10 ha per unit average (See **Figure 18** below).

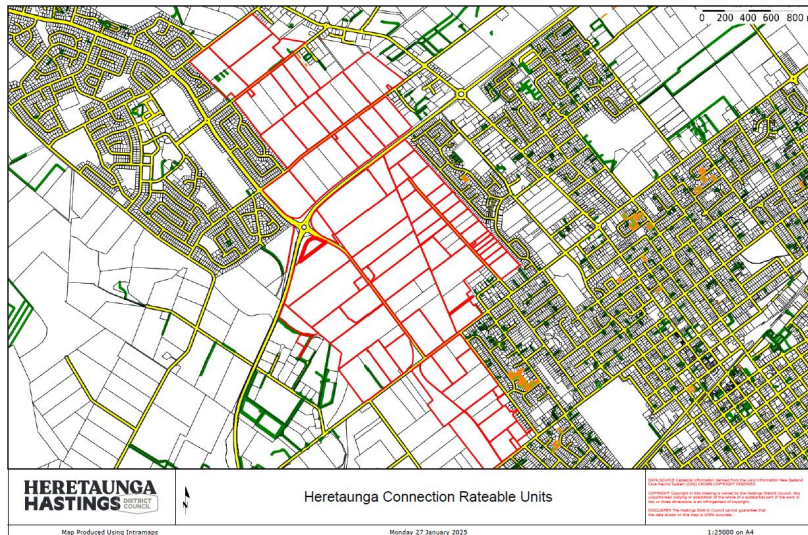


Figure 18 Showing land fragmentation within the Heretaunga Connections block.

- b) Land use capability - LUC 1 area approx. 290 ha, LUC 2 approx. 120 ha LUC 7 approx. 60 ha (62%,25%,13%) (refer to **Figure 19** below).

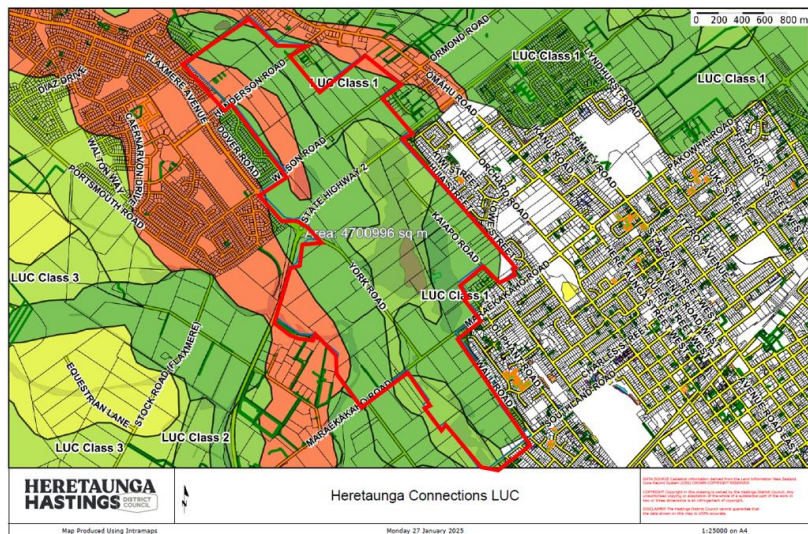


Figure 19 Showing LUC status within the Heretaunga Connections block.

10.3.1.2 Analysis and Discussion

Expansive Growth Scenario

Noting that there was a potential shortfall in future residential development capacity, the FDS process identified new potential growth areas and grouped these together to create a series of high-level “thematic” scenarios. This included an Expansive Urban Growth Scenario that included the subject site, including Kaiapo Road and Wall Road separately (see Figure 10, page 75 of the

FDS Technical Report). It also encompassed the Wilson Road and Irongate North sites that have been submitted on separately by others for industrial development as part of a wider area.

Detailed consideration of the advantages and disadvantages of the four spatial scenarios saw the removal of potential growth areas where there was considered to be a significant conflict with the objectives of the FDS. This included the Expansion Scenario sites, with the exception of Kaiapo Road, which had been previously identified in HPUDS. While acknowledging the urban development and design benefits of larger land aggregations and the land being regarded as a potentially logical extension of existing urban area, the assessment noted that:

The majority of the land within this area is classified as LUC1 and characterised by well-developed orchards. Soils and conditions support good productive capacity of the land are considered to be of high value. There are some constraints on the western edge due to the hard residential boundary. It is concluded that as other alternatives for growth in proximity to this area with less productive soil exist, development in this area is not considered appropriate or required to meet the NPS-UD requirements.

Demand

At 470 ha the land has substantial potential capacity. Even allowing for the possible relocation of the Hospital, Racecourse and Saleyards Facilities as signalled, a net 400 ha could yield up to 6,000 units at a modest HPUDS average gross density of 15 houses per ha, the site; much more at more contemporary higher densities.

This compares with projected greenfields demand for Hastings of 4,400 dwellings under the FDS's 60% intensification objective, including competitiveness margin. Existing capacity in Hastings exists within zoned and developing areas of 2,125 sites, meaning the shortfall that needs to be addressed is 2,275. This reduces to just 1,630 if the areas identified in HPUDS that are exempt from the NPSHPL limitations and carried through into the Draft FDS as recommended are also counted. In these circumstances it would be very difficult to justify such a large area for urban development to meet projected demand given the tests in Clause 3.6 of the NPSHPL. More detailed evidence and discussion on matters relating to projected demand and the application of the NPSHPL are discussed in Section 4.3.1 and Section 5.3.1.

Locational Choice

We do not agree that there are no other reasonably practicable broad localities that can meet the target market demands in terms of clause 3.6 of the NPSHPL and it would be a stretch to promote this site as a preferred market replacement for the Havelock North and Napier options. In this respect we assume that the proposal is in addition to Napier and Havelock North sites at least, if the NPSUD's requirement for a variety of locations and price points is to be met, rather than this site being "the one option that does it all".

We are also conscious that a surplus supply of greenfields land is likely to affect the economics for intensification of existing urban areas to reduce pressure on the very productive soils that this proposal intends should be sacrificed for urban development.

We do acknowledge the range of benefits that large scale development opportunities present for urban outcomes, including relocation of facilities to create space for intensification closer to the existing commercial centres and providing easier opportunities for age care facilities and other space intensive activities. While there may also be some intangible benefit in linking up Hastings and Flaxmere as an urban continuum, the practical reality is that the expressway will still constitute a significant severance. Also of note in this regard, is the fact that Flaxmere was developed specifically to accommodate demand in a location that enabled highly versatile and productive land to be avoided.

The Connection site is not the only conceivable option for development at such scale, if soil protection objectives are given less prominence, albeit that other sites may have a different combination of advantages and disadvantages from an urban development perspective. For example, the land between Hastings and Havelock North bounded by Crosses Road and the Southland Drain (the Havelock Connection) or the land between Lyndhurst Extension and the Ngaruroro River are potential alternatives. These have similar sizes at 400+ha and similar or lower average hectare per rateable unit metrics.

Choosing between options at this scale, provided they could be justified at a strategic level in the first place, would require a comprehensive cost benefit analysis (including lost production values) over multiple sites and a much broader consultation exercise than is possible here. For the purposes of this FDS, an evaluation of an appropriate range of thematic scenarios has been undertaken. The Draft FDS has selected a more diverse and modest range of sites to meet reasonably foreseeable demand so as to minimise the loss of productive LUC Class 1 and 2 land in particular.

While the prospect of relocating some larger urban activities to create brownfields sites may seem like an attractive proposition, not much weight can be put on that given decision making by those parties will encompass many other variables and opportunities that do not necessarily depend upon an FDS pathway. It is noted for example, that consents were granted for the relocation of the saleyards to the Irongate area in 2008, but did not proceed for commercial reasons.

Similarly, relocation of the Racecourse to the Showgrounds and to sites with lesser productive capacity has been investigated previously, with costs being the main barrier. Including the Connection project in the FDS will not remove those barriers given the productive values the land holds. The future of the Hastings Hospital on its current site has also yet to be determined and there are powers to designate land if relocation is the desired outcome. Accordingly, these elements do not in any event, depend upon the identification of land in the FDS along with housing and industrial development.

Productive Soils

The current proposal as noted would occupy a further 2.1% of Napier Hastings Class 1-2 land on top of the estimated 19% already occupied by urban development⁴¹. This compares to the 1.1% of class 1-2 taken up over the last 25 years since the turn of the millennium. By comparison the draft FDS recommends sites occupying approx. 0.75 % of Class 1-2 land over the next 30 years (including remaining unzoned HPUDS areas and proposed Irongate Industrial areas IR1 and IR2 comprising 0.3%).

We do not consider the area has the productive land limitations of the nature envisaged by Clause 3.10 of the NPS-HPL. **Appendix 9** notes that the submission make very general conclusions in this regard that are not defensible.

Being an alluvial flood plain, the Heretaunga Plains is inevitably susceptible to some degree of ponding or inundation (outside of the unconfined aquifer) in certain events. Having said that only 15% of the site is subject to modelled inundation of any note at a 1% AEP and the Kaiapo Road land already included in the Draft FDS accounts for 40% of this, as shown on the map below. This location includes the Regional Council detention basin adjacent to the Southland Drain, and inundation of adjoining land that is known to occur.

Beyond this however, there is little recorded ponding relative to other areas surrounding Hastings (see **Figure 20** below) and even the modelled flood areas are currently producing orchards of some long standing. While ponding and inundation may have some impact on the intensity of productive use, this is inevitably problematic for residential development as well.

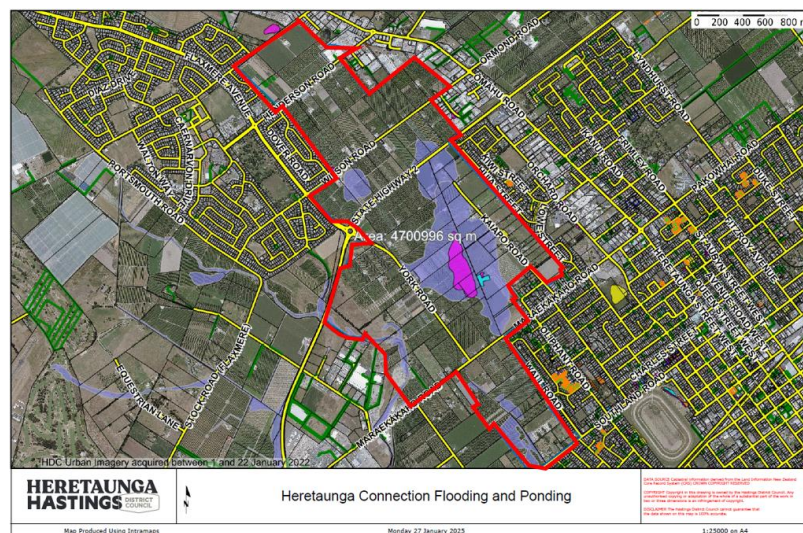


Figure 20 Showing approximate extent of flooding and ponding within the Heretaunga Connection block.

⁴¹ For the exiting Land Resource Inventory urban area polygons there is no underlying soils data, so we have assumed that for these footprints all the land is in the classes being measured i.e. Classes 1-2 or 1-3. This could mean that the impact of urbanisation on Class-1-2 soils may be overstated and to a lesser extent classes 1-3.

It is accepted that the current limitations on water allocation will impact plans for more intensive or expanded primary production, but that applies across most of the Heretaunga Plains. This site however, has no particular limitations that make it unsuitable for the continuation of the long term high value productive activities which make use of the versatile Class 1 and 2 soils that predominate in this location as shown on the attached aerial, particularly if water security issues are overcome in the medium to longer term.

The current approach to water allocation is to consent existing water permits for taking and use of water for irrigation or industrial use on an actual and reasonable use basis. The transfer of irrigation water “freed up” by development is not automatic and will require consent under the provisions of the TANK Plan Change 9 (See section 7.3.3) and other relevant rules and regulations relating to freshwater.

While water freed up by urban conversion of the subject land could potentially be transferred to replace the lost production elsewhere, this could be potentially on less productive soils, which would be an inefficient use of a scarce resource. However, it is also possible that at least some would be used to augment municipal supplies to meet growth demand or retained in the natural system to help achieve environmental limits. There is therefore little economic upside to relocating water as a result of conversion of land to urban use.

The fact that the area is currently heavily invested in productive activities as indicated by the aerial photo below (including the ponding areas), also suggests land fragmentation on either an ownership or lease basis, is not a significant ongoing issue that mitigates in favour of urban use.

Leaving aside Kaiapo Road, which is the most fragmented portion at an average of 3.5 hectares per unit (one of the reasons the area was selected in HPUDS), the site is no more fragmented than most of the Heretaunga Plains at an average of 10 hectares per unit. By way of example the area enclosed by Twyford Road and the Omahu Industrial Zone is one of the most productive areas on the Plains and has an average of 9 hectares per rateable unit (compare also Hastings Havelock Connection at 3ha and Lyndhurst Extension to Ngaruroro River at 9 hectares referred to above).



Figure 21 Showing Kaiapo Road (shown in red line) in relation to the Heretaunga Connection block.

Conclusion

In conclusion therefore, the Connections proposal, while attractive on some levels due to its scale, is more extensive than required, with some potentially elusive benefits, but comes at a significant cost in terms of protection of versatile and productive soils. Those soils do not have significant physical or practical limitations that separate them apart from other Plains Production Zoned land. From the perspective of using some or all of the land for Industrial or Commercial Land we note that there are several other industrial sites subject to specific submissions that are under consideration with similar or less productive soils and locational advantages that do not rely on the overall Connections scheme to proceed.

While the proposal can meet some of the FDS's objectives around sufficient land for housing and business growth, well connected communities and diversity of housing choice (provided it is not the only location on offer), it fails to meet other objectives. These include promoting a compact urban form focussed around consolidated and intensified urban centres and the protection of highly productive land of the Heretaunga Plains for productive uses. These are not just directions and considerations under the NPSHPL, but strong long-standing and well consulted on objectives of the Heretaunga Councils and their communities. As the as the land is not required to meet demand and being largely LUC Class 1 land, the proposal would offend the FDS objectives to protect and minimise the loss of highly productive and versatile soils.

Accordingly, we do not recommend any changes to the Draft FDS as a result of this submission.

10.3.2 Wall Road/Southland Road (H5/H5b)

10.3.2.1 Additional Information

Wall Road from Southland Road to Maraekakaho Road was not submitted as part of the call for opportunities so no specific reports or further work was

completed as part of the FDS preparation. It was however, assessed in HPUDS 2010 (<https://www.hpuds.co.nz/assets/Document-Library/Strategies/HPUDS-18march2011.pdf> - page 171) and again as part of the 2016 Review.

In both cases it was rejected based largely on soil quality (being nearly all LUC1) and, with the exception of the eastern end, being all in existing productive use as shown below. It was assessed again as part of the long list MCA process scoring reasonably well at 56/76 and ranking 10/67 on the unweighted scale. It scored poorly on the HPL weighted scale and was discounted from the refined scenarios for that reason.

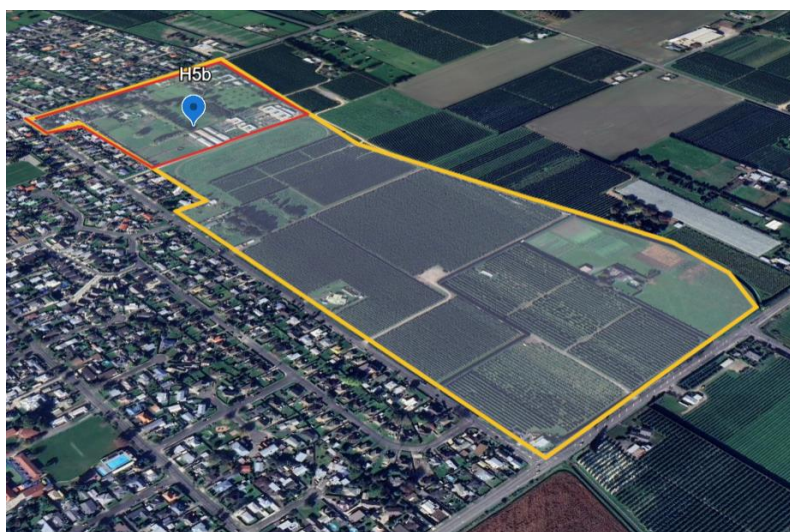


Figure 22 Showing Wall Road and Southern Road sites.

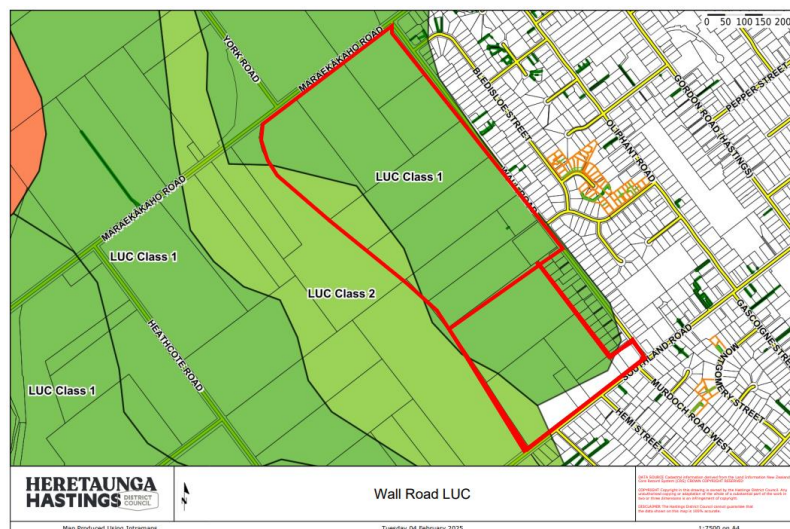


Figure 23 Showing LUC status of Wall Road and Southern Road sites.

The eastern end comprising the area between Southland Road and the Racing Centre stables and training track was included in the 2016 HPUDS review as a “reserve area” (<https://www.hpuds.co.nz/assets/Document->

[Library/Strategies/2017-Heretaunga-Plains-Urban-Development-Strategy-incl-Maps-AUG17.pdf](#) - page 40). This was seen as a potential partial substitute for Kaiapo Road if drainage challenges there could not be feasibly overcome. This area, badged H5b in the FDS project, and was put forward by HB Racing through the call for opportunities. It was subject to a refined assessment (Page 8 Site Summaries Appendix 4 Technical Appendix), scoring 56/76 and ranking 11/67 on the long list on the MCA.

In addition to the information contained in the site assessment and supplied by the submitters the following additional information is tendered showing the difference between the wider and more confined area in terms of land fragmentation relevant to productive potential.

- a) Wider Wall Road Average Rateable Unit area 5 hectares LV/ha Ratio \$150
- b) Southern Wall Road Average Rateable Unit 2 hectares CV/LV Ratio \$430.

The site-specific assessment noted that wastewater reticulation network constraints remain post the Infrastructure Acceleration Funded upgrades. This is based on the Hastings District Council Infrastructure Constraints Report (2023), which identifies the local Southland/Wall and Hemi Street wastewater catchments as being constrained in the five-year design storm, primarily due to the extent of inflow and infiltration allowing stormwater to enter into the system. There is an extensive programme in place across the 2024/33 Long Term Plan that targets both renewals and new infrastructure (pump stations, rising mains, new and upsized reticulation) to address capacity constraints across the southern Hastings wastewater network. This includes but is not limited to the current IAF funding.

These projects are staged to ensure that growth (intensification and greenfields) can be implemented in a prioritised way and that funding is aligned to Council's growth planning. The ability to service growth areas out of sequence may require other associated works to be brought forward, however this can be accommodated if there is demand. This suggests that while serving issues would be a limiting factor in the short to medium term, the longer term programme may well resolve these.

It is also noted that the wider Wall Road area is captured in the Heretaunga Connections submission, but no other information or evidence has been presented or was contained in these submissions.

10.3.2.2 Analysis and Discussion

There does not appear to be anything new raised in submissions that would lead to a different outcome for the wider Wall Road area to that reached in HPUDS, with the exception on new growth demand projections. Demand projections are covered in Section 4.3.1 above, but it is noted that Kaiapo and Copeland Road remain included in the Draft FDS and would meet the same market segments as Wall Road would.

In the event that there was a need to identify more greenfields land for housing generally, there are areas that are less productive and versatile in nature that

would be preferred over Wall Road, notwithstanding the Southland Drain forming a natural urban edge, e.g. Middle Road, or Flaxmere South. This land is not therefore considered necessary to meet demand and being largely LUC Class 1 land would offend the FDS objectives to protect and minimise the loss of highly productive and versatile soils. Wall Road may however, need to be revisited in the event that Kaiapo Road does not proceed.

Accordingly, we do not recommend that the FDS be amended to include the land between H5b and Maraekakaho Road as requested, as the land is not required to meet demand and being largely LUC Class 1 land would offend the FDS's objectives to protect and minimise the loss of highly productive and versatile soils.

The situation is somewhat different with the Southland Road end. The MCA site summary noted

"the majority of the site is classed as LUC 1 and 2 land. Further soil experts advised the site is highly constrained due to the nature of the existing development and hard urban boundaries. Some variability in mapped soil conditions but is unlikely to become highly productive in the future."

The information on Capital/Land value ratios and average lots sizes also indicate a very different productive potential to the wider Wall Road area. While there has been some small-scale productive use in the past, the fragmented subdivision pattern has long existed and the investment in existing housing and stabling dating from the 1950s, suggests that conversion to productive use is remote. Notwithstanding it is technically LUC Class 1 and 2, it would assist in the avoidance of other land with more productive potential if the land was to be used to its fullest urban potential. The further engineering evidence outlined above also suggests relevant servicing concerns may be overstated.

On that basis we consider that area H5b could be reconsidered for inclusion and indicted for the longer term to allow servicing improvements to be implemented in line with Council's programme. At an estimated yield of 110 dwellings, it would make a modest, yet meaningful contribution to housing supply and broaden the locational choices available.

While there may be questions about strict compliance with the specific provisions of the NPSHPL at rezoning time, a pragmatic approach to the soil productive capacity constraints in this location is considered appropriate given the thirty-year timeframe of the FDS. From a consistency perspective we note the site is very similar to Murdoch Road West, which is included in the Draft FDS. In terms size, shape both have a Southland Drain boundary forming and urban edge and are of similar size and shape and while the Murdoch Road site is mainly LUC2 rather than 1, it is less fragmented and has a producing orchard over half its area.

Accordingly, we recommend that FDS be amended to include the H5b sites as a future (long term) residential greenfield development area as it would better meet the FDS's objectives relating to housing supply and diversity, avoidance of natural hazards, with limited impact on productive land use.

10.3.3 Murdoch Road (H4)

10.3.3.1 Additional Information

This site is included in Draft FDS and was previously identified as “Reserve Area” in HPUDS 2017, having been previously considered in 2010 HPUDS, but not recommended at that time. As the submission is supportive of its inclusion, no further information of evidence is presented. Background information can be found at page 6 of the Refined Scenarios Site Assessment Summaries in the Technical Appendix.

10.3.3.2 Analysis and Discussion

The site was scored 59/76 and ranked 4= on the longlist in the MCA. While site is largely LUC 2 with about half in producing orchard and the remainder in grazing, it has strong defensible boundaries and adjoined by urban development on three sides.



Figure 24 Showing the location and extent of Murdoch Road site.

In two titles with a total area of 11 hectares it can provide a modest, but meaningful contribution to housing demand with a potential yield of 120 at traditional densities. It also provides an opportunity for a retirement village in an established Hastings location that is otherwise relatively scarce. On that basis would help to meet the demand for that price point and typology. No submissions were received specifically opposing its inclusion, however, being LUC Class 2, it is captured in the spirit of submissions opposing the use of productive soils. For the reasons given above it is considered the relatively small loss of versatile soils is outweighed by the benefits in this case (see also general discussion at Section 5.3.1)

Accordingly, no amendments are recommended.

10.3.4 Strawberry Patch 76 Havelock Road

10.3.4.1 Additional Information

This site, located at 76 Havelock Road, was raised in the call for opportunities but was discounted early due to its smaller single and separate site nature. Accordingly, specific reports and general assessments have not been prepared for it as part of the Draft FDS preparation. The following information is therefore supplied as background for the discussion below.

Feature	Description
Land Area	11.6 ha of flat land in three titles.
Dimensions	Roughly rectangular at approx 355m x 310m.
Location	150m west of the Havelock North Bridge.
LUC Class (leased)	100% Class 1 until recently in producing strawberry farm.
Natural hazards	Moderate Liquefaction Risk.
Potential Yield	150-180 at traditional densities.



Figure 25 Showing the location and extent of the Strawberry Patch site.

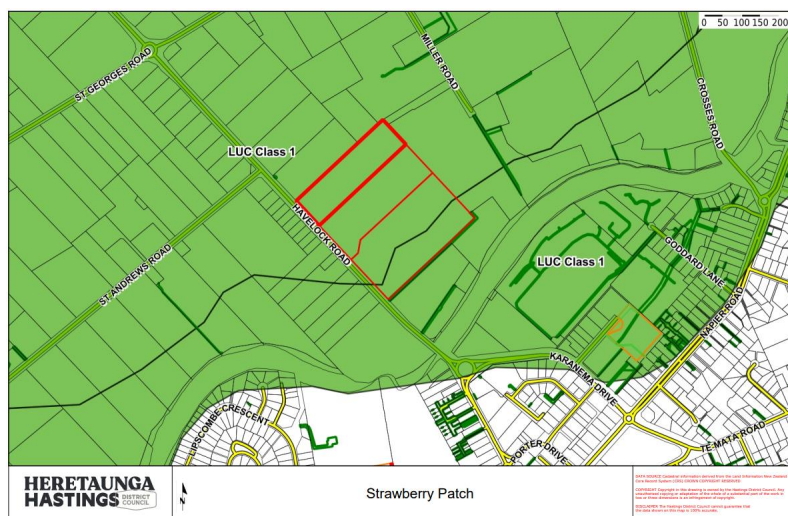


Figure 26 Showing LUC status of the Strawberry Patch site.

10.3.4.2 Analysis and Discussion

Notwithstanding the site is located on the old channel of the Ngaruroro River, it does not have any known natural hazards, other than liquefaction which is common for this area generally. This together with its proximity to Havelock North and its location on Havelock North Road close to the Village centre, means it would rate highly in terms of servicing and accessibility, although traffic management implications for Havelock Road could be significant. It would, however, feature poorly in relation to soil versatility and productive potential as there are no indications of any limitations that would not apply to other urban edge options. In this respect the site is over 150m to urban properties (mainly the Mary Doyle retirement Village) with the Karamu Stream defining the western boundary of Havelock North.

Inclusion of this site could create a significant precedent for further development and ultimately an urbanised corridor between Hastings and Havelock North, whereas planning through HPUDS and the Howard Street Structure Plan has sought to limit expansion in this way. Of note, another property on the other side of Havelock North Road was originally submitted for inclusion as part of the call for opportunities but was not carried through to the Draft FDS.

Notwithstanding the site is of an ideal size and shape for a retirement village (see discussion at Section 4.3.3 on retirement villages) the inclusion of this site without any natural defensible boundaries would signal a significant shift in the FDS direction towards a more expansive approach. As noted above for the Heretaunga Connections project this was discounted in the evaluation of the Thematic Scenarios.

Similarly, this order of change would necessarily involve choosing between other options at this scale, provided they could be justified at a strategic level

in the first place, requiring a comprehensive cost benefit analysis (including lost production values) across multiple sites.

Finally, the suggestion that land be considered for relocating urban recreational use to allow for brownfields development is similarly speculative and could apply to a myriad of other sites. Either way productive capacity is sacrificed to accommodate housing elsewhere.

For these reasons, the proposal would not give effect to the objectives of the Draft FDS in relation to the protection of versatile and productive soils and accordingly no amendments are recommended.

10.3.5 Ada Street

10.3.5.1 Additional Information

Two submissions have been received for land on Ada Street to the Northeast of the existing Summerset retirement village (Subs 81 & 110). Both relate to the same area of land.

The inclusion of the land listed as Lot 1 DP 18792, Lot 1 DP 14784, Lot 2 DP 28292, Lot 4 DP 402003 & Lot 5 DP 402003 was not submitted through the call for opportunities and therefore no specific reports or general assessment has been prepared for it as part of the draft FDS preparation. The following information is therefore supplied as background for the discussion below.

Feature	Description
Land Area	10.7 ha of flat land in one title.
Dimensions	Roughly rectangular at approx. 390m x 230m.
Location	Behind existing Summerset Retirement Village and Karamu High School.
LUC Class (leased)	100% Class 1 and until recently in orchard land.
Natural hazards	Moderate Liquefaction Risk.
Potential Yield	212 at average lot size of 500m ² net.

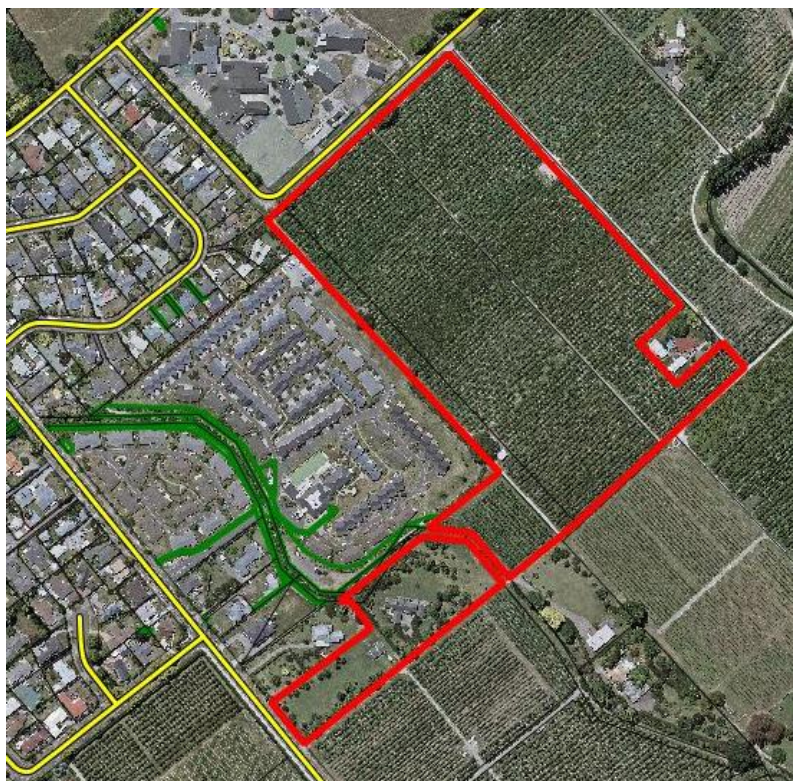


Figure 27 Showing location and extent of the Ada Street site.



Figure 28 Showing LUC status of the Ada Street site.

10.3.5.2 Analysis and Discussion

While there is a small area of the Awahou Stream that runs through a portion of the site, it does not have any known natural hazards other than liquification which is common for this area generally. The Awahou Stream is a minor tributary to the Karamu, highly urbanised at this point and not anticipated to be a significant source of flooding. The proximity to existing Hastings urban areas, including Karamu High School and Parkvale School means it would rate highly servicing and accessibility. The site rates poorly in relation to soil versatility and productive potential as there are no indications of any limitations that would not apply to other urban edge options.

The site has been proposed to be an expansion of the existing retirement village activities, and it is accepted that its size and location (and single holding) would make it an ideal strategic location for the expansion of the existing village. The site is of an ideal size and shape for a retirement village (see discussion at Section 4.3.3 on retirement villages). It is also recognised the previous retirement village was established on LUC 1 soils under a previous resource consent.

Notwithstanding, there is strong policy direction for this FDS that versatile soils will be protected, which is contrary to this proposal being proposed for versatile land. No evidence has been provided by the submitter as to limitations on the land's productive characteristics. Further to this, there are no natural

boundaries to the north and west, although it is noted that the site is adjoining existing residential and there currently existing no natural boundaries on this side of Hastings.

While recognising the need to provide additional land for retirement village purposes, the proposal would not give effect to the objectives of the Draft FDS in relation to the protection of versatile and productive soils and accordingly no amendments are recommended.

10.3.6 Lyndhurst Extension H2a

10.3.6.1 Additional Information

Oceania Village Company Limited (Oceania) supports the acknowledgement of the role retirement villages play in meeting future housing needs and seek the retention of Section 9.5 of the FDS.

The Draft FDS shows an area marked H2a known as Lyndhurst Extension. The submission from Oceania requests that the area marked in the FDS as H2a be expanded to include the Graceland's Retirement Village.

Graceland's Retirement Village marked in green below is zoned Plains Production zone with the retirement village having been developed by way of resource consent. It is shown in grey on the FDS maps to reflect that it is a developed site with that development being urban in nature.



Figure 29 Showing location and extent of Lyndhurst Extension in relation to the proposed H2a in the Draft FDS.

10.3.6.2 Analysis and Discussion

The FDS has been prepared as a high-level strategic document intended to guide future urban development by identifying areas that are earmarked for new or expanded residential development. The FDS does not mirror the zoning contained in the District Plan rather it serves to delineate areas that are currently urban in nature versus planned new or expanded residential areas.

Oceania's concern is that excluding the Graceland's site from H2a might result in a missed opportunity to consider a residential zoning reclassification through a subsequent plan change. However, it is standard practice for Council to evaluate the wider zoning context as part of any residential growth plan change and this will occur as part of any plan change for the Lyndhurst Extension area.

Moreover, amending the FDS to include the Graceland's site in H2a would potentially create a misleading impression regarding the quantum of land available for future residential development. The strategic intent of the FDS is to present a realistic and coherent framework for urban growth. Altering the mapped extent in this instance could overstate available residential land, thereby compromising the integrity of the high-level planning framework. Accordingly, we recommend that no change be made the FDS.

10.3.7 Middle Road (HN3a and HN3b)

10.3.7.1 Additional Information

The Middle Road area was assessed as part of HPUDS 2010 and 2017 and again as part of the call for opportunities refined scenario assessments. The HN3a area was included as a reserve area as part of HPUDS 2017, however the HN3b area was not considered necessary as part of the Draft FDS. Following the call for opportunities, the land was recommended for inclusion by officers but ultimately removed from the draft strategy by the FDS Joint Committee due to concerns around soil productivity. The areas in question are shown below:

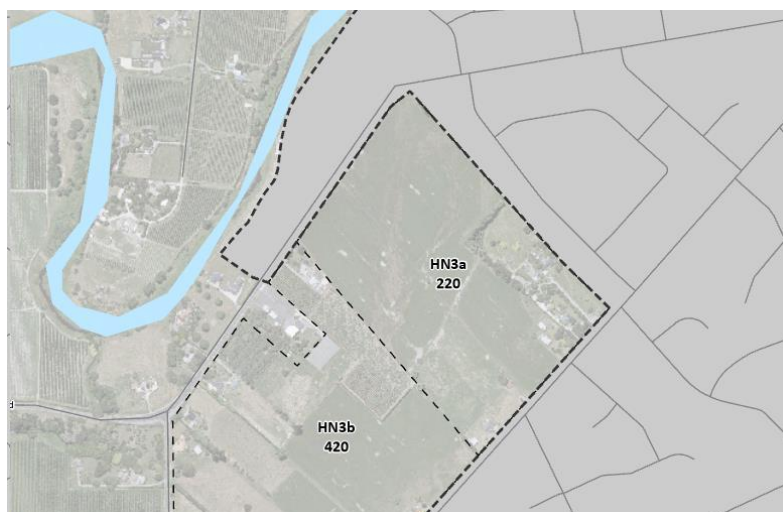


Figure 30 Showing location and extent of Middle Road site (HN3a).

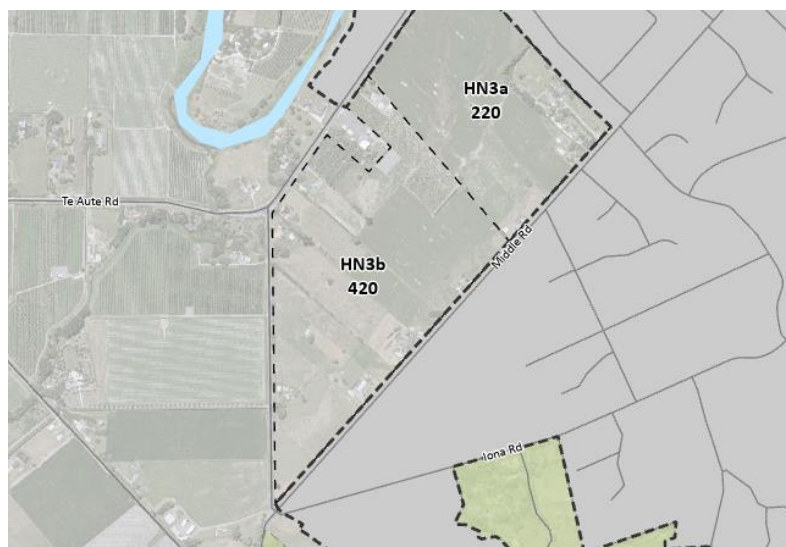


Figure 31 Showing location and extent of Middle Road Extension site (HN3b).

The sites in question ranked relatively well in the MCA analysis scoring 52 & 53 out of 76 points in the overall ranking and 14 & 16 out of 28 in the refined list.

There were nine submissions specifically relating to the inclusion of the Middle Road land within the Draft FDS (relating to both HN3a and b), all of these submissions supported the inclusion of the land as part of the FDS. All of the submitters own land or have land interests within the subject area. The submission are listed below:

- Sub 60 – Nicky Gardner
- Sub 63 – T & J McKenna
- Sub 66 – Karen Dear
- Sub 67 – Nigel Rowe and Tammy Bishop
- Sub 68 – Karen & John Davidson
- Sub 70 – Cherie Davidson
- Sub 84 – CDL land (NZ) Ltd
- Sub 88 – Bupa Care Services Ltd
- Sub 96 - Village Baptist Church

Figure 32 below shows the location of land owned by submitters:

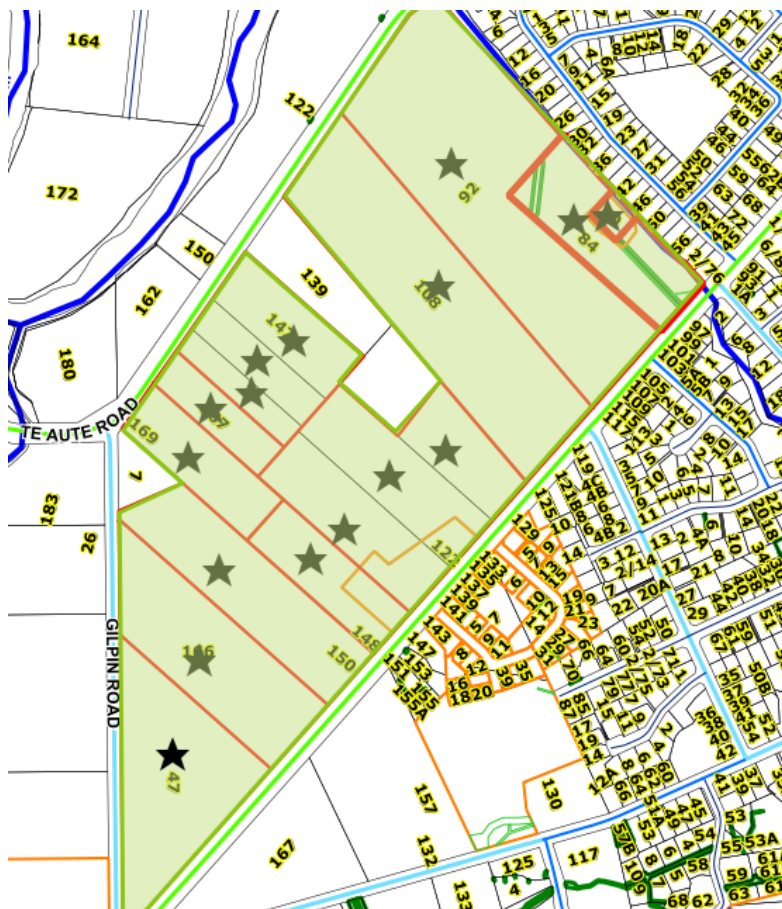


Figure 32 Showing the location of land owned by submitters in relation to the Middle Road sites.

10.3.7.2 Analysis and Discussion

The Middle Road HN3a and HN3b sites had been previously assessed through HPUDS, although only the HN2a site had been included within HPUDS as a reserve area. There were no submissions on this land through the call for opportunities, however it was reconsidered through the MCA and refined site analysis due to its consideration within HPUDS. The following reasons were provided for the decisions in HPUDS:

'The land was considered unsuited for greenfield development for a number of reasons. Firstly it is Plains zoned land that has been used productively and it would set a new direction for the development to the south of Havelock North. It is also such a large area of land it would provide for greenfield land well in excess of what is needed for the area in the time period and could reduce the incentive to intensify within the Havelock North area which under the strategy assumptions, is not necessary at the present time. Finally, the Brookvale/Romanes/Arataki area is a better alternative providing a smaller area of land and creating a defined urban edge. If however there are problems with developing northwards in Havelock North, such a new direction may be justified. A smaller area has

therefore been identified as a reserve site in HPUDS 2016, which largely aligns with the existing urban boundary at this time and would extend across Te Aute Road to the Karamu stream. A strong artificial urban buffer would be needed to signal the limit to further urban sprawl to the south. The area between Te Aute Road and the Karamu stream will be around half of the finger of development referred to above, and would make an attractive location for a retirement village development.'

Following additional analysis of the urban land supply through the HBA, it has been shown that there is additional demand on top of what has been provided for at Arataki and Brookvale over the next 30 years. To ensure that the NPSUD Policy 1 requirements regarding having a range of housing locations and choices and to provide flexibility if other development areas cannot be achieved, the Middle Road sites were recommended by officers for inclusion as part of early reporting for the Draft FDS.

While it is recognised that the soil values are listed as LUC 2, additional advice was sourced by the Technical Advisory Group as to the actual productivity of the land. Advice was obtained from Agfirst through the MCA analysis, which indicated that due to the high susceptibility to flooding and high water table, the opportunity to utilise the land productively was compromised and the ability to use the land for cropping purposes was limited. There has not been information received that provides an alternative viewpoint to the AgFirst analysis, and many of the submissions support the difficulties for using the land for productive land-based purposes. As part of the MCA analysis, the productivity of the site was still ranked as a 2 for HN2a and 0 for HN2b.

As part of the soils assessment undertaken by Dr Barichiev (Appendix 9) the following comments were made:

The mapping / information provided is very broad. The submission influences large tracts of LUC 2 land including existing high value crops and agricultural infrastructure. No soil or LUC report, no scientific analysis. Much more information is required to make a defensible decision. Including these large tracts of land in the FDS without site specific reports is not advised.

The key point to the assessment is that no additional soils information has been provided through submissions to amend the existing knowledge we have around soil quality. As such there is a reliance on the existing LUC mapping and additional advice provided by AgFirst for the MCA analysis. More detailed analysis would be required before a rezoning could be promoted in the fullness of time if the area is accepted for inclusion in the FDS on the basis of the wider need and suitability considerations.

Following initial analysis, it was recommended by officers that both Middle Road HN2a and HN2b were included within the Draft FDS. This was based on the strong levels of accessibility, relative ease of extending infrastructure, and the compromised nature due to surrounding land uses, though the lack of a strong natural boundary and productivity of the soils were noted.

The sites were removed prior to the final draft by recommendation of the FDS Joint Committee, which were accepted by the partner Councils. The following reasons were provided:

That the Joint Committee adopt the draft ‘Napier / Hastings Future Development Strategy’ (FDS) attached as Attachment One and ‘Summary of Information’ attached as Attachment Two with the following variations,

- a) That the Ahuriri Station land is identified for inclusion as redress land as detailed in Attachment 5.*
- b) Hn3a- Middle Road (excluded).*
- c) Hn3b- Middle Road extension (excluded).*

On the basis for II & III that:

These areas are not needed to provide sufficient development capacity to meet demand (including the 20% competitiveness margin),

Hn3a and Hn3b are areas of land are Highly Productive (including ‘Land Use Capability’ level 1 and 2 land),

These areas are not included in Heretaunga Plains Urban Development Strategy (except as a reserve area in the case of Hn3a),

It would be contrary to the objectives of the FDS to include these areas.

In terms of the reason that ‘These areas are not needed to provide sufficient development capacity to meet demand (including the 20% competitiveness margin),’ additional clarification is necessary. The removal of the Middle Road areas means that there will now be a deficit in sufficiency of housing development capacity within Hastings. This deficit is shown in Table 6 of the Draft FDS as notified, see **Figure 33** below:

Table 6– Sufficiency of housing capacity in **Hastings** to meet minimum development targets

	Short Term	Medium Term	Long Term
Intensification Development Demand	5,220		
Intensification Development Capacity	5,840 (+620)		
Greenfield Development Demand	2,160	2,240	
Greenfield Development Capacity	2,125 (-35)	1,560 (-680)	
Total Sufficiency of Residential Development			-715

Figure 33 Screenshot of Table 6 of the Draft FDS as notified.

As can be seen above there is a 715 dwelling shortfall for greenfield in Hastings, primarily over the long term. While this could theoretically be offset by greater levels of intensification, this has been concluded through the Market Economic assessment that intensification levels greater than 60% are aspirational and it is unlikely that even greater levels could be achieved.

The sufficiency as referenced by the Joint Committee and the Partner Council’s relates to the overall sufficiency across both Napier and Hastings. Napier is shown to provide a surplus of 1,425 dwellings, in effect offsetting the greenfield residential capacity shortfall in Hastings. There are questions here as to whether

offsetting Hastings and Napier’s demand meets the NPSUD Policy 1 requirements to *have or enable a variety of homes that: (i) meet the needs, in terms of type, price, and location, of different households*; particularly in terms of locational requirements. Market Economics in **Appendix 5** observe “*From a price-point perspective, there appears to be some potential to substitute between locations (across Napier and Hastings) due to a broad level of price comparability. However, the other factors play an overriding role in housing preferences. While there is some overlap in the housing offer, the wider factors mean that the two market are for the most part separate.*”

The removal of the Middle Road areas has also significantly reduced the additional capacity that the strategy has achieved to meet overall demand as shown on Table 4 of the Draft FDS as notified (see **Figure 34** below):

Table 4 – Sufficiency of housing development capacity to meet demand

	Short Term	Medium Term	Long Term
Demand for redevelopment in the existing urban area	8,840		
Redevelopment Capacity	9,910 (+1,070)		
Greenfield Demand	3,770	3,710	
Greenfield Capacity	4,310 (+540)	3,880 +170)	

Figure 34 Screenshot of Table 4 of the Draft FDS as notified.

While the table shows that the Draft FDS can meet demand, there is risk of other locations not being achievable over the 30 year horizon which would lead to a shortfall in capacity. There are a number of areas which have significant infrastructural requirements or market appeal issues to overcome. It is officer’s preference to provide greater buffer in capacity numbers to ensure flexibility if areas within the strategy are unable to develop.

As mentioned, there are nine submissions from landowners within HN3a and HN3b. All support the inclusion of the land within the FDS. The submissions largely reinforce existing issues that are known about the area, primarily that the land:

- a) Is fragmented and small blocks are difficult to use productively;
- b) Surrounding residential creates an issue with spray drift and general orcharding practices;
- c) Existing flooding susceptibility limits productivity;
- d) Multiple supporting reasons (e.g. close to urban area and infrastructure) that make it easier for development of the area.

No submitter provided additional evidence than what is already known about the land, particularly around the soil quality and versatility. The issues raised by submitters are generally supported by officers which led to the inclusion in the Draft FDS in the initial instance. However, the strong direction of the Joint

Committee and Partner Councils, relating to the need to protect productive land needs to be considered. There is acceptance that the soils in HN3a and HN3b are productive, albeit with some significant limitations, and the Joint Committee and partner Councils have chosen to place a greater weighting on this aspect than officers leading to the land exclusion.

Ultimately the decision on whether to include the HN3a and HN3b comes down to whether there is considered suitable demand to require additional land to be included and whether this is the most appropriate location to include additional land. In our opinion, this site should be considered ahead of the Te Mata Mushrooms site HN3a. HN3a has greater soil capabilities, but a weaker defensible boundary. The Middle Road site is already surrounded by residential on three sides, and the Gilpin Road boundary could be bolstered to create an urban limit to the west. Both sites are adjoining existing infrastructure networks, however the HN3a and HN3b sites have a greater level of transport accessibility. Finally, the HN3a and HN3b sites provide a greater range of choice on the western side of Havelock North.

10.3.8 Portsmouth Road FM2 and FM9

10.3.8.1 Additional Information

The Portsmouth Road land is listed as FM2 under the Draft FDS and was originally considered through the call for opportunities submissions. The land in question has been supported and included within the Draft FDS. There has been one submission received for this area, which is in support of the recommendation. No specific submissions were received in opposition to this area being included. The land ranked favourably with a score of 59/76 and a refined list ranking of 4= out of 28. The land identified for FM2 is shown below:

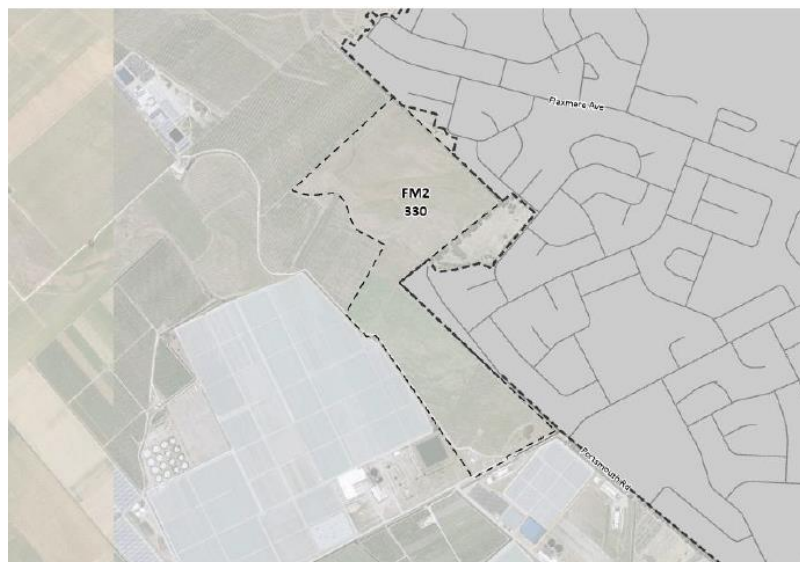


Figure 35 Showing location and extent of FM2.

FM9

Following the feedback period, the submitter provided further information requesting that FM9 also be considered as part of their submission. While discussion of this area was not part of the original submission, it was accepted as evidence by the Hearings Panel and provided early enough to allow for comment in this report. The FM9 area overlaps some of FM2 and was merged as part of the recommendation for the Draft FDS. The land ranked identically to FM2 with a score of 59/76 and a refined list ranking of 4= out of 28. FM9 is shown below:



Figure 36 Showing location and extent of FM9.

10.3.8.2 Analysis and Discussion

FM2

As mentioned, the submission supports the inclusion of FM2 within the Draft FDS and there are no submissions in opposition. The land preforms well in terms of natural hazards. There is a portion of the land within the LUC3 soil classification, and the remainder is within the Roys Hill winegrowing area (mainly LUC 7 but with unique characteristics suitable for grape growing). While this contravenes a number of submissions requesting that productive land is not utilised, it generally performs better than many of the other sites around Hastings on this matter. The land is also close to Hastings aerodrome flight paths, but generally located on the outskirts of these. It is therefore recommended that the inclusion of FM2 should remain.

The submitter has raised a number of other issues that they would also like to see addressed as part of the inclusion of their land. The are addressed below.

The submitter would like greater emphasis on the intensification of greenfield land and would like the approximate capacity increased to 600 from 330. On

page 53 and 54 of the draft FDS, the approach is specified as generally being conservative but encouraging greater levels of density where appropriate, stating "greater density should be sought to reduce the need for further expansion into areas with known constraints".

The submitter has not provided any additional specific details to determine the number of 600. While there is benefit in being more precise with the numbers, there would be concern with estimating a number too high, that may not be achievable without specific detail to back this up. The 330 approx. capacity in no way reduces the opportunity to achieve greater densities. Likewise, the Draft FDS has direction encouraging greater density where appropriate and it is considered that additional amendments are not required to reflect this. Nevertheless, if the submitter can provide more detailed information through evidence or at the Hearing, which gives greater confidence in the number being achieved, then dwelling numbers could be amended to ensure greater accuracy.

The submitter also mentioned a business/commercial growth node. Given the small-scale nature of the node, it is unlikely to affect residential or commercial supply. Any small nodes such as this are best dealt with at structure plan stage and do not need to be reflected within the strategy.

Finally, the submitter has requested that the timeframes for development be amended from being within the long-term development timeframe (11 – 30 years) and be considered as a short, medium time frame (2 – 30 years). The timeframes developed reflect Council priorities for development of the short, medium and long term periods.

The long-term timeframe afforded to FM2 reflects that this area is not currently under development nor identified in the Long Term Plan as needed or funded for growth within the next 10 years, given other planned developments. This does not negate the fact that a private developer could bring this forward earlier but reflects that this land does not fit current short and medium term growth projections. The current focus for growth at Flaxmere remains the Wairatahi area at this time. The applicant has not provided additional evidence to show that there is demand for this proposal as well within the short to medium term.

FM9 Additional Evidence

The submitter has requested that FM9 be included, this is supported by the submission of the Natural Hazards Commission who have recommended that FM9 performs better than other areas from a natural hazards viewpoint.

The submitter is correct in their assertion that the site performs strongly as part of the MCA, performing nearly identical to FM2 in terms of flooding and natural hazards, and actually having less LUC 3 land than FM2, although this is countered by the fact that much of the site is located within the Roys Hill Winegrowing overlay (discussed below). The soil classification and Roys Hill Wine Growing Area (shown as a blue dotted line) are shown in **Figure 37** and **Figure 38** below:

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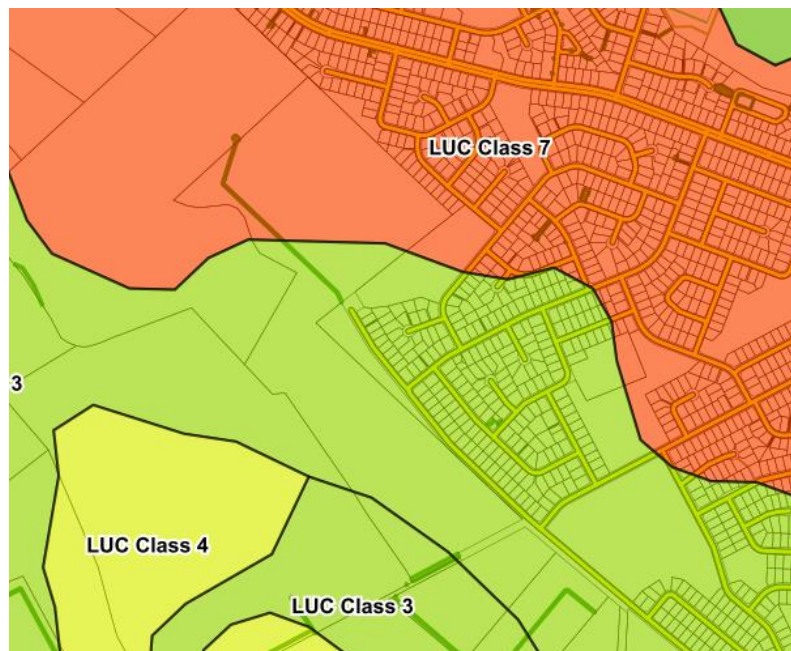


Figure 37 Showing LUC status of FM9 site.

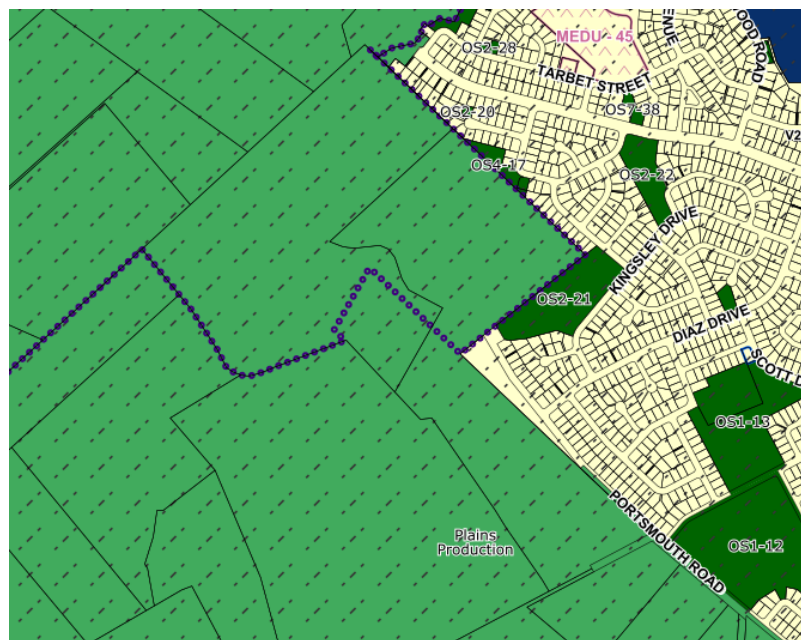


Figure 38 Showing the extent of Roys Hill Wine Growing Area in relation to FM9 site.

Background

The submitter has questioned as to why FM9 was removed from the Draft FDS, as no specific reason has been provided. We agree that no clear pathway was discussed as part of the Draft FDS materials and a brief history is discussed below.

The area was originally looked at more broadly off the back of the Save the Plains submission to the call for opportunities., The area identified in the call for opportunities was split out between two potential areas FM2 and FM9 (see **Figure 39** below) to reflect different interest that time. and soil types/zoning. This area was further refined during the first round of spatial scenario / site assessments when taking into consideration of the Aerodrome operations and the broad / contiguous areas of LUC3 which were still in use for intensive primary production.

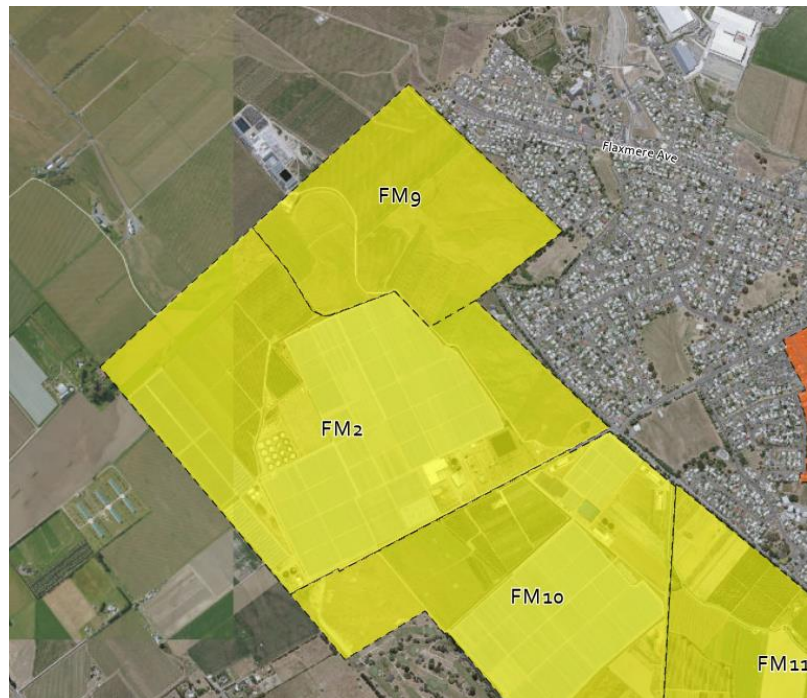


Figure 39 Showing the initial extent of potential FM2 and FM9 sites.

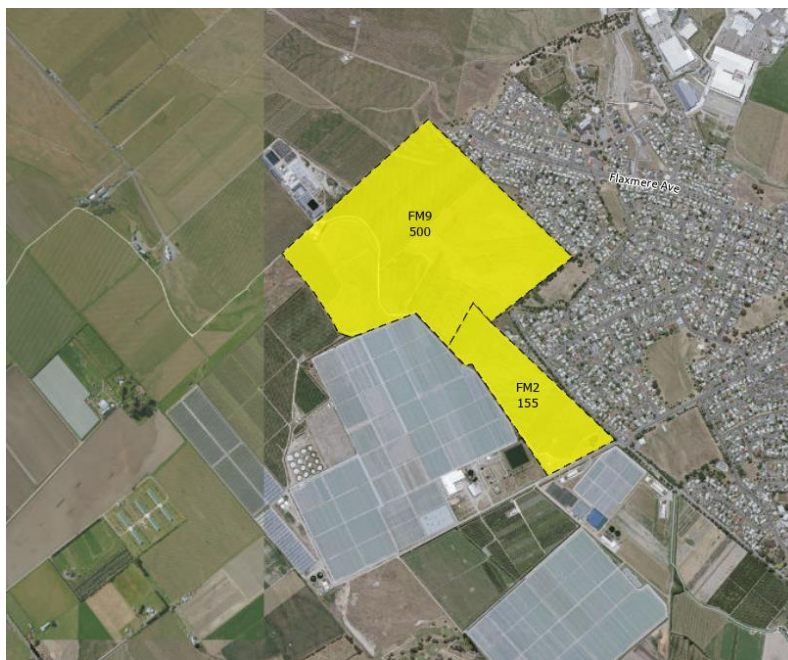


Figure 40 Showing the refined extent of FM2 and FM9 sites.

More detailed discussions with the Technical Advisory Group were subsequently held late 2023 / early 2024 on the remaining Hastings District sites, especially with regards to highly productive land (including specific discussions with Agfirst and HBRC soils experts). Nearly all of FM9 falls within the Roys Hill Wine Growing Area which had been identified as being highly productive (in addition to the NPSHPL requirements).

Much of FM9 was still in productive use and there were no specific submissions seeking its wider inclusion. At that time it was considered that the emerging Draft FDS provided for sufficient capacity in other locations. Accordingly, it was not considered necessary to include the entire revised FM9 site at that stage and only the essentially vacant/ bare portion of the site was merged with the original Portsmouth Road FM2 site.

Roys Hill Winegrowing Overlay

In terms of the Roys Hill Wine Growing Area, the soils within this location are often referred to as the Gimblett Gravels and are renowned for their grape growing properties. The land has been considered to have high productive value for the purposes of the MCA assessment but are not considered versatile (in that they are unsuitable for many types of cropping). The Roys Hill Wine Growing Area was added as part of the Hastings District Plan Review, and the following wording is extracted from the Plan:

The concentration of Class 7 soils around the Roys Hill area has a largely uniform land use based around grape growing and wine production. This factor means that the nature of environmental effects produced both on-site and experienced by adjoining properties owners will be virtually the

same, meaning that the area has unique characteristics. To recognise this, the District Plan provides the 'Roys Hill Wine growing District Overlay' within which specific standards apply to recognise the uniform land use and the special amenity of the area.

The submitter has indicated that the owner of the balance area in FM9 has recently removed their production crop of grapes from this area as the production value of the land is considered poor. Additional information as to the reasons for this and why this differs to other areas within the Roys Hill Winegrowing area would be valuable and would assist in any recommendation of this land. It is accepted that if the sites are shown to be unproductive for grape growing, there is very reduced opportunity for other crop growing in this area.

Development Capacity

The additional yield that is achieved from the inclusion of FM9 is 325 dwellings. While there is some confusion due to the merging of part of the land as part of the Draft FDS, the key points are that the previous FM2 provided for 330 dwellings, and the combined FM2 and FM9 would provide for 655 dwellings. This may be greater depending on what analysis and testing is provided by the submitter at the Hearing.

It is recognised that with the addition of both the FM9 land, Wall Rd, Middle Rd and the potential increase of dwelling numbers for Arataki Extension, there would now be sufficient supply for the demand within the Hastings market.

The following table indicates the amendments as recommended by Officers:

Area	Additional Capacity
FM9 - Portsmouth Road	+325 dwellings
H5 - Wall Road	+110 dwellings
HN3a and b - Middle Rd	+640 dwellings
HN2b - Arataki Extn	+60 dwellings (TBC)
Total	+1135 dwellings

As this table shows, there has been an increase of 1,135 dwellings through the recommendations within the Hastings area, which when taking the existing deficit as recommended of 715 dwellings (see table 6, pg. 77 of draft FDS), provides a surplus of 420 dwellings.

It is noted, that while this site performs better than some other sites discussed in this report and included within the Draft FDS, they are not like for like replacements, particularly in regard to location and choice of households as required by Policy 1 of the NPS-UD. While the FM9 land provides additional supply across the region, it should not be considered a like for like replacement

for Havelock North growth, or vice versa. In this regard it should be noted that the Draft FDS already provides for greenfield growth on the outskirts of Flaxmere of 790 dwellings between Wairatahi (460 dwellings) and the FM2 land (330 dwellings). FM9 would increase this to 1,115 dwellings.

FM9 Conclusion

It is accepted that the inclusion of FM9 would achieve many of the objectives of the Draft FDS as identified by the submitter, although there is still uncertainty whether there is appropriate demand for this level of development in this location (noting that an additional economic assessment has not been undertaken). It is accepted that this is a low hazard area, and the soils have low versatility in this area. Any additional evidence as to the lack of additional viability for grape growing in this area would be of assistance. It is also noted that this land is likely to have less impact on aerodrome operations than FM2, although it should be noted that the aerodrome is not supportive of additional development on the southern side of Flaxmere.

On balance it is considered that FM9 would add valuable capacity to the overall housing supply in a relatively low risk location, and as such is recommended to be included within the FDS. We are however, cautious of removing other recommended areas as a consequence, just to “balance” the numbers, given its location and relatively untested market uptake in the context of Policy 1(a)(i) of the NPSUD.

10.3.9 Hastings Golf Course

10.3.9.1 Additional Information and Evidence

Golf Sport Development Ltd Partnership (Golf Sport Development) and the Hastings Golf Club request that the Hastings Golf Course site be included in the FDS as a new/expanded residential area.

The Hastings Golf Course was considered as part of a wider BP4 area with the recommendation to exclude this area from the Draft FDS. Golf Sport Development requests that the Hastings Golf Course site be reconsidered as a standalone option.

The site (BP4) scored 52 points in the MCA and was ranked 17 out of 28 in the refined scenario rankings. The site is shown below.

It is noted that BP4 assesses a slightly larger, and different area that what has been proposed by the submitter, which incorporates just under of the golf course land as their structure plan shows below.

A private plan change request has been notified for the Hastings Golf Course to change the zoning to “Sport and Recreation Zone” with a “Heretaunga Golf and Leisure Precinct” providing for the further development of the golf course, new recreational facilities, commercial development, residential development and visitor accommodation (being 106 dwellings and 28 terraced apartments).

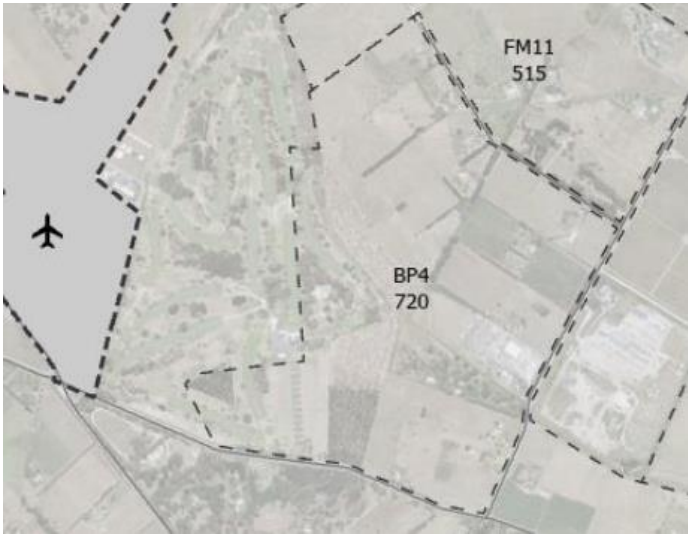


Figure 41 Showing the location of BP4 as assessed in the MCA.

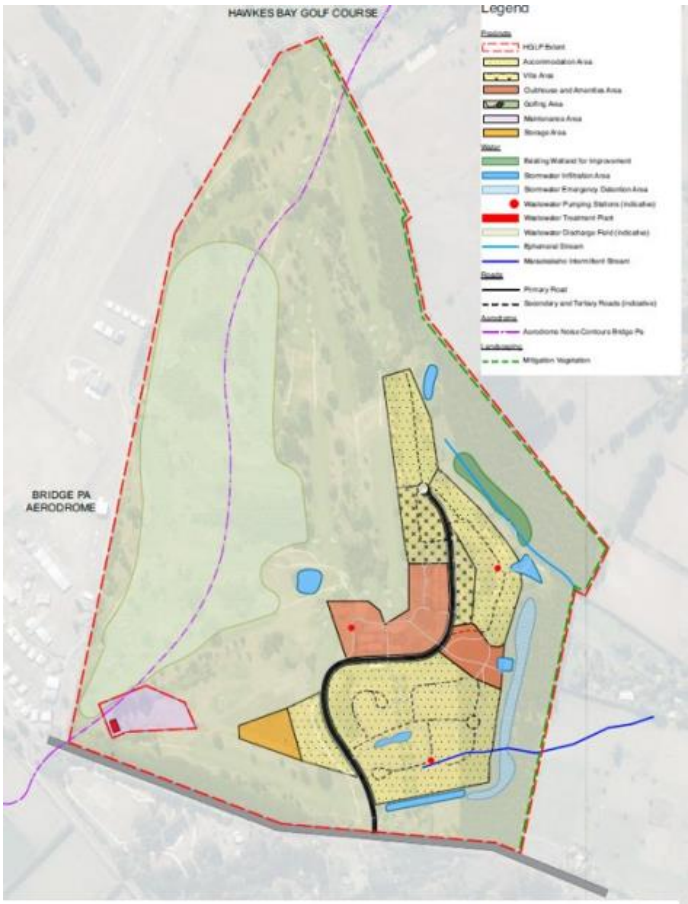


Figure 42 Showing the Hastings Golf Course Structure Plan.

10.3.9.2 Analysis and Discussion

The Draft FDS seeks to achieve “a compact urban form, focussed around a network of consolidated and intensified centres in Napier and Hastings”. In particular, the Draft FDS provides for “targeted expansion to enable new compact neighbourhoods with a mix of housing types”.

It is noted that the soils assessment provided in the submission was reviewed as part of the HBRC soils report **Appendix 9** which concluded that the land evaluation seemed fair and reasonable but noted that more specific details should be provided.

The proposed development of the Hastings Golf Course does not achieve the overarching aims of the FDS for the reasons set out below. Below is a zone map showing the location of both Hastings and Flaxmere with the approximate location of the residential development proposed by Golf Sport Development shown in red.

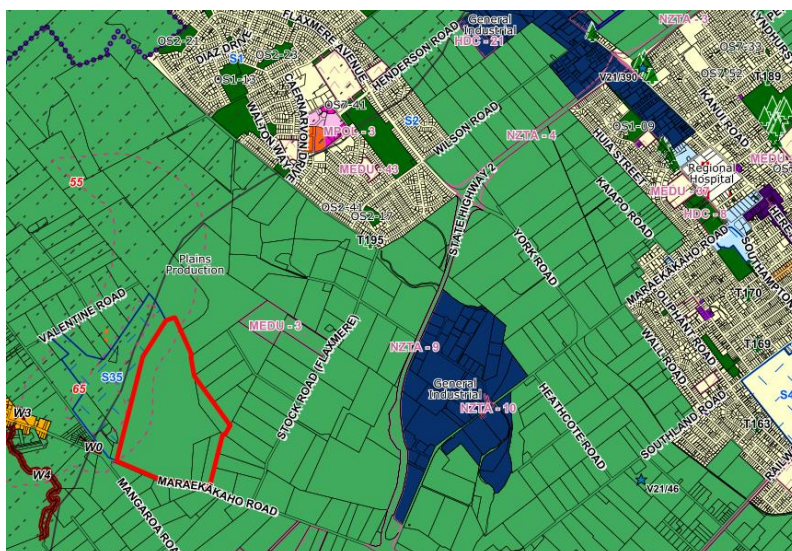


Figure 43 Showing the location of the Hastings Golf Course.

The location of the Hastings Golf Course is removed from the urban areas of Hastings and Flaxmere surrounded by Plains Production zoned land and in close proximity to the Hastings Aerodrome. The site is located in an isolated pocket not connected to any other urban boundaries, with does little to achieve the objective of the FDS around requiring a compact urban form.

Given that the proposed development does not fit with the objectives of the FDS it is best considered through the private plan change pathway that has already been initiated by Golf Sport Development.

The inclusion of the Hastings Golf Course in the FDS is seen by Golf Sport Development to “provide a more certain regulatory pathway” for their residential development. The purpose of an FDS is to set a high-level vision for urban growth not to clear a pathway for particular developments. The Hastings Golf Course development will need to be assessed on its merits against the

relevant planning instruments and legislation. This site's inclusion in the Draft FDS could be seen to be pre-empting the private plan change thereby undermining this process.

It is our understanding that the development area is proposed as a form of tourism function where property owners are less likely to be full time residents. This would make a modest contribution to meeting future housing demand, in terms of overall numbers but also the specific type of housing provided.

Much of the proposal's ability to overcome the disadvantages listed as part of the MCA analysis for BP4, comes down to the fact that the consideration of this being a niche proposal, rather than a broader area suitable for residential development. Again, we do not consider that such a proposal achieves the intent of the FDS, which aims to provide for broader areas which are suitable for urban development.

In addition, there has been concern raised through the submission of the Hastings Aerodrome around reverse sensitivity and the potential to compromise some of the Aerodrome's operational abilities. While these concerns should be considered, there is no specific requirements in the Hastings District Plan around flight paths that this proposal would infringe. In this instance, issues of reverse sensitivity would be better considered as part of the Plan Change, given that it is not being recommended for broad scale residential development.

In conclusion, this proposal does not achieve the aims of the FDS and given its niche characteristics it is best progressed as a private plan change, a pathway that it is currently progressing. No changes are therefore recommended to the Draft FDS in relation to the Hastings Golf Course site.

10.3.10 147 – 151 Napier Road (Sun Properties Ltd)

10.3.10.1 Additional Information

Sun Properties Ltd's submission for 147 – 151 Napier Road relates to the inclusion of a single site of land to the east of Havelock North. It is contiguous with the existing Havelock North urban boundary, but not with other identified urban areas. The site is 7598m² in size. The property was submitted as part of the call for opportunities and considered under the longlist MCA analysis as HN8 and ranked 29 out of 67. While this is a reasonable score, the fact that the site can only provide an additional 29 dwellings meant that it did not merit consideration as part of the refined scenarios. The area in question is shown in **Figure 44** below:



Figure 44 Showing the location and extent of 147-151 Napier Road.

10.3.10.2 Analysis and Discussion

As mentioned, this area was discounted from the refined scenario process due to providing small additional numbers and being over LUC 1 soils. It is recognised that this site has relatively unique properties in that it is almost entirely covered in hardstand and buildings. We agree with the submission that this essentially precludes the potential for land based productive use, despite an LUC1 classification. The submission has been discussed in the HBRC soils report (**Appendix 9**) which states:

Site visit described in the submission documentation found that the site is completely under hardstand / gravel.... Very pertinent limitations due to packhouse development and site size <1 ha.

It is also accepted that this site would be relatively easy for an extension of the servicing network, and that the remaining boundary to the Plains Production Zone could be made defensible by a reserve access strip, noting that, adjoining sites do not have the same argument relating to the covering of LUC land that relates to 147 – 151 Napier Road.

The primary issue with the submission and proposal is that it results in the inclusion of a relatively small area of land of little strategic value to the overall FDS, resulting in the construction of only an additional 29 dwellings. The FDS is primarily high-level strategic document which aims to locate broad areas of land suitable for rezoning that are necessary for achieving the FDS objectives. The specific detailed assessment still needs to assess specific design suitability and practicalities through a structure planning process. Including small-scale site-specific areas generally does not ensure that the wider housing supply targets can be met, while also taking a piecemeal approach to service capacity and network upgrades.

The submitter has noted 'It may be assumed that the non-complying resource consent or private plan change processes can enable the development of Plains Production Zone sites such as the subject site, however, the objectives and policies of the RPS and District Plan are discouraging of such development. Therefore, where the land has not been identified for future development in the Council's urban development strategy, there is no clear consenting pathway for residential development.'

We agree that inclusion or not within the FDS is not determinative of a future plan change or resource consent. While the RPS and District Plan, should generally follow directions of the wider growth strategy, there are provisions that allow for new greenfield growth areas if not previously identified in a wider growth strategy. Policy 4.2 of the RPS lists a number of criteria that should be considered for new greenfield growth areas. It would appear that the sun properties submission would meet many of these criteria for consideration. Similarly, Policy 8 of the NPS-UD requires local authorities to be responsive to plan changes even if they are not part of planned land release. It is considered that there is sufficient flexibility within existing planning documents to provide a pathway for developments as proposed by the submitter.

The site and its possible yield are not of sufficient size and scale to warrant specific mention or mapping in the FDS, which is focussed more on high level strategic directions and which nominally set a minimum 100 dwelling for inclusion. Noting that, the development would not necessarily offend the FDS principles and strategic intent and it would make a small contribution to demand and locational choice.

10.3.11 Brookvale Road (Metlifecare Submission)

10.3.11.1 Additional Information

The submission of Metlifecare is on the area generally defined as HN6. This was previously included within HPUDS and recommended as part of the Draft FDS. Further to this, the land is subject to a Private Plan Change by Metlifecare. The land in question is shown below:



Figure 45 Showing the location and extent of Brookvale Road (HN6).

The site ranked strongly at 8 out of 28 on the short list. The submitter has requested amendments to the stormwater section of the FDS and the staging requirements of HN6.

10.3.11.2 Analysis and Discussion

The submitter supports the inclusion of HN6 is noted and there is continued support from Officers to include the site.

The submitter has also requested the following addition to 10.11 strategic infrastructure, under stormwater:

Opportunities will be sought for stormwater capacity, detention and storage facilities to be located on adjoining land that is not zoned for residential development to promote more efficient use of land and infrastructure.

The specific request related to the HN6 land is further addressed in the Thompson Road submission analysis elsewhere in this report, however the specific wording as requested by the submitter encourages that stormwater solutions should always be aimed to be located outside of the land identified within the FDS. It is considered that this is inappropriate, and any stormwater solution is assessed on a case-by-case basis, taking into account a range of factors particularly relating to where the stormwater detention area is located. Any site-specific solution should be addressed at structure plan/plan change stage.

However as with elsewhere in this report, it is generally accepted that some flexibility should be incorporated into the strategy which allows for solutions

outside of the FDS identified boundaries, if this solution is considered the most efficient and effective option for achieving residential yield. As such the following additional wording on page 67 of the Draft FDS is considered appropriate:

Stormwater

The approach to stormwater in Napier and Hastings will need to adapt to growth pressures, increasing environmental standards and the future impacts of climate change (e.g. more intense rainfall events). As development in greenfield areas occurs over time or as part of structure planning or subdivision processes, new and upgraded infrastructure may be required to provide stormwater capacity, detention and treatment. The development of stormwater infrastructure may involve land acquisitions and is likely to be addressed catchment by catchment at the time development occurs. Any stormwater solution is encouraged to be developed in the most effective and efficient option to achieve yield while reducing effects, whether this is located within or outside of FDS identified development locations.

Finally, the submitter has requested that the timeframes for development be amended from being within the long-term development timeframe (11 – 30 years) and be considered as a short, medium time frame (2 – 30 years). The timeframes in the Draft FDS reflect Council priorities for development of the short, medium and long term periods. The long-term timeframe afforded to HN6 reflects that this area is not currently under development nor identified in the Long Term Plan as needed or funded for growth within the next 10 years. This does not negate the fact that a private developer could bring this forward earlier but reflects that this land does not fit current short and medium term growth projections. There is a need for a consistent approach which relates to the funding and delivery of growth within the Long Term Plan.

10.3.12 Arataki Extension (HN2b)

10.3.12.1 Additional Information

The submission for Arataki Extension was by CDL Ltd on the land defined within the FDS as HN2b. This was previously included within the HPUDS 2010 strategy, but removed in 2017 due to reverse sensitivity (odour) impacts of the Te Mata Mushroom farm operations on the adjacent property. The mushroom farm activities have ceased, (though still have consent) and this presents an opportunity for HN2a recommended as part of the FDS. The Project is a listed project in the Fast Track Approvals Act 2024. The land in question is shown below:

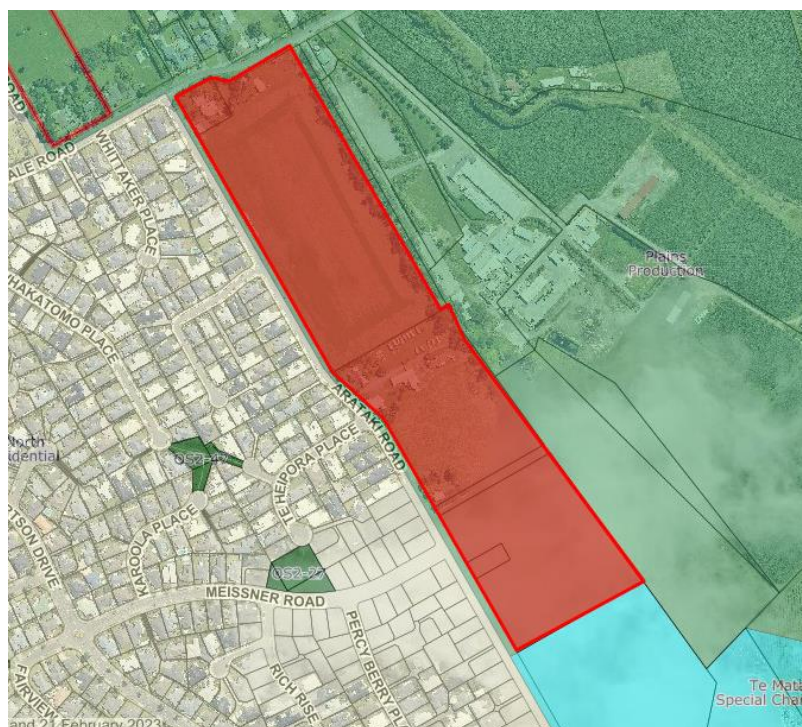


Figure 46 Showing the location and extent of Arataki Extension site (HN2b).

The site ranked strongly for the MCA analysis at 9 out of 28 sites on the short list.

10.3.12.2 Analysis and Discussion

The submitter supports the inclusion of HN2b and there is continued support from Officers to include the site.

The submitter has also requested that the approximate capacity of the development area be increased from 110 dwellings to 200 dwellings. Further correspondence with the submitter around the fast track consent has provided detail that 170 dwellings are now most likely to be developed. We would request clarification of this figure at the Hearing to ensure accuracy. We are also cognisant of the need to take a conservative approach to capacity numbers and would not want to be over-representing these. As such, we recommend retaining capacity numbers at 110 for now, but are open to amend these if more accurate details are provided.

The submitter has requested that Figure 1 on page 7 be amended that the line notating the highly productive land delineation not cut the land shown in HN2b & HN6. Officers agree that this amendment should be made.

Finally, the submitter has requested that the timeframes for development be amended from being within the long-term development timeframe (11 – 30 years) and be considered as a short, medium time frame (2 – 30 years). The timeframes developed reflect Council priorities for development of the short, medium and long-term periods. The long-term timeframe afforded to HN2b

reflects that this area is not currently under development nor identified in the Long Term Plan as needed or funded for growth within the next 10 years. This does not negate the fact that a private developer could bring this forward earlier but reflects that this land does not fit current short and medium term growth projections. While there is some differentiation with this site being a fast-track listed project, this does not change that it is not part of the demand assessment for the next ten years, and thus this should not be reflected in the strategy and ultimately Council long term funding.

We do not recommend any change to the approximate capacity figures, but officers are comfortable to amend if more accurate details to support additional numbers are provided at the hearing. We also do not recommend amending the staging, although the developer is able to bring this forward through a resource consent/plan change with supporting infrastructure delivery.

10.3.13 60 Thompson Road

10.3.13.1 Additional Information

The submission of Paul Stevenson has requested that the remainder of the site that was severed by the Brookvale structure plan, be included in the FDS for future use of providing stormwater management purposes, while the remainder of the site to be used for residential purposes. The site is shown below:



Figure 47 Showing the location and extent of 60 Thompson Road site.

Note that the dotted area marks the existing stormwater management area for the Brookvale Structure Plan and the green strip to the south is the Crombie drain. Karitūwhenua Drive is proposed to be extended to connect to Thompson Road. The Brookvale rezoning occurred following appeals to the Hastings District Plan review.

The remaining portion of the site is approximately 1.9 hectares in size and is zoned Plains Production. The site was not put forward as part of the call for opportunities so did not get assessed through the MCA process.

10.3.13.2 Analysis and Discussion

The development of the Brookvale Structure Plan has been ongoing in recent years, and one of the fundamental issues has been the development of suitable and functional stormwater management areas. While the exact design has been difficult to finalise, there is confidence that this will be achieved within the existing Structure Plan area. However, if parts of the stormwater detention solution ultimately require land outside the Structure Plan, this should be considered as a site specific consenting matter, as opposed to identifying a solution through the FDS. As discussed in the Metlifecare submission analysis, specific solutions for stormwater (or other infrastructure) requirements should be dealt with on a case-by-case basis, and where the most efficient and effective solution occurs outside of an FDS identified growth areas, these should still be considered as part of any assessment.

It is accepted that the site in question has been severed as part of the Brookvale Structure Plan, and this has left an orphaned area of land which has limited use productively. Nevertheless, the land is located entirely within LUC 1 land as shown below:



Figure 48 Showing LUC status of 60 Thompson Road site.

Given this, and that development of the site is limited to approximately 10 – 15 dwellings, it is likely that the site would have ranked poorly in terms of an MCA analysis and would not have been considered as part of the refined list.

As with other proposals, the inclusion of a relatively small area of land is of little strategic value to the overall FDS. The FDS is primarily high-level strategic document which aims to locate broad areas of land suitable for rezoning. Proposals such as this one, should ultimately occur as either a plan change or through a separate resource consent, where more specific assessments can be undertaken.

Ultimately, while acknowledging the restrictions on the landowner following the severance of the site from the Brookvale Structure Plan area, the land is ultimately not of strategic significance for inclusion within the FDS. Further to this, there is no demonstrable need to utilise the site for stormwater purposes and the site is located on LUC 1 soil, further limiting its suitability for future urban growth.

No change is recommended as the proposal would not give effect to the objectives of the Draft FDS in relation to the protection of versatile and productive soils and the development of 10 – 15 dwellings on the site is not of strategic significance for inclusion in a sub-regional growth strategy.

10.3.14 Te Mata Mushrooms -174 & 176 Brookvale Road (HN2a)

10.3.14.1 Additional Information

This site, known as HN2a, was put forward as part of the Call for Opportunities and therefore covered by the MCA analysis and site-specific summaries at page 16 of the Technical Report Appendix 4. The site should, if included in the FDS, naturally include an adjoining lifestyle block sandwiched between the land identified for inclusion by the submitter and the Arataki Terrace. The submitters connection to the property is not entirely clear, however, the submission fairly reflects the physical and legal situation as well as FDS assessments undertaken to date.

In addition, they have submitted expert reports on the soils and productive characteristics pertaining to the land. These have been reviewed in **Appendix 9** by HBRC land scientists.

No further information or evidence is considered necessary to determine this submission, other than the addition of some explanatory mapping inserted below.

10.3.14.2 Analysis and Discussion

The essential issues here relate to the productive capacity of the land and whether there is a realistic defensible boundary to further expansion eastwards into the Plains Production Zone and potentially the Te Mata Special Character Zone. This is important because while the land is noted as LUC 3, it remains highly productive land under the NPSHPL and having productive land values in terms of the operative planning documents and the objectives of the FDS. It is therefore deserving of protection for that purpose, all other things being equal.

It is accepted that some of the productive potential of the land has been compromised by the previous use of the site as a mushroom farm and that some

alternative use, possibly urban, of those buildings and related infrastructure may be appropriate, subject to specific planning controls to manage adverse effects on adjoining residential properties and productive uses to the east.

However, a large part of HN2a is still classed as LUC 3 in the soil reports and capable of some productive use, although it would benefit from some remediation from past over cultivation. The ortho below also clearly shows that a large portion of the site that has not been occupied by the Mushroom Farm operations has been used for productive use that is indistinguishable from surrounding land even though it is underlain by clays rather than gravels. The LUC classification confirmed in the submitter's soil report between the two sites is approximately 13 ha. if the non-productive area was subdivided off for an alternative urban use, this area could be amalgamated and able to be farmed with or without a lifestyle dwelling. **Appendix 9** also suggests part of 174 and 176 could be intensified agriculturally if properly managed.

A second, possibly more significant concern is that housing development of this land will undermine the urban edge that is created by the terrace to the west that was used to define the limit to the existing urban footprint of Havelock North, helping to justify the Arataki Extension. HPUDS 2010/2017 notes *"The site (Arataki Extension) is a terrace that sits above the orchard and vineyards to the east. As such it would form a natural boundary for the eastern urban edge of Havelock North."*

We do not consider the existing stream bed to the east of the site creates a strong defensible boundary and simply annexes productive land for urban use, itself creating conditions for a desire for further westward expansion. Further, we do not agree that it represents a continuation of the Southern Boundary of Havelock North, as suggested in the submission. but an extension that is accentuated by the change in level created by the terrace.

It is noted that if the existing stream is taken as a logical defensible urban boundary then it could be extended along its mainly dry drainage path to its intersection with Te Mata –Mangateretere Road, where it forms a distinct terrace that is absent at the Brookvale Road end of the drain. This roughly follows the boundary of clay based soils to the east (blue) and gravel and sand based soils of the majority of the subject site (pink) as shown in **Figure 51** below. Following the interface of the Plains Production Zone and Te Mata Special Character Zone back from the Te Mata-Mangateretere Road intersection with the drain back to the existing terrace as shown on the zoning maps below would encase a further 26 ha of Plains Production Zone LUC 3 land.

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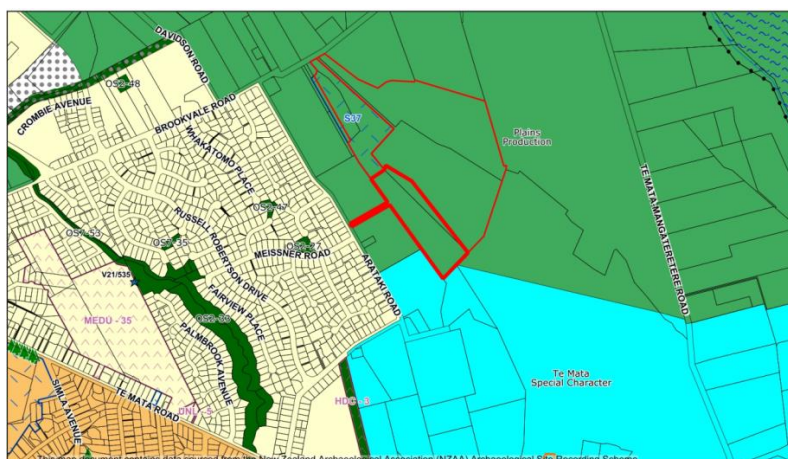


Figure 49 Showing the Hastings District Plan zoning status of the site.

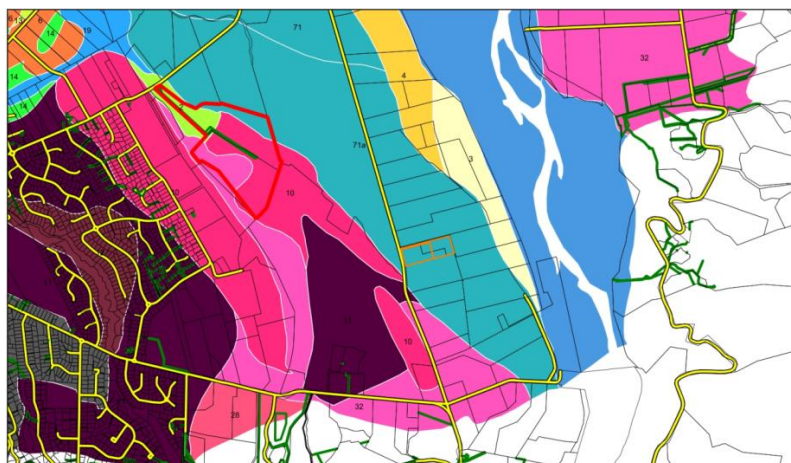


Figure 50 Showing the soil map of the site.

Taking that a step further, it could possibly give rise to pressure to include the land to the south and east. While that may be ultimately seem like an unlikely proposition (at least in the foreseeable future), there is a risk that weak boundaries would lead to a cascading effect, particularly under more liberal national planning and consenting frameworks.

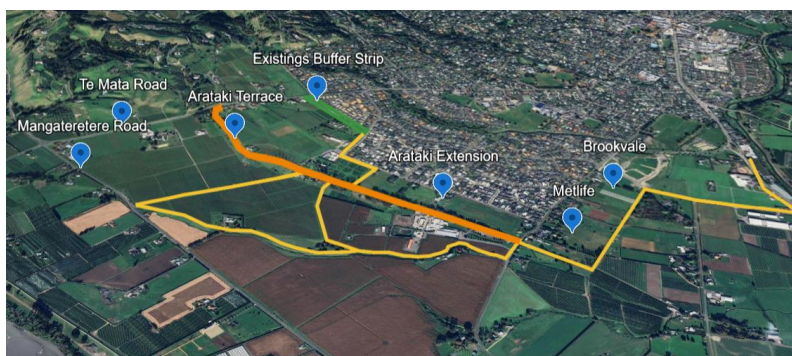


Figure 51 Showing the existing buffer strip and Arataki Extension in relation to the site.

Accordingly, a man-made urban edge similar to one created with the Summerset in the Vines 30m buffer in 1999 strip at a minimum would be needed to help shore up a strong urban edge. This would reduce yield and may or may not be able to accommodate onsite stormwater detention which will likely be needed. It is also noted that stormwater from the site could also complicate the stormwater management challenges with the downstream Brookvale, Arataki Extension and Metlifecare sites.

While not without some merit, it was for these reasons (mainly a lack of a strong natural boundary and weakening the existing urban edge) that the site was excluded from the Draft FDS. It is considered that parts of the site that have been compromised for future production by the former Mushroom Farm operation could have some form of appropriate urban use, subject to specific planning control, by way of resource consent. However, the overall conclusion is that housing activity over all of the site, even with a manmade urban buffer is contrary to the FDS objectives relating to protection of productive capacity and compact urban form and no change is therefore recommended.

10.3.15 Whirinaki (W1)

10.3.15.1 Additional Information

The subject land submitted on for Whirinaki has been submitted by Evans Family Trust and legally described as Lot 1 DP562586 and is approximately 9 hectares in size. The site has been referenced as W1 as part of the wider FDS assessment. The land sits at the lower Esk Valley area to the north of Napier as shown below:

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Figure S2 Showing the location and extent of Whirinaki site (W1).

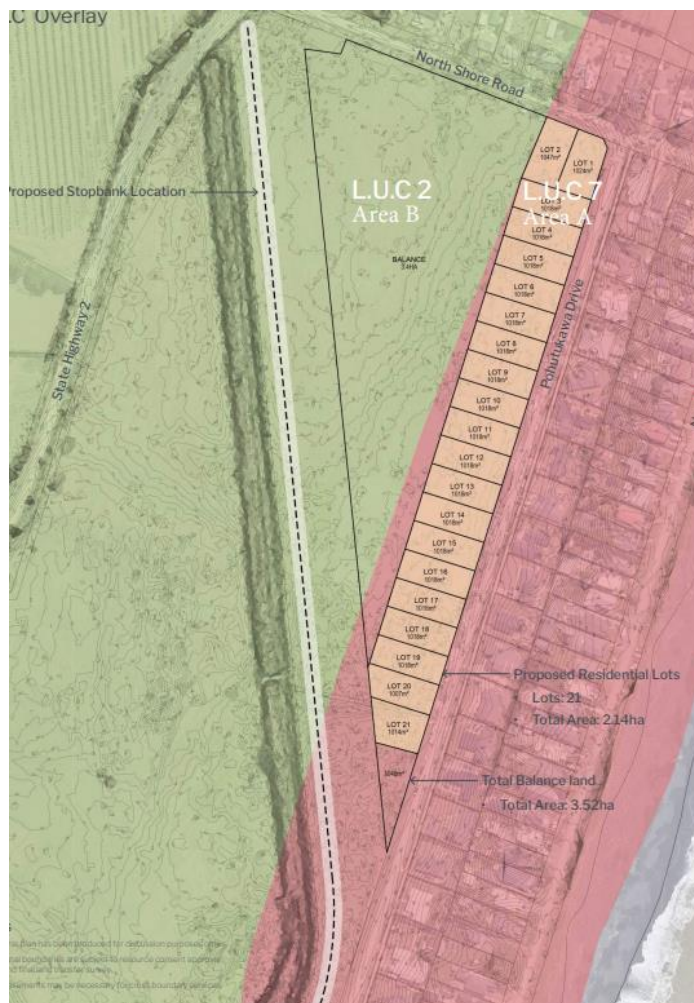


Figure 53 Showing the LUC status of the Whirinaki (W1) site.

The site was previously considered through both the 2010 and 2017 HPUDS reviews. It was originally considered as an area unsuitable for development under the 2010 strategy, but later under the 2017 review was able to be considered, but not preferable for development at that time. The assessment of the 2017 HPUDS review of submissions states

Ultimately, whilst the 2016 HPUDS Review concludes that Whirinaki warrants removal from the 'inappropriate' list, this area does not warrant all or parts of the Whirinaki settlement to be identified as an appropriate residential greenfield growth area (or reserve area) as part of the HPUDS Settlement Pattern. On the basis of the above, we considered that neither 'Greenfield Growth Area' or 'Reserve Growth Area' status is appropriate for this area of land at Whirinaki at this time. It should be noted however, that if future reviews identify rapid and significant change in growth demand that is unable to be catered for under the current HPUDS Settlement Pattern, the Whirinaki area is now able to be considered in the mix, along

with other areas that are not otherwise listed as ‘inappropriate areas for development’.

As such the site was not considered as a growth area through the 2017 HPUDS review.

The site was assessed as part of the broader MCA analysis, ultimately scoring 24 out of 76 and ranking 67 out of 67 on the longlist.

10.3.15.2 Analysis and Discussion

As has been referenced within the submission, the land undertook an application through the COVID fast track legislation which was ultimately not accepted. Due to this, the site was assessed as part of the MCA analysis. The site scored poorly, particularly in relation to accessibility, flooding, natural hazards and social infrastructure such as parks and schools.

The isolation of the site is the key concern here. The isolation increases distance from existing infrastructure, schools and main urban areas does not support the objective of the FDS of requiring consolidated and intensified urban centres and compact urban form. While it is recognised there is a major employer in Pan Pac nearby to this site, it is not considered that this is sufficient to ensure the other issues related to the isolation of the site are mitigated.

The submitter is requesting that land area A and B be included as land suitable for residential expansion. Stating that while the land was inundated as part of Cyclone Gabrielle, there are plans to establish a stop bank to provide protection for this area.

The following information has been provided by HBRC in terms of the current situation of the stopbank:

Whirinaki North Island Weather Event (NIWE) project

The Whirinaki NIWE project is a critical initiative aimed at enhancing flood resilience and infrastructure in the Whirinaki area. This work was committed to as part of the Future of Severely Affected Land (FOSAL) Agreement involving the Crown and others.

Whirinaki, east of the Whirinaki Drain is currently classed provisionally as ‘Category 2C’ ([refer Map dated 13 Nov 2023](#)). Category 2C represents locations where “Community level interventions are effective in managing future severe weather risk event.” (source: [HDC website](#))

Several things need to occur before HBRC confirms if/when provisional Category 2C areas move to Category 1 or Category 3. Category 2C will move to Category 1, on confirmation that:

- a) a sound concept that has a consenting pathway; and*
- b) a legal interest in favour of HBRC in the relevant land; and*
- c) available funding.*

The first and second of these are satisfied. The third (funding) has not yet been satisfied (as at Jan 2025).

Estimates for project costs have increased. Insufficient funding is currently available for the project (as at Jan 2025) – see below.

*The current design of stopbanking and stream works (see preliminary design in **Figure 55**) is partly located on land owned by the Evans Family Trust and runs further north behind the Unison and PanPac sites. The corridor of land (and associated stream works) that the stopbank will be built on, is now HBRC land (settlement on 12th Feb 2025).*

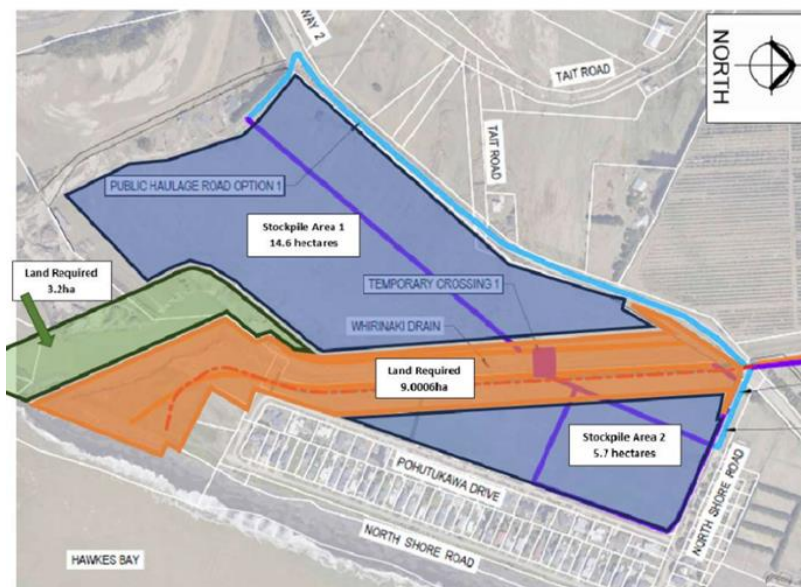


Figure 54 Showing the preliminary design of stopbanking and stream works.

The Whirinaki NIWE Project is being led by HBRC in conjunction with a number of other agencies, groups and local businesses. The project is working towards ensuring that around forty Category 2C properties move to Category 1. Potential solution includes stopbanking, drainage and stream works, plus works for State highway 2 resilience.

Initially estimated at \$11.05M (which excluded the required works on SH2), the full project costs (including works on SH2) have increased to \$26.94M. This is due to several factors including:

- a) updated national climate projections for New Zealand from NIWA;*
- b) increase in stopbank height design;*
- c) increase in road raising design; and*
- d) increase in internal HBRC standards for flood protection-related assets.*

On 29 January 2025, [HBRC](#) endorsed a funding application to the Ministry of Business Innovation and Employment (MBIE) to cover the funding

shortfall of approximately \$15.9M. Should MBIE decline the funding application in whole or part, a reassessment of the design and affordability of this programme will need to be considered by HBRC (and others).

Stopbank construction of the Whirinaki NIWE project works are programmed to commence in May 2025, subject to sufficient funding in place. HBRC is leasing the 'truncated' portion of the Trust's land for the next 18 months for stockpiling construction materials.

What is clear from the discussion above, is that the funding of the construction of the stop bank is yet to be confirmed, leading to a level of uncertainty around the delivery of the stopbank, its design standard and the ultimate reduction of flooding risks to the Pohutukawa Drive area. It is considered that no decisions around the inclusion of the land should be considered until the details of the NIWE project are finalised.

The submitter points out that a portion of the site is located within LUC7 land. This is correct, although only catering for the 20 sites within area A, and only a small part of the 3.5 hectares of land in area B. Further to this, additional discussion was provided as part of the soils report (**Appendix 9**) undertaken by Dr Barichievsky of the HBRC:

A site-specific LUC needs to be conducted to complement the soil survey, and all land limitations need to be quantified. The mapping appears to overestimate the size of a proposed new stop bank (large buffer into LUC 2 land) and states this new stop bank will divide the property, in reality the Whirinaki Drain already presents a physical division of the property. The exact dimensions of the new stop bank should be requested. The owners also own the property directly adjacent to the property presented in the submission. This should be accounted for when assessing the sustainability of this portion as part of a larger enterprise. The LUC Classification of Northern HB (Page, 1988) indicates that LUC VII, shown on the regional map, is mainly due to a raised shingle ridge, which is droughty and shallow. However, the most eastern observation hole does not show the influence of this ridge, and it does not seem to be present at this site, as per the soil observation hole. Ultimately, the boundary of LUC 2 should be redrawn to include the entire property.

From Dr Barichievsky's commentary, it appears clear there is some uncertainty around the exact location of the boundary between LUC 2 and LUC 7, and that much more of the property should be considered as LUC 2. However, as noted, no site-specific assessment has been carried out.

As has been mentioned previously in this report, this is not of sufficient size and scale to warrant inclusion in the FDS as a greenfield growth area of strategic importance. Even if there was merit to promote this site for urban development, it is considered that a resource consent or private plan change is a more appropriate option for consideration.

Conclusion

It is considered that the proposal does not promote the objectives of the FDS to promote a consolidated urban core and the site has limited connectivity within the existing network. Much of area B is on LUC 2 land and the portion of the site not on HPL land does is not of sufficient size and scale to warrant inclusion within the strategy

Finally, uncertainty around the construction of the stop banks to ensure flood hazard mitigation is still uncertain. Guarantees around the construction of the stop bank are required prior to any consideration of the site as a safe area for residential development.

10.3.16 63 Main Road Clive (C1)

10.3.16.1 Additional Information

Clive as a location was not considered a satellite option but was considered as part of the Urban Expansion Thematic Scenario, which was discounted. This submission site and two others were however, included in the long list of sites through the call for opportunities. Identified as C1 in the MCA, it scored 33/76 in the and ranked 38/67, similar to the other two Clive sites. None of the Clive sites were short listed due to concerns relating to servicing, tsunami risk, LUC2 soils classification and in the case of this site, small yield of 12-16 dwellings given its size at 1.76 ha with a nominal yield.

The submitter has presented further information addressing these points along with other matters. This information is taken at face value, and no further information is presented other than further advice on servicing, which has been supplied by the Council's infrastructure managers. Verification of other information can occur at the resource consents or rezoning stage, if necessary, but some additional comment is made on the tsunami risk.

10.3.16.2 Analysis and Discussion

The site is sandwiched between existing residential scale rural zoned properties and the Flowerlands glasshouse complex to the south and the recent Willowbank development off Read Crescent to the north-east. Accordingly, development of this site could be characterised as infill or brownfield development, rather than a greenfields expansion of the urban footprint, particularly given the south-eastern boundary is similarly confined by Muddy Creek.



Figure 55 Showing the location and extent of 63 Main Road site (C1).

The site could accommodate a higher number of dwelling units if the retirement village concept to the north is expanded over the site yielding approximately 43 dwellings. This would still be a modest contribution to meeting housing demand in the context of the FDS and is not something normally mandated at the FDS stage.

It should be noted that while Clive has historically been constrained by servicing issues, the Read Crescent extension of 4 ha was nevertheless able to be added following submissions on the HPUDS Review in 2016. A similar submission (Davidson) for a smaller 1.1 ha piece of land that on the other side of the state highway and not similarly confined by the Karamu Stream was not included due to its small size and lack of natural boundaries. The Hearings Panel for HPUDS however indicated a resource consent pathway might not offend the intent of HPUDS and would potentially be granted all other things being equal. This subsequently occurred without creating any precedent for other land on the side of the State Highway.

This is relevant as this site and its possible yield are not of sufficient size and scale to warrant specific mention or mapping in the FDS, which is focussed more on high level strategic directions and which nominally set a minimum 100 dwelling for inclusion. Having said that, all other things being equal, its development would not necessarily offend the FDS principles and strategic intent and it would make a small contribution to demand and locational choice.

Unlike the Davidson site, this site does present a logical extension given the surrounding land use and confining nature of Muddy Creek. Despite the site LUC2 classification it is not of sufficient size to be conducive to be a productive economic endeavour. The site has not been in productive use since 2004, although the southern half of the site seems to have been in the process of conversion to amenity planting from the mid-1990s. Before that however there appears to have been a history of cropping from at least the 1970s.

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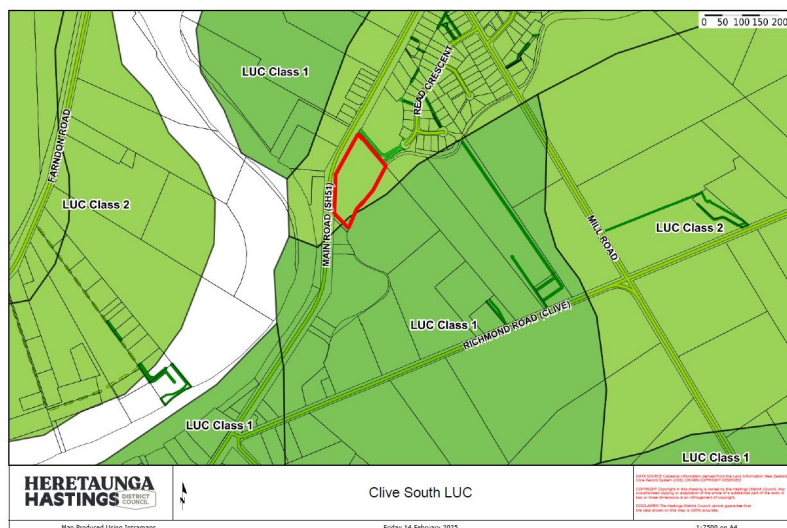


Figure 56 Showing LUC status of the Clive South site (C1).

From a servicing perspective there may be capacity issues with extending the water supply network. Recent upgrades have been undertaken to resolve historic capacity issues and provide for estimated infill development growth, rather than further greenfields expansion. While an additional 43 dwellings may not be a “showstopper” from a capacity perspective, that cannot be assured without further Investigation.

While the site is in a high liquefaction zone, that is common to much of the Heretaunga Plains and can be managed. In terms of tsunami risk however, the MCA noted the entire site is subject to tsunami risks under a 500, 1000 and 2500 yr ARI with the inundation depths of greater than 2m across a large portion of the site under the 1.99m SLR assumption. The submitter’s tsunami information is based on the same NIWA modelling, which is a finer definition of what is shown on the HB Hazard Portal, but without the SLR adjustment used in the MCA analysis.

In this respect we note that the tsunami model is much more sensitive to the SLR inputs than the return event scenarios. The 1.99 SLR is used in the NIWA modelling as an upper range of sea level rise projections over the next century. This is shown on Map 3 in the Technical Appendix 1 with a 1000 year return event, while Map 2 based only on a 1m SLR for the same a 1000 year return period is closer to the Submitter’s information. This suggests the site in that scenario may be at the edge of or possibly partially outside the modelled hazard (larger scale maps are not readily available at this stage) at SLR levels less than 1m.

For greenfield and intensification within existing communities, MfE recommend using approximately 1.6 metre rise in MSL, before including VLM, for coastal erosion and inundation hazards over a 2130 timeframe (in the absence of adaptive pathway planning). Tsunami hazards, however, are not addressed in any detail in MfE guidance.

The question here is what the acceptable level of risk for tsunami as opposed to coastal inundation generally, especially given the surrounding and recent developments are potentially more impacted and the relative size and scale of the development. This is discussed at page 57 of the Draft FDS, suggesting that the presence of tsunami risk is not necessarily immutable barrier to development, but a very relevant consideration, nonetheless.

Hazard risks will be re-assessed in the future against the latest information when and if applications for consent or rezoning are made. Accordingly it is suggested that it's open to the Panel to minute that although the size and scale of the development means no change is recommended to the FDS as a result of this submission, that does not of itself indicate that the proposal is contrary to it or without merit and could potentially proceed by way of resource consent or private plan change. This follows the approach taken in the Davidson case referred to above. This is recommended below with suggested wording.

10.4 Recommendations

In relation to greenfield residential in Hastings, we make the following recommendations for amendments to the Draft FDS:

- a) That the Draft FDS be amended to include the H5b sites at Wall Road.
- b) That that Draft FDS be amended to include the HN3a and HN3b sites at Middle Road.
- c) That the Draft FDS be amended to include both FM2 and FM9 areas at Portsmouth Road and amend the approx. dwelling capacity numbers to 655. Note that officers are comfortable to amend if more accurate numbers are provided at the hearing.
- d) That in relation to the Metlifecare submission the Draft FDS be amended by inserting the following wording in section 10.11, pg. 67 or words to like effect.

Stormwater

The approach to stormwater in Napier and Hastings will need to adapt to growth pressures, increasing environmental standards and the future impacts of climate change (e.g. more intense rainfall events). As development in greenfield areas occurs over time or as part of structure planning or subdivision processes, new and upgraded infrastructure may be required to provide stormwater capacity, detention and treatment. The development of stormwater infrastructure may involve land acquisitions and is likely to be addressed catchment by catchment at the time development occurs. *Any stormwater solution is encouraged to be developed in the most effective and efficient option to achieve yield while reducing effects, whether this is located within or outside of FDS identified development locations.*

- e) That in relation 63 Main Road Clive no change is made to the Draft FDS, but consideration is given to including a comment in the Panel Report as follows:

We consider that 63 Main Road Clive is not of sufficient size and scale to warrant sanctioning in the FDS as a greenfields growth area. Suffice to say we do not consider that development of this small site on its own in the peculiar circumstances of Clive would be an affront to the FDS aims and principles, given its limited productive capacity. However, its location relative the best currently available modelled tsunami risk scenarios, together with uncertainty about the capacity of the water supply system, suggests that any development may be more properly considered by way of a resource consent application (or possibly a private plan change) and by which it can be distinguished from the generality of other land surrounding the Clive township.

11.0 Infrastructure

11.1 Issues Raised in Submissions

Multiple submitters raised issues regarding infrastructure across general and specific matters.

In terms of the general matters raised:

- a) Multiple submitters raised concerns about the ability of infrastructure networks to cater for growth (Myriam Parker; Maree Bradshaw; Neville Bradshaw; Jill Hankin; Gary Curtis; Sara Chambers).
- b) Other submitters supported the Draft FDS approach to intensification on the grounds that it would make more efficient use of existing infrastructure (Pam Lane; Kirk Doyle;);
- c) Conversely, other submitters opposed the inclusion of sites with highly productive land that would otherwise be capable of efficiently connecting to existing infrastructure (Ann Elizabeth Bennett).

Infrastructure providers, including the New Zealand Transport Agency, Transpower and the Ministry of Education provided feedback and requested specific changes to the Draft FDS relating to their specific infrastructure. Other entities raised concerns about inadequate consideration of other supporting infrastructure in the Draft FDS. This included:

- a) Include stronger reference to the role that the land transport system plays in supporting growth and the efficiency and affordability of infrastructure investment (NZTA);
- b) Clarify how the strategic growth priorities will inform future district plan reviews and infrastructure investment in LTPs and RLTPs (NZTA);

- c) Support the transport assumptions and modelling that has been undertaken to inform the Draft FDS and support the inclusion of the Hawke's Bay Expressway (NZTA);
- d) Further consider the funding and financing challenges relating to infrastructure, and potential exploration of alternative funding models to deliver strategic outcomes (NZTA);
- e) Make changes to Objective 10 or otherwise include a new objective regarding the safe and efficient operation of infrastructure (Hawke's Bay Airport Limited);
- f) Amend the infrastructure section of the Draft FDS to clarify that stormwater management infrastructure can be located adjacent to development areas (Metlifecare Retirement Villages Ltd);
- g) Make amendments to Figure 12 to identify the Outer [aircraft noise] Control Boundary and make amendments to Section 9.2 and Section 10.11 of the Draft FDS as set out in the Hawke's Bay Airport feedback;
- h) Make amendments to Section 10.11 of the Draft FDS to include the Strategic Infrastructure Constraints map, and specific amendments to the text as set out in the Transpower feedback;
- i) Consider the impacts of growth on existing waste management infrastructure, including whether developing new landfill sites will be required earlier than currently planned (Te Ikaroa – Hawke's Bay District Health Board);
- j) Ensure that the FDS plans for continued access to sand and aggregates and identify where these materials are located and protect those areas from other development (Aggregate and Quarry Association).

Submitters also provided a range of feedback on infrastructure matters as they related to specific sites/areas. This includes for example the submissions from Te Aratika Group and Jim Bishop that discussed trade waste capacity for wet industry and the need for this to inform the location of industrial land in the FDS. These site/area specific infrastructure issues are addressed in **Sections 10-11** of this report.

11.2 Information and Evidence

The Infrastructure Strategies for Napier City and Hastings District councils are found within their Three-Year Plans, attached here:

- Hastings District Council: [Hastings District Long Term Plan - 2024-2034](#) (pages 201-234)
- Napier City Council: [Napier City Council 3-year plan Volume 1 of 2](#) (page 23 summary of significant infrastructure projects); [Napier City 3-year plan Volume 2 of 2](#) (summaries of main infrastructure projects pages 80-84); [2021-31 Infrastructure Strategy](#) (underpinning the city's Long-Term Plan 2021-2031).

11.3 Analysis and Discussion

11.3.1 Objective 10 and Significant Infrastructure

Hawke's Bay Airport Limited (HBAL) requests either a change to Objective 10, or a new objective, to better recognise the relationship between the provision and operation of infrastructure and urban development. This is a reasonable request, given the purpose of an FDS includes both the achievement of well-functioning urban environments now and in future, and the integration of decision-making for planning with infrastructure and funding decisions (CI 3.13 NPSUD). The principle underpinning this request applies to infrastructure in general, so it is appropriate to amend the objective.

A minor modification is proposed to Objective 10, combining both elements of the request, as follows:

10. Our infrastructure is planned and designed to efficiently, effectively support development, and development recognises the operational and functional needs of significant infrastructure.

The consequential rewording of Section 9.2 and additional wording at Section 10.11 reflect this modification, and are supported:

Section 9.2 Constraints

There are a wide range of development constraints that have been identified within the FDS study area. These are summarised in Figure 12 and include areas required to allow significant infrastructure to operate unimpeded, coastal hazards, ...

Section 10.11 Strategic infrastructure

The NPS-UD requires ... electricity and gas distribution.

This FDS also recognises the operational and functional needs of significant infrastructure to ensure future urban development does not result in incompatible land use and development. Significant infrastructure includes (but is not limited to) infrastructure that provides regional and national benefits.

HBAL's suggested additional subsection on 'Significant Infrastructure' is supported, with minor amendments, because it more clearly sets out expectations for development. Simplified wording is proposed, as follows:

Significant infrastructure

It is important that future urban development is appropriately located so that the safe and efficient development, operation and maintenance of significant infrastructure is not compromised. Careful consideration also needs to be given to protecting our communities' health and safety and their amenity when planning for growth in proximity to these assets.

A consistent strategic and integrated approach to planning requires the operational and functional needs of strategic infrastructure to be considered when identifying locations for future urban development.

11.3.2 Air Transport

Two airport authorities serve Napier and Hastings: Hawke's Bay Airport at Napier and Hastings Aerodrome at Bridge Pa. Each provides important air services to the region and have operational requirements which impact, and are impacted by, urban development. The proposed rewording of Objective 10 provides clearer recognition of this relationship.

Both airports are already shown on Figure 12 Summary of development constraints across the FDS area. Rather than adding more detailed information to this summary, as requested, separate airport constraint maps may be more appropriate.

Both the Napier and Hastings District Plans already include a range of airport constraint information, including for height control and noise contours. It is unclear whether additional controls should be introduced to protect their respective future growth potential. This is particularly the case for Hastings Aerodrome, where they have identified their potential role should the Hawke's Bay Airport capability be degraded in future.

No recommendation is made until such further information is supplied to the Hearing Panel.

11.3.3 Land Transport

The New Zealand Transport Agency Waka Kotahi (NZTA) requests strengthening of aspects of the Draft FDS.

The role of land transportation is clearly recognised in the Draft FDS, for example the Overview map (page 7) illustrates the state highway network and public transport corridors as well as the major State Highway 2 improvements planned, and now under construction, between Napier and Hastings. This information is shown on all the base maps of the Draft FDS. Land transport is addressed in several parts, including generically as infrastructure in the Implementation Plan (11.1 Implementation, page 78) and the various structure planning and other future planning processes (page 79). As a number of government agencies may be involved, depending on the specific proposal, it would be inappropriate to single out any one agency.

Figure 12 (page 40) illustrates the State Highway and road capacity constraints between Napier and Hastings. If there are other state highway constraints emerging because of the spatial scenario, then these should be identified in Figure 12. For example, NZTA comments that more information is needed on assumptions and potential infrastructure needs for commercial growth around the Hawke's Bay Airport. Section 9.2 (page 38) refers to constraints for land in proximity to Hawke's Bay Airport. If NZTA considers it appropriate, Figure 12 could be amended to recognise that highway constraint.

If the FDS proposes further development in the vicinity of the Hawke's Bay Airport, including for redress land, then Figure 20 Transport Upgrades should also be amended to identify the state highway improvement needed to address the constraint identified by NZTA.

NZTA identifies that there are tight constraints around funding and that development contributions should be used to ensure that growth pays for growth. Information on Financial Contributions for Napier City Council is found [here](#), and Development Contributions for Hastings District Council, [here](#). These policies are reviewed regularly. The Government has also recently announced intentions to introduce legislation to create greater flexibility in the use of development contributions/levies, while still ensuring development (and developers) pay for growth. Any such legislation is yet to be introduced. For clarification, it may be appropriate to add a further sentence to the fifth paragraph of 11.1 *Future planning processes* (page 79).

11.3.4 Waste Management

Under the Waste Minimisation Act 2008, territorial authorities are responsible for solid waste minimisation and management. Omarunui Landfill serves both Napier and Hastings commercial waste operators and is located to the west of Taradale, as shown in **Figure 58**. The Joint Waste Management and Minimisation Plan 2018-2024 [here](#), has been prepared by both Councils, and funding for the next ten years is provided for through their respective Long Term Plans.

A Waste team staff member from Napier City Council reported that there is more than 30 years' capacity available at the Omarunui Landfill, based on providing for 95,000 tonnes of waste per year. New areas within the site are prepared and released for use based on demand.

Omarunui Landfill Location Map

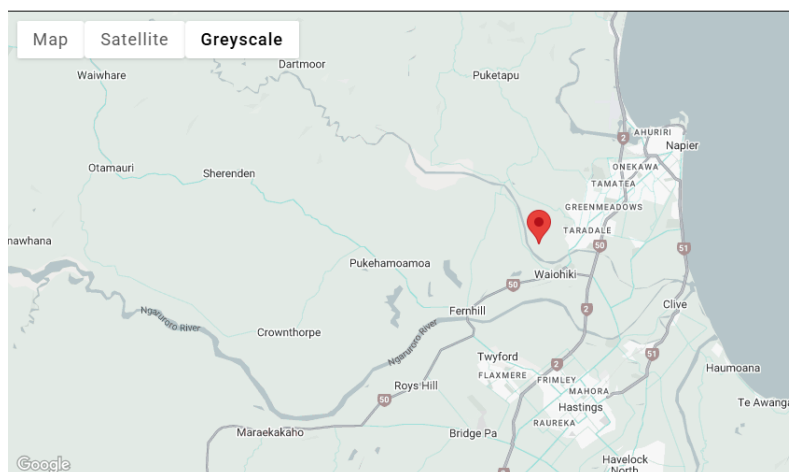


Figure 57 Showing the location of Omarunui Landfill.

The Joint Plan is now being reviewed, having regard to the 2023 *Te Rautaki Para Waste Strategy* which envisages a 'low emissions, low-waste society, built upon

a circular economy' by 2050. The Medical Officer of Health has been part of that review process from the start. The proposed draft has received their approval and is now being finalised with Napier City Council and Hastings District Council, with the intention of undertaking public consultation in April 2025.

From a waste management perspective, the main need identified for the FDS is to ensure that appropriate consideration is given to meeting the operational needs for waste collection, transportation and resource recovery infrastructure when sites are being developed.

An additional paragraph could be added to Section 10.11 to identify the planning needs for managing solid waste.

11.3.5 Social Infrastructure - Education

The Ministry of Education has identified some areas where development may require yet to be planned additional educational services. The Ahuriri Station land is a clear example. Such consultation is envisaged under 11.1 Implementation Plan (page 78). A number of government agencies may be involved in implementation, depending on the specific proposal. It would be more appropriate to identify situations where engagement on education services is needed in the Implementation Plan rather than in the FDS.

11.3.6 Aggregates and Quarrying

The Draft FDS does not specifically address access to, and protection of, gravel and sand resources in the region needed for construction of roading, other infrastructure and development generally.

HBRC regulates sand and quarrying activities occurring within the beds of rivers and lakes through the RRMP. HBRC holds global resource consents for gravel extraction for the main Heretaunga rivers, and then authorises contractors to work within those areas. **Figure 59** shows where these global gravel consents are held. At present, HBRC's priority is to ensure that sufficient material is available for essential maintenance of its flood protection schemes. Lifeline agency projects are prioritised ahead of release of material for general use by industry. Volumes of gravel available for extraction is allocated annually.

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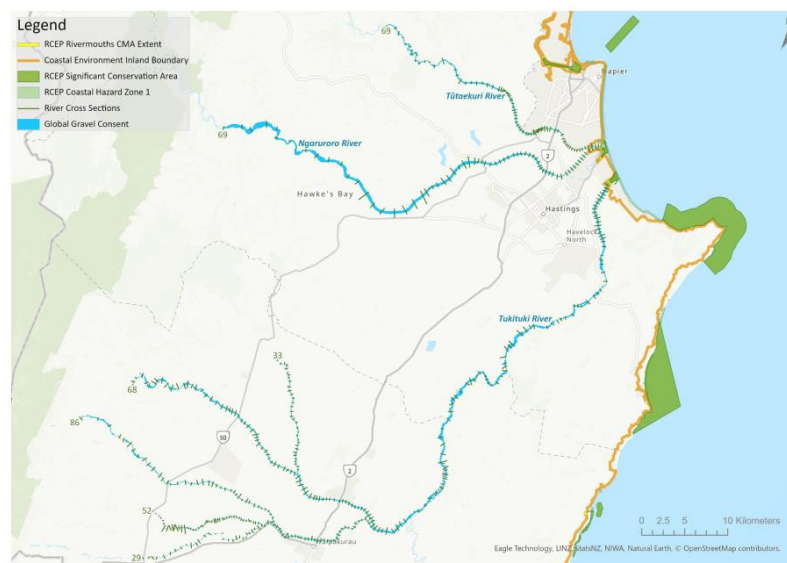


Figure 58 Showing the Heretaunga Plains Global Gravel Consents.

Outside of these areas, individual resource consents are required for large-scale riverbed gravel extraction.

Land-based quarrying is managed by each territorial authority through land use controls in their respective district plans. For Hastings, these are found in Chapter 27.1 Earthworks, mineral, aggregate and hydrocarbon extraction [here](#). For Napier, quarrying is provided for within the Main Rural Zone [here](#).

A number of private quarries operate in the vicinity of the Heretaunga Plains. The link [here](#) shows quarries and open pits mapped as NZ Quarry Polygons by Land Information New Zealand (LINZ).

In terms of the NPS-UD, Policy 10(b) requires local authorities to:

Engage with providers of development infrastructure and additional infrastructure to achieve integrated land use and infrastructure planning.

Aggregate and quarrying activities are essential for delivering a range of development infrastructure. The Implementation Plan giving effect to the FDS should identify the need to engage with this industry to establish the best ways to achieve supply of these materials into the future.

11.4 Recommendations

In relation to Infrastructure, we make the following recommendations for amendments to the Draft FDS:

- a) Reword Objective 10 to better reflect the desired outcome for significant infrastructure, as follows:

10. Our infrastructure is planned and designed to ~~efficiently effectively~~ support development, and development recognises the operational and functional needs of significant infrastructure.

- b) Make a consequential rewording of Section 9.2 and add wording at Section 10.11 to reflect modified Objective 10, and are supported:

Section 9.2 Constraints

There are a wide range of development constraints that have been identified within the FDS study area. These are summarised in Figure 12 and include areas required to allow significant infrastructure to operate unimpeded, coastal hazards, ...

Section 10.11 Strategic infrastructure

The NPS-UD requires ... electricity and gas distribution.

This FDS also recognises the operational and functional needs of significant infrastructure to ensure future urban development does not result in incompatible land use and development. Significant infrastructure includes (but is not limited to) infrastructure that provides regional and national benefits.

- c) Add an additional subsection on 'Significant Infrastructure' to more clearly sets out expectations for development, follows:

Significant infrastructure

It is important that future urban development is appropriately located so that the safe and efficient development, operation and maintenance of significant infrastructure is not compromised. Careful consideration also needs to be given to protecting our communities' health and safety and their amenity when planning for growth in proximity to these assets.

A consistent strategic and integrated approach to planning requires the operational and functional needs of strategic infrastructure to be considered when identifying locations for future urban development.

- d) Request both airport companies present information to the Hearing Panel on what additional development protection is needed to ensure their operational and function needs are met now, and into the future.
- e) Add a further sentence to the fifth paragraph of 11.1 *Future planning processes* (page 79) as follows:

... These plans, and other network planning, will inform planning processes, including Development Contributions or Financial Contributions and other funding allocation through the Long-Term Plans and Annual Plans.

- f) Add an additional paragraph to Section 10.11 to identify planning requirements for solid waste management, as follows:

Solid waste

Napier City and Hastings District Councils manage solid waste through a Joint Waste Management and Minimisation Plan, which is currently

being reviewed. Omarunui Landfill serves both councils, receiving waste from the three refuse transfer stations at Henderson’s Road, Redclyffe and Blackbridge, as well as kerbside waste and commercial and industrial waste. The new plan, Te Rautaki Para Waste Strategy, is expected to place more emphasis on achieving a low emissions and low waste society, built upon a circular economy, by 2050. New development needs to provide for operational needs for waste collection, transportation and resource recovery infrastructure when sites are being developed.

12.0 Summary and Conclusion

The recommendations for changes to the Draft FDS are summarised in the table below. The Officers will consider any further information or evidence presented at the Hearing and update its recommendations in the Reply if appropriate. Provided below the summary of recommendations is a series of updated development capacity tables. This reflects the recommendations for amendments to greenfield sites.

Summary of recommendations	
1	<p>Amend the Draft FDS to include further brief information on cross-boundary relationships with Wairoa and Central Hawke’s Bay districts. Draft wording for the Panel’s consideration is as follows, for inclusion in a new Section 4.3. This would be supported with an appropriate plan:</p> <p><u>4.3 Cross Boundary Relationships</u></p> <p><i><u>The neighbouring districts of Central Hawke’s Bay and Wairoa have been invited to participate in preparing the draft FDS and the relationship of urban development in Napier and Hastings with the community and infrastructure networks in Central Hawke’s Bay and Wairoa has been considered in developing the FDS. In terms of Wairoa, the relationship is reasonably limited. While there is movement of people and freight along State Highway 2 that connects the districts, there is a limited spatial connection between the developed urban areas.</u></i></p> <p><i><u>The Central Hawke’s Bay District is located to the south of Hastings, with the settlements of Ōtāne, Waipawa and Waipukurau being within 30-40 minutes drive time from central Hastings via State Highway 2. Commuting between these areas and Napier beyond is common, and anecdotally, there is a local sense that Ōtāne is becoming more of a satellite town. The FDS provides for strategic employment opportunities on the southern side of Hastings improves access for these communities. The relationship of these areas can be considered further through future regional spatial planning exercises.</u></i></p>

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2	Take into account latent demand into the overall demand projections for Napier and Hastings and amend the Draft FDS to reflect that.
3	Provide greater greenfield capacity in Hastings to ensure that there is no shortfall (approximately 715 dwellings) and provide some flexibility to account for latent demand that may be provided for within greenfield areas.
4	Carry through the key recommendations of the Independent Flood Review on planning controls to the Draft FDS in the implementation section. Alternatively, address this separately through the FDS Implementation Plan that will be published separately.
5	Update the text of the Draft FDS that refers to Clifton to Tangoio Coastal Hazards Strategy 2120 to reflect the project's current status. We propose to provide specific wording as part of the Officer's Reply.
6	<p>Amend the FDS to better recognise iwi and hapū aspirations for development and papakāinga by inserting a paragraph into the introductory text of 6.1 Iwi and hapū values and aspirations, as shown below:</p> <p><i>The use and development of Māori land, including land returned to Māori through Treaty settlements is to be enabled as provided for in Te Tiriti and intended by the purpose of Treaty settlements, subject to relevant statutory resource management considerations being satisfied.</i></p> <p><u><i>Māori have consistently expressed the aspiration to live on their takiwā with their people. Where they cannot live in papakāinga on their ancestral land, they have expressed a desire to live in papakāinga-style living arrangements with their extended whanau in other areas, including urban areas. It is likely that this can only be realistically achieved in new, affordable developments co-led or owned by mana whenua entities.</i></u></p> <p><i>The councils will work collaboratively with iwi authorities to help facilitate their economic, environmental, cultural and social objectives.</i></p>
7	Include a map of specified areas of interest, at the end of the Section 6.2 combined statement by the three PSGEs, refer to Figure 7 of this report.
8	<p>Further define what constitutes 'redress land' by additional wording in Section 6.1 (3rd paragraph, page 18):</p> <p><i>...The Treaty settlement process has provided for the return to land to Māori, including for specific purposes. <u>Such 'redress land' is land intended to be transferred by the Crown to Treaty appellants, so that those appellants and other descendants can realise the economic</u></i></p>

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	<u><i>aspirations that should have been afforded to their tipuna⁴². The land returned through these processes</i></u>
9	<p>Update the Social Infrastructure section (2nd paragraph, page 69) to read:</p> <p>...The forecast demographic changes and population growth of the Māori population means existing schools may not meet the demand for Māori medium and kaupapa Māori education in Napier and Hastings. While there is growth in the Māori population, the overall school aged population is declining. Mana whenua have expressed aspirations for more kohanga reo, kura kaupapa Māori and wharekura over the next 30 years. Further consideration is required to determine whether existing schools are sufficient to accommodate the future growth and demand for Māori medium and kaupapa Māori schools in Napier and Hastings. The Ministry is working with whānau, hapū and iwi and is expanding capacity at existing Te Kura Kaupapa Māori to meet any demand.</p>
10	<p>Set out a programme of work to support iwi and hapū development aspirations in the Implementation Plan, which may include actions to:</p> <ul style="list-style-type: none"> (i) Establish a genuine partnership between the PSGEs and the councils to implement the FDS; (ii) Support special considerations for addressing redress land; (iii) Work with iwi and hapū to update and include the Te Aranga Design Principles in reviewing the RPS and district plans; (iv) Analyse Māori housing needs ahead as part of the Housing and Business capacity Assessment (HBA); (v) Achieve sustainable water use.
11	<p>Explain that the expansion of Tomoana and/or Whakatu <u>may be required</u> in the long term for wet industry should monitoring show that there is a shortfall of capacity that is not related to the issue of access to water. This can be addressed in text amendments to Section 10.5 of the Draft FDS.</p>
12	<p>Include a short-term action to investigate policy changes to better protect remaining capacity at Whakatu for wet industries, noting that appropriate protection is already in place for Tomoana. The same action could apply to Omahu Road South, subject to having greater certainty over remaining trade waste capacity. Alternatively, these actions could be included in the FDS Implementation Plan.</p>

⁴² Based on *Beresford, Bunker and Rouse v Queenstown Lakes District Council (2024) NZEnvC 182*, paragraph 65

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13	Amend the Draft FDS to clearly state that the boundaries are indicative only and that refinements may occur through the structure planning and rezoning process, as a result of more
14	Include the text from pages 38-39 of HPUDS 2017 as an Appendix to the FDS with appropriate explanatory text, stating that the Appendix provides strategic direction for the listed rural and coastal settlements until such time as a Rural Residential Strategy has been prepared. This recommended text is included at Appendix 1 to this report.
15	Make appropriate supporting amendments to Section 10.6 of the Draft FDS to reference the Appendix.
16	Include a footnote for NC6 in Table 3 of the Draft FDS, stating that NC6 includes consideration of discrete areas in the immediate surrounds, informed by site and development specific analysis. Or words to that effect.
17	Include a statement in the FDS explaining that additional land will be required to manage stormwater and flooding effects arising from development of the Riverbend site, with the exact location to be determined through future planning processes. This could be addressed through a footnote to NC4b in Table 3 of the Draft FDS. We do not recommend spatially defining the area at this stage, given those design details are still being worked though by the Joint Venture parties.
18	Include the H5b sites at Wall Road.
19	Include the HN3a and HN3b sites at Middle Road
20	Include both FM2 and FM9 areas at Portsmouth Road and amend the approx. dwelling capacity numbers to 655. Note that officers are comfortable to amend if more accurate numbers are provided at the Hearing.
21	<p>In relation to the Metlifecare submission the Draft FDS be amended by inserting the following wording in section 10.11, pg. 67 or words to like effect.</p> <p><i>Stormwater</i></p> <p><i>The approach to stormwater in Napier and Hastings will need to adapt to growth pressures, increasing environmental standards and the future impacts of climate change (e.g. more intense rainfall events). As development in greenfield areas occurs over time or as part of structure planning or subdivision processes, new and upgraded infrastructure may be required to provide stormwater capacity, detention and treatment. The development of stormwater infrastructure may involve land</i></p>

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	<i>acquisitions and is likely to be addressed catchment by catchment at the time development occurs. <u>Any stormwater solution is encouraged to be developed in the most effective and efficient option to achieve yield while reducing effects, whether this is located within or outside of FDS identified development locations.</u></i>
22	<p>In relation 63 Main Road Clive no change is made to the Draft FDS, but consideration is given to including a comment in the Panel Report as follows:</p> <p><i>We consider that 63 Main Road Clive is not of sufficient size and scale to warrant sanctioning in the FDS as a greenfield growth area. Suffice to say we do not consider that development of this small site on its own in the peculiar circumstances of Clive would be an affront to the FDS aims and principles, given its limited productive capacity. However, its location relative the best currently available modelled tsunami risk scenarios, together with uncertainty about the capacity of the water supply system, suggests that any development may be more properly considered by way of a resource consent application (or possibly a private plan change) and by which it can be distinguished from the generality of other land surrounding the Clive township.</i></p>
23	<p>Reword Objective 10 to better reflect the desired outcome for significant infrastructure, as follows:</p> <p><i>10. Our infrastructure is planned and designed to efficiently <u>effectively</u> support development, <u>and development recognises the operational and functional needs of significant infrastructure.</u></i></p>
24	<p>Make a consequential rewording of Section 9.2 and add wording at Section 10.11 to reflect modified Objective 10, and are supported:</p> <p><i>Section 9.2 Constraints</i></p> <p><i>There are a wide range of development constraints that have been identified within the FDS study area. These are summarised in Figure 12 and include <u>areas required to allow significant infrastructure to operate unimpeded</u>, coastal hazards, ...</i></p> <p><i>Section 10.11 Strategic infrastructure</i></p> <p><i>The NPS-UD requires ... electricity and gas distribution.</i></p> <p><i><u>This FDS also recognises the operational and functional needs of significant infrastructure to ensure future urban development does not result in incompatible land use and development. Significant infrastructure includes (but is not limited to) infrastructure that provides regional and national benefits.</u></i></p>
25	<p>Add an additional subsection on 'Significant Infrastructure' to more clearly sets out expectations for development, follows:</p>

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	<p><u>Significant infrastructure</u></p> <p><u>It is important that future urban development is appropriately located so that the safe and efficient development, operation and maintenance of significant infrastructure is not compromised. Careful consideration also needs to be given to protecting our communities' health and safety and their amenity when planning for growth in proximity to these assets.</u></p> <p><u>A consistent strategic and integrated approach to planning requires the operational and functional needs of strategic infrastructure to be considered when identifying locations for future urban development.</u></p>
26	Request both airport companies present information to the Hearing Panel on what additional development protection is needed to ensure their operational and function needs are met now, and into the future.
27	<p>Add a further sentence to the fifth paragraph of 11.1 Future planning processes (page 79) as follows:</p> <p>... These plans, and other network planning, will inform planning processes, including <u>Development Contributions or Financial Contributions and other</u> funding allocation through the Long-Term Plans and Annual Plans.</p>
28	<p>Add an additional paragraph to Section 10.11 to identify planning requirements for solid waste management, as follows:</p> <p><u>Solid waste</u></p> <p><u>Napier City and Hastings District Councils manage solid waste through a Joint Waste Management and Minimisation Plan, which is currently being reviewed. Omarunui Landfill serves both councils, receiving waste from the three refuse transfer stations at Henderson's Road, Redclyffe and Blackbridge, as well as kerbside waste and commercial and industrial waste. The new plan, Te Rautaki Para Waste Strategy, is expected to place more emphasis on achieving a low emissions and low waste society, built upon a circular economy, by 2050. New development needs to provide for operational needs for waste collection, transportation and resource recovery infrastructure when sites are being developed.</u></p>

The tables below provides updated development capacity information reflecting the above recommendations. They are intended to give an overall picture of sufficiency of residential capacity to meet projected demand. The changes are highlighted in yellow.

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Revised Table 2 - Residential Development Capacity Enabled by Council Area

Broad Type	Napier	Hastings	Total
Redevelopment / Infill in the existing urban area	4,070	5,840	9,910
Existing Zoned / Consented Greenfield Development	2,085	2,125	4,210
New Greenfield Development	2,420	2,695	5,115
Total Dwellings Enabled	8,575	10,660	19,235
Total Demand	6,700	9,620	16,320
Sufficiency	+1,875	+1,040	+2,915

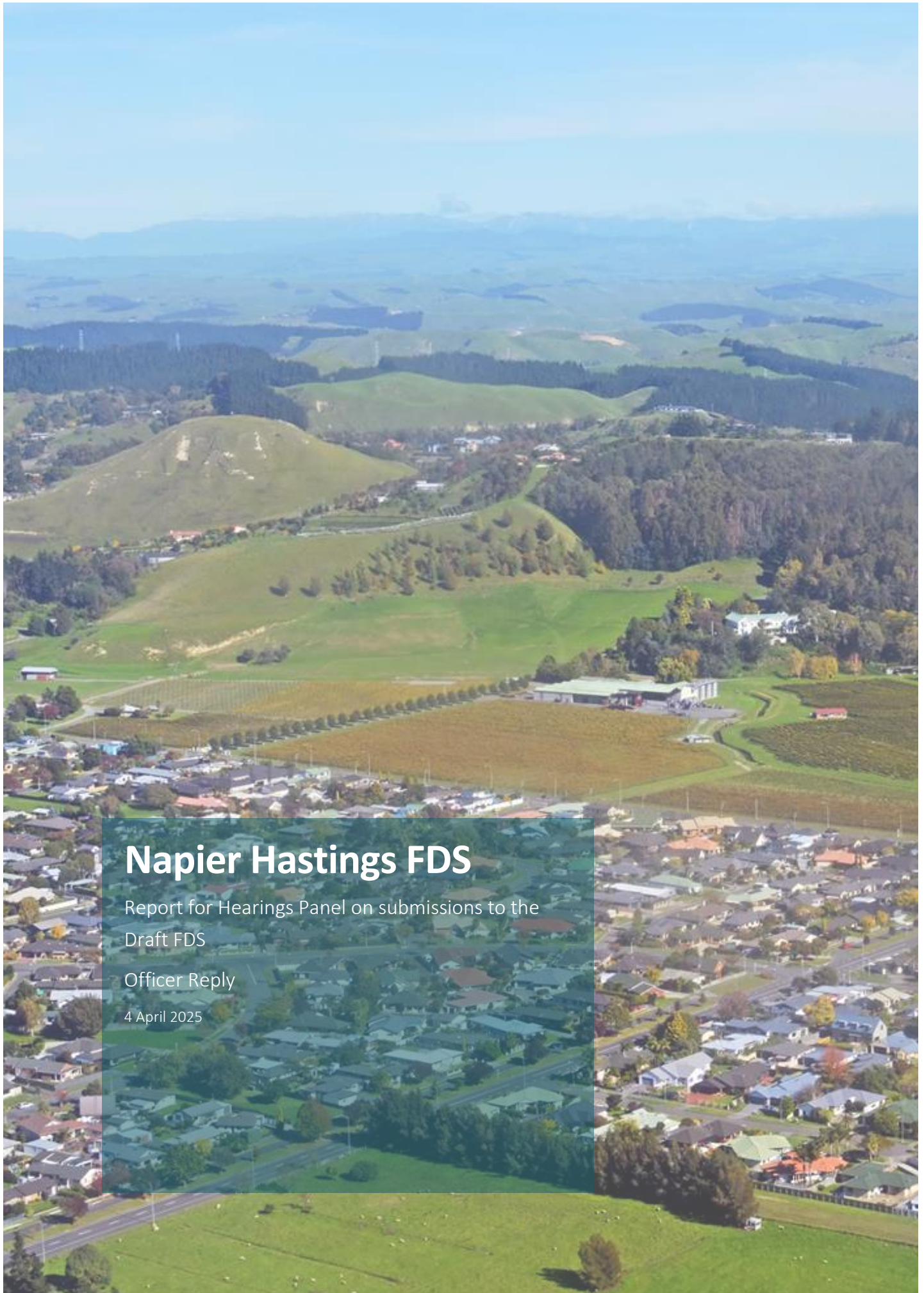
Revised Table 4- Sufficiency of housing development capacity to meet demand

	Short Term	Medium Term	Long Term
Demand for redevelopment in the existing urban area	8,840		
Redevelopment Capacity	9,910 (+1,070)		
Greenfield Demand	3,770		3,710
Greenfield Capacity	4,310 (+540)		5,015 (+1,305)

Revised Table 6 - Sufficiency of housing capacity in Hastings to meet minimum development targets

	Short Term	Medium Term	Long Term
Intensification Development Demand	5,220		
Intensification Development Capacity	5,840 (+620)		
Greenfield Development Demand	2,160		2,240
Greenfield Development Capacity	2,125 (-35)		2,695 (+455)
Total Sufficiency of Greenfield Residential Development	+420		

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Napier Hastings FDS

Report for Hearings Panel on submissions to the
Draft FDS

Officer Reply

4 April 2025

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Appendices

Appendix 1: Assessment of Highly Productive Land in Hawke’s Bay - Soils Occupied by Urban Development

Appendix 2: Summary of trade waste consents issued by Hastings District Council

1.0 Purpose and Introduction

The purpose of this Reply Report is to set out the Council Officers:

- Response to Minute 3, paragraph 4 of the Independent Hearings Panel, dated 28 March 2025;
- Response to Paragraph 5 from the Panel's same Minute 3; and
- Set out updated recommendations to the Hearings Panel in response to supplementary evidence provided to the Panel at the Hearing.

Other than for our Reply to matters in (1) above which we set out in Section 2, the remainder of this reply is structured in the same manner as the hearing report dated 14 March 2025 for ease of reference. Not all topics addressed in the hearing report require an additional response.

In this Reply, Officers have endeavoured to identify recommended amendments to the draft FDS, but time constraints for preparation of this Reply (by 4pm Friday 4 April) may mean some extra amendments are also featured in a marked-up version of the FDS that the Panel has requested from Officers by 4pm Wednesday 9 April (refer Minute 3 paragraph 6).

The report authors set out in Section 1.2 of the hearing report are the same for this Reply.

2.0 Reply to questions in Minute 3 from the Panel

2.1 Difference between the HPUDS and the draft FDS re coastal and rural settlements

The Panel has asked Officers to explain the difference between the Heretaunga Plains Urban Development Strategy (HPUDS) and the Draft FDS in that coastal and rural settlements were included in the HPUDS but were not proposed to be included in the Draft FDS.

HPUDS 2017, and before that HPUDS 2010, included strategic direction for rural and coastal settlements. This includes the rural and coastal settlements within the Study Area, which for HPUDS was based on the Heretaunga Plains Transportation Study and included settlements within a reasonable commuting distance. The strategic direction for the settlements is expressed on pages 38-39 of HPUDS 2017. Indicative dwelling numbers and land area are provided for some of these settlements including Haumoana/Te Awanga, Waimarama and Maraekakaho at modest levels. Indicative maps are also included for those areas. At the time that HPUDS was developed the Councils made a deliberate decision to undertake high level planning for these rural and coastal settlements. This was a discretionary initiative of the Councils.

In the case of the Draft FDS one of the first steps was to assess whether any of the rural and coastal settlements were suitable for **urban scale development** in a manner that achieved the FDS objectives, given that they are located within the wider FDS study area. This was consulted on as part of the Call for Opportunities and the Issues and Options report in 2023. Following this, the thematic spatial scenarios assessed the suitability of these settlements for urban scale development. The outcome of this exercise was that the settlements are not suitable for urban scale development at this time, owing to their distance to urban services, costs to service with infrastructure, generally more challenging topography and the availability of better performing scenarios closer to the urban area¹. This conclusion is consistent with the outcome of spatial planning for Hastings and Napier since the

¹ Refer to the Technical Report for a discussion of the spatial scenarios assessed.

1970s. Future reviews of the FDS may determine that some urban scale development in these settlements is appropriate.

Following on from that, the second step for the Draft FDS was to determine whether a lower density of **rural residential style development** would be appropriate in the settlements and other locations put forward as part of the Call for Opportunities. On this, two options were considered:

- a) Spatially identify opportunities for rural residential in the Draft FDS;
- b) Do not spatially identify opportunities for rural residential in the Draft FDS and leave this to a future rural residential strategy (or similarly named strategy).

Both of these options are available to the Councils under the National Policy Statement: Urban Development (**NPSUD**) as we discuss in Section 2.3 below.

With these options before the Joint Committee, planning for the rural and coastal settlements and other rural residential locations was not proposed to be progressed under auspices of the FDS itself. In our opinion, addressing rural residential through a future planning process is a more robust approach that enables focussed engagement with rural and coastal communities and would enable a more fine-grained and meaningful strategy as a result. This deliberate approach is more robust in our opinion, and there are several options for how this could be undertaken as explained in Section 2.4 below.

2.2 Impact of including pages 38-39 of HPUDS 2017 as an appendix to the FDS

The Panel has asked what the impact is of including pages 38-39 of HPUDS as an Appendix to the FDS with appropriate explanatory text, stating that the Appendix provides strategic direction for the listed rural and coastal settlements until such time as a rural residential strategy (or similar) has been prepared. They have asked how this will play out for lower-level planning documents, requests for plan changes and resource consent applications, and Long Term Plan processes and funding for growth. They have further asked if the HPUDS coastal and rural settlements were to be included as an Appendix to the FDS, do Officers recommend any changes to the indicative areas identified in the HPUDS in the indicative location maps in section 5 of the HPUDS.

The FDS is intended to replace HPUDS 2017. To avoid a confusing situation of having two growth strategies apply simultaneously, in our view and in response to feedback, we consider that it is important to carry over those aspects of HPUDS 2017 that are not canvassed in the FDS. If this occurs, then HPUDS 2017 can be retired and will no longer be relevant for future planning decisions. This is the most efficient administrative approach.

In our Officers' Hearing Report, we recommended that the strategic direction for the rural and coastal settlements be carried over from HPUDS 2017 should be set out in an Appendix to the FDS. As it forms part of the FDS, future planning decisions will need to have regard to it under clause 3.17 of the NPSUD when preparing or changing RMA planning documents. It would also be used to inform Long Term Plans, RLTPs and other relevant strategies and plans (including a rural residential strategy for example). For resource consents, it would be considered as an "other matter" under section 104(1)(c) of the RMA. This is very similar to how near-identical content in HPUDS 2017 (pre-FDS) can, and has, been considered in other resource management related decisions.

The Appendix as recommended in our Hearing Report does not propose to map the rural and coastal settlements. However, HPUDS does include indicative maps for the settlements of Haumoana, Waimarama and Maraekakaho. If the Panel were inclined to do so, these indicative maps could also be included in the Appendix as an interim measure. We do not recommend any other amendments at

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this stage given that the intention is to carry over the HPUDS direction verbatim and a future rural residential strategy (or similar) can apply a more thorough review of suitability.

2.3 Rural lifestyle development under the NPSUD

The Panel has asked if rural lifestyle development is a matter for consideration under the National Policy Statement on Urban Development that can be addressed in the FDS.

Section 3.13 of the NPSUD sets out the purpose and content of the FDS. We repeat this in full below for context, with emphasis added.

- 1) *The purpose of an FDS is:*
 - a) *to promote long-term strategic planning by setting out how a local authority intends to:*
 - (i) *achieve well-functioning urban environments in its existing and future urban areas; and*
 - (ii) *provide at least sufficient development capacity, as required by clauses 3.2 and 3.3, over the next 30 years to meet expected demand; and*
 - b) *assist the integration of planning decisions under the Act with infrastructure planning and funding decisions.*
- 2) *Every FDS must spatially identify:*
 - a) *the broad locations in which development capacity will be provided over the long term, in both existing and future urban areas, **to meet the requirements of clauses 3.2 and 3.3; and***
 - b) *the development infrastructure and **additional infrastructure required to support or service that development capacity, along with the general location of the corridors and other sites required to provide it; and***
 - c) *any constraints on development.*
- 3) *Every FDS must include a clear statement of hapū and iwi values and aspirations for urban development.*

The definition of urban environment in the NPSUD is also relevant. We also note that the National Planning Standards include the Rural Lifestyle Zone within the group of Rural Zones.²

The focus of section 3.13 is, in our view, focussed on setting out how the Councils intend to provide for development within the Napier Hastings urban area and not the totality of Napier City and Hastings District. This reflects the language used throughout the objectives of the NPSUD that refer variously to 'urban environment' and 'urban development'. While the wider Study Area for the FDS encompassed the rural and coastal settlements, as set out above, urban scale development within one or more of those settlements was not assessed as the preferred spatial scenario at the present time.

Rural residential development is more rural than urban in scale, although we acknowledge that when located at the urban edges it does form part of the local housing market. However, it is not the focus of the FDS. The approach taken for the Napier Hastings FDS is consistent with a number of FDSs undertaken around New Zealand including Auckland, Wellington, Hamilton and Christchurch. The Auckland example is similar to the situation here, where that FDS refers to the development of a rural

² Refer to the District Plan Structure Standard on page 16: <https://environment.govt.nz/publications/national-planning-standards/>

strategy as a future action³. Auckland Council (a unitary authority) has recently published a draft of their Southern Rural Strategy⁴.

Smaller Tier 2 councils in New Zealand take a variety of approaches and some have included rural settlements and new rural residential opportunities within their FDS (see Nelson Tasman as an example). This reflects early decisions made by the council(s) at the time, noting that there is nothing in the NPSUD to preclude councils from including rural and coastal settlements if they wish to (nor any mandatory requirement in the NPSUD to include rural and coastal living in an urban-focussed FDS). This is consistent with the early advice that Officers put to the Joint Committee on providing for rural residential living.

2.4 Anticipated timing for a rural residential strategy and what process would be followed for developing one?

The Panel has asked what the anticipated timing is for a Rural Residential Strategy and what process would be followed for developing one.

The Draft FDS assumes a much higher proportion of housing demand in rural/lifestyle areas than HPUDS 2017 and the existing capacity work that underpins the current RPS and Hastings District Plan is now ten years old. Accordingly, we consider that the first step in preparing a rural residential strategy would be undertaking a refresh of the rural capacity analysis for Hastings and Napier. This would account for changes to the rural planning framework that are being sought through the Napier Proposed District Plan. This is a technical piece of work and can be commissioned without formal Council approval as soon as the FDS is adopted. The work may include contact with market experts.

The refreshed capacity analysis would provide an indication of the urgency and scale upon which to consider next steps, including funding and timing, for preparing a rural residential strategy (or similar). This first step can be completed by the end of August 2025, which would inform the timing for any future strategy. The Councils would need to consider a range of matters, which would be appropriately addressed in a project scoping report. This may include:

- a) Issues and options for planning for rural and coastal settlements;
- b) How specific sites for rural residential will be addressed that are not located within existing rural and coastal settlements;
- c) How the very long term urban satellite potential of some rural settlements could be addressed; and
- d) Public consultation options, including options to consult with affected communities at the issues and scoping phase.

Depending upon scope, urgency and available funding, the rural residential strategy could more comprehensively review the future form and function of rural and coastal settlements and the wider rural catchment. This could also address the wider social, environmental, economic, cultural needs of rural communities, with the potential for this to be addressed in stages dealing with priority locations.

2.5 Impact of bringing developing areas identified for longer-term growth on line at an earlier time

The Panel has asked what the impact would be of changing the timing of bringing development areas identified for longer term growth on line at an earlier time. They have asked for clarification on the

³ See page 51 of the Auckland FDS: <https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-plans-strategies/auckland-plan/development-strategy/Pages/default.aspx>

⁴ <https://akhaveyoursay.aucklandcouncil.govt.nz/southern-rural-strategy>

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ways to address these impacts if development is intended to progress in advance of timing set in the FDS.

A number of submitters requested that certain locations should be brought forward from long term prioritisation to short - medium term prioritisation. The areas submitted on in this regard include:

- a) Middle Road (HN3a and Hn3B)
- b) Arataki Extension (HN2b)
- c) Brookvale Extension (HN6)
- d) Portsmouth Rd (FM2 and FM9); and
- e) Irongate North/South
- f) Wall Road.

Clearly there is a desire from landholders within the specific areas, to have their land bought forward for short to medium term development within the FDS, even if as stated within the Hearing Report, there are no barriers through the FDS to prevent landowners applying to rezone these areas earlier as the short, medium to long term prescription is about funding and enabling services to actually deliver housing when it is needed, not when rezoning can/should happen.

The arguments from submitters regarding inclusion relate to both better planning practices as it gives the public a better indication around the likely timing of development, greater levels of information for future planning and infrastructure delivery (including for network utility operators) if developments are indicated when they are most likely to occur, and the consideration that inclusion within the next ten years removes National Policy Statement: Highly Productive Land (NPSHPL) requirements. These arguments are addressed below.

Firstly, it is important to point out, that there is no specific requirement under the NPSUD to include staging and prioritisation within an FDS. The purpose of an FDS is to:

- 1) promote long-term strategic planning by setting out how a local authority intends to:
 - a) achieve well-functioning urban environments in its existing and future urban areas; and
 - b) provide at least sufficient development capacity, as required by clauses 3.2 and 3.3, over the next 30 years to meet expected demand.

However, it is accepted that in order to achieve (b), being able to provide an indication of what is required over the short, medium and long term is good planning practice and provides an indication as to the development priorities over the 30 year period.

In this regard, the NPSUD's meaning of 'plan-enabled' and 'infrastructure ready' development capacity and NPSUD Clause 3.4 provide useful guidance on how sites should be considered. While the FDS does not have to follow plan-enabled and infrastructure ready explicitly, the NPSUD shows there is at least an expectation that the FDS should indicate where adequate development infrastructure is needed to support development of the land for inclusion in LTPs. This provides clear direction for the priorities list, and shifting timings for certain locations solely on basis of developers' wants does not align with those interpretations.

In terms of the opportunity to provide clarity to the public and developers as to an indication around timing, we acknowledge there are benefits in this. It is accepted that where there is relative certainty around developments occurring within the short term, it is acceptable to have that indication within the FDS to ensure consistency for developers and landowners alike. However, there would need to be relative certainty in regard to assurances that the project would actually be committed to within the short term and not simply a desire. An indication from developers that they will be looking to

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undertake a plan change in the short term is not sufficient. Significant work should be undertaken to provide councils a level of certainty that a proposed development will take place ahead of what is potentially needed to achieve sufficiency, particularly when there is no demand indicated a developments need over the short-medium term periods.

The impacts of bringing areas forward from long term to short term creates an expectation that Councils will change their LTPs and Infrastructure Strategies to align with the altered short to medium term desires, which would have a flow on effect on development contributions and funding mechanisms, including through contractor and consultant pricing if they are all expected to be delivered as indicated.

Whether Councils can provide infrastructure if a development is not developer led must be carefully considered. If development areas are required within the short term, Councils may need to deliver infrastructure, given that there is an indication the development is required for short term growth to meet the NPSUD targets.

Secondly, if the land is delivered to market as indicated then while the generous supply may help offset development contributions increases, the higher uptake engendered may be at the expense of intensification. This could result in pressure for release of even more greenfields in the longer term, undermining attempts to protect highly productive land and increase intensification. An everywhere-all-at-once approach will not promote the use of natural and physical resources at a rate that sustains their potential to meet the needs of future generations.

In terms of the implications for compliance with NPSHPL, this has been addressed below. It is clear that inclusion within the FDS does not provide any discounting of the NPSHPL. All sites would need to consider the NPSHPL at time of rezoning and/or resource consenting.

Using the above criteria we have reconsidered each of the submitters' positions following the additional evidence put forward.

In terms of the Arataki Extension land, it is accepted that given the Fast Track Approvals Act consenting requirements and the pre-application discussions had with Hastings District Council, that there is reasonable likelihood that this development will be achieved within the short-medium term period. In addition to this, it has been indicated that the infrastructure upgrade requirements for this site are relatively minor, meaning there is less risk on Hastings District Council if any problems were to occur. As such it is accepted that the Arataki Extension land should be reconsidered as short-medium term.

The Brookvale Extension (HN6) land has also applied for a private plan change which is currently awaiting further information. This land does not have the certainty and timeframe parameters at the Arataki Extension land but is reasonably far advanced in its planning. While inclusion as a short-medium term project is reliant on the granting of a Plan Change request and this is not fait accompli, it is accepted that following approval the development would likely occur relatively quickly, within the medium term given the nature of the development proposed. As with Arataki Extension, there is relatively low risk with infrastructure upgrades to develop this land, as the capacity was built into the system as part of the earlier Brookvale structure plan work. As such it is accepted that on balance the HN6 land should be reconsidered as short-medium term.

In terms of all other sites requested to be reprioritised, we do not consider there to be specific justifiable reasons for this to occur. While there have been some high level discussions around development opportunities on other land identified, there have been no applications lodged to give reasonable certainty as to when the development may occur, nor when the location might be 'infrastructure ready.' An indication of when an application may be lodged with a council is insufficient to reconsider prioritisation, particularly if there is already sufficient supply identified in a particular

area. As such no change has been recommended for the remainder of those submissions requesting reprioritisation.

We note that the recommendation for Wall Road did not include an indication of timing as observed by Mr Winchester, but the Hearing Report at page 109 indicated that this should be in the long term to align with the servicing programme. It is noted that the inclusion of both Arataki and Brookvale Extension as short-medium term priority will resolve the short-medium term deficit in the Hastings area, changing capacity from -35, to a surplus of +260 (being 170 dwellings for Arataki and 125 for Brookvale). We are comfortable with this level of sufficiency and do not consider it would negatively impact the intensification objectives of the FDS.

2.6 Hastings Aerodrome status in the RPS

The Panel has asked whether the Hastings Aerodrome is defined as regionally significant infrastructure (or similar) in the RPS.

The RPS (incorporated into the Regional Resource Management Plan (**RRMP**)) does not define regionally significant infrastructure per se, although it does contain a definition of strategic infrastructure which we repeat below:

9.255A Strategic Infrastructure

Those necessary facilities, services and installations which are of greater than local significance, and can include infrastructure that is nationally significant. The following are examples of strategic infrastructure:

- a) strategic transport networks*
- b) Hawke's Bay Regional Airport*
- c) Port of Napier*
- d) Omarunui Regional Landfill*
- e) strategic telecommunications and radiocommunications facilities*
- f) the electricity transmission network and electricity distribution networks*
- g) renewable electricity generation activities*
- h) pipelines and gas facilities used for the transmission and distribution of natural and manufactured gas*
- i) public or community sewage treatment plants and associated reticulation and disposal systems;*
- j) public water supply intakes, treatment plants and distribution systems*
- k) public or community rural water storage infrastructure, including distribution systems*
- l) public or community drainage systems, including stormwater systems*
- m) flood protection schemes*
- n) other strategic network utilities.*

In our opinion, the Hastings Aerodrome would fall within the definition of strategic infrastructure under the RPS. This is on the basis that the Aerodrome has a regional function rather than merely a local service function, particularly as it relates to civil defence and emergency management⁵. We note that the list of examples provided in the definition is non-exhaustive. The following policies of the RPS

⁵ Refer to the Hawke's Bay Civil Defence and Emergency Management Group Response to Cyclone Gabrielle: <https://www.hbemergency.govt.nz/cyclone-gabrielle-review/>

would therefore be particularly relevant and require careful consideration as part of future decisions such as the private plan change application for the Hastings Golf Course:

- (a) Objective UD1 and UD5; and
- (b) Policy UD4.2, Policy UD10.4 and Policy UD12.

The evidence presented by the Hastings Aerodrome at the FDS Hearing highlighted potential issues with the technical acoustic reporting undertaken for the Hastings Golf Course private plan change application. This reinforces our opinion that the future development of this site is best addressed through the 'live' plan change process where the technical evidence can be rigorously tested, noting that this process is currently underway.

3.0 Context and overview matters

3.1 Resource Management Act reform

During the week of the Hearing, several key announcements were made the Minister for Resource Management Reform Hon Chris Bishop regarding the current Government's intentions for the next phases of reform. The Minister announced "actions Government has agreed to that will enable more greenfield development – allowing our cities to grow up and out." However, none of those announcements have any immediate effect. Legislation (and in some cases, Ministerial approval) is required for these policy announcements to have any legal effect.

Some of the key announcements pertinent to matters relating to the FDS are outlined below:

- a) Legislation to replace the RMA to be introduced in Parliament by the end-2025 and passed in mid-2026 prior to the General Election. There will be two new Acts. A Planning Act focussed on regulating the use, development and enjoyment of land, along with a Natural Environment Act focussed on the use, protection and enhancement of the natural environment. Both Acts will include starting presumptions that a land use is enabled, unless there is a significant enough impact on either the ability of others to use their own land or on the natural environment. There will be one set of national policy direction under each Act, with greater use of standardisation such as land use zones.
- b) Minister Bishop announced that Cabinet has agreed to remove Land Use Capability 3 from the definition of highly productive land (HPL) under the NPSHPL. Alongside this, the Minister announced that they would consult "on whether we should establish what we've called 'special agricultural zones' around key horticultural hubs like Horowhenua or Pukekohe. This will be progressed as part of Phase 2 of the RMA reforms which is currently underway".
- c) The Minister said "Freeing up urban land is not enough on its own. We also need to ensure the timely provision of infrastructure." There are "five changes to our infrastructure funding and financing toolkit to get more houses built. These are some big changes, and it will take some time to get them right." The Government's "aim is to have legislation in the House by September this year, to come into effect next year."
- d) The Minister announced that the Government will support National Infrastructure Funding and Financing Ltd (NIFFCO) in lending up to \$100 million to developers for infrastructure needed to enable new greenfield housing.⁶ The Government's overarching approach is that growth pays for

⁶ Minister for Resource Management Reform Hon Chris Bishop's [speech to the Property Council Residential Development Summit](#), 27 March 2025.

growth, moving to a future state where funding and financing tools enable responsive supply of infrastructure where it is commercially viable to build new houses.⁷

The changes signalled by the Government provide useful context but it cannot be taken into account for the purpose of this FDS. However, the changes do indicate that the policy environment is fluid, and a flexible and responsive FDS for Napier and Hastings will provide options for the community to adapt in the future.

In terms of infrastructure, the Government’s proposed greenfield funding is reasonably modest and the impact of future development levies on the feasibility of development is uncertain. Councils and developers will continue to face significant challenges in sustainably funding infrastructure upgrades to support growth, particularly in an environment where councils may be required to plan for high growth.

3.2 Status of the Hawke’s Bay Regional Policy Statement

At the Hearing the Commissioners queried the timing for the RPS review. Gavin Ide for HBRC confirmed that the review of the RPS had already commenced and HBRC’s intention was to release a discussion document draft RPS around August 2025 for informal public feedback. However, due to legislative changes passed by Parliament last year,⁸ the discussion document draft is being re-focussed on natural hazard-related content (i.e. RPS chapters as per the National Planning Standards for climate change; natural hazards and risk; energy, infrastructure and transport; and urban form and development).

Timings for next steps of the RPS review programme may well change depending on the timing and requirements of the Planning Bill and Natural Environment Bill to be released later this year. Decisions on the FDS will not have any direct implications for the scope and timing of the RPS review programme.

3.3 Planning status of recommended FDS areas

At the Hearing, submitters commented on the planning status of the various growth areas recommended for inclusion in the Draft FDS. We provide a summary of this below. We also comment on areas that are not recommended for inclusion but which are currently working through a separate planning process.

FDS recommended growth area	Planning status
Intensification (Hastings)	Plan Change 5 to the Hastings District Plan in Environment Court assisted mediation.
Intensification (Napier)	Napier PDP progressing through the Hearing phase currently. This includes proposals for intensification in the urban area.
Ahuriri Station (AS)	A Listed Project under the Fast Track Approvals Act 2024. Seeking rezoning through the Napier PDP.

⁷ Minister for Resource Management Reform Hon Chris Bishop’s [speech to KangaNews Debt Capital Markets Forum](#), 27 March 2025.

⁸ The Resource Management (Freshwater and Other Matters) Amendment Act 2024 was passed in October 2024. That Amendment Act introduced Section 80A(4A) into the RMA and restricts regional councils from notifying freshwater planning instruments until a new National Policy Statement for Freshwater Management (NPSFM) takes effect or December 31, 2025, whichever comes first.

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The Loop (NC4a)	No active planning underway.
Riverbend (NC4b)	Seeking a referral through the fast track process under the Natural and Built Environment Act 2023. Seeking rezoning through the Napier PDP.
South Pirimai (NC4d)	No active planning underway.
Mission Estate (NC6)	Seeking amendments to the zoning through the Napier PDP.
Severn Precinct (SP)	In pre-application discussions with Council for a resource consent application.
Lyndhurst Extension (H2a)	HPUDS Structure Plan in preparation. Funding commencement in year 7 of the LTP.
Kaiapo Road (H3)	HPUDS Structure Plan in preparation. Funding commencement in year 8 of the LTP.
Murdoch Road (H4)	No active planning underway.
Wall Road (H5b)	No active planning underway.
Copeland Road (H8)	No active planning underway.
Portsmouth Road (FM2 and FM9)	Landowner advises that the private plan change application is being prepared.
Arataki Extension (HN2b)	A Listed Project under the Fast Track Approvals Act 2024. Pre-application discussions with Council commenced.
Middle Road (HN3a)	No active planning underway.
Middle Road Extension (HN3b)	No active planning underway.
Brookvale Road (HN6)	Pre-application discussions with council progressing for a private plan change application.
Oderings Site (HN10)	Resource consent granted.
Irongate West (IR1)	No active planning underway.
Irongate South (IR2)	No active planning underway.

Other growth areas (not recommended)

Planning status

Hastings Golf Course (BP1)

Private plan change application currently being processed by the Hastings District Council.

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Hamachek Holdings energy centre	Resource consent lodged with Hastings District Council.
Mr Apple (WH1)	Pre-application discussions with council progressing for a private plan change application.

4.0 Urban Housing Demand, Capacity and Choice

4.1 Smaller sites

A number of submitters requested including smaller sites within the FDS. This includes Hamachek Holdings Limited, Sun Properties Limited and Mr and Mrs Holder at Clive. In the case of Sun Properties, the submitter has suggested combining the site with the Oderings site, which is at the lower end of residential capacity enabled.

We maintain that smaller sites are better addressed on their merits through a future plan change/plan review/resource consent process. This ensures that the FDS remains focussed on strategic and long term growth opportunities as required by the NPSUD (see clause 3.13).

The submitters pointed to the directive nature of the operative RPS posing a barrier to assessing smaller sites on their merits. We observe that the RPS is particularly directive with regard to urban growth in the Heretaunga Plains sub-region, and this reflects the decision making that occurred at the time, having been developed and implemented following HPUDS 2010. However, we point out that there is a ‘pathway’ through those directive policies in Chapter 3.1B of the RRMP. It is not an impassable barrier as some of the submitters have inferred.

We acknowledge that some smaller sites are provided for within the Draft FDS. This includes the Oderings site at 35 dwellings, which has been recently consented. This site was included in the Draft FDS because it has been recently consented but is yet to be constructed, however, this is an exception.

Since adoption of HPUDS 2010 and Change 4 to the RPS, the NPSUD and other national direction has come into effect. For a number of reasons, the RPS has not yet been updated to give effect to that new national direction. The NPSUD in particular directs the Councils to, amongst other things, be responsive to proposals for unanticipated or out of sequence growth (Policy 8). This will inform changes to the RPS that provide greater flexibility and responsiveness in decision making. These changes would lend further policy support for smaller scale development, while acknowledging that there is still a pathway for this to occur through the operative RPS and district plans as we had previously outlined in the Hearing Report.

To address the issues raised by submitters, we recommend including a statement about smaller sites within Section 10.1 of the FDS as follows:

The FDS is focussed on identifying strategic opportunities for growth across the urban areas of Napier and Hastings. Except in some circumstances, smaller sites with capacity for less than 100 dwellings or singular business/commercial development proposals are not identified. It is intended that proposals of this scale, or other unanticipated development, are considered on their merits through a plan change/review and/or resource consent processes. Collectively, development on smaller sites may make a meaningful contribution to housing and business

capacity and this will be regularly monitored and documented through the Councils' three yearly Housing and Business Capacity Assessments.

4.2 Spatial identification of growth areas

At the Hearing several submitters outlined the importance of spatially identifying their land in the FDS. Submitters' reasoning for requesting this were generally two-fold:

- a) Sites that are currently defined as HPL under the NPSHPL would be excluded from that definition if spatially defined in the FDS.
- b) Spatial identification would provide certainty and a clear signal to those assessing future plan changes and resource consents regarding the strategic suitability of an area for urban development. This is particularly important in the context of an operative RPS that has some directive policies about where urban growth should and should not occur in the Heretaunga Plains sub-region (see for example policies UD4.1 – UD4.5).

We address (a) in Section 5.1.2 of the Reply below. In short, it is incorrect to claim spatial identification in the FDS would mean sites are then excluded or exempted from consideration under the NPSHPL.

Regarding (b), we agree that spatial identification of growth areas has historically been the approach applied through various growth strategies in Napier and Hastings and that this has flowed through to a series of reasonably directive objectives and policies in the RPS. However, in our opinion, the issue here sits with the policies in the RPS which have emerged after an RMA Schedule 1 public consultation process.

The FDS is a high level strategic document that is intended to, amongst several things, inform RMA planning documents, including the RPS and district plans. It is expected, that the FDS once adopted, will be used inform HBRC's review of the RPS, particularly those aspects relating to urban growth and form. It is anticipated that the RPS review would need to better reflect the NPSUD's change in policy approach (alongside other NPSs), for example, a greater degree of flexibility and responsiveness to unanticipated growth.

There is also the opportunity for the RPS to implement the relevant recommendations of the FDS (whether mapped or not), as it relates to matters such as wet industry and smaller sites for example. However, we do not consider that this requires specific sites to be mapped in the FDS and therefore councils retain discretion to take a different policy approach to what has historically been the case in Napier and Hastings.

5.0 Development Constraints

5.1 Highly Productive Land

5.1.1 Amount of land defined as HPL

The evidence for Save the Plains and related submitters stated that the Draft FDS identifies approximately 416.75 hectares of HPL for urban development.

We have updated Table 3 of the Hearing Report to include the land area in hectares. This shows that approximately 508 hectares of land defined as HPL under the NPSHPL is recommended to be included in the FDS, including Ahuriri Station, which forms the majority of this. A large proportion of this is LUC3. If the sites recommended to be included in the FDS are added (extended Portsmouth Road

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FM9, Middle Road HN3a and HN3b and Wall Road H5b) then this total number increases by 124 hectares to 632 hectares.

In addition, and as set out in the Hearing Report, the LUC classification relies on the interim definition of HPL that is based on coarse scale mapping undertaken in the 1970's. Because of this, we recommend an approach that takes into account advice from experts on specific sites and allows this to be assessed further through a plan change and rezoning process (see the discussion on this at 5.1.2 below).

FDS Growth Area	HPL status (refer to the site summaries for LUC mapping)	Land area (hectares)
South Pirimai (NC4d)	LUC 3. HPUDS Reserve Area.	61.6 ha
Arataki Extension (HN2b)	LUC 3. HPUDS Reserve Area.	12.1 ha
Murdoch Road (H4)	LUC 2. HPUDS Reserve Area.	11 ha
Portsmouth Road (FM2)	LUC3.	17.2 ha
Irongate (IR2 and IR3a)	IR2 – LUC 2.	48 ha
	IR3a – mix of LUC 1-3.	52.5 ha
Severn Precinct (SP)	LUC 3.	6 ha
Ahuriri Station ⁹	LUC 3.	300 ha
Total land area		508 hectares

The Hearing Report references an unpublished document from Hastings District Council entitled: Assessment of Highly Productive Land in Hawke's Bay – Soils Occupied by Urban Development.¹⁰

This report was prepared by the Hastings District Council in 2023 to provide a point of reference and context for discussion and urban planning, including the FDS, district plan changes and resource consents.

This exercise is based on the existing mapping of HPL represented by the New Zealand Land Resource Inventory (NZLRI) from mapping undertaken between 1973 and 1979 at a scale of 1:63,360 and includes a Land Use Capability Classification (LUC).

The coarse urban footprint data from 1973 to 2000 was updated using the NZLRI mapping available through the HBRC website to create a new baseline as at the turn of the millennium. Council records were then used to record rural to urban land conversions from 2000-2020 and projected to 2025 as summarised below.

On this basis, over the 25 years from 2000, 0.86 % of LUC 1-3 and 1.13% of LUC 1-2 land has been committed to urban use. Nearly 2% of LUC 1 was converted on top of possibly up to 20% that has

⁹ Note that clauses 3.8 and 3.9 of the NPSHPL exclude specified Māori land.

¹⁰ See footnote 35⁴¹ on Page 94 of the Hearing Report, where this report was intended to be described.

been occupied since settlement commenced on the Heretaunga Plains. A copy of the report is attached as **Appendix 1** and is intended to provide some broader context to the discussion on highly productive land.

5.1.2 Whether the FDS changes the HPL definition of land – relevance of clause 3.10

Several submitters sought identification of land within the FDS as appropriate for growth where that land is HPL for the purposes of the NPSHPL. It is useful to clarify the Officers' view of the relationship between the FDS produced under the NPSUD and the protection of HPL under the NPSHPL.

Inclusion of land in the FDS does not exclude application of NPSHPL from decision-making.

First, some submitters appeared to think that if land was identified in the FDS then it would cease to be defined as HPL under the NPSHPL. That is incorrect.

There are two ways land can be identified as HPL:

- a) Under the interim definition of HPL set out in NPSHPL cl 3.5(7); or
- b) As a result of the required Regional Council mapping exercise (refer NPSHPL cl 3.4).

In terms of the interim definition, cl 3.5(7)(b) provides that land is excluded from the meaning of HPL if "at the commencement date" it is "identified for future urban development." Commencement date of the NPSHPL was 17 October 2022.

Similarly, in terms of the HPL mapping exercise required to be carried out by HBRC, cl 3.4 provides that "land that, as at the commencement date [17 October 2022], is identified for future urban development must not be mapped as [HPL]."

Therefore, land needed to have been "identified for future urban development" as at 17 October 2022 – not later. Inclusion in the FDS at any later date has no impact on whether land is defined as HPL and therefore subject to the relevant tests in the NPSHPL. If land currently falls within the interim definition of HPL, it will still fall within that interim definition even if it is identified in the current FDS (or future FDS editions) as land suitable for commencing urban development over the next ten years (2022-2032).

It would only be excluded from being HPL if it was not mapped in the RPS as such by HBRC, however that mapping exercise is not affected or influenced by the content of the FDS.

Urban rezoning of HPL is restricted by cl 3.6(1) NPSHPL such that Tier 2 authorities may allow it only if all three of the following tests are met:

- (1) The urban rezoning is required to provide sufficient development capacity to meet demand for housing or business land to give effect to the National Policy Statement on Urban Development 2020; *and*
- (2) There are no other reasonably practicable and feasible options for providing at least sufficient development capacity within the same locality and market while achieving a well-functioning urban environment; *and*
- (3) The environmental, social, cultural and economic benefits of rezoning outweigh the long-term environmental, social, cultural and economic costs associated with the loss of highly productive land for land-based primary production, taking into account both tangible and intangible values.

These three tests would need to be considered at the time of rezoning on its merits. The FDS cannot be used as a proxy assessment of whether or not those tests are satisfied. What the FDS might actually say about any particular location could partially inform those tests but cannot be determinative. For example, the FDS must provide "at least sufficient development capacity" for 30 years of growth (cl 3.13(1)(b) NPSUD). If a particular FDS took the approach of providing more

development capacity than what was “sufficient”, then an argument that land so identified was “required” under cl 3.6(1)(a) NPSHPL would be more difficult. In such a case, it would also be more difficult to argue that the test at cl 3.6(1)(b) NPDHPL was met, as there may be identified alternatives that would enable development capacity to be met.

If a specific location is not included in the FDS and happens to feature some HPL, then the threshold tests in cl 3.6 may still be able to be met, although it is fair to say the task would likely be more difficult.

Again, the particular wording of the FDS will be important. For instance, in relation to wet industry, Officers have recommended changes to foreshadow that expansion of Tomoana and/or Whakatu may be required in the long term for wet industry and to stipulate that boundaries are indicative only and subject to refinement through structure planning and rezoning. Comments such as this would serve to displace any assumption that land not identified in the FDS is therefore not required – rather, it leaves this largely open for consideration at the time of rezoning.

Finally, it is worth recording that at the time of rezoning, territorial authorities are required to change their district plans “in accordance with” and “give effect to” all relevant national policy statements. This includes both the NPSUD and the NPSHPL, alongside others. Regardless of its obligations under the NPSHPL, councils must “have regard to the FDS when ...changing RMA planning documents” (cl 3.17(1)(a)). Neither the NPSUD or NPSHPL takes precedence over the other, and to approach one as being more important, or taking precedence, would likely lead to legal error. Any council assessing a proposal for rezoning will have a careful analysis and balancing exercise to undertake. But that duty is not required in relation to the FDS.

5.1.3 Methods for managing reverse sensitivity

A number of submitters raised the issue of reverse sensitivity effects arising from the expansion (both past and future) of urban activities to the rural boundary where horticultural and other farming activities take place. The discussion on the Portsmouth Road sites (FM2 & 9) is an example of this, where a blueberry farm is currently operating on the southern boundary, which would potentially be impacted by residential expansion.

This issue is common across New Zealand at the urban fringes and we agree with Mr Aitken for Maven Collective, that this can be effectively managed through a range of methods. However, the issue is not unique to rural activities. The operational needs of significant infrastructure can also be impacted by poorly designed nearby urban development. The methods employed will depend on the nature of the interface and the sensitivity of the rural activity or infrastructure to encroaching urban activities. The methods to manage reverse sensitivity effects rightly fall on the urbanising activity to manage and this is most appropriately addressed at the structure plan and rezoning stage. Methods to manage this include:

- a) Using land contours/bunding with appropriately dense landscaping;
- b) Locating stormwater management areas, roading and other infrastructure along the urban interface to provide separation;
- c) Requirements for acoustic treatment and forced ventilation of new noise-sensitive activities; and
- d) Applying development setbacks and buffer zones where appropriate (there are several examples of these in the FDS area).

The issue of reverse sensitivity is already addressed in the RPS (and district plans) and would be considered in detail through structure planning and rezoning. Refer to Policy UD4.2 in particular.

However, the issue of encirclement is a relevant concern whereby successive developments without adequate buffering, limit the use of land for productive use. For this reason, the selection of sites without natural defensive boundaries should be approached with caution and expectations around the establishment of robust buffers clearly articulated. Officers have considered this matter carefully and consider that the greenfield areas recommended for inclusion in the FDS have a combination of natural boundaries, together with the ability to effectively manage reverse sensitivity effects through future structure planning and design.

5.2 Natural Hazards

The management of natural hazards and the appropriateness of developing in hazard prone areas was an area of focussed discussion at the Hearing. Generally, this was discussed in the context of specific sites, however the Natural Hazards Commission provided updated information to the Panel on 18 March 2025. They have qualified their position and note that their commentary on specific sites is without mitigation.

The Natural Hazards Commission has posed the following questions to the Panel. We have included these in a table and provide responses and cross references to the relevant RPS policies.

Natural Hazards Commission questions	Officer response
Is it OK to retain the status quo of continuing to develop in high hazard areas?	<p>Riverbend and Ahuriri Station are the two sites recommended for inclusion in the FDS that could be described as having high natural hazard risk (particularly inundation) without significant mitigation works. There are site specific reasons for including these areas as outlined in the Hearing Report. A robust assessment of mitigation measures will be required at the time of rezoning in accordance with the objectives and policies of the RPS¹¹ and any new national level policy that applies at the time. Development may or may not occur as a result.</p> <p>The Draft FDS otherwise avoids new greenfield development in locations of known likely high hazard risk.</p>
Are risk assessments adequate to determine the risk?	<p>Yes, provided there is sufficiently robust information to support the assessment, which would be thoroughly tested through a rezoning process and/or relevant consenting processes.</p>
Will any risk assessments, including mitigation measures, be externally peer reviewed?	<p>Yes, as a matter of good practice.</p>
Are mitigation measures proposed enough to reduce risks to people and property, both on and off the site?	<p>This would be assessed in detail at the structure planning and rezoning stage and/or consenting phases too. It is not for the FDS to determine the mitigation measures in a fine grained level of detail.</p>

¹¹ In particular, see Objective 31, Objective UD1(e), Policy UD10.4 in HB Regional Resource Management Plan.

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What maintenance is required of mitigation measures, who is responsible for maintenance, and who pays?	This would be assessed in detail at the structure planning and rezoning stage and/or consenting phases. As above, there are specific reasons for including Riverbend and Ahuriri Station in the Draft FDS that are not related to natural hazards and it is acknowledged that maintenance of mitigation measures would be an additional cost if development is realised, but it is beyond the FDS to determine where and on whom that additional cost may fall.
How is residual risk managed?	This would be assessed in detail at the structure planning and rezoning stage and/or consenting phase too. Residual risk could also be part of a broader district plan change process (e.g. a district-wide change, as distinct from a location-specific rezoning proposal).
Are you satisfied that proposed design and mitigation measures are resilient and sustainable into the future?	This would be assessed in detail at the structure planning and rezoning stage and/or consenting too. It is not for the FDS to determine the mitigation measures in a fine grained level of detail.
What other avenues exist to mitigate natural hazard risks to acceptable levels?	Physical works may be required to mitigate natural hazard risks and these may be undertaken by developers or the Councils. In some cases, adaptive management or emergency management responses may be required to be developed for high impact and lower frequency events such as inundation from tsunamis.

We note that there is a distinct possibility that upon further evaluation of details for location-specific mitigation designs, that high or even moderate risk might be unable to be appropriately reduced. In such instances, it remains entirely open for the decision-maker to reject or decline the proposal (e.g. rezoning) if it is not satisfied that the high risk cannot be sufficiently mitigated. Inclusion of specific locations in the FDS is no guarantee that any/all forms of development will go ahead.

6.0 Iwi and hapū development aspirations

6.1 Papakāinga

Bayden Barber, Chair of Ngāti Kahungunu Iwi Incorporated (**NKII**), stated that while NKII supports the need to protect highly productive land, this should not come at the expense of the ability for mana whenua to develop papakāinga on their whenua.

The NPSHPL allows subdivision on Māori land where Territorial Authorities take measures to ensure that the subdivision avoids or otherwise mitigates any potential cumulative loss of highly productive land and any actual or potential reverse sensitivity effects.

The Hastings District Plan is also already enabling of papakāinga with papakāinga development on Māori Land, and is a controlled activity. The Hastings District Plan also allows for papakāinga on

general title land owned by Māori where certain conditions are met and Hastings District Council commits to working with mana whenua to create development plans for their whenua. The Hastings District Plan assumes papakāinga will be located rurally and there are still some, primarily financial, restrictions making it difficult for whenua Māori to be development. However, Hastings District Council has indicated a willingness to rewrite this section of the Hastings District Plan to make it more enabling of papakāinga. With new national direction on papakāinga having been recently announced by Ministers, Hastings District Council's intention is to wait for this direction before making any change to the current district plan provisions.

Napier City Council is part-way through a submission and hearings process on the proposed Napier District Plan. That proposed district plan includes specific papakāinga provisions in a district-wide papakāinga chapter. The chapter, still subject to a recommendation from the Hearings Panel and final decision of Council, seeks to provide a more enabling pathway for papakāinga across the district. Noting that there is limited traditionally-owned Māori-land within Napier's boundaries, Napier City Council is proposing to extend these provisions to apply to General Title held by an iwi authority or is managed specifically for the benefit of their members. This would include land returned or acquired through Settlement with the Crown and land held by a post-Treaty settlement governance entity (or other demonstrated related entity). Where density/height standards are more enabling in an underlying zone than what would typically be expected in a traditional papakāinga, NCC is proposing to adopt the underlying standards. This will enable papakāinga within higher density environments such as medium and high density residential zones. Papakāinga standards would also enable multiple household units on a site, though the threshold for consent trigger is yet to be determined.

7.0 Business and Industrial

7.1 Mr Apple

Detailed submissions were provided by Mr Apple in relation to their request to identify their landholdings in the FDS as an industrial growth area. We have already provided a detailed response to the matters they raised in the Hearing Report and do not repeat that here. Although there are several matters raised by Mr Apple at the Hearing that require correction or clarification.

We note that many of these matters are specific to Mr Apple's evidence and their intended use of the site, and would therefore be more appropriately addressed through their private plan change proposal. Nevertheless, we provide a fulsome response below, which foreshadows issues that Mr Apple will need to address as part of a future planning process.

7.1.1 Identification of Whakatu as a growth area

Mr Apple requests inclusion of the site at 334 State Highway 51 as a "future industrial growth area."¹² While the evidence and submission talk at length about wet industry, we note that Mr Apple is not seeking to limit the identification of the site in the FDS to only that industrial sub-group. This has been confirmed with Ms Edwards following the Hearing. Mr Apple has not requested any specific prioritisation or timing for the site and did not address this in evidence. Although we understand from Ms Edwards that they are "ready to go now" and are in the process of preparing a private plan change application.

The Panel queried Ms Edwards about the appropriateness of identifying a specific site in the FDS rather than a general spatial area. If the Panel is of a mind to include and spatially define a site in the FDS, we recommend that it be done so generally (which the NPSUD allows), such that the final

¹² Refer to the Mr Apple submission.

boundaries can be determined as part of any future structure planning or rezoning process. This would equally apply to Tomoana if the Panel were of a mind to include that area as well or instead (see Submission 120 of Jim Bishop).

In terms of the location of the site, much was said at the Hearing about the inclusion of Whakatu as a future industrial area in HPUDS and the RPS. We note that the location of the Whakatu industrial area in HPUDS was only ever indicative, and notwithstanding, is to the north of the Mr Apple landholdings. Officers involved in that HPUDS process advise that this was likely due to the lesser impact on land productivity given the smaller lot sizes in the north. Figures 1 and 2 below show the HPUDS spatial identification of Whakatu relative to the Mr Apple site and current lot boundaries. It is noted also the same HPUDS notation was applied to Tomoana as one of two alternatives alongside Whakatu.

As part of any future plan change, and subject to demonstrating that there is demand for wet industry in this location after consideration of other spatial alternatives e.g. Tomoana, a s32 evaluation of the most appropriate boundaries of the zone will be necessary. This would need to consider a range of options, taking into account the need to manage reverse sensitivity effects and the impacts on the productive capacity on the land, having regard to land fragmentation and current land use, amongst other matters.

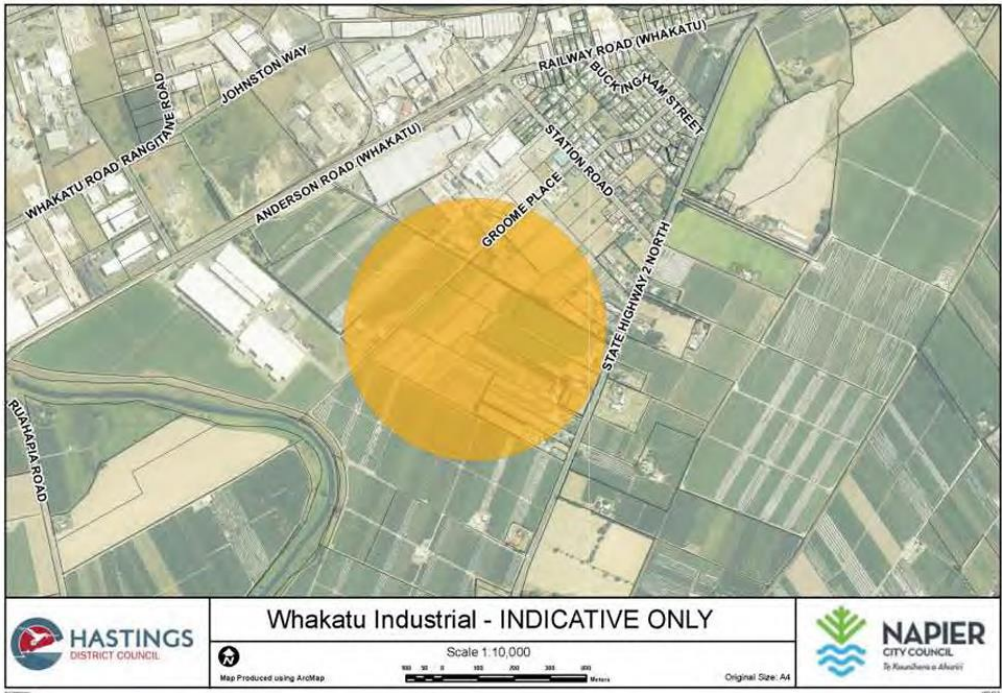


Figure 1: Showing the HPUDS 2017 spatial location of Whakatu relative to the Mr Apple site.

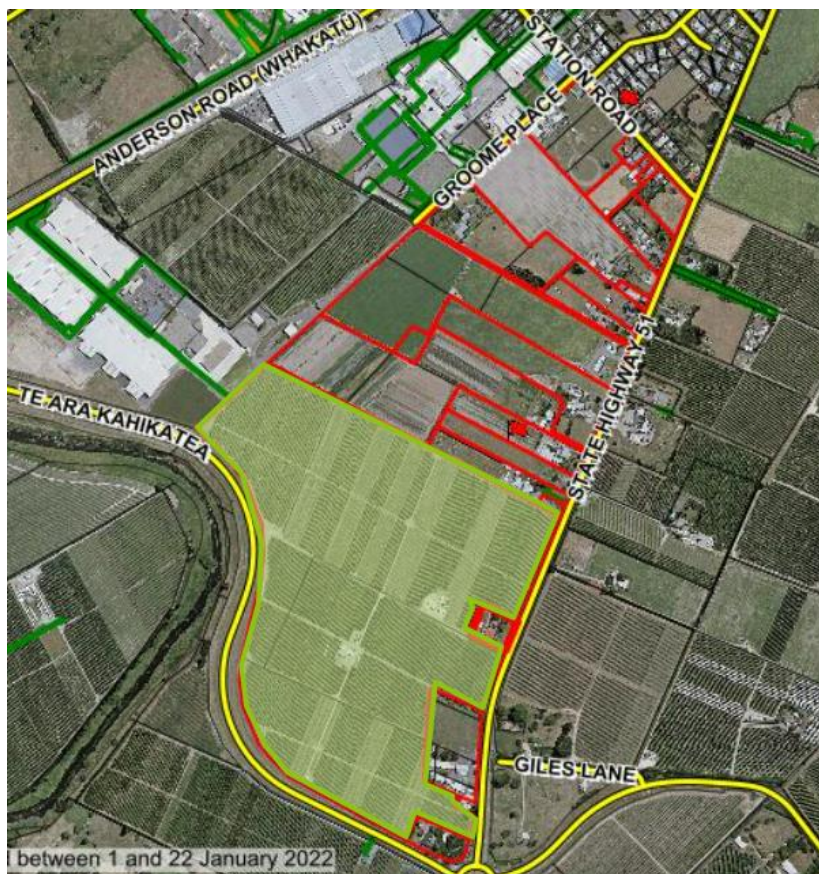


Figure 2: Showing the current lot configuration for the Mr Apple site relative to the lots to the north.

7.1.2 Functional need to access the trade waste network

The evidence for Mr Apple states that the intention is to use the land to relocate the pallet cool store and allow for the consolidation of the cool store network, which is currently in five sites.¹³ Mr Joblin's statement of evidence usefully summarises the intended use of the site as well as the nature of Mr Apple's current operations in Hastings, including the trade waste discharge arrangements. Mr Joblin states at paragraph 20:

In peak production season, Mr Apple discharges approximately 500m³ of primary treated process water per week from its operational facilities. None of this is currently discharged to the trade waste network.

He does not say where the current discharges occur or in what manner. He goes on to say, that when accounting for growth:

An increase in process water generated by these facilities could result in an additional 100m³ of discharge per week during peak season.

He then states that a benefit of the proposal is allowing those consolidated activities to discharge to the trade waste network. On this, Mr Joblin states that it is currently HBRC's planning position for trade waste and or process water to be discharged to the Hastings District Council trade waste system **where practicable** (our emphasis) and it is expected that this will be the standard to which other wet industry will also be held.

¹³ Refer to the summary map provided by Mr Apple at the Hearing.

To provide some context, included at **Appendix 2** is a list of the approved trade waste consents held by Hastings District Council. This does not include activities that have discharge permits from HBRC to discharge trade waste to ground or water. This list illustrates that trade waste volumes tend to be at the lower end of the spectrum for coolstores and packhouses, with food manufacturing generating more significant volumes. We also note that there is no specific requirement in the NPSUD or elsewhere that compels councils to provide separated trade waste infrastructure and we understand very few councils do so, although it is a strategic benefit for Hastings.

We have also sought advice from HBRC's consenting team to check the statements made by Mr Joblin about HBRC's current practice with applications to discharge treated trade waste to ground or water. HBRC's experts have advised us that Mr Joblin's statements are incorrect. Like any consent authority under the RMA, HBRC is required to process applications for resource consents on the merits and within the framework set by relevant regional plans and national regulations. HBRC cannot (and do not) require applicants to direct wastewater or process water to Hastings' separated trade waste network, unless that means of disposal is proposed by the applicant.

Mr Joblin also incorrectly states that Irongate is within a [drinking water] Source Protection Zone and therefore discharge to ground would be strongly discouraged in the future. The southern part of Irongate and the proposed 100 ha expansion in the Draft FDS is not within the Source Protection Zone¹⁴, and discharge to ground or water remains a valid option with appropriate mitigation in place, including for packhouses and cool stores which generate lower volumes of trade waste.

This discussion, while specific to the Mr Apple evidence and activities, serves to reinforce our commentary in the Hearing Report that not all wet industry activities will have a functional need to access the trade waste network. We reiterate that caution should be exercised when correlating wet industry demand (assessed in the BCA at a broad level through ANZSIC categories that are more likely to use and discharge process water) with development capacity in locations with access to the trade waste network. Some wet industry demand will be able to be met elsewhere and a fine grained assessment of this will be required as part of any future rezoning proposal. This is particularly important given that the land at Whakatu and Tomoana is LUC 1 and currently in productive use.

7.1.3 Development capacity information

At the Hearing, Mr Apple representatives were critical of the capacity analysis undertaken in the Hearing Report, but did not provide any specific analysis or feedback that we could usefully address here. We remain unclear regarding the assumptions underpinning their conclusion that there is only 9.6 ha of vacant capacity for wet industry currently available. We have attempted to clarify this with Mr Apple on three occasions.

We have provided summarised development capacity information for wet industry enabled zones by area in the Hearing Report. The spreadsheet data that sits behind this and for the other greenfield industrial zones has been supplied to Mr Apple's representatives along with the methodology statement. For all intents and purposes the sites are generally similar. Three apparent exceptions were pointed out in Mr Heath's evidence, but on closer examination these do not reveal any material errors or omissions, and the relevant Officers stand by that data.¹⁵

¹⁴ Proposed TANK Plan Change 9, currently subject to appeal proceedings in the Environment Court.

¹⁵ With the possible exception of the Omaha Road example which is a very recent change (Shipping Container Hire) revealed by updated Google mapping 20/9/2024 ahead of yet to be granted of building consents that trigger quarterly updating of the data base.

7.1.4 Other corrections and clarifications

Mr Apple's representatives made a number of incorrect or overstated matters that require correction. They are as follows:

- a) It is incorrect to say that the strategic value of the of the Hastings trade waste network was not addressed in the MCA and Technical Report. It was.¹⁶ It is fair to say that wet industry was not addressed in the level of detail that Mr Apple would prefer. In response to feedback, Officers have sought to respond to the matters raised in a constructive and objective way that will assist the Panel in forming its recommendations.
- b) It is incorrect to say that Officers have sought to give effect to the NPSHPL through this process. Consistent with the requirements of the NPSUD, we have used the NPSHPL to inform the FDS and this was explained in detail in the Hearing Report, noting that LUC 1 land is the most productive, least plentiful and most impacted by historic urban development in Hastings District.
- c) Ms Edwards asserted at the Hearing that access to water is an issue for the whole region. Indeed it is, however, the statement needs qualification. As outlined in the Hearing Report, there are onerous restrictions on new water take consents which affect agricultural/ horticultural activities and wet industry. For the FDS, it is an issue of most relevance to wet industry. Municipal water supply is treated differently and is available for potable supply for drinking and sanitation for industrial activities, with the exception of Whakatu where there is no reticulated supply currently. We agree with Ms Edwards that it affects all wet industry noting that any transfer of existing water rights will need water permits, assessed against highly directive policies. Approval of such water permits is not guaranteed. Zoning more land for wet industry will not resolve that constraint. Water supply has not been used as a disqualifying matter and there are steps in train to address the issue at a regional level. However, it will not be resolved immediately, and certainly not in the short term. The timing for this is outside the control of this FDS process although we agree that it should be an urgent priority.
- d) It is incorrect to say that the only available capacity in the trade waste network is east of Otene Road at Whakatu and that Mr Chapman has confirmed this in his memo. He does not, and offers a qualified assessment of the issues. There are varying levels of capacity and complexity in accessing the trade waste network at Omahu Road, Tomoana and Whakatu and Mr Chapman outlines that a detailed estimate of remaining capacity cannot be provided at this time. However, if it were the case that Whakatu was the only location with trade waste capacity, then in our view, it would be even more important to ensure that development capacity in that location is retained for genuine wet industrial activities that have a functional need to access the trade waste network and could not reasonably occur elsewhere.

7.2 Irongate North

Angela McFlynn and Mr Rosenberg for the Irongate North Landowners presented evidence at the Hearing on the suitability of the land for further industrial development. Ms McFlynn noted that land on the eastern side of Irongate extends beyond the Irongate Stream and noted that this calls into question the robustness of the reasoning outlined in the Hearing Report.

We accept that the existing Irongate business area extends to the east of the Irongate Stream. We understand that this is a result of decisions made at the time of rezoning regarding the presence of

¹⁶ See for example the site summaries for H6 Tomoana and W1 Whakatu; the MCA tables, in particular the commentary under feasibility/site suitability and wastewater infrastructure.

existing industrial activities that were allowed via scheduling in the then Hastings Proposed District Plan.¹⁷

We have sought further advice from Mr Chapman on this proposal to respond to comments from Mr Rosenberg. Mr Chapman advises that land to the north of the Irongate Stream does not have access to services within the Irongate east industrial area. He states that while no work has been undertaken to investigate extending services to support a future Irongate West area, there is the potential to provide water and wastewater services as part of a comprehensive strategy to align infrastructure investment to new areas identified in the FDS. A new wastewater main is being installed to service the Wairatahi residential development and is due for completion in 2026. This may provide an opportunity for another localised wastewater scheme for Irongate North but any proposals to extend this would be more appropriately considered as part of wider structure planning for the Irongate west area.

Regarding transport infrastructure, there is potential to extend Maultsaid Place to the north with a bridging structure over the Irongate Stream.

While there may be some merit in expanding to Irongate business area to the north over the LUC7 land, we remain concerned about the lack of a defensible boundary to the productive LUC1 land immediately to the north, noting that the expansion of the Irongate industrial area to the east of the Irongate Stream was a historical result of existing land uses and scheduled activities. For this reason, we maintain our recommendation that the site should not be included in the FDS at this time. There is potential to revisit this as part of structure planning for Irongate west and future rezoning given that the boundaries shown in the FDS are not fixed, and the scale of the proposal is relatively modest.

7.3 Omaha Road industrial – Wrightson Contracting

Alison Francis presented evidence at the Hearing regarding the inclusion of an industrial area in the FDS for the land at the western end of Omaha Road. As outlined in the Hearing Report, some of these activities are identified as Scheduled Activities in the Hastings District Plan but not all, and not all of the activities have been lawfully established. Despite this, we do acknowledge that the area has evolved over time to form a cluster of rural industrial activities, separated from the main Omaha Road industrial area by land in productive use on either side.

While we do not see merit in significant industrial growth in this area, there are opportunities to provide for the existing uses in a more consolidated and coordinated fashion. In our opinion, this is best addressed through a review of the Hastings District Plan, where a bespoke planning solution can be developed that responds to the specific management context of this area and not through the FDS, which is intended to signal broad areas for growth. A key matter to address through any future process would be ensuring that a well defined and defensible boundary is established that minimises the potential for development creep along Omaha Road and to the Roys Hill Winegrowing Area to the south.

7.4 Awatoto – Berkett Commercial Ltd

Jason Kaye presented evidence at the Hearing for Berkett Commercial Ltd. We do not propose any amendments to our recommendations for Awatoto however, we wish to clarify the situation with respect to water supply. Mr Kaye outlined that Napier City Council has plans for water servicing of the area. Mr Bradshaw for the Napier City Council wishes to clarify that there are currently no plans to change or expand water servicing Awatoto.

¹⁷ Refer to section 7.2.2 of the section 32 report for Variation 2 to the Proposed Hastings District Plan: [irongate-section-32-report-with-appendices-a-d.pdf](#)

8.0 Greenfield Residential Napier

8.1 Riverbend

Evidence was presented at the hearing on behalf of Te Orokohanga Hou Joint Venture – the developers for the Riverbend site. There are two points from this material that we clarify in this Reply:

- a) The evidence states that the proposed stormwater management solution will relieve pressure on the wider network and existing flooding risks. The modelling undertaken to indicate a modest improvement to flooding risks within the existing network although this is subject to further testing and analysis, taking into account the issues identified by both Mr Goodier and Mr Bradshaw in their memos attached to the Hearing Report.
- b) The evidence refers to a Development Agreement between Napier City Council and the Joint Venture developer setting out respective responsibilities for infrastructure upgrades needed to support the development. For avoidance of doubt, HBRC is not a party to that agreement, despite having asset management interests in several of the nearby waterways. The Development Agreement is confidential, however, Officers can say that this document sets out funding responsibilities for the Napier City Council and the developer in the event that the development proceeds as currently proposed. It does not represent agreement from Napier City Council that the development should proceed on the basis of currently available information. The development agreement is also subject to funding approval through Napier City Council processes.

Evidence from the Dooney Brothers was presented by Ms McFlynn. In our opinion, this did cast some doubt over the legal arrangements for the proposed stormwater solution for Riverbend. However, this will be a matter for Te Orokohanga Hou Joint Venture to resolve as part of the development scheme they are currently progressing. We maintain that for the wider Dooney Brothers site on Waverley Road, a stormwater solution would be required, and in the event that the western end of the site is needed to service Riverbend, this is unlikely to leave much developable land for the remaining area without needing to push further south.

Should the Panel be persuaded to remove Riverbend from the FDS we note that this would result in a reduction in residential greenfield capacity of approximately 660 dwellings. There would still be overall sufficiency in residential greenfield capacity in Napier if this were to occur (reducing to approximately 765 dwellings). However, this is entirely made up of residential capacity from Ahuriri Station. There remains uncertainty over the timing and form of residential development at Ahuriri Station/Bay View, and further technical work is required to understand natural hazard risks in that location. It would therefore be prudent to include additional greenfield options to ‘make up’ the difference, of which in our opinion, there are no viable alternatives for Napier at the present time. Additional capacity could be provided in Hastings, but this may not meet demand in terms of locational choice, housing types and price point.

8.2 Mission Estate

Phil McKay presented evidence on behalf Marist Holdings Greenmeadows Limited at the Hearing. He generally agreed with the recommendations of the Hearing Report but requested that the “Future Area”, which is classified as HPL under the NPSHPL, be identified on Figure 18 as part of NC6.

We agree that there is merit in potentially developing this small “Future Area” as part of a wider comprehensive and master planned development on the site. However, as we explain in the Reply above, spatial identification in the FDS does not preclude a detailed assessment under relevant clauses of the NPSHPL, unless the area was already identified as being suitable for development in the

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2022-2032 period under HPUDS 2017, which this site is not. Therefore, there is limited strategic benefit in spatially identifying this small parcel of land in the FDS and we do not recommend doing so.

We maintain that subject to the recommended footnote, this matter is best addressed through the Napier Proposed District Plan. Alternatively, a future resource consent application is another pathway should Marist Holdings Greenmeadows Limited not have scope in their submission to address this through hearings and decisionson on the Napier Proposed District Plan.

9.0 Greenfield Residential Hastings

9.1 Heretaunga Connections

Heretaunga Connections Project (**HCP**) took issue with the Officers yield estimates that suggested the proposal would generate considerable surplus capacity. We compared gross yield with demand at a total level, not additional supply over existing provision, as no yield information was supplied with the submission. In any event HCP did supply further information in evidence relating to yields and uses, which has helped clarify matters.

Removing 70 ha for HCP's industrial land allowance and using their estimate of 2000 dwellings, we arrive at a "gross density of 5/ha." This seems very inefficient in the context of highly productive land. With 50% (200ha) removed for stormwater and reserves etc as estimated by HCP, we would expect individual block development yields to be closer to HPUDS targets of 15 per hectare or higher.

On an increased supply basis, removing the expected yields and land area for Wairatahi and Kaiapo Road where the FDS and HCP overlap as suggested by Mr Stickney, reduces the additional supply to just 1100 using their starting figure of 2000 dwellings, giving a gross yield on the remaining 300 ha of 3.7/ha. This compares with the FDS conservative gross yields of closer to 10/ha. Removing such a large area of highly productive land could only be justified on much higher yields and therefore by substituting for planned developments identified elsewhere in the draft FDS - effectively putting 'all the eggs in one basket.' We also do not envisage high demand for large scale community infrastructure outside the existing urban area (other than possibly schools as result of concentrating growth in one area) as suggested is needed by Mr Stickney. The level of growth projected and an ageing demographic suggests the need for more (as opposed to changing) sporting facilities away from the existing populations is likely peaking, particularly with the 2010 addition of the Regional Sports Park in Percival Road (30 ha with a possible further 8 ha extension). On this basis we doubt that this would be a requirement of the NPSUD that would justify use of HPL.

In terms of the relief sought to "placeholder" the HCP for further investigation, we do not consider this particular expansion option should be considered in isolation from other expansive large scale options. It is noted the FDS is subject to review in accordance with the NPSUD on three and six-yearly cycles. During those review cycles, notable changes in trends, demand projections and resource management legislation settings will be reported.

9.2 Reverse Sensitivity Issues (FM2, FM9 and other Hastings Development areas)

A number of submissions discussed the difficulties of farming and orcharding on the urban fringe given the number of difficulties from reverse sensitivity issues such as spray drift and noise. This is a common within Hastings District, given that most of the urban area is surrounded by productive orchards. This is addressed generally in Section 5.1.3 of the Reply above and we provide specific

comments on the reverse sensitivity issues for Portsmouth Road following the discussion with Mr Aitken for Maven Collective.

One of the primary mitigation measures is for there to be an existing or created defined urban boundary. As can be seen in the Draft FDS, the preference is to locate areas where there are existing features such as a stream, waterway or road which creates a definable urban edge. While this helps reduce urban creep, it also provides a buffer between adjacent activities that can cause conflicts. Defined features such as the Southland Drain (which is more prominent than most other drains on the Heretaunga Plains) ensure that reverse sensitivities can be reduced.

Other options are to create artificial buffer zones between activities, and noise buffer structures. These can often be complimented with additional planning measures primarily in the form boundary setbacks. Many of the greenfield areas created in Hastings have a 30m setback from boundaries of the Plains Zone to ensure an appropriate measures against reverse sensitivity.

There are many options available, however these often need significant land to ensure an appropriate buffer can occur. This is part of the reason why identifying larger areas in this FDS is more appropriate, as it provides greater opportunities to mitigate these effects within the identified areas. Smaller developments often need look for alternative options to adequately manage reverse sensitivity impacts. This is also why we are careful not to over-estimate the number of dwellings that can be achieved within the FDS identified areas, as there are multiple factors that may reduce the amount of land that is actually available of buildings.

9.3 FM9 and FM2 – Dwelling Yield

Another issue raised through the Maven submission is the need to increase the number of dwelling yield likely to be realised through the FDS, providing detail that they would expect to achieve a greater density for their development. The submitter provided a high level scheme plan to contextualise this discussion. Officers maintain their position, that the detail is not yet known for us to take a less conservative view on density for this area, and therefore and current yield indications should remain. There are a variety of factors, that may mean the anticipated yield may not be achieved, and a conservative approach is preferred at this stage. As mentioned, the FDS is supportive of increased density where appropriate, and this can be reflected upon future updates as required by the NPSUD.

10.0 Strategic Infrastructure

10.1 Strategic approach to infrastructure

In our Hearings Report, Officers had recommended some amendments to Objective 10 in the draft FDS.¹⁸ In Reply to suggestions from several submitters¹⁹ for further amendments to Objective 10, we now consider it would be clearer if the sentiments being squeezed into Objective 10 were instead split into two objectives – objectives 10A and 10B as below.

10A. Our infrastructure is planned and designed to ~~efficiently and effectively~~ support development and be resilient.

10B. Operational and functional needs of nationally and regionally significant infrastructure is not unduly compromised by the location, design and suitability of new development.

¹⁸ Recommendations 23-26.

¹⁹ For example, Natural Hazards Commission and Hawke's Bay Airport Limited.

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We consider these are a clearer and improved expression of an objective (or goal) compared to other suggestions that needs of significant infrastructure is merely “recognised” (a verb).

Nationally and regionally significant infrastructure (such as ports, harbours, airports, aerodromes, highways and roading networks, stopbanks, telecommunication and electricity networks etc) is key to well-functioning urban environments. It is important functional and operational needs of such vital infrastructure is not unreasonably comprised by the proximity, design and form of new urban development. In some instances, new urban developments could apply mitigation measures (e.g. setbacks, buffers, acoustic insulation, etc) so their location avoids impinging on functional and operational needs of the region’s strategically important infrastructure.

As outlined in the Draft FDS itself, our Hearings Report and also in this Reply, availability of, and planned provision for, infrastructure to support and enable urban development has been central to preparation of the FDS to date. Availability of, and planned provision for, infrastructure underpins key choices of suitable preferred locations for urban development and also the associated indicative timings of development in those locations.

Notwithstanding this, the FDS should not be confused or conflated with being an infrastructure strategy or a strategy for land transport etc. Those are governed by separate legislative instruments. The relationship between the FDS and those other infrastructure strategies is one of mutual cross-pollination where each can inform the other. It is unjust for the FDS to be described as “reactionary, reacting to effects of modelled traffic movements on the existing network rather than being strategic...”²⁰

In relation to strategic land transport planning, the current Regional Land Transport Plan 2024-2034 (RLTP) was adopted in July 2024. The RLTP’s purpose is to set out the strategic direction for land transport in the **region** over the next ten years and describes what the **region** seeks to achieve to contribute to an efficient, resilient and safe land transport system. Consequently, it does not feature finer grained site-specific commercial needs for transport-related services such as service stations, refuelling facilities, truck depots, vehicle charging facilities etc.

For Hamacheck Holdings Limited, Mr Matthew Lawson presented at the Hearing and reiterated requests for the FDS to be amended to provide for a very specific type of business/industrial activity adjacent to the Hawke’s Bay Expressway on a 2.4ha site. Mr Lawson was critical of transport modelling that informed both the FDS and RLTP. In response, we reiterate that the Stantec Transport Assessment Report assessed impacts of the broad-scale growth scenarios and recommended improvements for the preferred scenarios, however, no significant regional infrastructure improvements were signalled other than in vicinity of Ahuriri Station.

Respectfully, we consider the merits of Hamacheck Holdings Limited’s proposal for a specific activity in a specific location is better assessed via a plan change process and/or resource consent application rather than through the FDS (or RLTP). Arguably, similar facilities could be suited to other nearby locations, but no evidence has been presented to that effect. We do not recommend the FDS needs to “include” this site (160 Evenden Road) for this specific industrial use. Indeed, Mr Lawson did mention that *“the activity is to be the subject of a comprehensive application [to HDC] for subdivision consent which application will be supported by comprehensive reports on transport planning, architectural, noise, civil engineering infrastructure Report and Infrastructure Plan (sic).”*

Mr Lawson’s submission goes on to suggest that the FDS should include references to options for development occurring by way of resource consents or by use of a fast-track approvals process.²¹ We agree. In our Hearing Report, we had already made repeated comments that inclusion or not of

²⁰ Para 10 in [Statement by Matthew Lawson for Hamacheck Holdings Limited](#).

²¹ Para 34 in [Statement by Matthew Lawson for Hamacheck Holdings Limited](#).

certain locations in the FDS is not determinative of a future plan change or resource consent. We remain of the view that a resource consent application pathway is one option for progressing development proposals. The FDS does not preclude that and we have recommended including additional text in Section 10.1 of the FDS regarding small sites.

10.2 Amendments to Section 10.11 of the Draft FDS

Recommendations 24 and 25 in our Hearing Report suggested adding additional commentary about the operational and functional needs of strategic infrastructure. Given the alterations now recommended above to Objective 10 into two objectives 10A and 10B, we recommend some consequential amendments to Section 10.11.

“The NPSUD requires... electricity and gas distribution.

This FDS also recognises the importance of operational and functional needs of nationally and regionally significant infrastructure. The location, design and suitability of new urban development must not unduly compromise the operational and functional needs of nationally and regionally infrastructure now or in the future. Nationally and regionally significant infrastructure refers to those types of infrastructure that are of national or regional significance – more than just local importance.

Nationally and regionally significant infrastructure

It is important that future urban development is appropriately located so that the safe and efficient development, operation and maintenance of nationally and regionally significant infrastructure is not compromised now or in the future. Careful consideration also needs to be given to protecting communities’ health and safety and amenity values when planning for urban activities in proximity to nationally and regionally significant infrastructure.”

We recommend a consequential amendment to section 9.2 of the Draft FDS so it would read:

“Section 9.2 Constraints

There is a wide range of development constraints that have been identified within the FDS study area. These are summarised in Figure 12 and include areas for the safe operation and functional needs of nationally and regionally significant infrastructure, coastal hazards,...”

10.3 Amendments to Draft FDS Figure 12 (Constraints summary)

Recommendation 26 in our Hearings Report was an invitation for both airport companies (Hastings Aerodrome and Hawke’s Bay Airport) to present information at the hearing about what additional development protection is needed to ensure their operational and functional needs are met now and into the future. Notwithstanding our comments above regarding reverse sensitivity issues, both airport companies made representations that the FDS should at least record airport noise contours as one of several ‘constraints’ to urban development. We recommend FDS Figure 12 (‘summary of development constraints across the FDS study area’) be amended to include extent of the following:

- a) ‘Airport Noise Boundary’ for Hawke’s Bay Airport as published in the operative Napier District Plan²²

²² We understand that through public submissions on the Napier proposed district plan, Hawke’s Bay Airport Limited has requested amendments to the Airport Noise Boundary that would better reflect acoustic modelling work commissioned by HBAL for projected airport operational noise over the next 15 years. Decisions on that request are yet to be issued by Napier City Council.

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- b) 'Outer Air Noise Boundary' (55 dBA Ldn contour) for Hastings (Bridge Pa) Aerodrome as published in the partly operative Hastings District Plan.

Similarly, we recommend Figure 12 be amended to also include Transpower Limited's strategic corridors for electricity transmission lines and substations.²³ Whilst many of those corridors fall outside the FDS study area, there are parts of those corridors and stations within the FDS study area.

11.0 Updated recommendations

The further recommendations for changes to the Draft FDS are summarised in the table below.

Summary of updated recommendation	
29	<p>Include the following statement in Section 10.1 of the FDS:</p> <p><u><i>The FDS is focussed on identifying strategic opportunities for growth across the urban areas of Napier and Hastings. Except in some circumstances, smaller sites with capacity for less than 100 dwellings or singular business/commercial development proposals are not identified. It is intended that proposals of this scale, or other unanticipated development, are considered on their merits through a plan change/review and/or resource consent processes. Collectively, development on smaller sites may make a meaningful contribution to housing and business capacity and this will be regularly monitored and documented through the Councils' three yearly Housing and Business Capacity Assessments.</i></u></p>
30	<p>Amend the prioritisation for Arataki Extension (HN2b) and Brookvale Extension (HN6) from long term to short-medium term and amend Figure 23 and Table 4 and Table 6 accordingly.</p>
31	<p>Amend Objective 10 of the Draft FDS as follows:</p> <p><u><i>10A. Our infrastructure is planned and designed to efficiently and effectively support development and be resilient.</i></u></p> <p><u><i>10B. Operational and functional needs of nationally and regionally significant infrastructure is not unduly compromised by the location, design and suitability of new development.</i></u></p>
32	<p>Further amend Section 10.11 of the Draft FDS as follows:</p> <p><i>"The NPSUD requires... electricity and gas distribution.</i></p> <p><u><i>This FDS also recognises the importance of operational and functional needs of nationally and regionally significant infrastructure. The location, design and suitability of new urban development must not unduly compromise the operational and functional needs of nationally and regionally infrastructure now or in the future. Nationally and regionally significant infrastructure refers to those types of infrastructure that are of national or regional significance – more than just local importance.</i></u></p> <p><u><i>Nationally and regionally significant infrastructure</i></u></p> <p><u><i>It is important that future urban development is appropriately located so that the safe and efficient development, operation and maintenance of nationally and regionally significant infrastructure is not compromised now or in the future. Careful consideration also needs to be</i></u></p>

²³ Sourced from <https://www.transpower.co.nz/our-work/industry/our-grid/maps-and-gis-data>

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	<u><i>given to protecting communities' health and safety and amenity values when planning for urban activities in proximity to nationally and regionally significant infrastructure."</i></u>
33	<p>Make consequential amendments to Section 9.2 of the Draft FDS consistent with recommendation 32 above:</p> <p><i>"Section 9.2 Constraints</i></p> <p><i>There is a wide range of development constraints that have been identified within the FDS study area. These are summarised in Figure 12 and include <u>areas for the safe operation and functional needs of nationally and regionally significant infrastructure</u>, coastal hazards,..."</i></p>
34	<p>Amend Figure 12 of the Draft FDS to include the extent of the following:</p> <ul style="list-style-type: none"> • 'Airport Noise Boundary' for Hawke's Bay Airport as published in the operative Napier District Plan; • 'Outer Air Noise Boundary' (55 dBA Ldn contour) for Hastings (Bridge Pa) Aerodrome as published in the partly operative Hastings District Plan; and • Transpower Limited's strategic corridors for electricity transmission lines and substations.

Monday, 19 May 2025



Te Hui o Te Kaunihera ā-Rohe o Heretaunga

**Hastings District Council: Napier-Hastings Future Development Strategy Joint
Committee Meeting**

Ngā Minitī

Minutes

Te Rā Hui:

Meeting date: **Monday, 19 May 2025**

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

Time start - end **1.03pm – 2.18pm**

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

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

Monday, 19 May 2025

HERETAUNGA
HASTINGS

DISTRICT
COUNCIL

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Napier-Hastings Future Development Strategy Joint
Committee Meeting

Ngā Minitī

Minutes

Te Rārangi Upoko

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Monday, 19 May 2025

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Napier-Hastings Future Development Strategy Joint Committee Meeting

Ngā Minitī

Minutes

Kua Tae ā-tinana:

Present:

Koromatua

Chair: Mayor Sandra Hazlehurst (HDC)

Deputy Chair: Tania Eden (Mana Ahuriri Trust)

Members:

Hawke's Bay Regional Council

Cr Jock Mackintosh (HBRC)

Cr Martin Williams (HBRC)

Napier City Council

Mayor Kirsten Wise (NCC)

Cr Ronda Chrystal (NCC)

Hastings District Council

Cr Alwyn Corban (HDC)

Cr Marcus Buddo (HDC Alternate)

Tamatea Pōkai Whenua

Dr Darryn Russell (Tamatea Pōkai Whenua)

Laura Kamau (Tamatea Pōkai Whenua)

Mana Ahuriri Trust

Chad Tareha (Mana Ahuriri Trust)

Evelyn Ratima (Mana Ahuriri Trust Alternate)

Maungaharuru Tangitū Trust

Mara Andrews (Maungaharuru Tangitū Trust)

Kua Tatū:

In attendance:

Deputy Chief Executive – Bruce Allan

Group Manager: Democracy and Emergency Management – Craig Cameron

Group Manager: Planning and Regulatory Services – John O'Shaughnessy

Team Leader Environmental Policy – Craig Scott

Director – Growth and Development – Raoul Oosterkamp

Principal Advisor: District Development – Mark Clews

<File No. CG-17-27-00224>

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19/05/2025

Page 1



Manager, Democracy and Governance Services – Louise Stettner
 Democracy and Governance Advisor – Caitlyn Dine
 Hawke's Bay Regional Council – Gavin Ide
 Mana Ahuriri Trust – Parris Greening
 Tamatea Pōkai Whenua – Heather Bosselmann

Kei Konei:

Also present: Rachel Morgan – Barkers and Associates
 Members of the public were present in the gallery

Chad Tareha opened the meeting with a karakia.

1. **APOLOGIES – NGĀ WHAKAPĀHATANGA**

Mayor Hazlehurst/Councillor Tareha

That apologies for absence from Tania Hopmans and Councillor Boag be accepted.

CARRIED

2. **CONFLICTS OF INTEREST - HE NGĀKAU KŌNATUNATU**

There were no declarations of conflicts of interest.

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

No minutes were confirmed.

4. **INDEPENDENT HEARINGS PANEL 'RECOMMENDATIONS REPORT' ON THE DRAFT 'NAPIER HASTINGS FUTURE DEVELOPMENT STRATEGY'**

Team Leader Environmental Policy, Craig Scott, spoke to the report and presented a PowerPoint presentation (CG-17-27-00225).

Mr Scott, Rachel Morgan from Barkers and Associates, and Principal Advisor: District Development, Mark Clews, responded to questions from the Joint Committee.

The recommendations, as set out in the report, were moved by Mayor Wise and seconded by Councillor Chrystal.

Mayor Wise/Councillor Chrystal

- A) That the Napier-Hastings Future Development Strategy Joint Committee (FDSJC) receive the Report titled 'Independent Hearings Panel recommendations on the Future Development Strategy' dated 19 May 2025.
- B) That the FDSJC receive and endorse the Independent Hearings Panel (IHP) Recommendation's report attached as Attachment One and the IHP Recommended Draft Future Development Strategy attached as Attachment Two.



- C) That the FDSJC recommend to the Partner Councils (Napier City Council, Hastings District Council, Hawke's Bay Regional Council), that the IHP Recommended Future Development Strategy for the draft Napier Hastings Future Development Strategy (FDS) be adopted.
- D) That the FDSJC notes that subject to resolution of Recommendation B & C, the Chief Executive will prepare a 'Report for the Partner Councils', which reports on the recommendations of the FDSJC.
- E) That after adoption of the final FDS by the Partner Councils, the FDSJC meet to consider any future implementation requirements of the FDS.

Councillor Corban moved an amendment to the motion which was seconded by Councillor Williams. The amendment was lost.

Councillor Corban/Councillor Williams

With the following recommended exclusions:

i) Exclude Middle Road HN3a and Hn3b

ii) Exclude Wall Road H5b

With the reasons for these exclusions the sites in i) and ii) are on highly productive land and are not required to meet demand capacity under the Future Development Strategy.

(3 VOTES FOR / 5 VOTES AGAINST / 3 ABSTAINED)

AMENDMENT LOST

Councillor Williams moved an amendment to the motion which was seconded by Councillor Mackintosh. The amendment was carried.

Councillor Williams/Councillor Mackintosh

With the following recommended exclusion:

i) Riverbend Road NC4b

With the reasons for this exclusion being the site presents as a significant flooding risk and is not conducive to a well-functioning urban environment and is not required to meet demand capacity under the Future Development Strategy.

(8 VOTES FOR / 3 VOTES AGAINST)

AMENDMENT CARRIED

The amendment to the original motion became the new substantive motion.

Mayor Wise/Councillor Chrystal

- A) That the Napier-Hastings Future Development Strategy Joint Committee (FDSJC) receive the Report titled 'Independent Hearings Panel recommendations on the Future Development Strategy' dated 19 May 2025.
- B) That the FDSJC receive and endorse the Independent Hearings Panel (IHP) Recommendation's report attached as Attachment One and the IHP Recommended Draft Future Development Strategy attached as Attachment Two. With the following recommended exclusion:

i) Riverbend Road NC4b



With the reasons for this exclusion being the site presents as a significant flooding risk and is not conducive to a well-functioning urban environment and is not required to meet demand capacity under the Future Development Strategy.

- C) That the FDSJC recommend to the Partner Councils (Napier City Council, Hastings District Council, Hawke's Bay Regional Council), that the IHP Recommended Future Development Strategy for the draft Napier Hastings Future Development Strategy (FDS) be adopted.
- D) That the FDSJC notes that subject to resolution of Resolutions B) & C) above, the Chief Executive will prepare a 'Report for the Partner Councils', which reports on the recommendations of the FDSJC.
- E) That after adoption of the final FDS by the Partner Councils, the FDSJC meet to consider any future implementation requirements of the FDS.

(7 VOTES FOR / 4 VOTES AGAINST)

SUBSTANTIVE MOTION CARRIED

Mayor Wise and Councillor Chrystal voted AGAINST the substantive motion.

5. MINOR ITEMS - *NGĀ TAKE ITI*

There were no additional business items.

6. URGENT ITEMS - *NGĀ TAKE WHAKAHIHIRI*

There were no extraordinary business items.

Chad Tareha closed the meeting with a karakia.

The meeting closed at 2.18pm

Confirmed:

Chairman:

Date:

|

Addition to page 59, directly following Ahuriri Station discussion

Riverbend (NC4b)

Riverbend (NC4b) has long been identified as a potential location for future urban development, including through the Heretaunga Plains Urban Development Strategy 2010 and 2017 editions. Active planning work has been undertaken over recent years involving the landowner and Napier City Council.

HBRC has expressed concerns about the potential for development at Riverbend given the site's susceptibility to flooding risk and other natural hazards. There is well documented evidence of flooding affecting the site (for example, recent events in November 2020 and February 2023). The low-lying topography means the site is vulnerable to runoff and flooding, including from the existing neighbouring residential area.

Significant site-specific engineering works would be required to manage stormwater and flooding effects arising from development at Riverbend, including to maintain important environmental values to an acceptable level. Additional land will be required to manage these effects outside of the existing identified NC4b area if mitigation works cannot be achieved onsite. This is acknowledged in a footnote to Table 3 of the FDS.

The inclusion of Riverbend NC4b in the FDS does not predetermine the outcome of subsequent planning process, including structure planning, plan changes, and resource consent applications.

As part of any application for consent or rezoning proposal to develop the Riverbend NC4b site, further detailed work will need to be undertaken to ensure the site's suitability for development and necessary mitigation of stormwater and flooding impacts. This should include consideration of 'residual risks' (i.e. circumstances where events may exceed design and construction capacity of stormwater mitigation works) as has been recommended in the 2024 Hawke's Bay Independent Flood Review Panel's report.