



NAPIER
CITY COUNCIL
Te Kaunihera o Ahuriri

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NGĀ MĀNUKANUKA O TE IWI (MĀORI COMMITTEE)

Open Agenda Supplementary Items

Meeting Date: Friday 15 August 2025

Time: 10.00am

Venue: Large Exhibition Hall
War Memorial Centre
Marine Parade
Napier

Livestreamed via Council's Facebook page

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8. LOCAL WATER DONE WELL UPDATE

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1868380
<i>Reporting Officer/s & Unit:</i>	Andrew Lebioda, Manager Water Reforms Transition

8.1 Purpose of Report

The purpose of this report is to update the Committee following the 31 July 2025 Ordinary Meeting of Council.

Officer's Recommendation

The Ngā Mānukanuka o te Iwi (Māori Committee):

- a. **Receive** the 15 August report titled "Local Water Done Well Update"

8.2 Background Summary

Local Water Done Well (LWDW) Legislative and Policy Framework - Recap

The Local Government (Water Services Preliminary Arrangements) Act 2024 ("the Act") was enacted on 2 September 2024. The Local Government (Water Services) Bill ("the Bill") was introduced in early December 2024 and builds on the foundations set in the Act. The combined legislation sets minimum requirements for service delivery models that include:

1. New economic, environmental and water quality regulations
2. A new planning and accountability framework
3. Financial sustainability objectives
4. New statutory objectives consistent for all water providers
5. Restrictions against privatisation

All Councils are required under this legislation to consider options and determine a preferred water service delivery model.

The Act requires that water services be delivered in a financially sustainable manner by 30 June 2028. Department of Internal Affairs (DIA) guidance is that financial sustainability means water services revenue is sufficient to meet the costs of delivering water services. The costs of delivering water services includes meeting all regulatory standards, and long-term investment requirements in water services.

Key Decision-Making Summary

On 31 July officers brought a paper to Council to approve that a joint Water Organisation (WO), in the form of a Water Services Council Controlled Organisation (WSCCO), as the future water service delivery model for Napier City Council (NCC). This WO would be jointly owned by the participating councils of Napier City, Hastings District, and Central Hawke's Bay District. The paper can be accessed here, [Late Agenda of Ordinary Meeting of Council - Thursday, July 31, 2025](#).

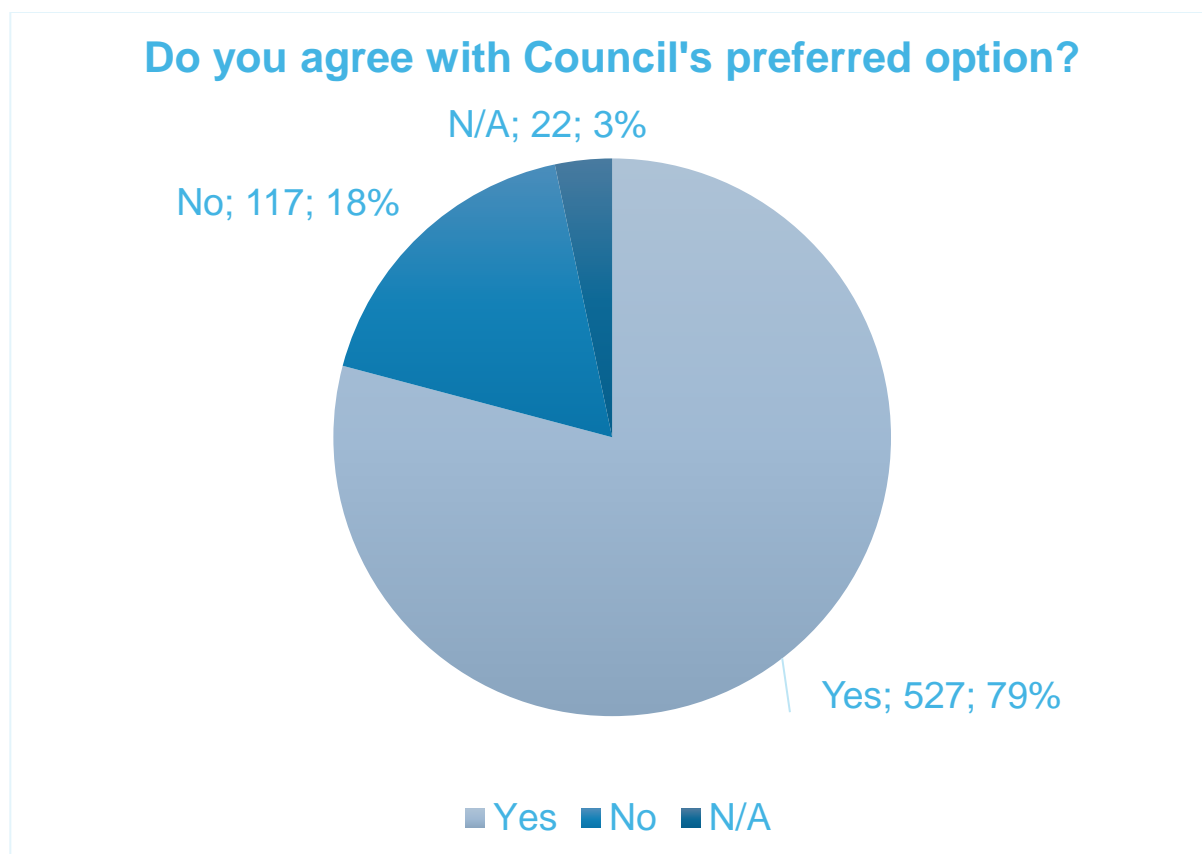
The decision made at the 31 July meeting was based on previous work completed around evaluating delivery model options and community feedback that was obtained during formal consultation. On 17 April a paper went to council to approve that the preferred option for consultation be a joint WSCCO.

The paper included detailed financial modelling as well as the assessment criteria used to determine the preferred option. This paper can be found here, [Agenda of Ordinary Meeting of Council - Thursday, 17 April 2025](#).

Following the adoption of the preferred option, officers developed a Consultation Document that was approved at the 29 April Council meeting; [Agenda of Ordinary Meeting of Council - Tuesday, 29 April 2025](#).

Consultation ran from 12 May – 15 June with hearings held on 21 July; [Agenda of Ordinary Meeting of Council - Monday, 21 July 2025](#).

A key outcome from formal consultation was significant community support for the preferred option. Of the 666 public submissions received, 79% were in favour of the preferred joint WSCCO option.



Council received a submission in support of the preferred option from Maungaharuru-Tangitū Trust (MTT) in support of the preferred option that is attached to this report as **attachment 1**. MTT expressed the need for further engagement between MTT, Councils, and the proposed WSCCO to determine what governance looks like and how Hapū can be involved in decision-making as well as ensuring MTT values can be embedded through the WSCCO's operations.

Mana Whenua Engagement

Engagement with mana whenua has occurred both at a regional level (supported by the Regional Recovery Agency and PWC) and internally within Napier City Council. This engagement is ongoing, and it is anticipated will require enhancement as the project progresses.

Regionally, engagement has occurred with post-settlement governance entities, taiwhenua, and iwi entities. PWC has summarised these engagements as follows;

- Mana whenua consistently noted that LWDW is one of many priorities and momentum appears to have slowed since previous engagement reflecting the amount of time that has passed since this kaupapa first began. Despite this, the aspiration for mana whenua representation in governance remains strong. **Water quality remains a top priority for mana whenua.** The quality of water continues to be a significant focus, especially in the aftermath of incidents like the Havelock North outbreak, with one representative stating, "Quality of water is non-negotiable, especially after what we've seen."
- **Concerns around water scarcity - both current and future - were strongly expressed.** Mana whenua are advocating for stronger policies on water management, including greater access to untreated drinking water. Issues relating to wastewater discharge and stormwater management were also raised, reinforcing the need for closely monitored practices. This is consistent with previous advice from mana whenua.
- **There are differences in how councils engage with mana whenua.** Some councils maintain regular dialogue with mana whenua and others less frequently. In some cases, communications have been sparse and vague, with mana whenua often left to interpret or infer what is happening. This is undermining confidence and creating scepticism about LWDW's actual commitment to partnership. This disparity is a barrier to trust and raises concerns that the future model will embed those inconsistencies into its foundations.
- **Mana whenua expressed a strong preference for governance models that embed their voices from the outset.** There is a general call for an enduring, structured partnership model through mechanisms like Memorandums of Understanding (MoU), co-design panels and dedicated seat(s) on decision-making bodies. While this is consistent with previous advice, mana whenua are aware that legislative timelines are looming and feel there is a lack of clarity about how and when their input will be formalised. There is concern that the process could bypass real co-design in favour of last-minute consultation.
- **Mana whenua emphasised that the Local Government Act 2002 and Treaty settlement legislation are important instruments that delineate the responsibilities and relationships between the Crown and Māori.** Under the Local Government Act 2002, particularly Sections 4 and 14(1)(d), local

authorities are mandated to recognise and respect the Crown's responsibility to take appropriate account of the principles of the Treaty of Waitangi. This includes maintaining and improving opportunities for Māori to contribute to local government decision-making processes. These obligations are further reinforced through specific Treaty settlement legislation.

- In the context of LWDW, mana whenua have articulated that these legislative obligations should translate into tangible actions, such as governance arrangements, shared decision-making, and the integration of mātauranga Māori into water management practices. They view these steps as essential for honouring the Treaty partnership and achieving equitable outcomes in water service delivery.
- **Economic pressures continue to weigh heavily on communities.** Mana whenua continue to voice concerns over rising water rates and the financial burdens faced by Māori communities. There is a perception that current governance structures may inadequately account for these economic realities of these communities.

Within Napier City Council we continue to engage through existing partnerships including Te Waka Rangapū and Ngā Mānukanuka o te Iwi. Future engagements are planned post decision-making to provide an update to our mana whenua partners and, more importantly, seek understanding around mana whenua involvement going forward through establishment and ultimately the operational/governance structure based on the substantive decision.

8.3 Issues

Legislation Still to be Finalised

At time of authoring, Bill 3, the Local Government (Water Services) Bill is still yet to be passed. Without this core piece of legislation actual governance structures and organisational structures are difficult to implement.

8.4 Significance and Engagement

This report, and preceding decisions regarding Local Water Done Well, has been assessed as a high degree of significance. In response to this Council fulfilled a full public consultation in line with the legislated requirements set out in the Local Government (Water Services Preliminary Arrangements) Act 2024.

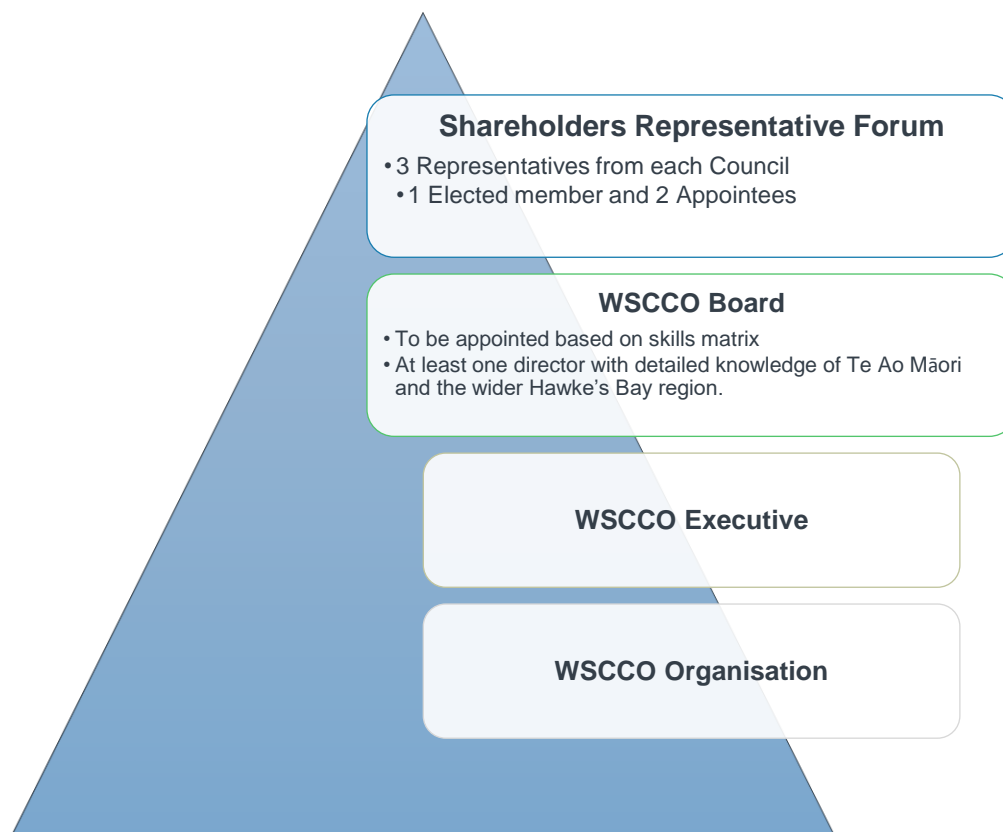
8.5 Implications

Governance

The proposed governance structure of the WSCCO is represented graphically below. Each shareholding council will appoint three representatives to sit at the Shareholders Representative Forum (SRF). These representatives must include one elected member while the other two can be appointed from the respective councils. The key responsibilities of the SRF include appointing WSCCO directors, monitoring and review the performance of the WSCCO and reporting back to the shareholder Councils.

The WSCCO board of directors will be appointed by the SRF based on an agreed upon skills matrix. At this stage, it is proposed that at least one director has detailed

knowledge of Te Ao Māori and detailed knowledge of the wider Hawke's Bay region including rural areas and communities.



8.6 Options

N/A, report is for information purposes only.

8.7 Development of Preferred Option

Now that the participating councils are confirmed, a three-stage approach to progressing has been proposed.

Although not expressly detailed below it should be noted that continued involvement and engagement with mana whenua partners is expected.

Stage 1 – Establishment

This involves appointing the mayor and one elected member to a transitional governance group to oversee the establishment of the WSCCO. Key milestones that need to be progressed at this stage include:

- Appoint Establishment Board
- Appoint Establishment CE
- Develop Foundational Documents
- Prepare transitional and service level agreements for transitional stage

Stage 2 – Transitional

In this stage the initial project governance will shift from the proposed establishment structure into the enduring structure that is outlined above. As well, this is where key areas of work take place in preparation for ongoing operations including the transfer of

assets and workforce to ensure operational readiness. Some key workstreams that have been identified include:

- Identify Asset Transfers
 - Legal and financial identification of assets to be moved to the new organisation.
- Identify People and Workforce
- Financial Integration and separation from parent councils
- Systems and Technology Integration
- Enter required shared service arrangements

Stage 3 – Ongoing Operational

The governance structure under ongoing operations will continue in the same manner as the transitional stage. It is anticipated that any transitional workstreams are resolved and any proposed project team will wind down as key work becomes part of business as usual. In this stage it is anticipated that potential efficiencies are identified and plans put in place to realise them. Further, at this point the residual impacts to the shareholding councils should be fully understood and planning in response to these impacts should be well advanced.

8.8 Attachments

- 1 2025-08-15 LWDW update - MTT Submission DOC ID 1869885 [↓](#)



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12 June 2025

Local Water Done Well Submissions
Napier City Council
Private Bag 6010
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Submission on the Local Water Done Well proposal

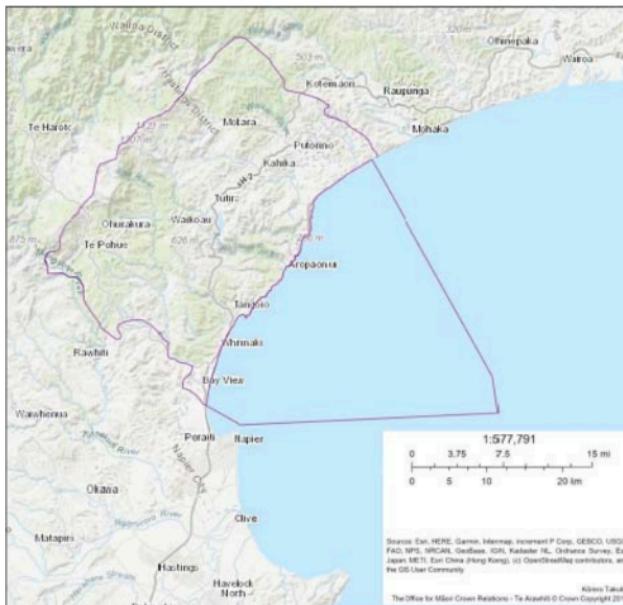
Tēnā koutou

Maungaharuru-Tangitū Trust and Hapū

1. Maungaharuru-Tangitū Trust (MTT) represents a collective of hapū in northern Hawke's Bay, including Ngāi Tauira, Ngāti Marangatūhetaua (also known as Ngāti Tū), Ngāti Kurumōkihi, Ngāi Te Ruruku ki Tangoio, Ngāti Whakaari and Ngāi Tahu (the Hapū). The takiwā (traditional area) of the Hapū extends from north of the Waikari River to the Waitaha Stream, southwards to Keteketerau (the former outlet of the Napier inner harbour) and from Maungaharuru (range) in the west, to the coast and beyond, Tangitū (the sea) in the east.
2. MTT is a post settlement governance entity established to hold and manage the Treaty settlement assets of the Hapū and to be the representative body for the Hapū. Its Deed of Settlement is dated 25 May 2013 and was given effect to by the Maungaharuru-Tangitū Hapū Claims Settlement Act 2014. MTT has approximately 7,000 registered Hapū members.
3. The takiwā is shown in the map below. It includes the area of interest under the Deed of Settlement and Settlement Act and MTT's Marine and Coastal Area (Takutai Moana) Act 2011 application area:

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Map: MTT takiwā and Takutai Moana application area



MTT provides preliminary support for the Regional Council Controlled Organisation

4. MTT supports, in principle, a Regional Council Controlled Organisation (Regional CCO) between Hastings District Council (HDC), Napier City Council, Wairoa District Council and Central Hawke's Bay District Council. We are providing preliminal support as further engagement between MTT and councils is required to determine how the Regional CCO would work and how it aligns with our values.
5. We expect the Regional CCO to be the most cost-effective option for our Hapū. HDC estimates this option will save residential property owners between \$2600-\$2800 over the next ten years relative to other options.¹ Strict oversight of the Regional CCO is necessary to ensure this remains the most cost-effective option, through efficient and transparent use of funds. We do not want to see the water services bill unnecessarily burdening Hapū members that are already impacted by the cost of living crisis.
6. The Regional CCO provides the region with the best opportunity to respond to natural hazards. Our Hapū have an intimate understanding of the immediate and ongoing impacts of natural

¹ Te Whakahaere i Ngā ratonga Wai - He Aha Te Tino Kōwhiringa? Managing Our Water Services - What's The Best Option?, Hastings District Council, May 2025

hazards. Most recently, 2,346 Hapū members were directly impacted by the devastation of Cyclone Gabrielle. Therefore, we support councils to have greater financial capacity to respond to emergency events resulting from debt transferred to the Regional CCO. However, we expect councils to continue engaging with MTT regarding investment in the takiwā.

MTT involvement in decision-making

7. Further engagement is needed between MTT and councils to determine how the Regional CCO would work. This includes (but is not limited to):
 - 7.1 What governance looks like for the Regional CCO and how councils' make space for Hapū involvement in decision-making. This includes discussion about Hapū involvement in the Stakeholder Council and input into the statement of expectations.
 - 7.2 What funding and allocation models are used and how we ensure all Hapū members have access to safe, secure and reliable drinking, storm and wastewater services.
 - 7.3 How MTT values can be embedded throughout the Regional CCO's operations. This includes:
 - 7.3.1 He Kāinga Taurikura (A Treasured Environment): Caring for and protecting the environment; Kaitiakitanga (Guardianship) building the understanding, connectedness, and involvement of MTT hapū with the environment;
 - 7.3.2 Kia Niwha (Strong People): Building the capability (ability and knowledge) and capacity (resources and energy) of MTT hapū to achieve their potential; and
 - 7.3.3 Kia Rawaka (Strong Hapū Economy): Building our hapū economy to provide the resources we need to plan and action MTT hapū dreams and goals over the relevant time.

8. We look forward to engaging with you on this kaupapa and finding a pathway forward that works for our Hapū and wider communities.

Nāku noa nā

A handwritten signature in black ink, appearing to read 'Adele Small'. The signature is fluid and cursive, with the first letter 'A' being particularly large and stylized.

Adele Small
Kaiwhakahaere Matua | CEO
Maungaharuru-Tangitū Trust