NAPIER
CITY COUNCIL
Te Kaunihera o Ahuriri

Napier Civic Building
231 Hastings Street
t +64 6 835 7579
e info@napier.govt.nz
www.napier.govt.nz

ORDINARY MEETING OF COUNCIL

Open Attachments (Under separate cover 1)

Meeting Date: Thursday 7 May 2026

Time: 9.30am

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

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<tr><td><u>1 July 2022</u>
Councillor Price / Dep. Mayor Brosnan
That the Council resolve that the Committee's recommendation be adopted.
Kua Mana

Committee recommendation
Councillors Brosnan / Crown
The Future Napier Committee:
a) Adopt the Napier Inner Harbour Development Plan.
b) Note the work programme and funding priorities.
c) Note the memo dated 8 June 2022 (Doc Id 1473475) which sets out the options and recommendations for both the priority projects and Te Matau-a-Maui security concerns.
d) Endorse Option 1 and Option 3 – That Officers work alongside the Waka Trust to provide and install secure fencing panels along the edge of the wharf where the waka abuts ensuring this fence does not prevent the reasonable access to, and maintenance and enjoyment of the vessel. Prioritise the waka hub development at Iron Pot to deliver long-term secure mooring.</td><td><u>16 June 2022</u>
Councillors Brosnan / Crown
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Deputy Mayor Brosnan / Councillor Crown

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<tr><td colspan="3">BETTER OFF FUNDING TRANCHE 1</td></tr>
<tr><td></td><td><u>28 July 2022</u>
Councillors Crown / Mawson
The Future Napier Committee:
a. Notes that as part of Central Government's Three Waters Reforms it has made available Tranche 1 "Better Off" funding to invest in the future for local government, urban development, and the wellbeing of their communities.
b. Resolves that Napier City Council applies to this fund to direct, in principle, towards the projects including the minor amendments as set out in option B below:

<u>Option B (Library part-funded)</u>
<table><tr><td>Ahuriri Waka Hub & Surrounds</td><td>$2,200,000</td></tr><tr><td>Regional Park – Prepare masterplan</td><td>$200,000</td></tr><tr><td>Library Public Realm Interface</td><td>$1,040,000</td></tr></table></td><td><u>25 August 2022</u>
Mayor Wise / Councillor Browne

That Council:
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b. Resolves that Napier City Council applies to this fund to direct, in principle, towards the projects including the minor amendments as set out in option B below:

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CBD West Revitalisation – design and build	$1,650,000
Iwi capability	$500,000
Quick Wins Package 2	$870,000
Total	**$6,460,000**

Option B (Quick Wins Table)

Disability Strategy Quick Wins	$270,000
Park Island Walkways	$200,000
Coloured LED Lighting	$100,000
Refurbish Anderson Hexagon toilets	$50,000
Dog Lead Hooks	$10,000
Pedestrian Pathway Lighting (Taradale and CBD)	$240,000
Total	**$870,000**

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Total	**$870,000.00**

c. Resolve to transfer the $200,000 funding for the Regional Park Master Plan to increase Iwi capability funding to $700,000.

d. Delegate authority to the Mayor and Acting Chief Executive to review the Communities for local Democracy Group's funding agreement amendments for potential inclusion in the signed agreement.

UPDATE ON THE WAKA HUB PROJECT

10 May 2024 **S**hyann Raihania / Councillor Crown The Ngā Mānukanuka o te Iwi (Māori Committee): a) Endorse the 'Preferred Site' adjacent to the Napier Sailing Club for the new Waka Hub and permanent mooring for Te Matau-a-Māui waka. b) Endorse the development of a Concept Design for the Waka Hub and mooring(s) for waka hourua. **c)** c) Recommend to council that the funding shortfall for this project be budgeted for or confirmed in the three year plan.		**23 May 2024** Deputy May Brosnan / Councillor Crown That Council **receive** the following recommendations of the Ngā Mānukanuka o te Iwi : a) **Endorse** the 'Preferred Site' adjacent to the Napier Sailing Club for the new Waka Hub and permanent mooring for Te Matau-a-Māui waka. b) **Endorse** the development of a Concept Design for the Waka Hub and mooring(s) for waka hourua. c) **Recommend** to council that the funding shortfall for this project be budgeted for or confirmed in the three year plan.

WAKA HUB – 3 YEAR PLAN

		<u>27 May 2024</u> Councillor Boag/Councillor Tareha That Council: a) Note formal support for the concept, preferred location and delivery of the waka hub by the Ātea a Rangi Educational Trust. b) Provide funding of $2.2m from Council's "better off funding", for the design/concept of the waka hub at the preferred site. c) Direct Council officers to have a conversation with Ātea a Rangi Educational Trust regarding asset ownership, lease agreement and their ability to raise external funds to contribute to the project. d) Note the $3.3m funding currently in the 3 year plan remains, subject to the outcome of lease ownership conversation and funding is conditional on a model that these assets on the reserve are owned by Napier City Council and market lease is charged. e) Support the Trust's funding efforts to external sources for the balance of funds required for the delivery of the waka hub.
WAKA HUT CONCEPT DESIGN		
<u>14 March 2025</u> Mara Andrews / Kirk Leonard The Ngā Mānukanuka o te Iwi (Māori Committee): a) Endorse the concept design for the proposed Waka Hub (Wharewaka o Ahuriri) b) Endorse progressing to Developed Design.		**<u>27 March 2025</u>** Councillors Boag / Tareha That Council notes The Ngā Mānukanuka o te Iwi (Māori Committee) recommendations below: a. Endorse the concept design for the proposed Waka Hub (Wharewaka o Ahuriri) **b.** Endorse progressing to Developed Design.
WAKA HUB CULTURA NARRATIVE AND MAHI TOI PROCUREMENT		
<u>4 July 2025</u> Kirk Leonard / Evelyn Ratima The Ngā Mānukanuka o te Iwi (Māori Committee): a. **Endorse** the Waka Hub Cultural Narrative b. **Receive** the report updating the development of the Mahi Toi for the Waka Hub project. c. **Recommend** that a representative from the Mana Whenua Mahi Toi design team be included in the ongoing governance or asset management arrangements for the Waka Hub, to ensure the cultural integrity, appropriate care, and long term stewardship of the mahi toi elements.		**<u>31 July 2025</u>** Councillors Crown Price a) **Endorse** the Waka Hub Cultural Narrative b) **Receive** the report updating the development of the Mahi Toi for the Waka Hub project. c) **Recommend** that a representative from the Mana Whenua Mahi Toi design team be included in the ongoing governance or asset management arrangements for the Waka Hub, to ensure the cultural integrity, appropriate care, and long term stewardship of the mahi toi elements.

Ahuriri Business Association
12th March 2026

Ātea a Rangi, Hawke's Bay

To whom it may concern,

On behalf of the **Ahuriri Business Association**, we are pleased to confirm our support for the proposed **Ahuriri Waka Hub** project.

We believe the Waka Hub represents a unique and meaningful opportunity to celebrate and share the rich voyaging traditions of Te Matau-a-Māui and the wider Pacific. The proposed facility, including a home for the **Te Matau a Māui double-hulled waka** alongside an education and cultural centre, would provide an important space for storytelling, learning, and connection with the ocean and navigation traditions that are deeply woven into our region's identity.

From the perspective of the Ahuriri business community, we see strong potential for the Waka Hub to become a **distinctive visitor attraction**. Experiences centred around waka culture, Pacific navigation traditions, marine stewardship and cultural storytelling would offer something unique within the Hawke's Bay visitor offering.

As a waterfront precinct and gateway to Napier, Ahuriri is well positioned to benefit from increased visitation generated by the hub. Visitors drawn to the area for cultural experiences, educational programmes and waka arrivals are likely to spend time exploring the surrounding hospitality venues, accommodation, retail and recreational experiences nearby. This flow-on effect would help support local businesses while strengthening Ahuriri's role as an important cultural and tourism destination.

We support the continued development of the Waka Hub and recognise the value it could bring to the **local community, visitors to the region, and the wider cultural landscape of Hawke's Bay**. We wish you every success as you seek the additional funding required to realise this vision.

Nāku noa, nā

Katy Menehem
Coordinator
Ahuriri Business Association

AHURIRI

Te Tāhuhu o te Mātauranga
Ministry of Education

3 March 2026

To whom it may concern

Tēnā Koe

Letter of Support - Ātea a Rangi Educational Trust, Ahuriri Waka Hub

As Director of Education for the Hawke's Bay Tairāwhiti region, I am pleased to express my support for the development of the Ahuriri Waka Hub, including the Wharewaka education centre, marine facilities, and associated environmental monitoring initiatives led by the Ātea a Rangi Educational Trust.

The Ātea a Rangi Educational Trust has had an ongoing relationship with both the Ministry of Education and a large number of schools, kura and early learning services throughout Hawke's Bay. They have a history of developing curriculum aligned resources and implementation of teaching and learning programmes across the Rohe. The Ahuriri Waka Hub represents a transformative educational development for Hawke's Bay. As a purpose-built education centre grounded in mātauranga Māori and Pacific voyaging traditions, alongside structured, curriculum-aligned learning experiences for ākonga across primary, intermediate, and secondary levels.

The proposed marine monitoring component provides an especially valuable opportunity to integrate environmental science with cultural knowledge systems. Through structured engagement with coastal ecosystems, water quality, biodiversity, and climate-related observations, learners will develop both scientific capability and a sense of stewardship for Te Whanganui-a-Orotū and Te Moana-nui-a-Kiwa.

The Ahuriri Waka Hub will also serve as a regional anchor for partnerships between schools, iwi, community organisations, and local agencies.

The Ministry recognises the importance of initiatives that embody the aspirations of *Ka Hikitia – Ka Hāpaitia*, supporting equity and excellence for Māori learners while enriching educational outcomes for all young people in the region.

I commend the Ātea a Rangi Educational Trust for its vision and leadership and acknowledge the significant long-term educational and community benefits this project will deliver to the region.

Nāku noa, nā

Napier Office, PO Box 147, Napier 4140
Phone: +64 6 833 6730, Freephone 0508 757 575 (NZ only)
education.govt.nz

Daniel Murfitt
Director of Education for Hawke's Bay/Tairāwhiti
Te Tāhuhu o te Mātauranga

22 October 2025

Kia Ora,

Ātea a Rangi Educational Trust – Ahuriri Waka Hub (Wharewaka), Ahuriri, Napier

Hawke's Bay Tourism is delighted to endorse the Ātea a Rangi Educational Trust and its development of the Ahuriri Waka Hub (Wharewaka) — a landmark project that has the potential to become a significant cultural, educational, and visitor destination for the Hawke's Bay region.

The project helps to further solidify and amplify the region's important Te Matau-a-Māui kōrero (www.tematauamaui.com) and deepens the cultural experience and its links to Ātea a rangi connecting along the Hawke's Bay Trails, our coastline, and our roads.

The Waka Hub will provide a home for Te Matau a Māui, our region's voyaging waka, and a welcoming space for visiting waka from across Aotearoa and Te Moananui a Kiwa (the Pacific). It will celebrate the stories of Pacific migrations, Māori navigation, and environmental guardianship — offering visitors and locals alike a genuine experience of our shared oceanic heritage.

We are advised that, from a tourism perspective, the Ahuriri Waka Hub will be a transformational addition to Napier's waterfront. Its aim is to:

- Enhance the visitor experience by providing authentic Māori and Pacific cultural encounters through guided tours, events, and education programmes.
- Support inclusive tourism, with design features that enable wheelchair and disability access onto waka and within the facility — making it one of the few maritime cultural sites in New Zealand that is truly accessible to all.
- Provide new learning and employment pathways for youth in tourism, hospitality, maritime, and creative industries.
- Promote sustainable and responsible tourism, teaching environmental awareness, ocean stewardship, and cultural respect through authentic engagement.
- Strengthen the identity of Ahuriri and Hawke's Bay as a Pacific destination grounded in mana whenua values and inter-island connections.

We are advised that the Waka Hub will also host cultural festivals (ideal for our regional events calendar), visiting voyaging crews, and international delegations, contributing to regional tourism growth and positioning Napier as a hub for Māori and Pacific heritage.

19 Waghorne Street, Ahuriri, Napier | PO Box 12009, Ahuriri, Napier, 4144, New Zealand
DDI: +64 6 280 5466 | **MOBILE:** +64 (0) 21 440 726

The Ahuriri Waka Hub aligns strongly with our region's visitor strategy to grow the visitor economy and encourage product development and diversity.

We look forward to this development enhancing the region's visitor experience portfolio and envisage it to be a great asset that we can proudly weave into our promotional activities to elevate its, and the region's, attraction and awareness.

Hawke's Bay Tourism is the official Regional Tourism Organisation (RTO) for Hawke's Bay, and covers Central Hawke's Bay, Hastings District, Napier City, and Wairoa District. Hawke's Bay Tourism is responsible for the tourism marketing and promotion of Hawke's Bay. We are a Membership based, not for profit organisation that aims to promote and co-ordinate opportunities for economic growth and prosperity for the visitor industry in Hawke's Bay.

Ngā mihi,

Hamish Saxton

Hamish Saxton
CEO, Hawke's Bay Tourism

19 Waghorne Street, Ahuriri, Napier | PO Box 12009, Ahuriri, Napier, 4144, New Zealand
DDI: +64 6 280 5466 | **MOBILE:** +64 (0) 21 440 726

05/04/2024

Subject: Expression of Support for the Waka Hub Project

Kia Ora Piripi,

I am writing on behalf of the Napier Sailing Club to express our "Support in Principle" for the proposed Waka Hub project. This initiative aims to berth the Waka Te Matau a Māui along the South West corner section adjacent to our club near Pandora Road, while also establishing a waka hub facility on the adjoining land.

We firmly believe that the collaboration between the Napier Sailing Club and the Ātea a Rangi Educational Trust (Ātea Trust) holds immense potential. Both organizations share a common interest in sailing and youth education, making this project an excellent opportunity for mutual benefit and community enrichment.

In light of this, we are eager to further develop our relationship by actively engaging with the Ātea Trust and Napier City Council to advance this project. By joining forces, we can leverage our respective expertise and resources to ensure the success of the initiative, fostering a vibrant maritime community and providing invaluable educational opportunities for our youth.

We eagerly anticipate the opportunity to collaborate and contribute to the realization of this meaningful project. Please do not hesitate to reach out to us to discuss further details and explore how we can work together effectively.

Thank you for considering our expression of support. We look forward to the prospect of working closely with you and the broader community to bring the project to fruition.

Ngā mihi nui,

Mark Sheldrake

Commodore – Napier Sailing Club

63 West Quay, Ahuriri, Napier
PO Box 12048, Ahuriri
www.napiersailingclub.org.nz

18 September 2025

Ngāti Kahungunu Iwi
INCORPORATED

Support Letter for the Wharewaka Project – *Te Matau a Māui*

Tēnā koutou,

On behalf of Ngāti Kahungunu Iwi Inc. I am writing in full support for the Ātea a Rangi Educational Trust seeking funding for the Wharewaka project for *Te Matau a Māui* waka hourua in the Ahuriri Marina.

The waka *Te Matau a Māui* holds immense cultural, educational, and community value for the people of Hawke's Bay, New Zealand, and the People of the wider Pacific Ocean. As a traditional double-hulled voyaging canoe, this waka hourua is a living classroom and a treasure that connects us to the ancient navigation, waka building, and sailing knowledge of our Ancestors. The waka embodies the values of kaitiakitanga, whānaungatanga, and mātauranga Māori. And continues to inspire tamariki, rangatahi, pākeke, and kaumātua alike through hands-on learning, storytelling, and voyaging.

Ngāti Kahungunu Iwi Inc are the proud owners of the waka hourua '*Te Matau a Māui*', with the Ātea a Rangi Educational Trust, are responsible for the operations, education and training. Over many years, the Trust has provided educational programmes, training in celestial navigation, and opportunities for schools, community groups, manuhiri, and tourists to engage with traditional celestial navigation and waka kaupapa. Through these activities, thousands have experienced the unique sense of identity, pride, and environmental awareness that waka hourua fosters.

The Wharewaka project is a vital next step. A dedicated whare will:

- Include a safe berth and floating pontoon for the waka hourua to moor to.
- Provide a secure and protective home for *Te Matau a Māui*, ensuring her preservation for future generations.
- Create a purpose-built facility for education, training, community engagement, and visitors to the region.
- Enable the continuation and expansion of waka-related programmes, particularly for rangatahi Māori and Pacific, who are inspired and empowered by connection to their cultural heritage, as well as the protection of te taiao and te moana.
- Strengthen Hawke's Bay's ability to host national and international visitors, positioning the region as a centre of excellence for traditional navigation and voyaging. A cultural gateway into Ahuriri/Napier. The Ātea a Rangi star compass, built by the Ātea Trust goes hand in hand with the waka hourua, creating a world-class learning environment.

This project is not only about preserving a waka — it is about safeguarding mātauranga, revitalising cultural practices, and providing opportunities for present and future generations to learn, connect, and thrive.

FITZROY AVENUE, P.O. BOX 2406, HASTINGS, 4156, HAWKE'S BAY, NEW ZEALAND
PHONE 06 8762718 TOLL FREE 0800 524 864 EMAIL: paatai@kahungunu.iwi.nz WEBSITE: www.kahungunu.iwi.nz

We strongly endorse the Wharewaka project and believe it is essential for sustaining the kaupapa of *Te Matau a Māui* waka hourua. We encourage funders to support this important initiative, which will leave a lasting legacy for the people of Hawke's Bay and beyond.

Ngā manaakitanga,

Chrissie Hape
NGĀTI KAHUNGUNU IWI INC
CHIEF EXECUTIVE OFFICE

MANA AHURIRI TRUST

170a Waghorne Street Ahuriri, Napier 4110
PO BOX 12076, Napier 4144
0508 00 6262
info@manaahuriritrust.com

14 October 2025

To whom it may concern

Re: Support for Ātea a Rangi Waka Hub Project

Tēnā koutou,

Mana Ahuriri Trust is the Post-Settlement Governance Entity (PSGE) for the hapū of Ahuriri, holding cultural, environmental, and developmental responsibilities across Te Whanganui-ā-Orotū and the wider Ahuriri rohe. As kaitiaki of this harbour and its surrounding lands and waters, we are committed to initiatives that restore cultural identity, reconnect our people to our moana, and create intergenerational pathways of knowledge and opportunity.

In this context, Mana Ahuriri Trust expresses its strong support for the Ātea a Rangi Educational Trust and their vision for the Waka Hub Project at the Āhuriri Inner Harbour. This kaupapa sits naturally alongside our own aspirations for cultural revitalisation, environmental guardianship, and community-led development across Ahuriri to uphold mātauranga Māori, protect te taiao, and strengthen community wellbeing and connection.

The Waka Hub will serve as a living centre of learning and collaboration, aligning strongly with Mana Ahuriri's strategic direction and Te Tiriti obligations. It will embody the following key pou:

- Cultural Reconnection & Identity – Strengthening whakapapa ties to Te Whanganui-ā-Orotū and uplifting Māori identity, language, waka traditions, and mātauranga Māori.
- Kaitiakitanga & Te Taiao – Supporting marine and harbour restoration, promoting ecological awareness, and fostering active guardianship in line with Mana Ahuriri's environmental objectives for the harbour and coastline.
- Education & Community Equity – Creating accessible learning spaces that reflect our cultural narratives and provide pathways for youth, whānau, and wider communities.
-

- Partnership & Whanaungatanga – Reflecting our principles of partnership, bringing iwi, hapū, marae, Pacific communities, and local stakeholders together in a kaupapa based on shared stewardship of place.

This vision aligns with Mana Ahuriri's commitment to restore Ahuriri as a cultural and environmental heart for our people and region. The Waka Hub will serve not only as a centre of cultural excellence but as a gateway into Ahuriri—symbolising a future where Māori knowledge, community wellbeing, and environmental sustainability sit at the forefront of regional development.

For these reasons, Mana Ahuriri Trust stands in full support of the Ātea a Rangi Waka Hub Project and strongly encourages your endorsement of this kaupapa.

Ngā mihi nui,

Parris Greening
General Manager

Caren J Rangi, ONZM, BBS (Accountancy), FCA, CFInstD

Trading as RangiKaitao Services

Chair-Pacific Homecare Services, Pro-Chancellor-Massey University,
Director-NZ Rugby, Deputy Chair-Pacific Co-operation Broadcasting Ltd

15 Lerwick St, Tamatea, Napier, 4112 Telephone +64-21-227 2983, email caren@carenrangi.co.nz

16 October 2025

To whom it may concern,

RE: Support for the Ātea a Rangi Educational Trust – Ahuriri Waka Hub (Wharewaka)

Kia orana e kotou katoatoa,

I am writing in full support of the Ātea a Rangi Educational Trust and their vision to complete the Ahuriri Waka Hub in Napier. As a former trustee of *Te Matau a Māui* Voyaging Trust and a committed supporter of kaupapa waka across Te Moananui o Kiva, I have witnessed the passion, skill, and dedication this team brings to keeping our traditions alive.

The proposed Wharewaka will be much more than a building — it will be a living space where waka culture, navigation knowledge, and Pacific artistry can thrive. It will provide a safe harbour for waka crews from Aotearoa and the wider Pacific, a place where our stories, songs, and skills can be shared with schools, communities, and visitors alike.

This kaupapa will ensure our tamariki and mokopuna continue to learn from the ocean and from the wisdom of our tupuna. It also strengthens the ties between all people of the Moana (Māori and Pacific peoples alike), showing that our ancestral pathways remain alive and connected.

I also support this as it will become an important and unique feature of what Napier and Hawke's Bay has to offer residents and visitors alike.

I fully endorse this project and commend the Ātea a Rangi Trust for their leadership, vision, and commitment to this important kaupapa for our region.

Kia manuia

Caren Rangi, ONZM, BBS (Accountancy), FCA, CFInstD

Napier Boys' High School

Striving for personal excellence

20 October 2025

To Whom It May Concern

RE: Letter of Support for the Ahuriri Waka Hub – Pontoon and Wharf Development

Napier Boys' High School strongly supports the Ātea a Rangi Educational Trust in their establishment of the **Ahuriri Waka Hub** and its associated pontoon and wharf.

Our students have taken part in visits and educational sessions with the Ātea a Rangi team, learning about navigation, star compasses, leadership, and the cultural significance of waka. These programmes have complemented our school curriculum by connecting science, history, and environmental studies through a uniquely Māori and Pacific lens.

The development of a waka hub and pontoon will make waka training and education safer and more accessible. It will also open opportunities for our young men in the area of marine monitoring.

This facility will be an asset to the entire Hawke's Bay region, fostering leadership, teamwork, and identity among young people. We look forward to strengthening our partnership with the Ātea a Rangi Educational Trust once the pontoon and Waka Hub are complete.

Sincerely

Simon Coe
HEADMASTER

Email: nbhs@nbhs.school.nz + Phone: +64 6 833 5900
Chambers Street, Napier 4110, New Zealand **www.nbhs.school.nz**

Fairhaven School
Whānau ako – learning together

To whom it may concern,

RE: Support for the Ahuriri Waka Hub – Pontoon and Wharf Development

Te Kahu Amohia - Fairhaven School wholeheartedly supports the Ātea a Rangi Educational Trust's **Ahuriri Waka Hub** project, and in particular, the construction of the **pontoon and wharf** that will provide safe and inclusive access to the waka *Te Matau a Māui*.

As a specialist school supporting students with physical and intellectual disabilities across Hawke's Bay, we are deeply encouraged to see a kaupapa that places accessibility and inclusion at its heart. The proposed pontoon and wharf design will allow our students – including those who use wheelchairs – to safely experience the waka, the water, and the learning opportunities that Sicome from connecting with the ocean and our cultural heritage.

Many of our students have limited opportunities to participate in outdoor and cultural education due to accessibility barriers. This project directly addresses those inequities by creating a fully accessible maritime learning environment, where all young people can experience the same sense of wonder, achievement, and belonging.

We see immense value in the educational and wellbeing benefits this project will bring from building confidence and social connection to deepening understanding of the environment, navigation, and Māori and Pacific cultures.

Te Kahu Amohia - Fairhaven School looks forward to partnering with the Ātea a Rangi Educational Trust once the pontoon, wharf and wharewaka are completed, so that our students can be among the first to experience the waka hub in an inclusive and empowering way.

Yours sincerely,

Sioned Oliver

Sioned Oliver
Tumuaki

(06) 8442212 | admin@fairhaven.net.nz | PO Box 7460 | 30b Meeanee Road | Taradale, Napier 4141 | www.fairhaven.net.nz

Clive School
Te Matau a Māui
57 School Road, Clive
(06) 870 0538
reception@clive.school.nz
www.cliveschool.co.nz

17th October, 2025

To whom it may concern,

Re: Support for the Ahuriri Waka Hub – Pontoon and Wharf Project

As Tumuaki of Clive School, I am writing to express our strong support for the Ātea a Rangi Educational Trust's development of the Ahuriri Waka Hub and its associated pontoon and wharf facilities at the Inner Harbour, Napier.

Our school has been fortunate to engage with the Ātea a Rangi Star Compass and the crew of Te Matau a Māui as part of our learning across the social sciences, local history, and te ao Māori. These authentic experiences have had a profound impact on our tamariki — strengthening their understanding of waka navigation, Pacific migration, Māori knowledge systems, and their connection to our local environment.

The proposed pontoon and wharf will provide a safe, accessible, and sustainable base for waka education, enabling more kura and community groups to participate in meaningful, hands-on learning. We are particularly supportive of the project's commitment to accessibility for all students, ensuring that tamariki with diverse needs can share in these learning experiences.

This kaupapa aligns closely with our school's values of kaitiakitanga, manaakitanga, and whanaungatanga, fostering environmental guardianship, respect, and connection. It is an inspiring initiative that will help preserve local and Pacific histories while nurturing pride and curiosity in future generations.

Clive School fully endorses the Ahuriri Waka Hub project and the significant educational, cultural, and community benefits it will bring to our region.

Ngā manaakitanga,

Chris Birch

Tumuaki | Principal

Clive School

Manutuke School

Date: 20th October 2025

To whom it may concern,

RE: Support for the Ātea a Rangi Educational Trust – Ahuriri Waka Hub Project

As a rural school based in Manatuke, Tairawhiti, with a strong commitment to Te Reo Māori, tikanga, and identity, we are writing to express our support for the Ātea a Rangi Educational Trust and their plans to build the new Ahuriri Waka Hub in Napier.

Our kura delivers a Māori kaupapa curriculum that encourages tamariki to learn about their whakapapa, their connection to the natural world, and the journeys of our tīpuna across Te Moananui a Kiwa. The opportunity for our students to connect directly with the education programs the Trust provides gives them hands-on experiences that cannot be replicated in a classroom.

The proposed pontoon and wharf will make waka learning safe, accessible, and inclusive, enabling schools like ours—many from small or rural communities—to participate confidently. We are particularly encouraged by the project's commitment to equity and inclusion, ensuring access for students with disabilities and providing learning opportunities that reflect our shared Māori and Pacific heritage.

Our students and whānau see the Waka Hub as a place that will nurture pride in identity, environmental understanding, and inter-iwi connection across the motu. It will also inspire rangatahi to see navigation, maritime skills, and environmental guardianship as pathways for their futures.

We endorse this kaupapa and look forward to seeing how the project develops.

Ngā mihi nui,

Koka Piata Waitai

Te Kura Kaupapa Māori o Te Wānanga Whare Tapere o Takitimu

Kia Tū Rangatira au hei raukura mō tōku iwi

106 Bennett Rd, Waipatu, Hastings (06) 8786340

Date: 17/10/2025

To whom it may concern,

RE: Support for the Ahuriri Waka Hub Project

We, the community of **Te Kura Kaupapa Māori o Te Wānanga Whare Tapere o Takitimu**, stand in full support of this important kaupapa — the development of the Ahuriri Waka Hub, wharewaka and pontoon led by the Ātea a Rangi Educational Trust.

This is a project that connects land, sea, and people — a taonga that reawakens the ancestral pathways of Te Moananui a Kiwa. Our students have long studied the stars, the ocean, and the knowledge of the double-hulled voyaging waka, and this kaupapa greatly strengthens their Māori identity and the spirit of Tākitimu.

Importantly, this project will also allow our tamariki to safely board and disembark from the waka and be involved in marine monitoring activities. This is a powerful expression of equity, inclusion, and care for all people, values that lie at the heart of this kaupapa.

This kaupapa will ensure our tamariki and mokopuna continue to learn from the ocean and from the wisdom of our tīpuna. It also strengthens the ties between Māori and Pacific peoples, showing that our ancestral pathways remain alive and connected.

We support this project wholeheartedly as a pathway of learning, training, and wellbeing for our future generations.

Ngā manaakitanga o te wā,

Fleur Wainohu

Fleur Wainohu
Tumuaki – Te Kura Kaupapa Māori o Te Wānanga Whare Tapere o Takitimu

COOK ISLANDS VOYAGING SOCIETY

Cook Islands Voyaging Society
PO Box 3174, Rarotonga
COOK ISLANDS
1st September 2025

Kia Orana,

RE: Support for the Ātea a Rangi Educational Trust's new Wakahub

This is a support letter for the waka Te Matau a Māui and the Ātea a Rangi Education Trust. Our organisation has a long relationship with the waka and crew of Te Matau a Māui going back to the voyage of Te Mana o Te Moana in 2011-12.

The proposed Wharewaka will be a place of connection for all voyaging nations — a base to welcome waka and crew from the islands, share knowledge, and celebrate our shared whakapapa and ocean heritage. The inclusion of Pacific artists, lashers, and carvers in the design is a powerful statement of unity and collaboration across our ocean.

We are glad to be supporting this project with two artists who are connected to our society being involved with the Cook Island designs which we be in the whare.

This kaupapa reflects the spirit of *He Herenga Waka – a gathering of canoes*, strengthening the bonds between our peoples and ensuring the traditions of navigation and ocean stewardship continue for generations to come.

Meitaki Ma'ata e Kia Manuia & Best Regards.
Sincerely,

Ian Karika
Cook Islands Voyaging Society
President

SAMOA VOYAGING SOCIETY - AIGA FOLAU SAMOA

18th September, 2025

RE: Support for the Ātea a Rangi Educational Trust's Wakahub Project

We are happy to submit this letter of support for the waka Te Matau a Māui and the Ātea a Rangi Educational Trust (Ātea Trust) in their quest to create a new waka hub.

We write in strong support of the Ātea a Rangi Educational Trust and their vision to establish the Ahuriri Waka Hub in Napier, Aotearoa. This development represents a significant milestone for the wider Pacific voyaging network.

This initiative embodies the shared values of all waka societies — sustainability, education, identity, and connection.

Our organisation recognises the Ātea Trust's long-standing contribution to waka revival through Te Matau a Māui and the Ātea a Rangi star compass. We are proud to endorse this project and support their efforts to create a permanent home for waka culture in Ahuriri.

Fa'amanuia Le Atua i le fa'amoemoe. We pray God's Blessings upon this great initiative.

Tuatagaloa Joe Annandale
FOUNDER & VICE PATRON

Memea Lyvia Black
President
Aiga Folau o Samoa / Samoa Voyaging Society

UTO NI YALO TRUST
FIJI

14 September 2025

To whom it may concern,

RE: Support for the Ātea a Rangi Educational Trust's waka hub

This is a support letter for the waka Te Matau a Māui and the Ātea a Rangi Education Trust (Ātea Trust) who operate the waka to develop their waka hub and whare waka.

Our organisation has a long relationship with the waka and crew of Te Matau a Māui going back to the voyage of Te Mana o Te Moana in 2011-12. We are family.

We understand that the Atea Trust is hoping to build a new waka berth and whare waka to support the voyaging waka community from the Pacific and strengthen our ties.

As a voyaging society tasked with reviving our iconic tradional voyaging culture in Fiji, we support this initiative to involve the other waka socieites and Islands in the Pacific and would love to see these resources in place which would set a great example for other islands.

The Uto Ni Yalo Trust intends to support this project with one of our crew members and artists creating the traditional Fijian designs inside the whare.

Yours sincerely,

Teddy Fong
President, Uto ni Yalo Trust

Email: president@utoniyalo.org
Mobile: +679 9314134

National Sailing Centre, Suva, Fiji Islands
Website: www.voyaging.org.fj Email: utoniyalotrust@gmail.com
Find us on Facebook | Instagram | Twitter: @utoniyalotrust

AHURIRI Waka Hub

DEVELOPED DESIGN

WRAIGHT ATHFIELD LANDSCAPE + ARCHITECTURE *with* **NATHAN FOOTE**
for :
NAPIER CITY COUNCIL + ĀTEA A RANGI TRUST

Contents

REVISION: *DATE:*

DEVELOPED DESIGN REV2 09.09.25

1.0
INTRODUCTION

Ka herenga waka *When waka are tied up together,*

Ka whitiwhiti kōrero *Talk is exchanged,*

Ka whitiwhiti whakaaro *Thoughts are exchanged,*

Ka tu mai te māramatanga *Enlightenment comes forth.*

Napier City Council (NCC) is the local government authority for the City of Napier - Ahuriri, a compact coastal city contained within the boundaries of the Esk and Tutaekuri Rivers to the north and south, western hills and Hawke's Bay to the east. Napier is world renowned for its climate, architecture, and tourism offerings.

Council is committed to celebrating our unique culture and provide opportunity for our community and those visiting our City to learn about what makes us special. It has been important to Council from the outset that this project follow a co-design process, working in partnership with Ātea a Rangi Trust to deliver this exciting initiative.

Currently, the ocean-voyaging waka hourua Te Matau-a-Māui is berthed at the southern end of the Inner Harbour, at the end of a working fishing wharf. The site is unsuitable, with poor visitor experience, inadequate mooring, and no secure access, leading to damage and vandalism. There are no facilities for crew or visitors, no defined gathering space, with no dedicated space for ceremonial activities, demonstrations associated with the waka, or ceremonial activities.

A dedicated wharewaka is essential for hosting, teaching school and community groups, sheltering visitors, and to provide space for cultural activities and storytelling.

The proposed Waka Hub will celebrate celestial navigation, offer secure mooring via a floating pontoon, and improve access for waka hourua. It will include essential amenities such as toilets, showers, and changing facilities, alongside a public gathering space near the water's edge, ensuring a safe, functional, and culturally significant home for Te Matau-a-Māui.

NCC is working in partnership with Mana Whenua to create the Waka Hub in Napier's Inner Harbour. It is envisaged the new Hub will enhance the character of this area, provide an opportunity to showcase the rich cultural history of Ahuriri, and is anticipated to significantly improve the economy by increasing social and cultural activities. Other benefits are the enhancement of the quality of harbour tourism and increased demand on local shops, restaurants, hotels/motels and business in the Westshore suburb and surrounding areas.

This project realises the intention of Ātea a Rangi Trust to relocate Te-Matau-a-Māui's mooring from the southern end of the working wharf to an undeveloped area adjacent the Napier Sailing Club site. This will provide a safe harbour for Te Matau-a-Māui waka in a dedicated Waka Hub facility.

The proposed Hub will be situated on Local Purpose Reserve immediately adjoining the existing Napier Sailing Club to the north. This site was formally endorsed by the Napier Sailing Club prior to approval from Council, with efficiencies able to be realised by both the Sailing Club and the Ātea a Rangi Trust once the Waka Hub is complete.

This project establishes the first purpose-built waka mooring for ocean-going waka in New Zealand's North Island, and provides a world class public space that showcases celestial navigation and its cultural significance to Aotearoa. The Waka Hub is envisaged as an international destination for waka voyagers from around the Pacific.

1.1 Executive Summary

Introduction

This report outlines the 'Developed Design' on the proposed Waka Hub at Pandora Road, Ahuriri. It follows the direction outlined in the Concept Design Report March 2025, and therefore should be read in conjunction with this earlier report which sets the context, vision, design brief and early design direction for the Hub.

Developed Design for the Waka Hub was commissioned by Napier City Council in association with Ātea a Rangi Trust. This follows the approved Concept/ Preliminary Design March 2025, and separate previous briefing/ scoping and site identification steps carried out between 2022 and 2024.

The Developed Design has been co-authored by Wraight Athfield Landscape + Architecture (WALA) and Mana Whenua Design lead, Nathan Foote.

It includes input from Marine Engineering, Geotech, Civils, Planning, Structural, Building Services and Fire Engineering.

Quantity Surveying/ Cost estimation is separate to this report.

Vision

Ahuriri Waka Hub will be a place where visitors and the people of Napier/Ahuriri can enjoy the waterfront environment of Ahuriri Estuary, engage with Ātea a Rangi Trust's educational programme and connect with the arrival and departure of traditional sailing vessels. Establishing Aotearoa's first purpose built waka hourua berth, the Waka Hub is a significant step in connecting Aotearoa to Moana nui a Kiwa's (the Pacific's) wider waka sailing community. In parallel, the hub represents an opportunity to establish new activities at the water's edge, catalyse a new appreciation of the Estuary's ecological importance and encourage a new generation of celestial navigators.

This report includes a brief summary of the Waka Hub Concept and Cultural foundation (as set during Concept Design), then describes the Developed Design outcomes for both land and water-based works. This is represented as graphic summary within the main report, supported by greater technical detail within the Appendices. Also included within the report is a summary of the Developed Design process, including consideration of CPTED aspects, Safety in Design (SID review, and Value Engineering (VE undertaken since Concept Design in order for the project to track towards Detailed Design within the Napier City Council's approved budget.

Developed Design Process

Through a process of collaborative design development led by members of the WALA team, Mana Whenua Design Lead, Nathan Foote, with input and review from Ātea a Rangi Trust and NCC, the design has been developed in alignment with the Kaupapa and early design direction established and approved during earlier design stages. The early phase of Developed Design incorporated a VE process involving detailed review and input from the NCC appointed QS. Through a combination of rationalised scale, construction detail, and review of scope/ staging in both building and landscape summarised later in this report, the VE process yielded significant savings, and this enabled a 'core project' that can deliver the core functions of the Hub within NCC's budget, but retain the potential for (but not reliance on) future development on the broader site as/ if future non-NCC fundraising permits.

The second phase of Developed Design focused on developing construction detail, components, materials, and finishes with building services and structure across building (shell and interior), landscape and integration with developments in mahi toi. This design development was reviewed in hui via drawings and 3D modelling and tested with the broader Project Design Team. An outline of the Developed Design supported by 3D imagery is included in this report.

Following significant value engineering of the whare waka, a cost review by the Quantity Surveyor (QS) at the end of the Developed Design period indicated continued alignment with NCC budget.

During the Developed Design Process Resource Consent applications for both land and water-based works have been prepared and submitted with Napier City Council and Hawke's Bay Regional Council.

Next Steps

The project will progress to Detailed Design in readiness for Building Consent Application, tendering and construction.

The procurement strategy is summarised in separate 'Procurement Strategy' document prepared by the NCC appointed Project Manager.

1.2 Project Team

Project Team

Client	Napier City Council/ Ātea a Rangi Trust
Project Manager	Stantec
Mana Whenua Design Lead	Nathan Foote
Penguin Consultant	Dr Cockrem
Quantity Surveying	WT Partnership
Traffic	East Cape Consulting
Ecological assessment	Triplefin Environmental Consulting
Architect / Landscape Architect	Wraight Athfield Landscape + Architecture
Marine Structures	Shorewise Engineering
Planning	Mitchell Daysh
Structure	Dunning Thornton Consultants
Civil	Strata Group Consulting Engineers
Building Services / Lighting	335
Fire	Holmes Fire
Land Surveying	Surveying the Bay
Geotech	Tonkin and Taylor

Artwork shown is an indicative placeholder only

2.0
DEVELOPED DESIGN

2.1 Concept Design Overview

Napier's Waka Hub will be the new base for Ngāti Kahungunu's Te Matau a Māui waka hourua vessel (double hulled waka). The first purpose-built waka hourua berth in Aotearoa, the Hub comprises a new 40m long pontoon jetty supported by a whare housing educational, administration and vessel maintenance spaces.

The jetty and whare have been conceived as interlinked structuring elements that both frame and harness the site's existing open spaces while generating opportunities for ecological restoration, activation of the Sailing Club's north western quarter and a new active modes path at the water's edge.

A linear building form interprets building and waka architecture from the Pacific, and together with a revitalised estuary edge landscape, it hosts and celebrates arrival and departure of Pacific ocean borne voyagers. Its striking profile adjacent to Pandora Road also marks a significant northern gateway to Ahuriri, while also providing a 'sheltering shoulder' from busy traffic for waterside activities. The project's 'haumi' kaupapa, recalls a traditional method of joining/ bringing parts together within waka structure. This kaupapa is expressed within the form, fabric and function of the building, and its dove-tailing into a new ecological zone to the north and into the flexible grassed areas west of the Sailing Club.

The jetty and whare are sited at the north western extremity of the Pandora Road site adjacent to the Napier Sailing Club. Designed to accommodate up to two waka hourua vessels along its length, the pontoon runs in approximate parallel alignment with the shoreline defined by southern headland from which Pandora Bridge extends northward across Ahuriri Estuary.

Ahuriri Waka Hub Design

The pontoon, gangway, and whare are positioned to optimise the site's existing flexible open space areas and enable convenient access to the water.

The new whare comprises of two enclosed spaces under a single roof: the education room to the north and the work room to the south; with kitchen, toilets and storage located between the two. Explicitly referencing a haumi joint, the sculptural roof unifies the two functional spaces below. Opening out to a spacious deck, the elevated education room is the whare's primary communal/ public space, designed to welcome and host visitors participating in Ātea a Rangi's pedagogy and voyaging programmes.

The workroom is set down from the education room and provides maintenance space/ storage for Te Matau a Māui's sailing equipment. At grade with the surrounding ground, roller doors at its south end allow for vehicle access when needed. Vehicle and trailer access to the site is controlled by removable bollards at a new entry off Pandora Road.

The northern end of the site is dedicated to manuhiri gathering and ecological enrichment. New ecological planting at the coastal edge provides habitat and buffers the Waka Hub's terrestrial activities from species inhabiting the northern end of the existing rock revetment (notably, kororā). Paved and lawn areas within the ecological zone give space for manuhiri to gather before being invited to enter the whare, as well as providing space for the general public to enjoy views out over the coastal edge.

Fig 2.3.1 Ahuriri Waka Hub Site Plan

1:1,000 (@A3)

KEY

A1	PONTOON JETTY AND GANGWAY (WATER BASED CONSENT)
A2	WHARE: EDUCATION
A3	WHARE: WORKROOM
B	MOANA TERRACE
C	MANUHIRI GROUNDS
D	NEW BOLLARD CONTROLLED VEHICLE ENTRY &HARDSTAND
E1	NEW ON-STREET ACCESSIBLE CAR PARK

- - - OVERALL DEVELOPED DESIGN PROJECT SCOPE

----- DEVELOPED DESIGN SCOPE WITHIN NCC BUDGET

Embodying the haumi concept, the project emphasises the importance of collaboration, respect for different traditions, and shared responsibility in building something lasting and meaningful.

2.2 Cultural Foundation
Te Haumi Concept

The Haumi is a ‘joining’ technique used in waka construction, there are various forms of this ‘join’ but the one we are connecting with here specifically is Te Haumi kokomo.

Fig 2.1.1 Haumi joint in historical waka

Fig 2.1.2 Haumi joint under construction

Fig 2.1.3 Haumi joint representation in card model credit Nathan Foote

In effect it has two parts, we can break these into a male and female element of which we can expand into the concepts and philosophies of this kaupapa.

The Haumi kokomo join, allowed for the extension and reinforcement of canoes, creating vessels unique to Aotearoa that connected to the waka building technologies of the wider Pacific – Te Moananui a Kiwa through “stitching and binding”.

This “stitching and binding” of waka serves as the thread, the “taura”, the “aho” for our project’s conceptual and philosophical foundations.

Exploring the Haumi narrative / concept more expansively, we can view it as a foundational philosophy guiding the entire project. By adopting Haumi’s core principles of connection and unity, “stitching & binding”, we can shape key aspects of the project’s development, extending the narrative of joining into various elements of the design and broader community engagement.

Beyond its role in structural integrity, it embodies a profound metaphor for connection—linking people, communities, and histories across time and space.

By weaving this principle of “joining” like a thread or “taura” into the fabric of the project, we honour Māori innovations while acknowledging the larger Pacific heritage from which they came. The join symbolises not just technical achievement but the resilience, adaptability, and ingenuity of our ancestors. Just as waka served as vessels that carried our Tūpuna across the Pacific to Aotearoa, the Haumi join links the project to the wider Pacific.

It ties the project to the shared history of the Pacific people, their navigation, and their exploration of new worlds.

In the broader context, the Haumi serves as a metaphor for “Whanaungatanga”, illustrating how distinct elements can come together to form a unified whole.

This concept can be applied to various aspects of the project, from the building’s design to the collaborative process involving various communities.

The project’s development relies on the participation of various groups and partnerships—Mana Whenua, NCC, Ātea a Rangi Trust, the Napier Sailing Club, and the Project design team—each contributing their own knowledge and perspectives, ultimately creating a space that is greater than the sum of its parts.

The project’s relationship with the Napier Sailing Club—sharing resources and space—further reinforces the theme of unity and mutual benefit.

This design approach also reflects this spirit of connection, particularly in the integration of the built form with the surrounding landscape.

The site will connect with existing recreational spaces while fostering ecological vitality along the coastal edge.

This “joining” of natural and built elements will create seamless transitions between the two, blurring the lines between architecture and the environment.

The Haumi join unites the diverse “threads” of this project, creating a harmonious blend of past, present, and future. Through this design, the building will stand not only as a functional space but as a vessel carrying the legacy of Māori innovation, bringing together communities and cultural histories in a shared journey toward the future.

This Kaupapa draws deeply from ancestral knowledge, symbolism, and Pacific navigation traditions, embedding Māori cultural heritage with architectural form, particularly the intricate technologies of waka construction.

2.3 Cultural Design

Tangata whenua – Mana Whenua

The Haumi concept not only gives us a design philosophy and a connection to our whanaunga (relations) across Te Moana nui a Kiwa (Pacific Ocean) it also allows for expression of our Cultural narratives.

In particular that of the Mana whenua of this space.

This gives us our foundation and identity to allow the Waka Hub to perform its various functions and responsibilities to our Manuhiri from both Aotearoa and Te Moana nui a Kiwa.

The Cultural concepts embrace the whakapapa that extends from Ngā Atua (Gods) to the Tīpuna (Ancestors)and Kaitiaki (Guardians).

These are in turn expressed and materialised through various concepts interpreted in mahi toi or in more abstract thinkings.

Ngā Atua

The vision will be to incorporate these Atua through various design elements in both structural and landscape environments. Some of this may be articulated through mahi toi, others more abstract in their interpretations.

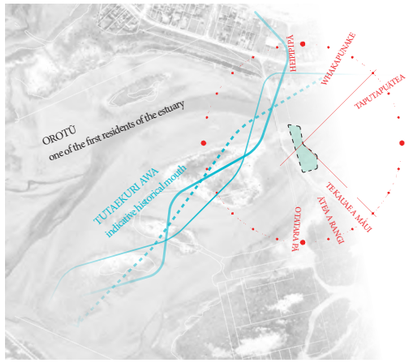


Fig 2.4.1 Ahuriri cultural connections

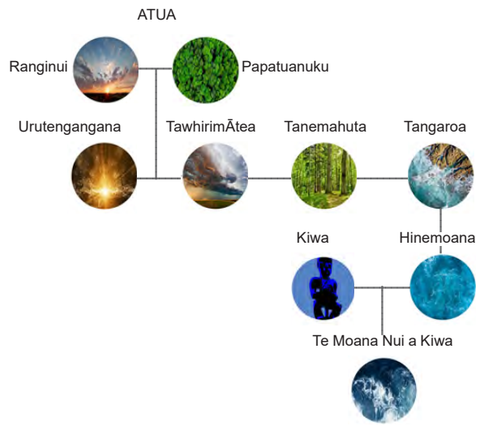


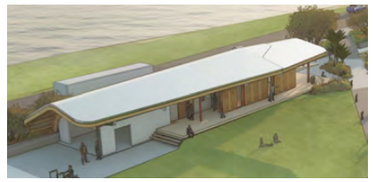
Fig2.4.2 Whakapapa of Te Moana nui a Kiwa

Abstract expression of Ranginui and Papatuanuku

The Haumi can also be seen as a metaphor for Te Wehenga, the separation of Ranginui (Sky Father) and Papatuanuku (Earth Mother) to bring forth light and life.

In architectural terms, the Haumi could be a deliberate structural break that allows light to filter through, symbolising creation, enlightenment, and the flow of knowledge.

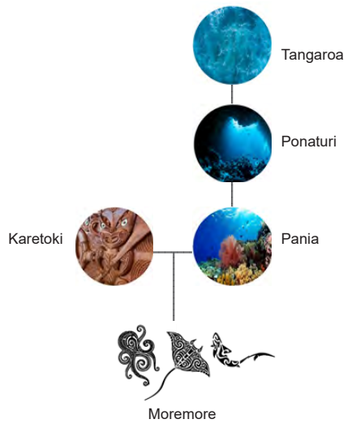
The implied or physical break in the roof as shown in the model allows for the interpretation of Te Wehenga and the many cultural narratives this brings forth, including the celebration of Ranginui and Papatuanuku.



Acknowledging Mana Whenua – Potential mahi toi

It is hoped that various expressions of this whakapapa will embed and acknowledge Mana whenua of the environment in which the Waka Hub will sit.

We will express the whakapapa shown on the right in various ways. Tangaroa for example will be represented as the main Koruru (Figure head) on the Waka Hub.
Pou will be placed on the outside eastern wall to represent the following Tipuna; Ponaturi, Pania, Karetoki, Moremore, & Orotū.
On this same wall pou of the Tipua & Kaitiaki of this area will be placed. These will include Tohorā, Manu, & Ika that helped our Tipuna to traverse Te Moana Nui a Kiwa and some which have specific connections to Mana whenua.



Acknowledging Tangata Moana

An essential part of the Waka Hub is about the recognition and acknowledgement of our whanaunga from Te Moana nui a Kiwa,

'The Waka Hub is envisaged as an international destination for waka voyagers from around the Pacific.' – (refer 1.0 Introduction)

With this in mind the interior of the Waka Hub will respect and reflect these relationships and the mahi toi exhibited in the Education space in particular will be guided by artists from waka whanau of the Pacific and Pasifika artists residing in Ahuriri.

Acknowledging Te Moananui a Kiwa: Northern Entrance

The broad context in which our cultural concepts are derived are from Tangaroa and Hinemoana.

These two atua connect us to the wider Pacific and this we see clearly within the name "Te Moana nui a Kiwa".

This continues and deepens the relationship with the wider Pacific peoples expressed in this whakatauki, used often by the late Tā Hekenukumai Busby;

Ko Tangaroa te Atua o te Moana

Ko Hine Moana te Whaea o te Moana

Ka moe a Hine Moana i a Kiwa

Koira Te Moana nui a Kiwa

It is our unique understandings of Te Moana nui a Kiwa that contributes to the amazing design innovations of Pacific waka cultures.

The Northern entry will also look to further this concept and will aspire to have two pou of both Kiwa and Hinemoana on either side of the main entrance.

Above the main entrance we believe a design expressing Te Moana nui a Kiwa is appropriate in acknowledging the Pacific Ocean and all waka cultures of this mighty ocean space.

Fig 2.4.3 Tepuke vaka with Crab Claw sail, Solomon Islands

Fig 2.4.4 Whakapapa of Te Moana nui a Kiwa

Fig 2.4.5 Monument of Crab Claw sails

Recognising Tāwhirimātea: Rā sculptures

Without Tāwhirimātea there is no Waka Hourua culture.

Acknowlegdement of Tāwhirimātea will be respected and recognised in the forms and shapes of Rā (Sail) technologies of various waka nations of Te Moananui a Kiwa.

The vision is to create a landmark of Rā at the northern end of the site that will become a spectacular sculptural entry into Ahuriri, of a scale that provides monumental impact.

This will also echo the continued thread of 'stitching & binding' together the strength and vitality of the cultures of Te Moananui a Kiwa.

The renaissance of this ingenuity, that moved peoples, that shaped shared cultures, and that carved out Nations that excelled in their environment.

Harnessing the wind, comprehending the stars, reading the ocean and its denizens, on vessels built from natural materials gives visitors the understanding that migration throughout the Pacific was one of the greatest feats known to humankind.

Fig 2.4.6 Pacific sail technology evolution

2.4 The Whare

The whare comprises:

1. Multi-purpose Education Space
2. Kitchen
3. Storage
4. Bathroom amenities
5. Workshop.
6. Northern sheltered Deck
7. Eastern sheltered Deck.

The scale and arrangement of spaces responds closely to briefed requirements and includes careful consideration of the range of likely activities, tikanga aspects, and synergies and functional overlaps between adjacent inside and outside spaces. The arrangement is indicated in the Space Diagram (figure 2.5.2) and Floor Plan (figure 2.5.1)

The Northern end of the building and associated decks that facilitate activities such as teaching, hosting, welcoming, sleeping and associated amenities are elevated off the ground, and the workshop space at the south is grounded. A single roof form shelters both indoor and outdoor spaces.

The education space provides a flexible room that can be used for various modes of education, meeting, hosting, welcoming and sleeping, utilising both indoor and adjacent sheltered deck space. This space, along with external deck and northern landscape, will also serve to welcome manuhiri and provide a strong visual connection to the waka, Te Matau a Māui via glazing and large doors opening to the mahau to the north. The eastern wall includes a balance of windows/ ventilation and solid wall incorporating mahi-toi. The western wall is solid, sheltering from the busy road and facilitating teaching surface. A low seating bench along the western wall also incorporates storage for mattresses. The scale and proportion of the room accommodates a range of teaching formats, as well as Ātea A Rangi's inflatable star dome. The sheltered deck areas to the east and north provide extended fair-weather teaching/ hosting spaces.

The adjacent kitchen space will support the hosting function of the Ahuriri Waka Hub, enabling self-catering for both daytime and night-time activity. It can also be used to support catering for small scale events.
The adjacent store-room provides storage for 15 mattresses, along with some furniture and equipment to support various teaching and hosting settings within the education space and toilets and showers provide supporting amenity.

The workshop will store sailing equipment for both long voyages and shorter training sessions, and will include woodworking tools, benches, a large wash-down sink, a washing machine, and drying racks. This space will support the maintenance and hands-on 'workshop-related teaching around equipment associated with the waka including spars and other equipment. The large garage doors at the south end of this space, and sheltering roof overhangs enables exchange of trailer-loaded gear and for workshop/ making activities to extend to the adjacent ground. It is assumed that storage and/or maintenance of long elements such as masts will occur outside of the whare.

The VE process undertaken early in the Developed Design phase led to a smaller rationalised plan and simplification of building elements to achieve the agreed budget. While this rationalisation excludes the dedicated office space and provision for storage/ working space for the 13m masts, these functions can be catered for by alternative means. The developed design maintains consistency with the core function and Kaupapa of the hub.

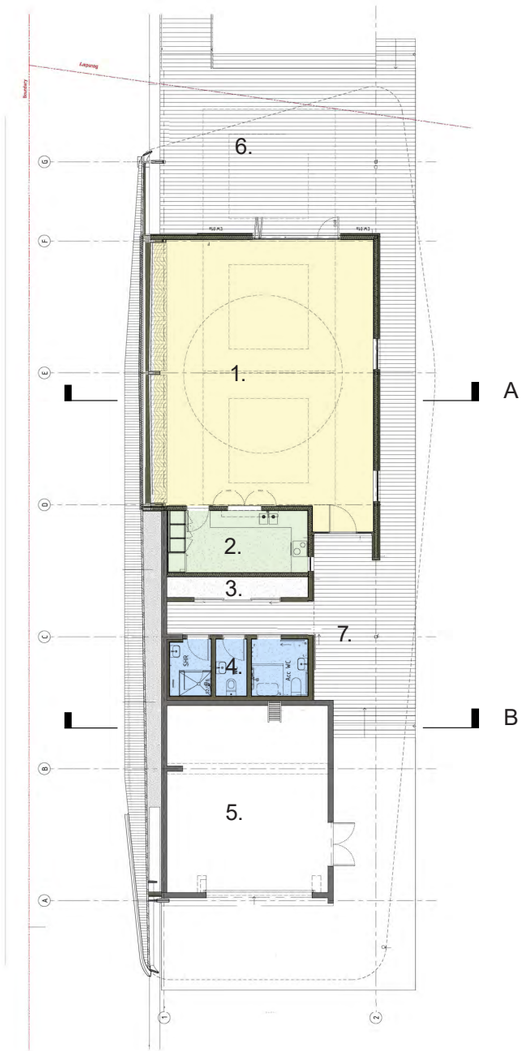


Fig. 2.5.1 Floor Plan 1:200.

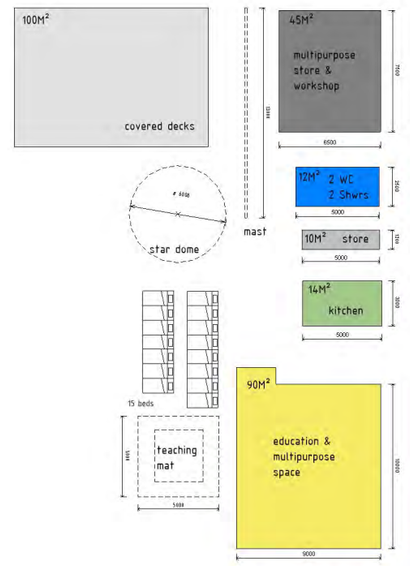
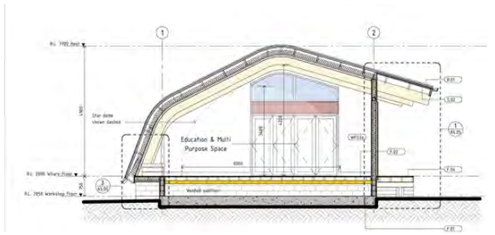


Fig. 2.5.2 Ahuriri Waka Hub Space Diagram



Cross Section A through Education space 1:200

Cross Section B through Workshop 1:200

2.5 Whare - The Spaces

Fig 2.6.1 Main Education Space interior, looking north toward pontoon. Artwork shown is indicative only but will represent the peoples of Moananui a Kiwa as a house of and for the pacific

Fig 2.6.2 Exterior view of ceremonial approach to main education space from the Jetty.

Fig 2.6.3 Main Education Space interior, looking south toward kitchen, office workshop, and secondary entry

Fig 2.6.4 Exterior view of covered outdoor education space, office, kitchen servery to exterior and secondary entry to main education space

2.6. Integrated Mahi Toi

Refer Appendix D Mahi Toi for further information.

- M1 PARE. CNC
- M2 DOOR;
- M3 WINDOW
- M6 CNC - BACKBOARDS BEHIND POU & EAST SIDE
- M7 CNC TIPUNA
- M8 TIPUNA
- M9 WHAKAIRO
- M12 NGĀ TOHORĀ
- M13 NGĀ MANU
- M14 NGĀ IKA
- M14.2 CNC - PARE - SOUTH ENTRY
- M15 WHAKAIRO - KIWA
- M16 WHAKAIRO - HINEMOANA
- M18 MAURI - TE PUNGA, HAMMER DRESSED
- M19 PACIFICA THEMED MURAL
- M20 CNC - PACIFICA DESIGNS FROM VARIOUS ISLANDS
- M20A 6 PANELS AS ABOVE. PACIFICA DESIGNS
- M20B CNC - 3 X COMPASS DESIGNS
- M22 CNC - PARE
- M23 CNC - PARE
- A1 MAIHI - ADZED RĀKAU WITH LASHING
- A2 MAIHI - ADZED RĀKAU WITH LASHING
- A3 WHAKAWAE - ADZED RĀKAU WITH LASHING
- A4 WHAKAWAE - ADZED RĀKAU WITH LASHING
- A5 HAUMI - INTERIOR EXPRESSION

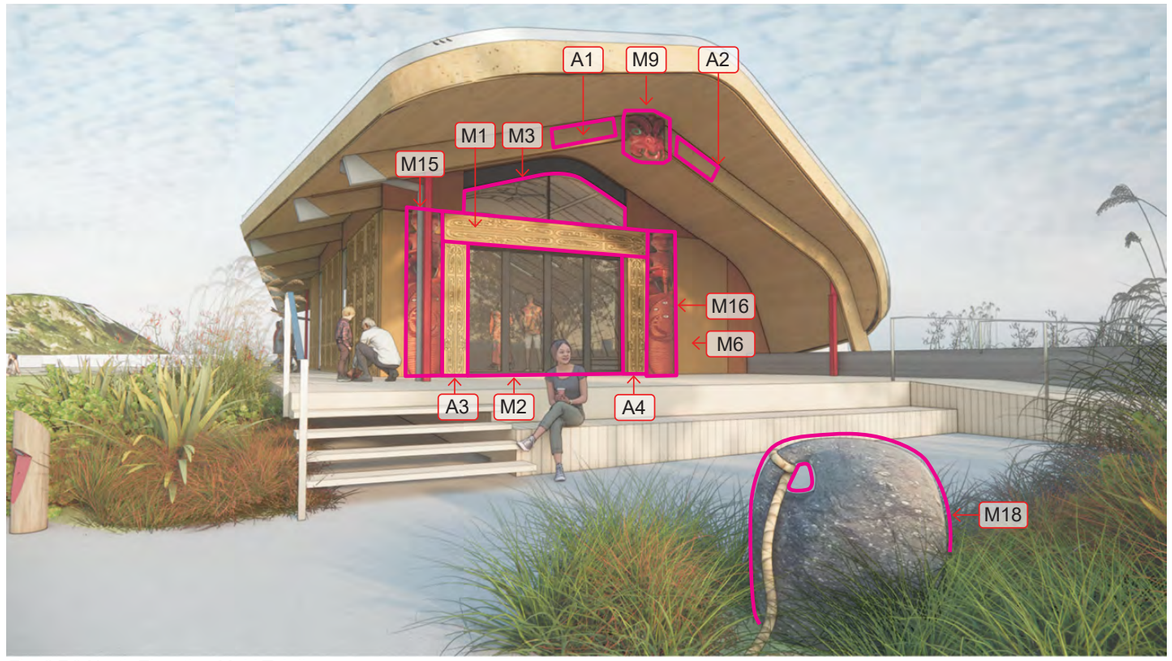


Fig. 2.7.0 North Elevation Mahi Toi diagram

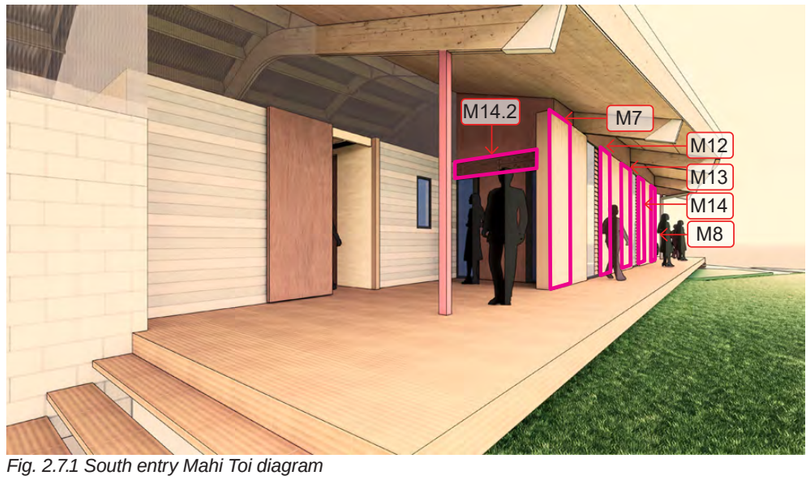


Fig. 2.7.1 South entry Mahi Toi diagram

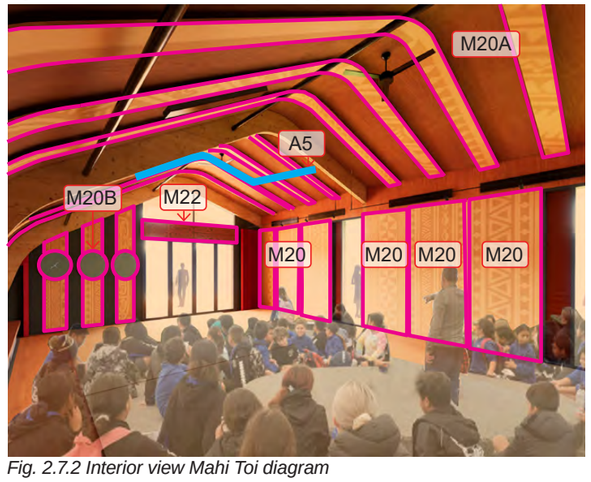


Fig. 2.7.2 Interior view Mahi Toi diagram

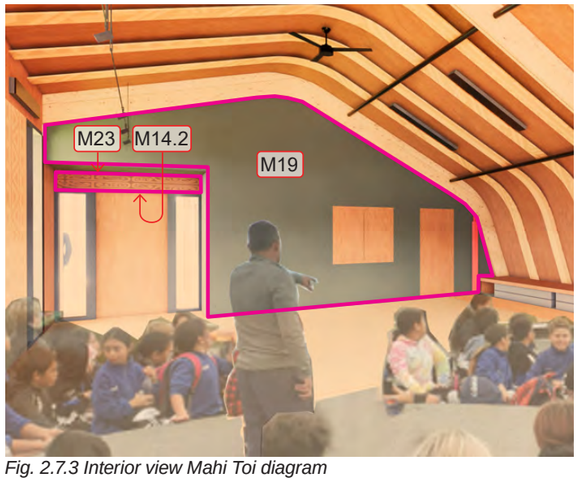
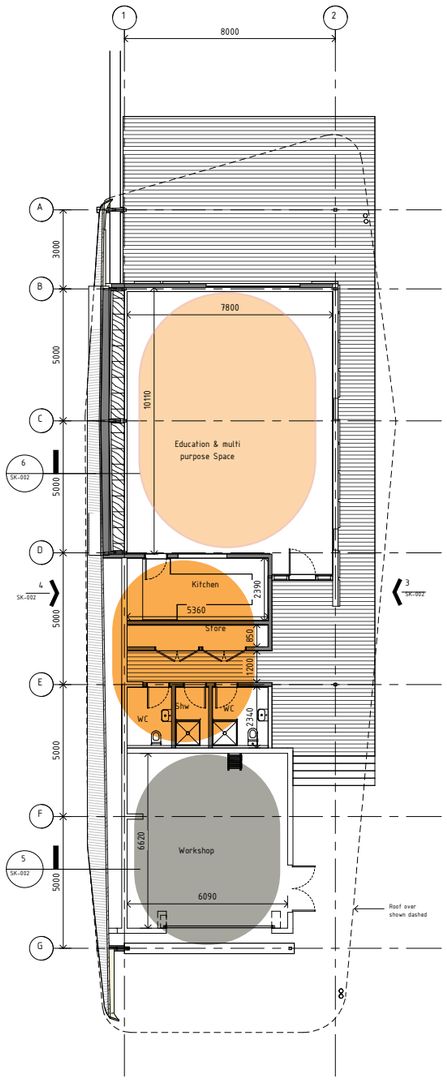
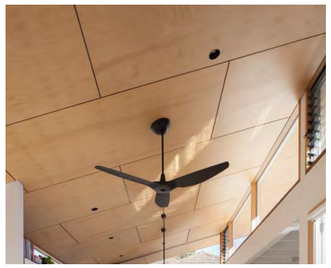


Fig. 2.7.3 Interior view Mahi Toi diagram

2.7 Materials and Finishes



Wall finishes / Ceiling linings



WC's / Shower rooms

Kitchen / Store

Paint Colours

Indicative Materials and Colours.

These have been drawn from cues in the local natural landscape and from the Pacific. These have been decided with input from the Mana Whenua design lead and the broader client group.

2.8 Pontoon Design

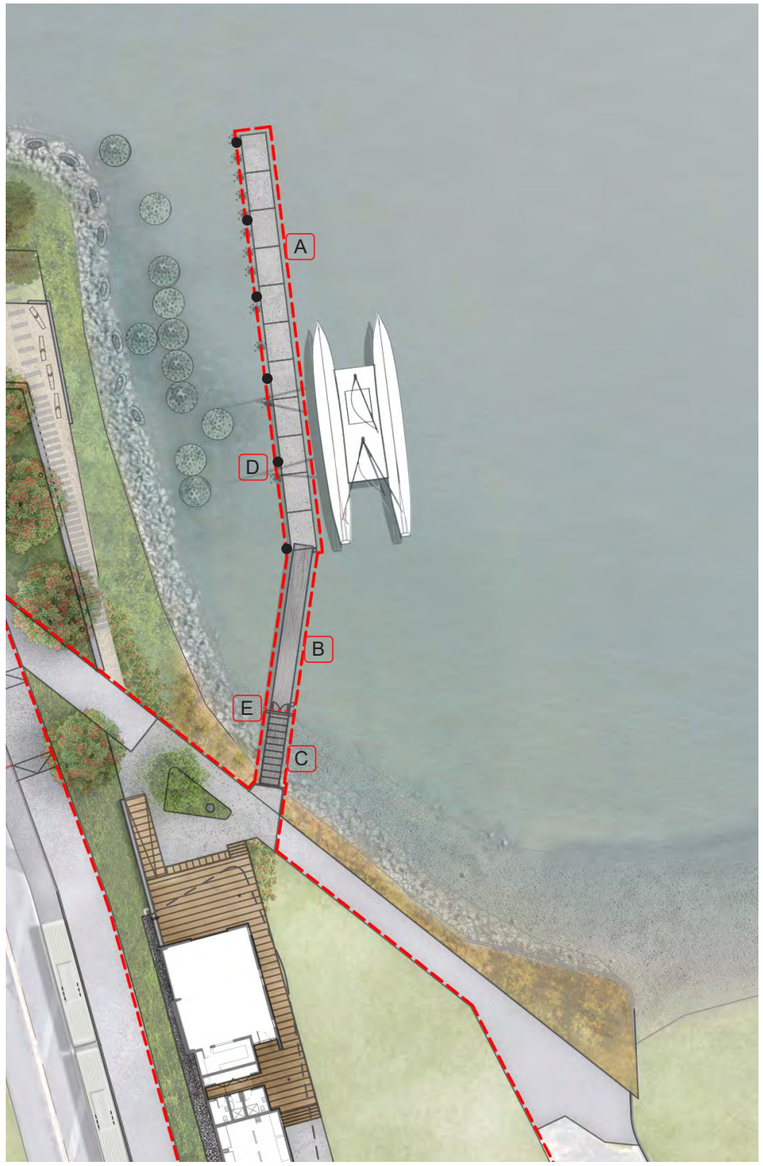
A key motivation behind the inception of the Ahuriri Waka Hub was the need for a secure, safe, and easily navigable berth for Te Matau a Māui, along with the capacity to host at least one other visiting waka hourua.

The site's marine environment consists of a relatively shallow north facing bay between Pandora Bridge peninsula and the Napier Sailing Club ramp and marina. Immediately to the East of the Waka Hub site is a beach launching area primarily used by Optimist sailing vessels launched from beach trailers. At Wānanga 1 held in July 2024 there was broad agreement that any berth structures should not impinge upon or restrict this activity. It immediately became clear that a proposal for a single finger pontoon as close as practicable to the peninsula would would provide the most space for all water users.

Ātea a Rangi and the design team including Marine Structures Engineers (Shorewise) together determined a modest 2.5m wide floating pontoon that moves with tides up and down piles on the shore side, with the ability to add movable accessible ramps and stairs was the best and most cost effective solution. In order to serve two 20 metre waka hourua the length of the pontoon must be a minimum of 40 metres. The need to keep away from the strong currents in the main channel and water activities in the bay restricts the potential location to the relatively shallow west edge of the bay. With a requirement for water depth of 1 metre some dredging will be required to form a pocket for the waka and this has been calculated by Shorewise at approximately 400m³.

The Shorewise concept design for the marine structures includes the 40m long, 2.5m wide concrete pontoon (design build elements), a 16m aluminium gangway with an adjoining aluminium jetty bridging the revetment and a security gate to restrict physical access to the waka. The area of the jetty up to the security gate will be accessible to the public and therefore designed to be compliant with F4-Safety from Falling.

Refer appendix D for more detailed documents of the pontoon.



KEY

A FLOATING CONCRETE PONTOON

B ALUMINIUM GANGWAY

C ALUMINIUM JETTY

D PILES

E SECURITY GATE

Fig. 2.9.1 Partial Site Plan showing proposed marine structures.
refer also Appendix D for further technical detail in Shorewise documentation.

Fig. 2.9.2 Exterior view of Pontoon

2.9 Landscape Plan In Detail

The Waka Hub landscape has been designed in unison with the whare to bring together the cultural, programmatic, physical and ecological aspirations of the project. In particular, the angular and interlocking forms of the haumi joint that present in the architecture are echoed in the landscape to articulate and embed the project's cultural foundation.

While the scope of Landscape as defined through the Concept Design phase has been included in Developed Design (as outlined in the 'overall project scope' outline), the focused area (within the red 'stage 1' outline) has been defined as the 'base-level' landscape to support the Waka Hub. The QS estimate for this base level area fits the NCC budget for the project. This provides the base-level landscape setting for the project in alignment with the base functional brief, however the broader more comprehensive landscape as outlined in the concept design will significantly enhance alignment with both the Waka Hub project and amenity in the broader public space. This can be implemented if/ as funding is confirmed.

1. The elevated education room opens out to a spacious deck, sized to accommodate Ātea-a-Rangi's education programme and designed for flexible seating arrangements across its terraced steps and sittable edges. An accessible ramp is integrated into the deck's northern edge and provides the primary access from the manuhiri gathering space and to the new waterfront pathway.
2. The workshop sits at grade with the surrounding lawn and opens out onto hardstand areas to the east and south. A small pathway at the southwest corner of the hardstand area provides pedestrian access directly onto Pandora Road's public footpath and nearby pedestrian crossing.
3. The narrow finger of land supporting Pandora Bridge's southern abutment is configured to host visitors, artworks, and ecologies. New native plantings draw on Ahuriri's natural heritage of coastal forests and salt marshes, while species such as pīngao and kōwhai ngutukākā acknowledge historical visual signifiers for waka landings.

Crime Prevention Through Environmental Design (CPTED)

CPTED considerations have informed the design through both the formative stages of Concept/ Prelim Design and Developed Design. This includes:

- Defining clear legible spaces and circulation routes (landscape and building) that tie into existing movement and activity patterns around the site, with good accessibility and visibility from both street/ adjacent waterfront and water based activities.
- Eliminating potential 'entrapment' spaces in/ around the building and the landscape
- Generally providing for multiple choice for movements through/ around spaces.
- Reviewing security options for the building. While there are external sheltered spaces/ decks that will be accessible outside of the secure space, these include cues that will discourage unwanted/ negative behaviour, in that they are open/ visible, well lit, and clearly on the threshold of a space of mana/ cultural significance. The waka pontoon access will incorporate a secure gate.
- Managing the scale and nature of planting such that it provides for a balance of shelter without obstructing key visibility/ surveillance across the site.
- While minimal new exterior lighting is currently proposed, the existing street lighting/ Sailing Club lighting provides a relatively high level of light across the area considered to be appropriate from a CPTED point of view.

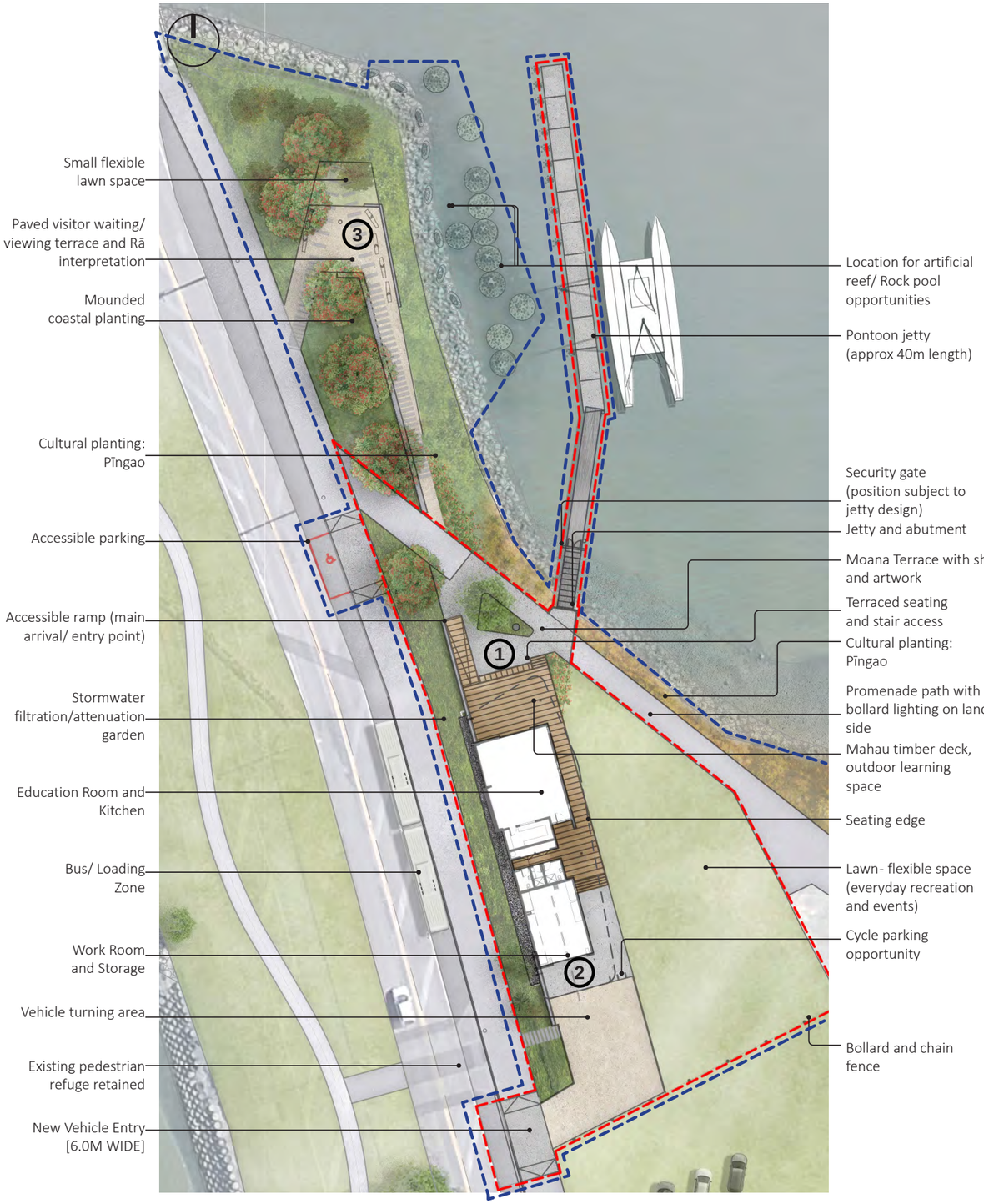


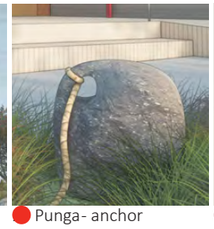
Fig 2.10.1 Ahuriri Waka Hub Landscape Plan

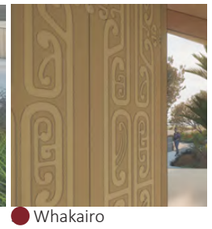
2.10 Landscape Strategy

LANDSCAPE FEATURES / REFERENCES / MATERIALS

MAHI TOI

Rā- sail

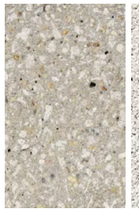

Punga- anchor


Whakairo

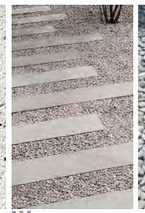
PAVING


Compacted lime chip


Asphalt


Concrete paving with feature aggregate


Concrete


Concrete stepping stones


Gravel drainage channel

FURNITURE / STRUCTURES

Rammed concrete wall

Haumi seat


Timber deck


Bollard - with light
with chain fence


Retractable bollard


Cycle rack

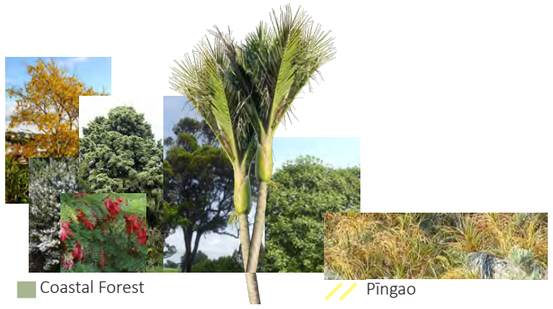

Seating edge/ stairs / ramp


Jetty/ gangway/ pontoon

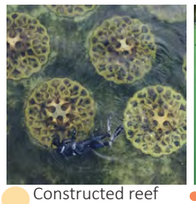
PLANTING/ ECOLOGY

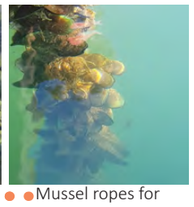

Riparian

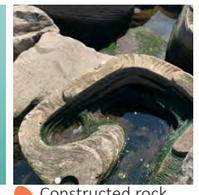

Coastal/Estuarine


Coastal Forest

Pīngao


Constructed reef

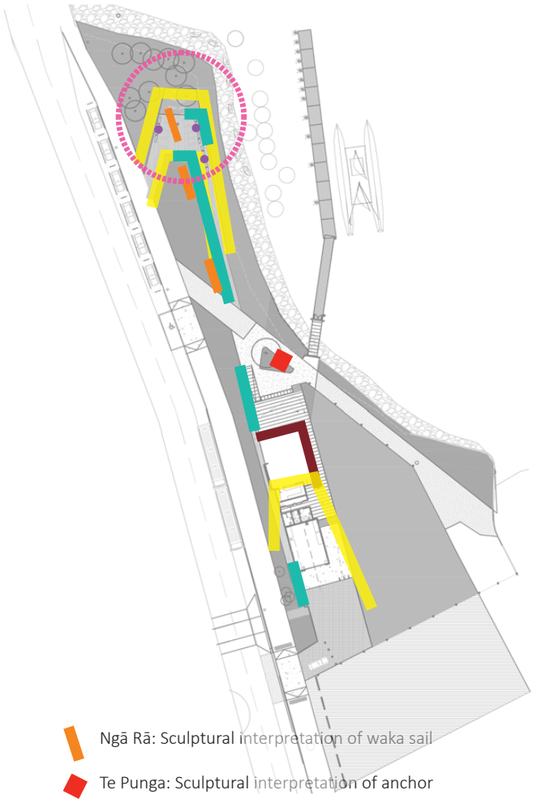

Mussel ropes for filtration


Constructed rock pool

2.11 Design Layers

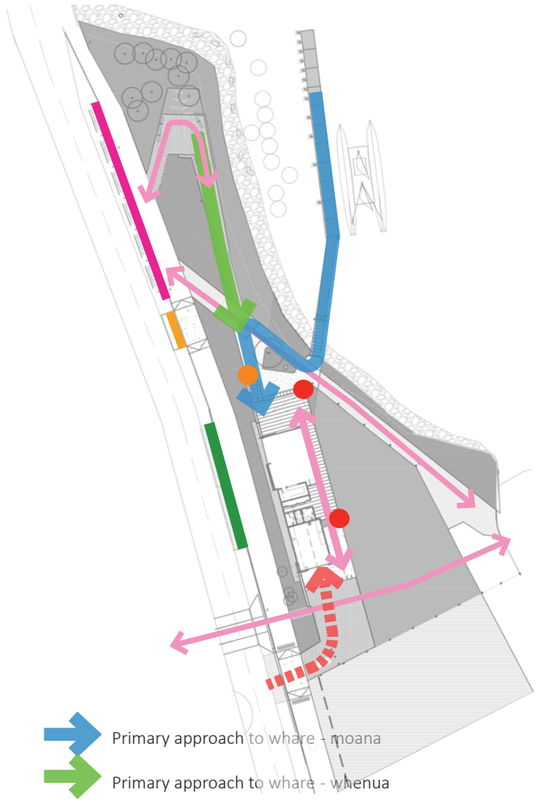
1:500 @ A3

MAHI TOI / INTERPRETATION



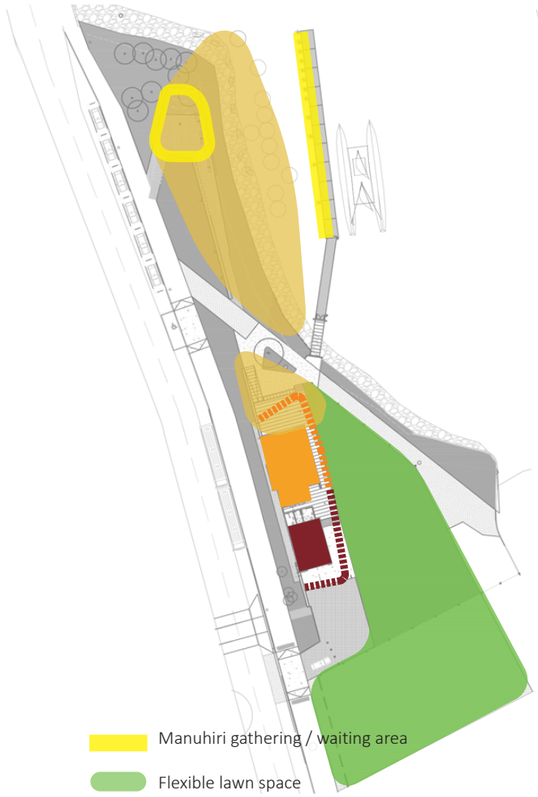
- Ngā Rā: Sculptural interpretation of waka sail
- Te Punga: Sculptural interpretation of anchor
- Seabed & sedimentation referenced in wall finish/construction
- Artworks to whare walls. Placement tbc
- Haumi joint reference
- Custom seat featuring haumi joint
- Taputapuātea: Terrace reference to marae at Ra'iātea

ACCESS / CIRCULATION



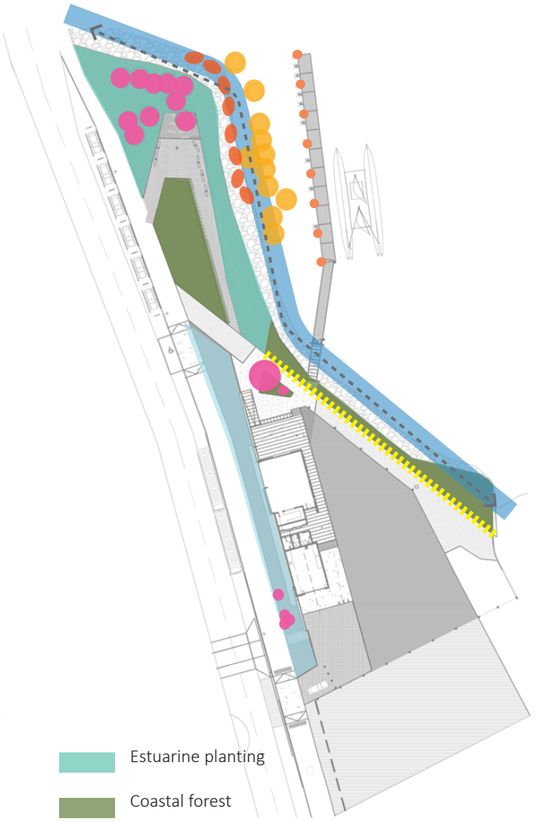
- Primary approach to whare - moana
- Primary approach to whare - whenua
- General circulation
- Ramp
- Stairs
- Controlled vehicle access
- On-street parking
- Accessible park
- Loading zone/ bus parking

KAUPAPA / PROGRAM



- Manuhiri gathering / waiting area
- Flexible lawn space
- Education and hosting
- Covered education space
- Outdoor learning / public space
- Workshop, storage, and maintenance
- Covered outdoor working

TAIAO



- Estuarine planting
- Coastal forest
- Riparian planting (stormwater garden)
- Rocky coastal edge
- Pīngao plantings for harvest
- Constructed rock pool
- Penguin habitat
- Constructed reef
- Mussel ropes
- Specimen trees

2.12 Integrated Waka Hub

Fig 2.13.1 Aerial view looking northwest towards Westshore

Fig 2.13.2 View from pontoon towards the new Whare

Fig 2.13.3 Elevated view from the eastern lawn looking north

Fig 2.13.4 View looking souh towards the rockpools

Fig 2.13.5 View from Manuhiri Papa looking south towards the new Whare

Fig 2.13.6 View from the Whare deck looking north

Fig 2.13.7 Daytime view from the pontoon landing looking towards the new Whare

Fig 2.13.8 Evening view from the pontoon landing looking towards the new Whare

Fig 2.13.9 View from the Napier Sailing Club looking west towards the new Whare

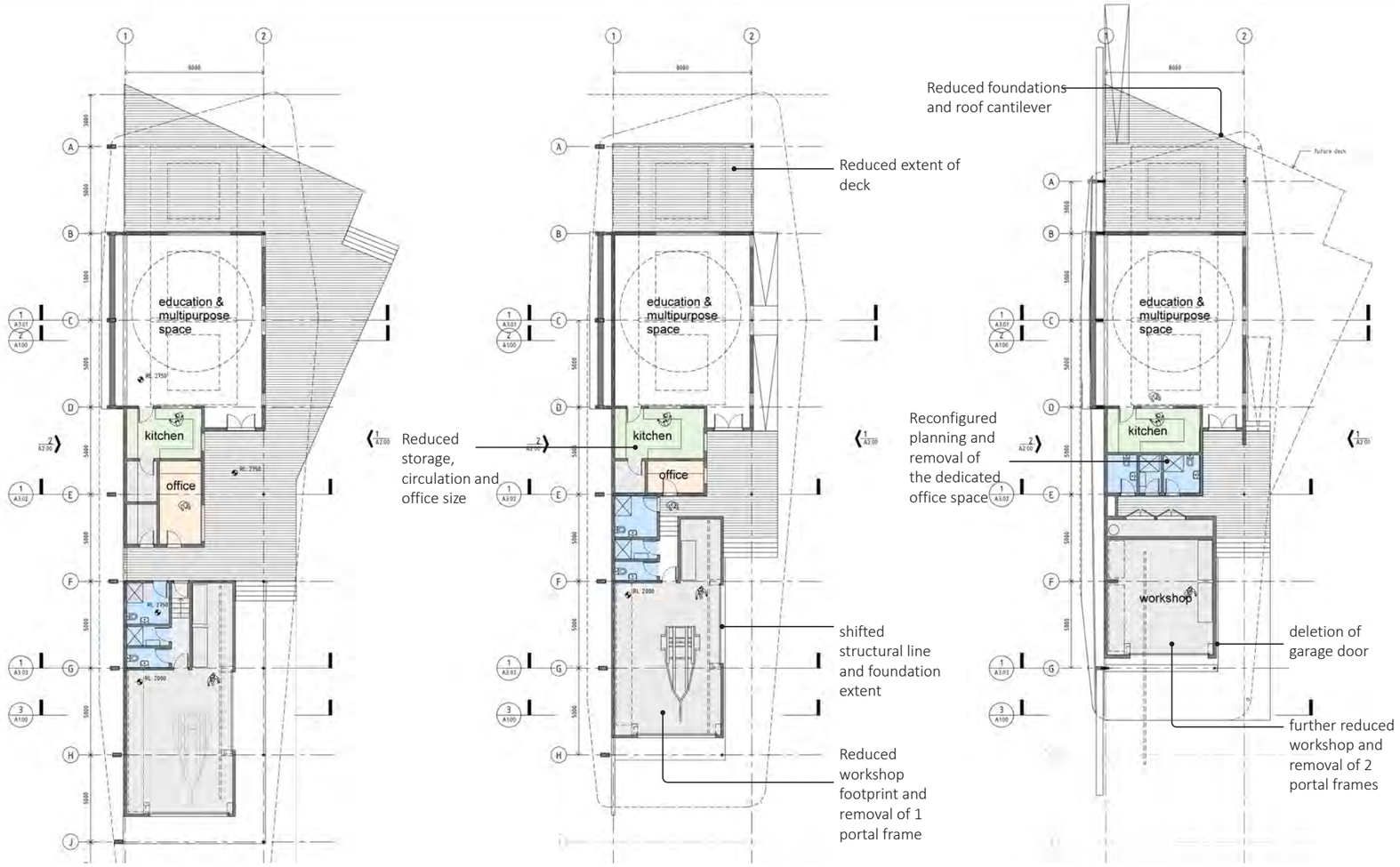
Fig 2.13.10 View from the eastern deck looking north towards the pontoon

2.13 Value Engineering
The Whare

Multiple VE reviews were undertaken to ensure that the design of the Waka Hub met the budget while retaining its core functional and cultural intent. The process focused on reducing scale, rationalising construction, and optimising space use. The resulting “core project” delivers the essential Hub functions first and foremost, with capacity for future enhancements if additional funding becomes available.

Changes to the building plan from Concept Design to Developed Design as part of cost reduction process include the following;

- Overall length and scale of building has been reduced including number of portal frames from 9 down to 6.
- Deck and covered outdoor education space to the north has been reduced.
- Covered outdoor space for workshop and washdown activities to the south has been reduced.
- Dedicated office space has been removed. Educators will now use the main education space for preparation and administration work.
- Storage space has been reduced including access through to kitchen.
- Kitchen access to exterior has been removed as part of the planning rearrangement.
- The garage door on east side has been removed.
- Workshop length has been significantly reduced. Maintenance of mast will need to happen in another location.



Concept Design Plan (from previous report)

Option 1 VE Plan

In progression towards Option 2 VE Plan

Option 2 VE Plan

QS Estimate Saving $1,040,296

Fig 2.14.1 Building scale/configurations tested during value engineering. Concept / Preliminary Design shown on the left, Option 1 (middle) and Option 2 on the right Option 2 was selected as the basis for Developed Design

While a reduction in building scale achieved the most significant $ VE savings, rationalisation of the construction system/ materiality also achieved savings.

These included:

1. Rationalisation of lateral bracing system- which led to:
    - Steel posts in place of eastern LVL columns
    - Simplification of joints/ connections along LVL portals
    - More efficient scale/ geometry of LVL portals
    - Simplification of footings to portals
2. Rationalisation of longitudinal structural grids at each end- reduction of sub floor raft.
3. Rationalisation of overhangs/ cantilevers
4. Simplification of roof structure- reduced purlins/ reduced ceiling linings
5. Simplification of internal walls- reducing linings/ connections to u.side of roof
6. Rationalisation/ reduction of areas of glazing
7. Simplified building services, with greater reliance on natural ventilation
8. Simplified spec for kitchen.
9. Simplified spec for bathrooms

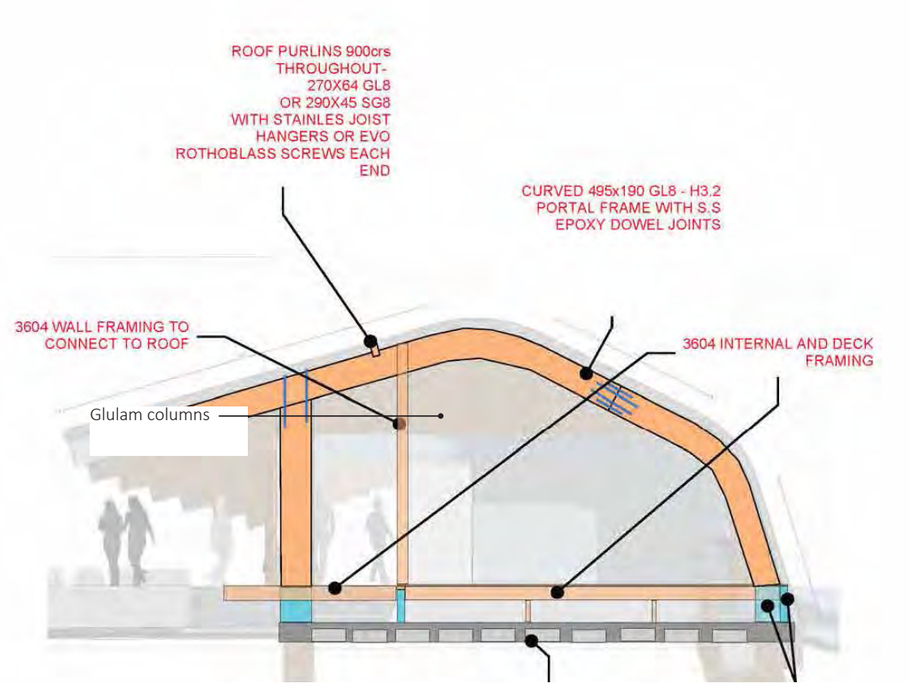


Fig 2.14.3 Concept design section showing glulam columns running along the eastern edge of the building

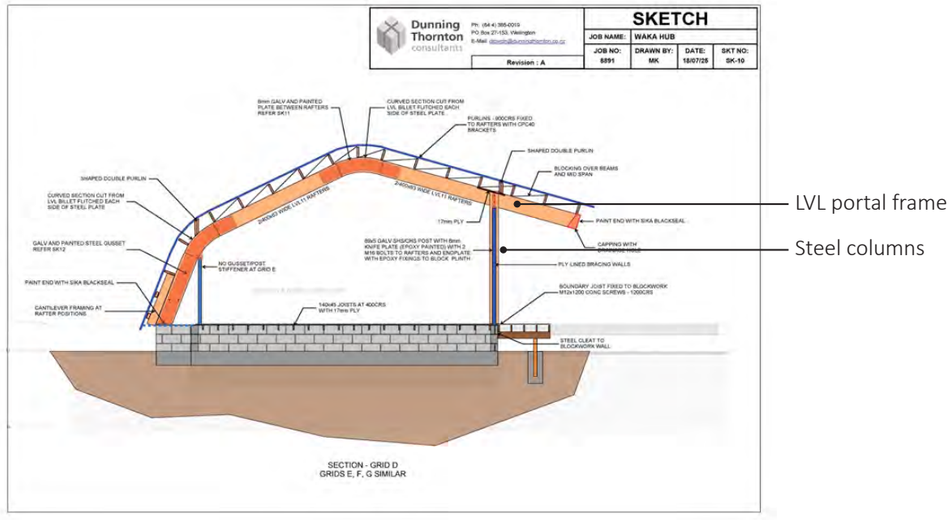


Fig 2.14.4 Developed design section with refined LVL portal frames and steel columns providing cost savings

2.14 Value Engineering- The Landscape

In addition to VE applied to the whare, the Developed Design for the Landscape also incorporated a number of VE measures.

These include:

1. Reduction in the site Waka Hub site area to be landscaped/ leased (south end)
2. Reduction in provision for car parks at the south end
3. Refinement/ reduction of the scope of works within the 'stage 1' red outline.
4. Simplification of elements/ materials throughout the site, but particularly within 'Stage 1 Area'. This includes:

- 4a • Reduction and simplification of stormwater filter garden
- 4b • Simplification of 'lawn' areas, removal of stepping stones/ pedestrian path, and incorporation of some excavated material
- 4c • Simplification of paved area extent and specification generally
- 4d • Simplification reduction of elevated deck area adjacent to building
- 4e • Simplification of access ramp and stairs
- 4f • Simplification/ reduction of paved area adjacent to building
- 4g • Rationalisation and reduction in lighting and landscape furniture
- 4h • Simplification of bollards/ barriers to southern boundary with sailing club
- 4i • Relocation and simplification of vehicle entry.
- 4j • Removal of proposed mussel ropes, revetment habitat enhancement and rock pools.

Total QS estimated savings for The Landscape $210,989.

All other items including the site infrastructure and marine based works have a total VE value of $395,715

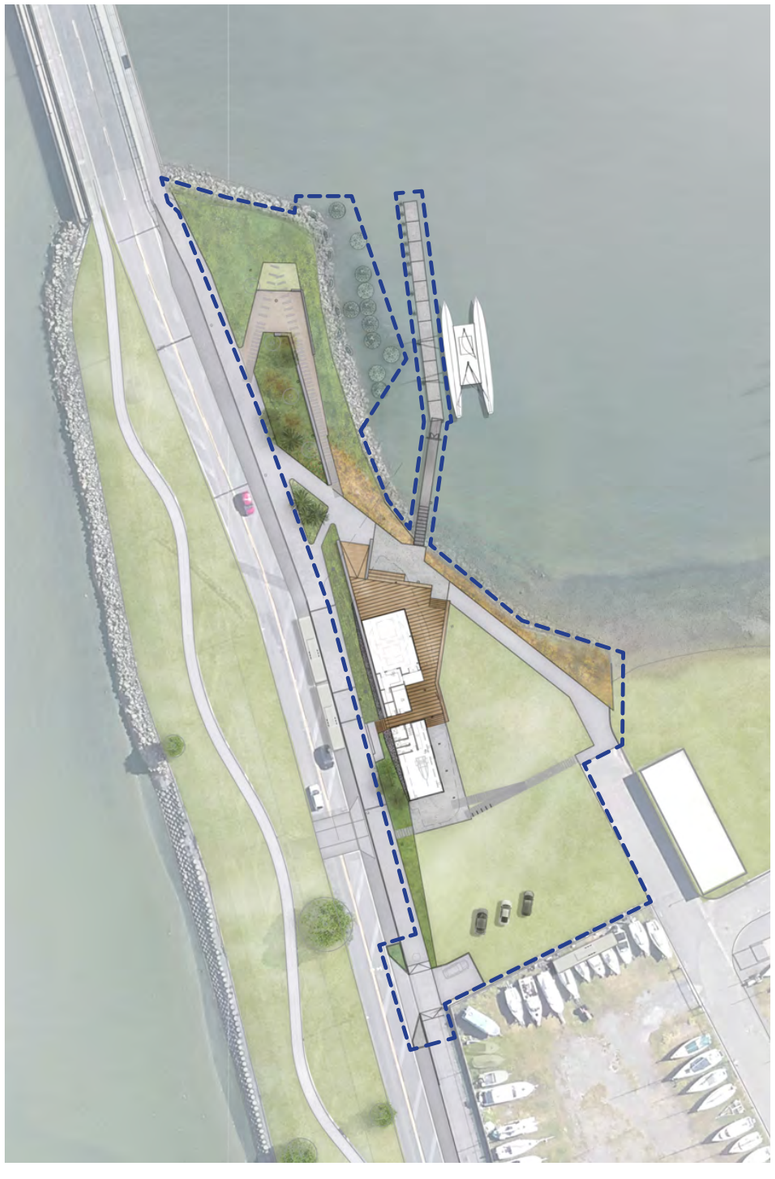


Fig 2.14.5 Ahuriri Waka Hub Concept Design Site Plan 1:1,000 (@A3)

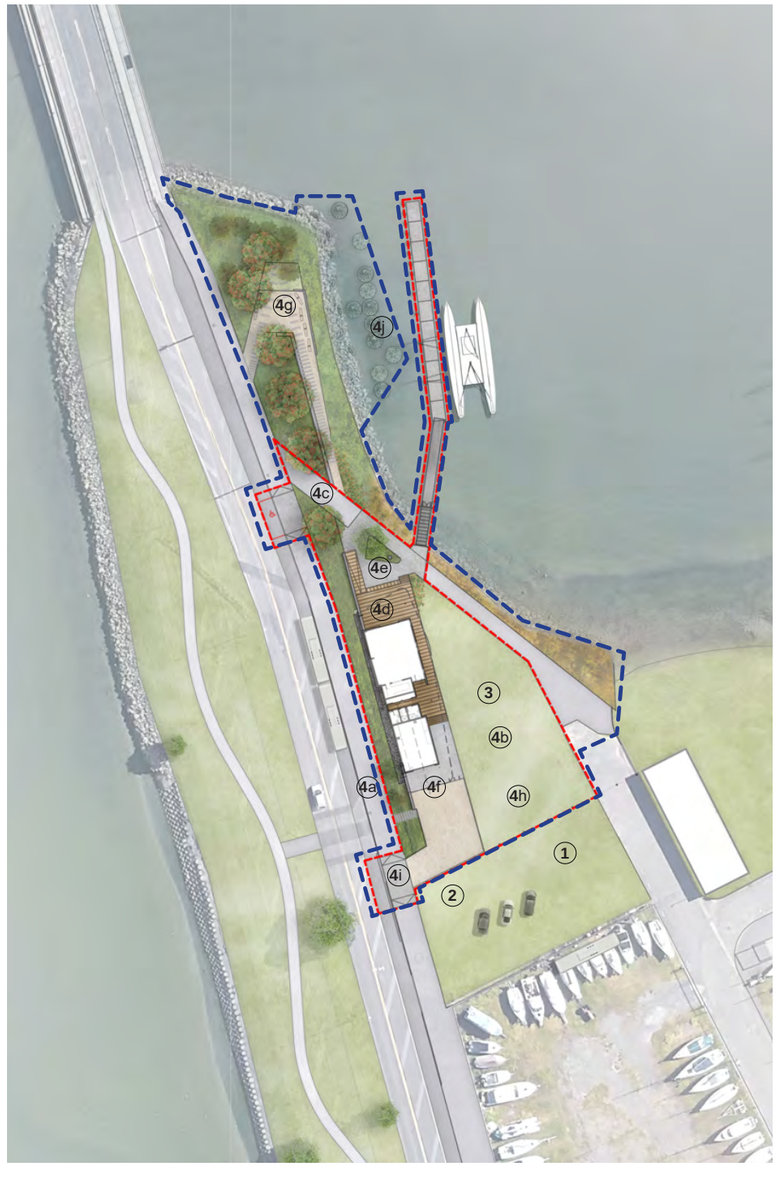


Fig 2.14.5 Ahuriri Waka Hub Developed Design Site Plan 1:1,000 (@A3)

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Toitu te Land whenua Information New Zealand

Title Plan - LT 624357

Survey Number	LT 624357
Surveyor Reference	250460 - West Quay
Surveyor	Alan Martin-Smith
Survey Firm	Cheal Consultants Limited
Surveyor Declaration	

Survey Details

Dataset Description	LOTS 1 - 4 BEING A SUBDIVISION OF LOT 1 DP 16242 AND SECTION 1 SO 326993		
Status	Initiated		
Land District	Hawkes Bay	**Survey Class**	Class A
Submitted Date		**Survey Approval Date**	
		Deposit Date	

Territorial Authorities

Napier City

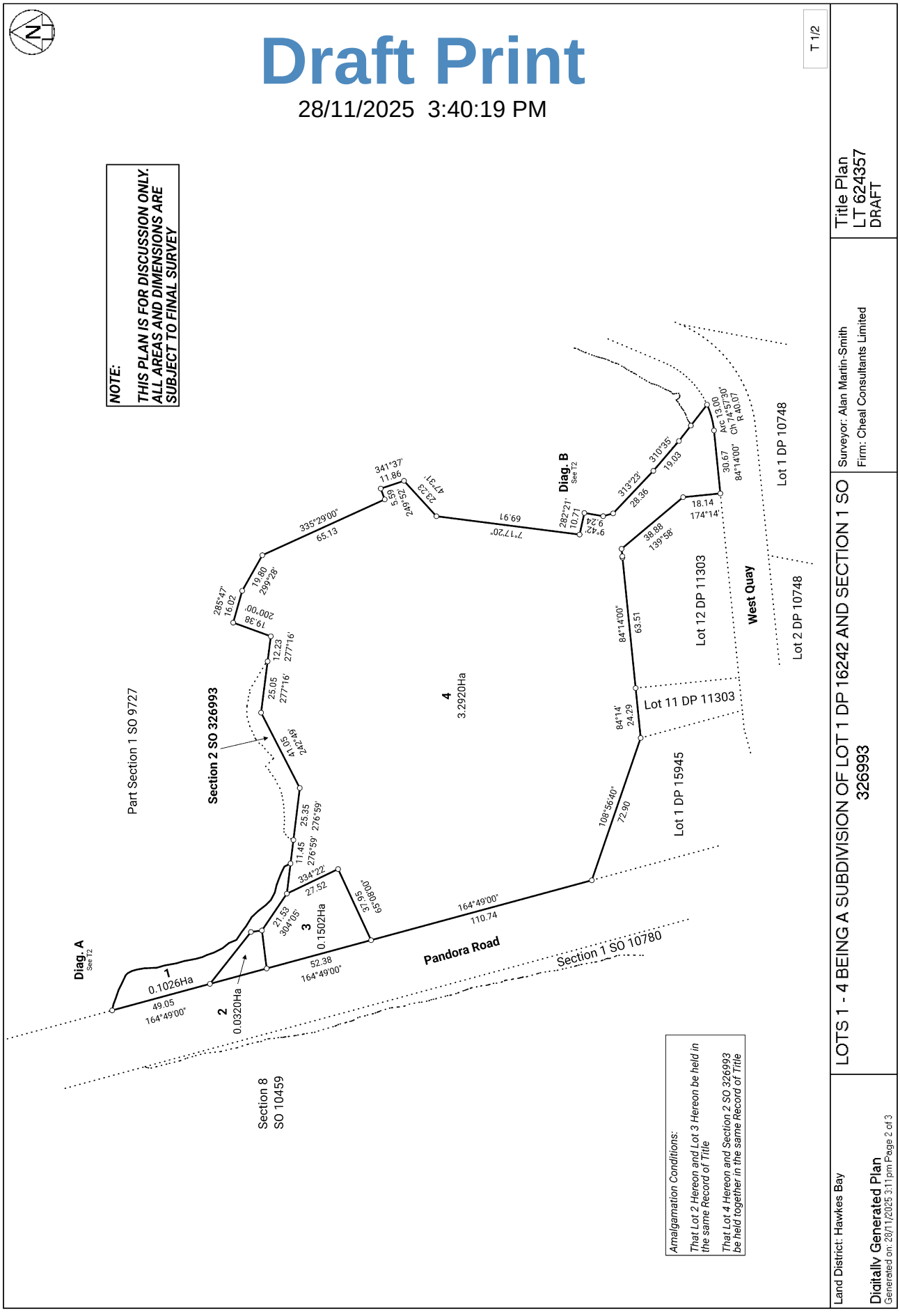
Comprised In

RT 162376

RT 164274

Created Parcels

Parcels	Parcel Intent	Area	RT Reference
Lot 1 Deposited Plan 624357	Fee Simple Title	0.1026 Ha	1267175
Lot 2 Deposited Plan 624357	Fee Simple Title	0.0320 Ha	1267176
Lot 3 Deposited Plan 624357	Fee Simple Title	0.1502 Ha	1267176
Lot 4 Deposited Plan 624357	Fee Simple Title	3.2920 Ha	1267177
Total Area		3.5768 Ha	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28/11/2025 3:40:19 PM
NOTE:
THIS PLAN IS FOR DISCUSSION ONLY.
ALL AREAS AND DIMENSIONS ARE
SUBJECT TO FINAL SURVEY
T 1/2
Title Plan
LT 624357
DRAFT
Surveyor: Alan Martin-Smith
Firm: Cheal Consultants Limited
LOTS 1 - 4 BEING A SUBDIVISION OF LOT 1 DP 16242 AND SECTION 1 SO 326993
Land District: Hawkes Bay
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Generated on: 28/11/2025 3:11 pm Page 2 of 3
Diag. A
See T2
Diag. B
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1
0.1026Ha
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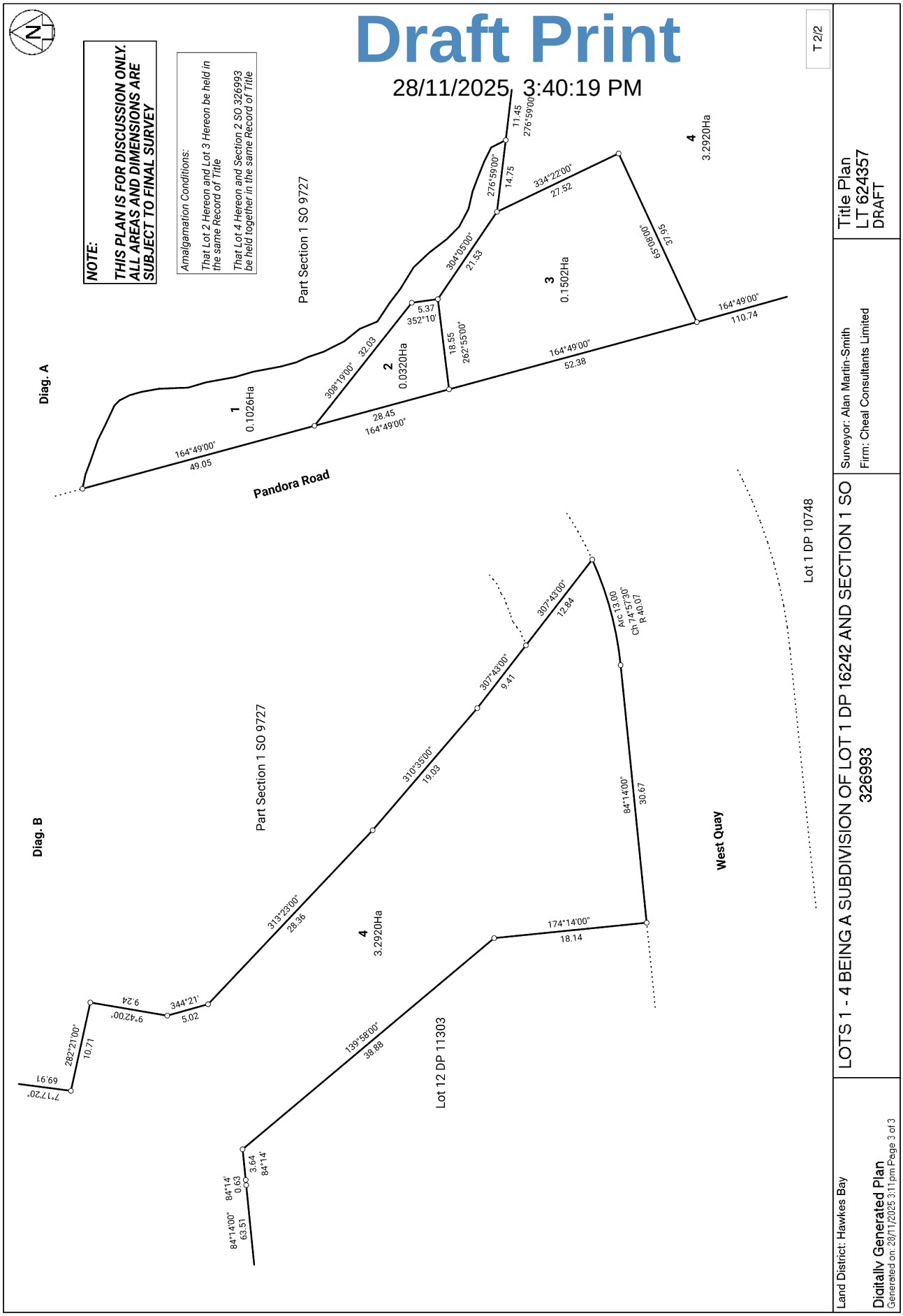
Part Section 1 SO 9727
Section 2 SO 326993
Section 8
SO 10459
Section 1 SO 10780
Pandora Road
West Quay
Lot 1 DP 10748
Lot 2 DP 10748
Lot 12 DP 11303
Lot 11 DP 11303
Lot 1 DP 15945
Amalgamation Conditions:
That Lot 2 Hereon and Lot 3 Hereon be held in the same Record of Title
That Lot 4 Hereon and Section 2 SO 326993 be held together in the same Record of Title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NOTE:
THIS PLAN IS FOR DISCUSSION ONLY.
ALL AREAS AND DIMENSIONS ARE
SUBJECT TO FINAL SURVEY
Amalgamation Conditions:
That Lot 2 Hereon and Lot 3 Hereon be held in the same Record of Title
That Lot 4 Hereon and Section 2 SO 326993 be held together in the same Record of Title
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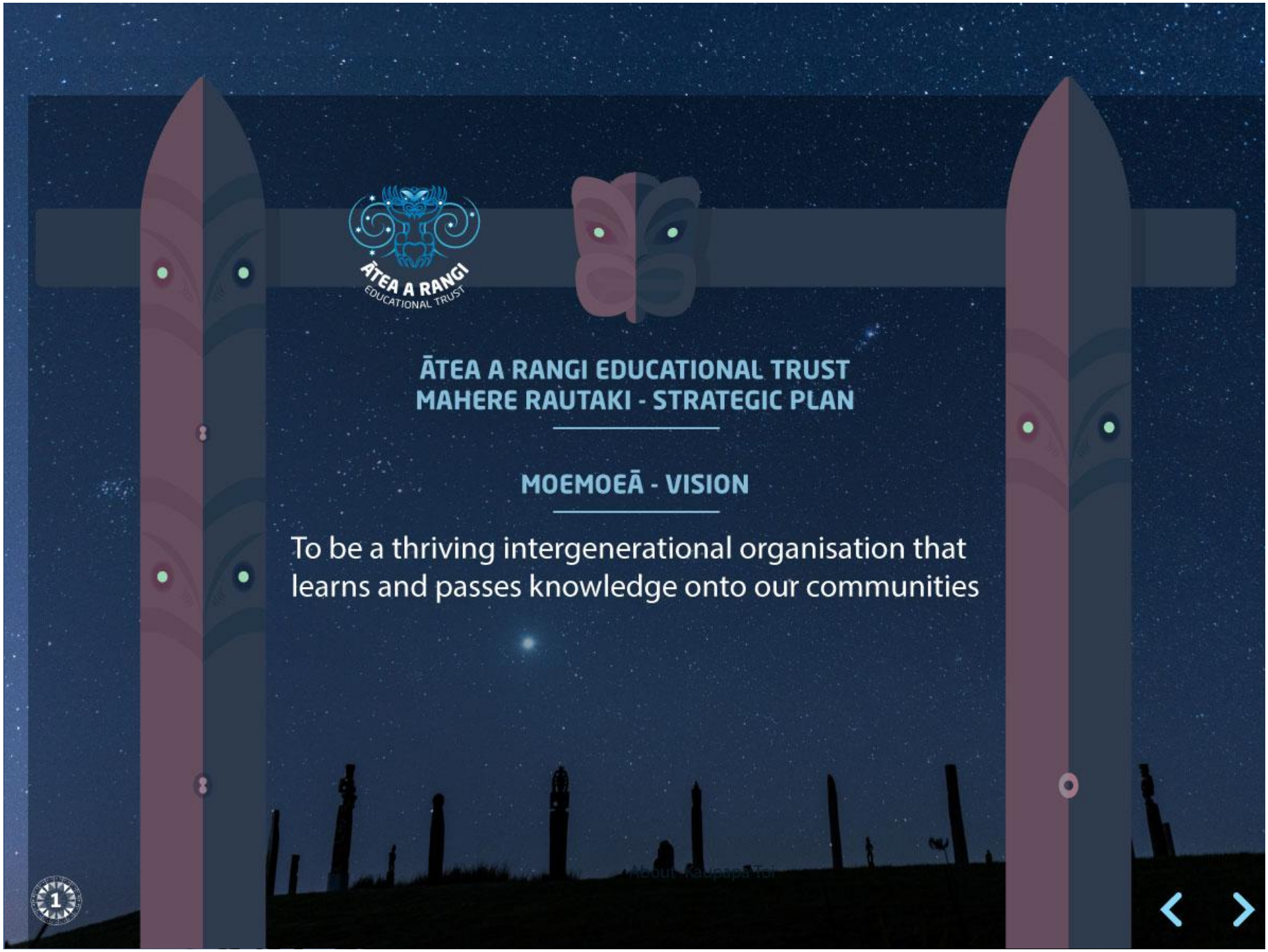
Generated on: 28/11/2025 3:11 pm Page 3 of 3

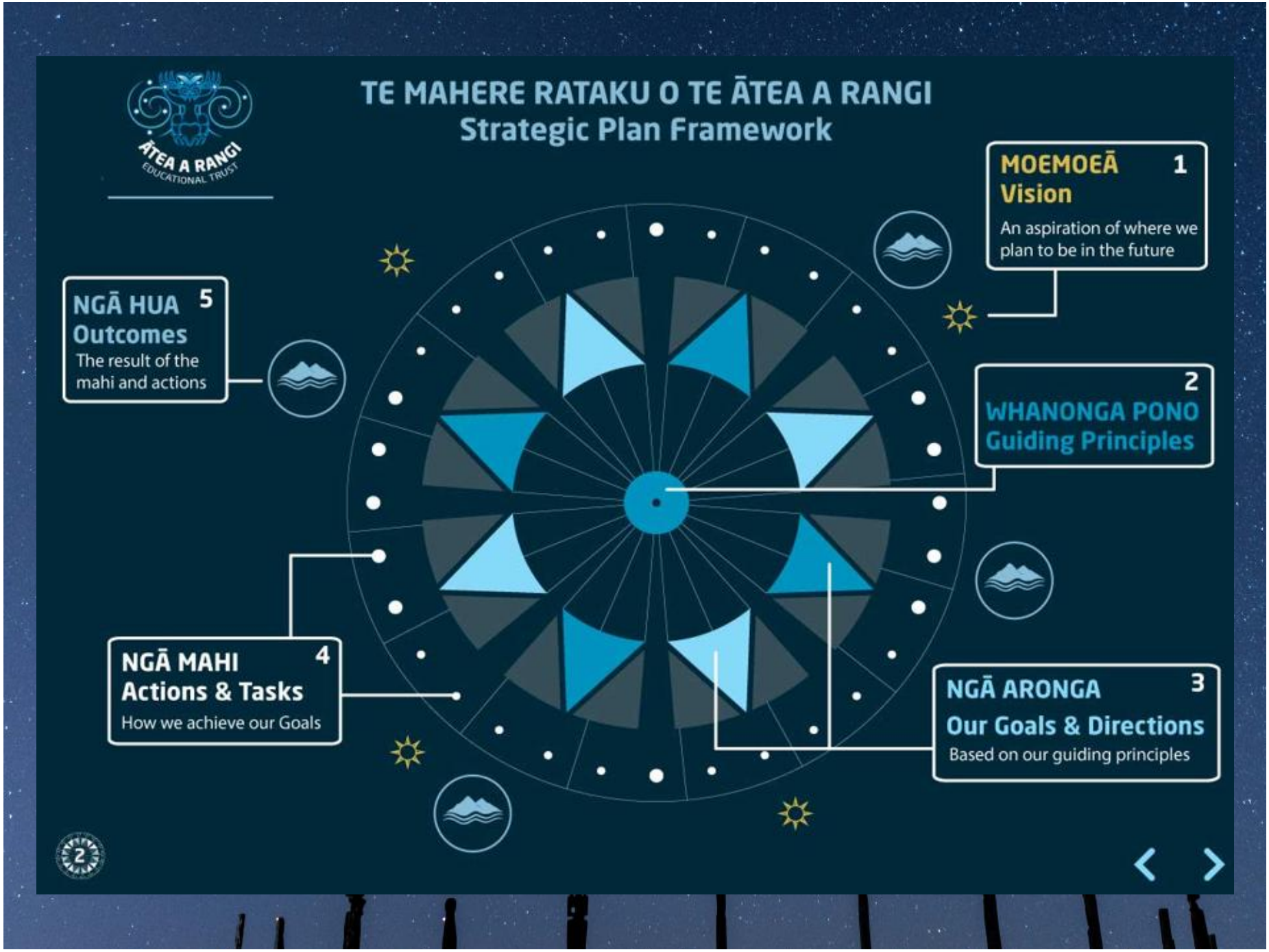
AHURIRI INNER HARBOUR HUB

Maritime, Environmental, and Community Facility

Strategic Assessment of Economic Benefits and Community Impact

Prepared for the Ātea a Rangi Educational Trust by cultural infrastructure planners, Stitchbird Studio, and strategic economic and public policy advisors, MartinJenkins.


ĀTEA A RANGI
EDUCATIONAL TRUST
ĀTEA A RANGI EDUCATIONAL TRUST
MAHERE RAUTAKI - STRATEGIC PLAN
MOEMOEĀ - VISION
To be a thriving intergenerational organisation that learns and passes knowledge onto our communities
1


ĀTEA A RANGI
EDUCATIONAL TRUST
TE MAHERE RATAKU O TE ĀTEA A RANGI
Strategic Plan Framework
MOEMOEĀ 1
Vision
An aspiration of where we plan to be in the future
2
WHANONGA PONO
Guiding Principles
NGĀ ARONGA 3
Our Goals & Directions
Based on our guiding principles
NGĀ MAHI 4
Actions & Tasks
How we achieve our Goals
NGĀ HUA 5
Outcomes
The result of the mahi and actions

ĀTEA A RANGI
EDUCATIONAL TRUST

WHANONGA PONO
Guiding Principles

TE TOKA A MAU
Central stone in the Ātea a Rangi

Te toka a Mau is an acknowledgement of the great waka navigator and teacher Mau Piailug.
It was the foundational stone used to create the Ātea

Kaitiakitanga
-Sustainability and marine conservation
-Reconnecting people to the environment
-Renewing our commitment to healthy eco system for future generations

Māoritanga
-Manaakitanga -Whanaungatanga
-Tikanga waka
-Te Reo Māori
-What is best for the kaupapa and collective, not what is best for me

Mātauranga
-Ki uta - Whenua / Taiao
-Ki tai - Moana, Whakaterewaka
-Exchange of knowledge
-Develop & nurture our tamariki
-Being one of the main organisations for delivering programmes in our communities

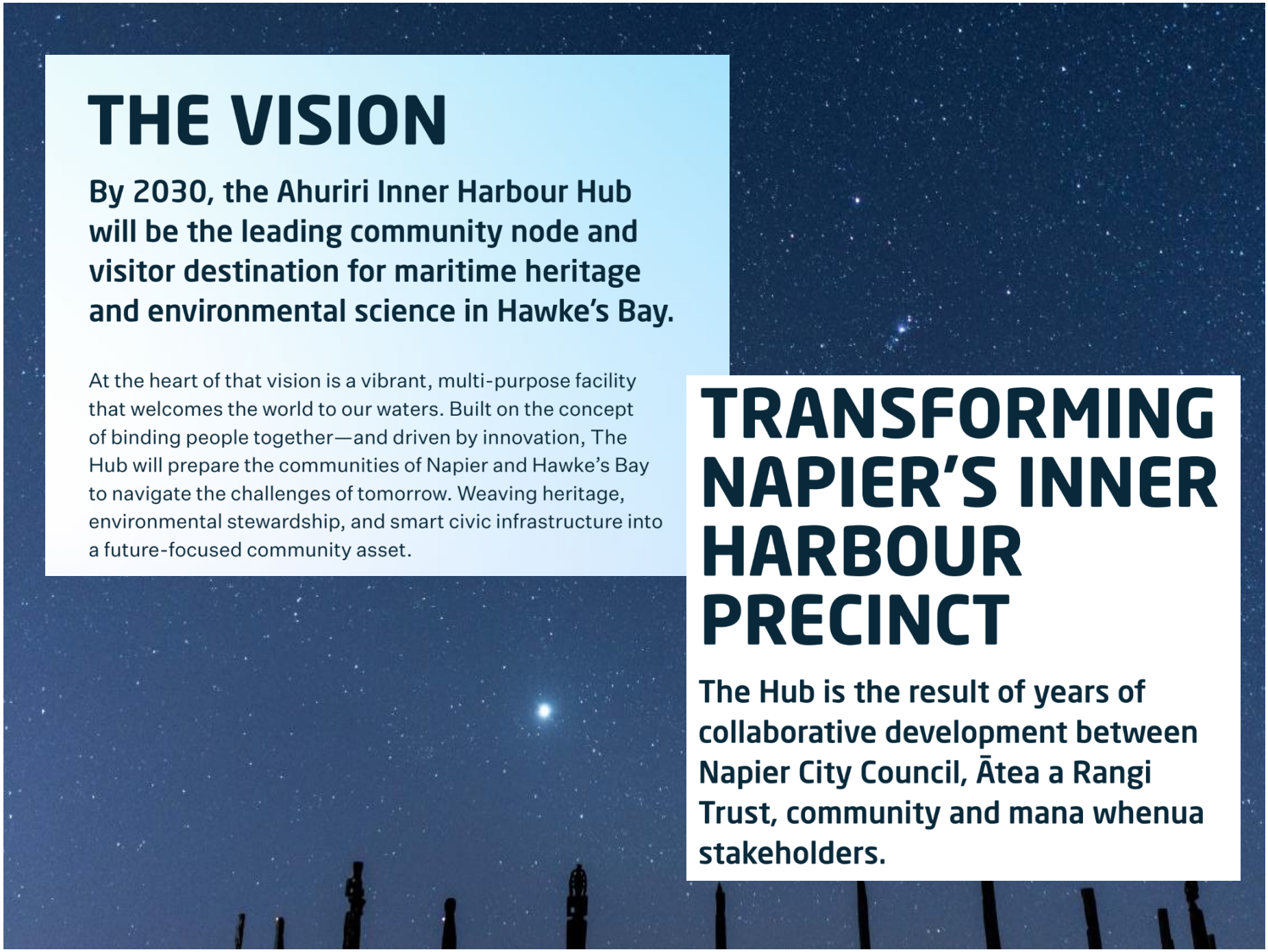
Whakamana tangata
-Following waka leadership
-Training & upskilling
-Encourage and enhance people through learning
-Building stronger community relationships
-Strong relationships with councils and sponsors

Haumarutanga
-Safety of people & waka
-Water Safety
-Safe operating procedures
-Maintain strong links to other waka throughout Aotearoa and the Pacific

2


Hōhepa
every life fully lived


AHURIRI INNER HARBOUR HUB
Maritime, Environmental, and Community Facility



THE VISION

By 2030, the Ahuriri Inner Harbour Hub will be the leading community node and visitor destination for maritime heritage and environmental science in Hawke's Bay.

At the heart of that vision is a vibrant, multi-purpose facility that welcomes the world to our waters. Built on the concept of binding people together—and driven by innovation, The Hub will prepare the communities of Napier and Hawke's Bay to navigate the challenges of tomorrow. Weaving heritage, environmental stewardship, and smart civic infrastructure into a future-focused community asset.

TRANSFORMING NAPIER'S INNER HARBOUR PRECINCT

The Hub is the result of years of collaborative development between Napier City Council, Ātea a Rangi Trust, community and mana whenua stakeholders.

The facility will beautify and activate a disused, disconnected parcel of land near the Napier Sailing Club, reclaiming it for the community. Establishing The Hub here delivers powerful spatial and economic benefits:

- **Creating Connection:** Establishing seamless walking and cycling links between existing coastal and estuary pathways.
- **An Anchor Attractor:** Creating a vibrant public destination that celebrates Napier's unique marine environment.
- **Economic Foot Traffic:** Funnelling high-value visitor and community foot traffic directly into local Ahuriri and Napier businesses, retail spaces, and cafes.
- **Ecological Integration:** Serving as the physical and educational bridge connecting the urban Inner Harbour, coastal foreshore, and Ahuriri wetlands.
- **An Attractive Entrance:** Dramatically beautifying the northern gateway and approach to Ahuriri from Westshore.

TOP: Hawke's Bay Regional Council, SCP Stock (Simon Cartwright), Napier City Council. BOTTOM & RIGHT PAGE: Napier City Council. Architectural design renders used as a base file to generate AI (Gemini) images to illustrate public use.
NEXT PAGE: Architectural render of the Ahuriri Inner Harbour Hub site used as a base file to generate an AI / Gemini images to illustrate public use (Sail and Kai festival).

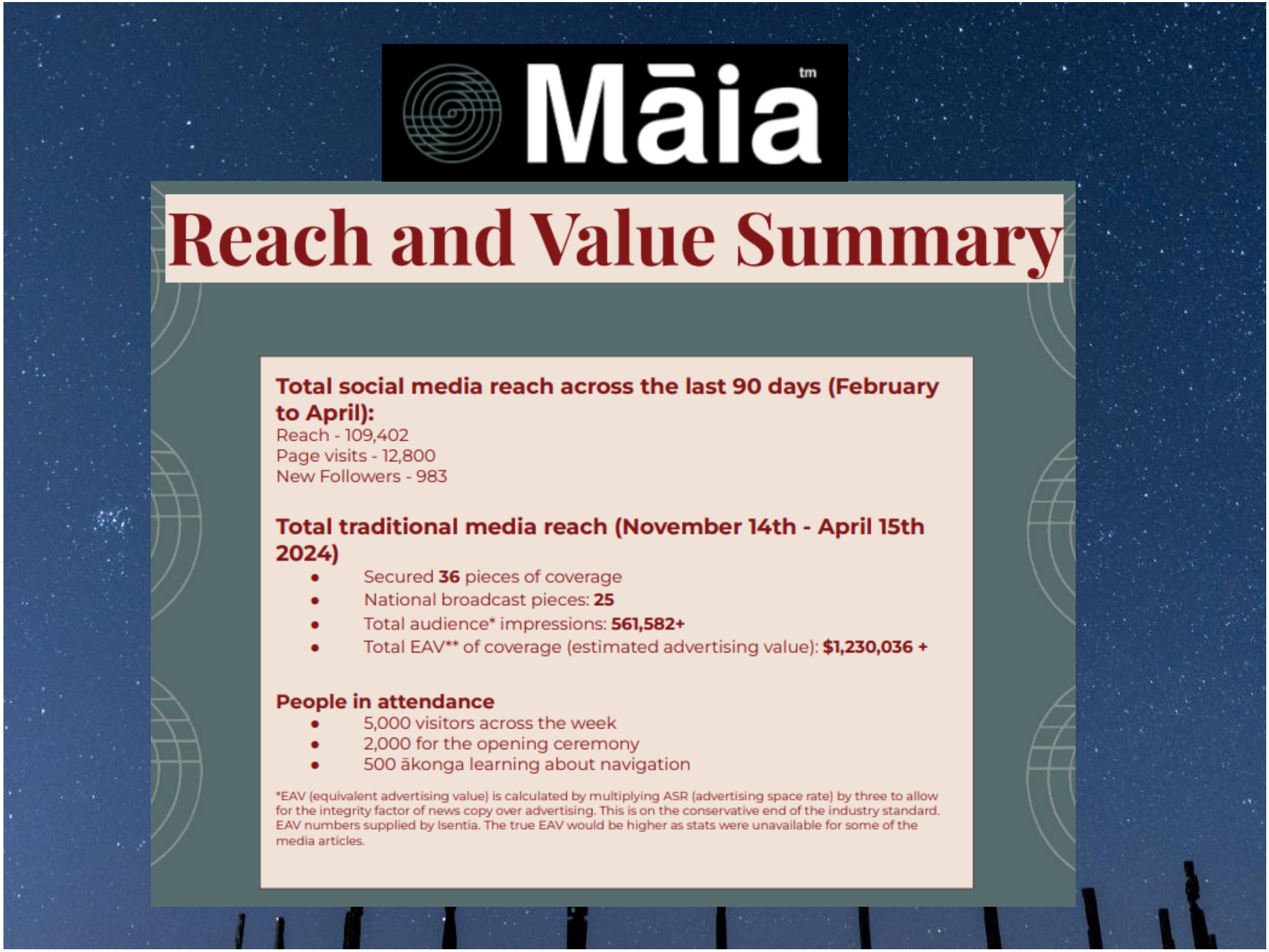
TARGET USERS

The Hub's multi-user design ensures it serves a vast, diverse cross-section of demographics:

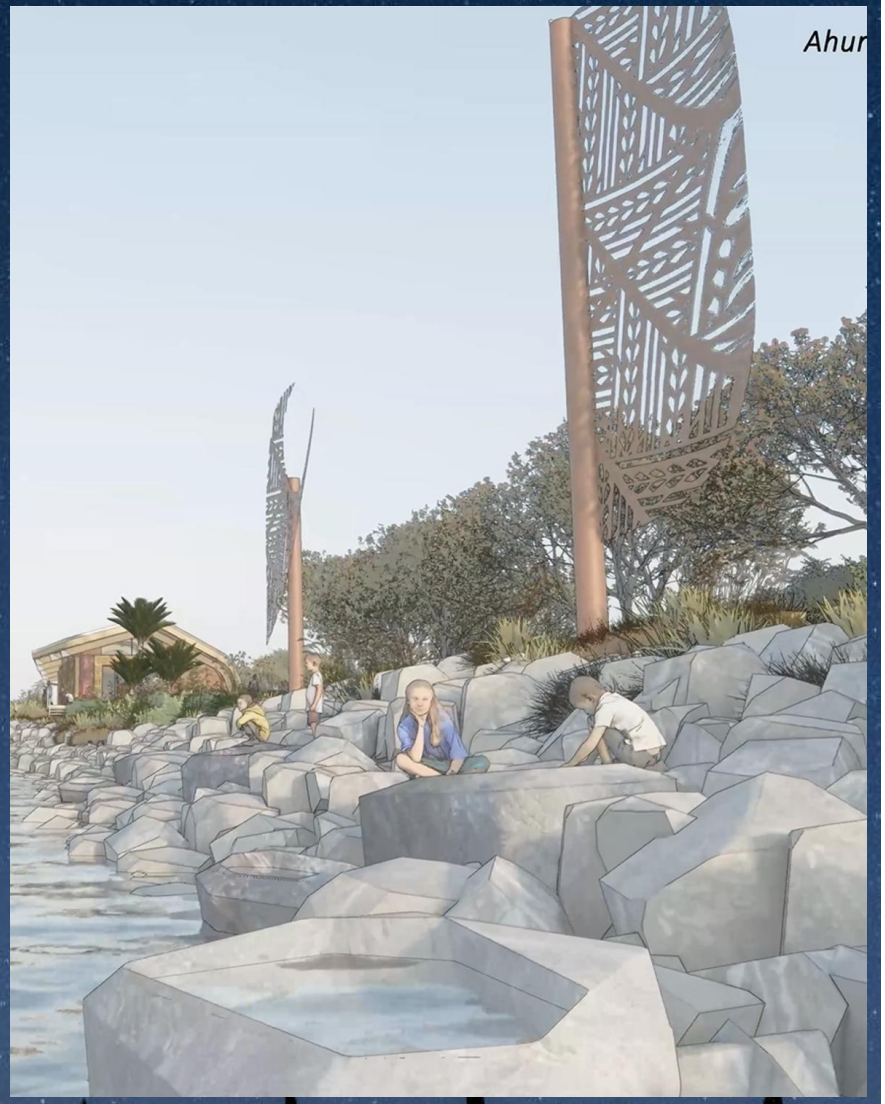
- **The Napier Community:** Residents gain enhanced shoreline access, leisure amenities, and safe, interactive marine rock pools.
- **The Young People of Hawke's Bay:** Students gain access to a curriculum unavailable anywhere else. By weaving marine heritage with environmental science, the Hub creates a new generation of environmentally literate kaitiaki (guardians).
- **Regional Visitors:** Catering to both cruise passengers and Free Independent Travellers, The Hub aligns with global tourism trends favouring authentic, local, and environmentally conscious experiences, increasing visitor dwell time and spend in Ahuriri and Napier.
- **Marine Recreation Users:** Serving as a collaborative waterfront node, the Hub brings together key local organisations—including the Napier Sailing Club, Coastguard, Dragon Boat, and Waka Ama clubs. Shared infrastructure provides a dedicated, fit-for-purpose facility to deliver critical water safety training, maritime skills development, and accessible on-water educational programmes.
- **Corporate, Council & Iwi:** The Hub provides a high-quality, premium space for hire, catering to corporate and community groups.
- **Environmental & Research Partners:** Operating as a "living lab," the Hub supports critical environmental training, marine science, monitoring and research. It provides an operational base for partners—including the University of Otago's Marine Monitoring Programme, Napier Port's Marine Cultural Health Programme.
- **Pasifika Communities:** The Hub will serve as a premium space to host Pasifika groups, businesses and international delegations.
- **The Waka Community:** The Hub establishes Napier as a world-class destination for national and international waka crews. It offers a globally unique proposition: a single location where visiting sailing waka can be safely berthed and hosted, seamlessly integrated with the Ātea a Rangi Star Compass and the unparalleled expertise of three resident navigators.
- **Access for all:** Built on the principles of inclusive design, the Hub ensures individuals of all abilities have equal opportunity to engage with the waterfront, the waka, and educational programmes.

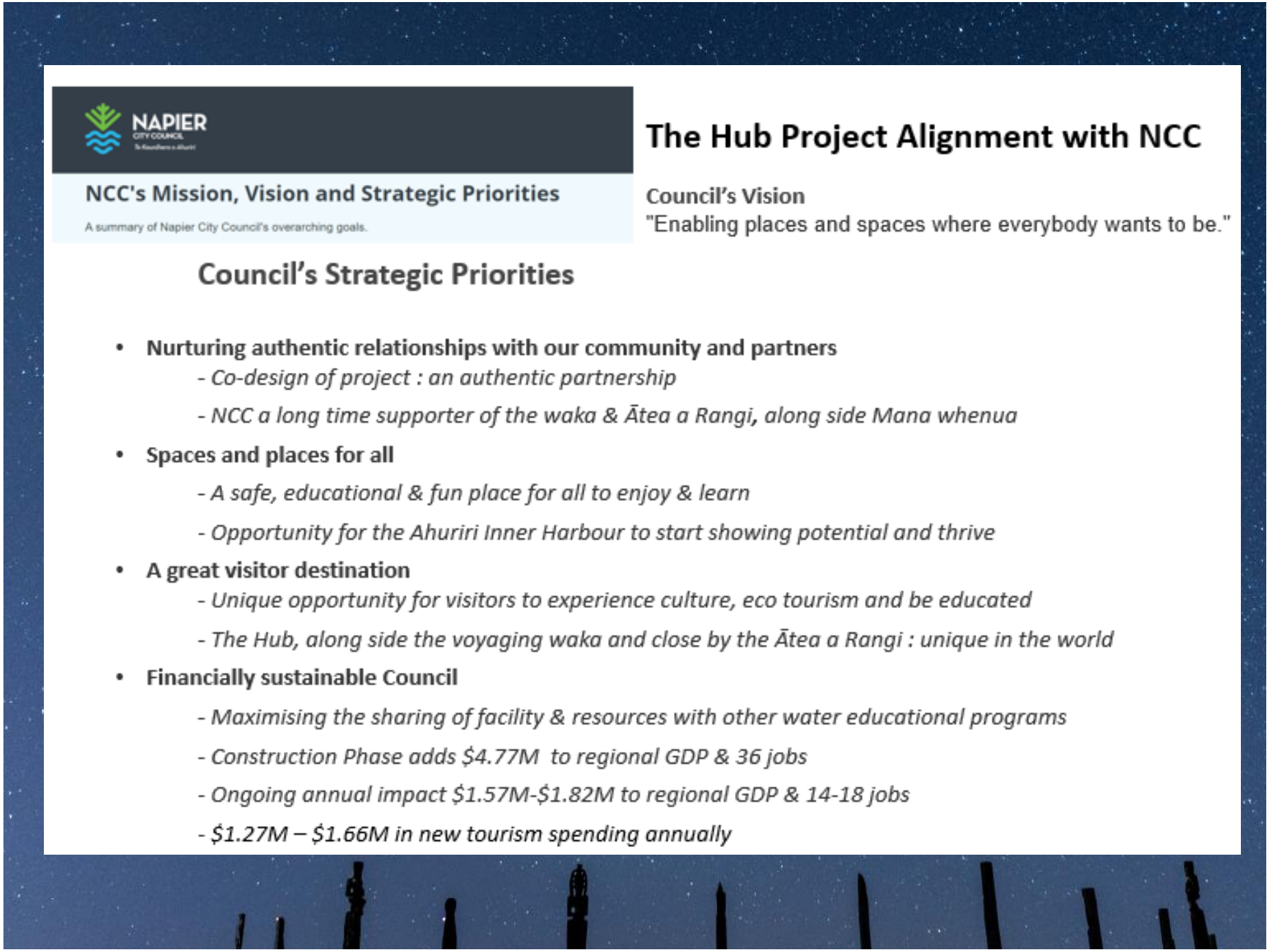
A "Living Lab" for Education

Signature Events & Cultural Tourism


Māia tm
Reach and Value Summary
Total social media reach across the last 90 days (February to April):
Reach - 109,402
Page visits - 12,800
New Followers - 983
Total traditional media reach (November 14th - April 15th 2024)
Secured 36 pieces of coverage
National broadcast pieces: 25
Total audience* impressions: 561,582+
Total EAV** of coverage (estimated advertising value): $1,230,036 +
People in attendance
5,000 visitors across the week
2,000 for the opening ceremony
500 ākonga learning about navigation
*EAV (equivalent advertising value) is calculated by multiplying ASR (advertising space rate) by three to allow for the integrity factor of news copy over advertising. This is on the conservative end of the industry standard. EAV numbers supplied by Isentia. The true EAV would be higher as stats were unavailable for some of the media articles.

Environmental Action




NAPIER
CITY COUNCIL
NCC's Mission, Vision and Strategic Priorities
A summary of Napier City Council's overarching goals.
The Hub Project Alignment with NCC
Council's Vision
"Enabling places and spaces where everybody wants to be."
Council's Strategic Priorities
• Nurturing authentic relationships with our community and partners
- Co-design of project : an authentic partnership
- NCC a long time supporter of the waka & Ātea a Rangi, along side Mana whenua
• Spaces and places for all
- A safe, educational & fun place for all to enjoy & learn
- Opportunity for the Ahuriri Inner Harbour to start showing potential and thrive
• A great visitor destination
- Unique opportunity for visitors to experience culture, eco tourism and be educated
- The Hub, along side the voyaging waka and close by the Ātea a Rangi : unique in the world
• Financially sustainable Council
- Maximising the sharing of facility & resources with other water educational programs
- Construction Phase adds $4.77M to regional GDP & 36 jobs
- Ongoing annual impact $1.57M-$1.82M to regional GDP & 14-18 jobs
- $1.27M – $1.66M in new tourism spending annually

ENDURING BENEFITS

The Ahuriri Inner Harbour Hub will deliver a range of ongoing returns to the people of Napier.

Table 1: Regional economic impacts – Capital expenditure

Hawke's Bay	Direct	Indirect + Induced	Total
Output ($000s)	5,565	5,318	10,883
GDP ($000s)	2,180	2,589	4,769
Employment (FTEs)	17	19	36

Source: MartinJenkins

Table 2: Regional economic impacts – annual operational expenditure and new visitor activity

Hawke's Bay	Direct (conservative assumptions)	Direct (confident assumptions)	Indirect + Induced (conservative)	Indirect + Induced (confident)	Total (conservative)	Total (confident)
Output ($000s)	1,570	1,952	1,148	1,435	2,718	3,387
GDP ($000s)	845	1,051	612	764	1,457	1,815
Employment (FTEs)	10	13	4	5	14	18

Economic Highlights

1. Construction Phase (One-off impact)

- **$5.66 million** spent locally during build
- Creates **36 total jobs** (direct + indirect)
- Adds **$4.77 million to regional GDP**

2. Ongoing Annual Impact (Every year after opening)

- **$1.57M – $1.95M** new spending each year
- Supports **14–18 jobs annually**
- Adds **$1.46M – $1.82M to GDP each year**

Economic Highlights

3. Tourism Growth (New visitors)

- **~3,000–3,900 new visitors per year**
- Brings in **$1.27M – $1.66M in new tourism spending annually**

4. Local Visitor Spending (Often overlooked)

- Around **6,300 visitors from outside Napier (within Hawke's Bay)**
- Generates about **$1.61M extra spending in Napier each year**

Economic Highlights

5. Strengthens tourism in Hawke's Bay

The Hub becomes a **unique cultural destination**, helping:

- Attract international and domestic visitors
- Extend how long people stay
- Increase overall regional tourism value

6. Boosts Napier Economy

Even people from Hastings, Wairoa, etc. travelling in:

- Spend money in Napier
- Support city businesses


Pātai
Q & A
AHURIRI INNER HARBOUR HUB
Maritime, Environmental, and Community Facility

Economic Impact Assessment:
The Ahuriri Inner Harbour Hub

Purpose of this assessment

This economic impact assessment provides estimates of the economic effects of the Ahuriri Inner Harbour Hub (the Waka Hub) project in the Hawke's Bay region.

Approach

This analysis employs an Economic Impact Assessment (EIA) methodology to estimate the direct, indirect, and induced effects resulting from the construction and operation of the project. Economic impacts are evaluated in terms of contributions to value added (Gross Domestic Product) and changes in employment, reflecting shifts in economic activity driven by the Hub.

Methodology

Economic impact analysis derives the jobs and GDP in a study area from expenditure associated with an initial activity or event. In this case, the analysis considers increased spending associated with the construction of the Hub, its annual operations, and additional tourism expenditure generated by new visitors attracted by the Hub.

Our approach relies on Input-Output (I-O) Multiplier Analysis,[1] a well-established and internationally recognised methodology, frequently adopted in New Zealand for assessing the regional effects of organisations, industries, and specific events.

Key measures considered include:

- Output: the impact on gross sector expenditure.
- Employment: the jobs generated by that expenditure. Jobs are expressed as full-time equivalents (FTEs).
- Value Added (GDP): The additional value that is captured within the region. Value Added is generally the sum of salaries and wages, and profits.[2]

For this assessment, we utilised I-O tables supplied by Butcher Partners Ltd,[3] a trusted provider of regional input-output data commonly used in New Zealand's economic impact evaluations.

The method involves identifying new or lost expenditure within the study area and applying an I-O multiplier model to estimate resulting changes in employment and value added (GDP).

[1] I-O multipliers are produced by Statistics NZ and demonstrate the relationships between industries, the goods and services they produce, and who uses them.

[2] Also includes depreciation and indirect taxes.

[3] The EIA is based on 2019/20 regional multipliers.

This process enables us to quantify three categories of economic effects:

- **Direct impacts:** reflecting spending during the construction of the project, spending on its ongoing operations (for labour, goods and services) and additional spending created by increased visitation drawn to the Hub.
- **Indirect impacts:** Flow-on effects to suppliers who provide goods and services to those directly affected, as well as further impacts along the supply chain.
- **Induced impacts:** Broader consumption effects resulting from changes in income for employees and business owners throughout the affected supply chains.

Scope and assumptions

In developing the estimates, our key assumptions are:

- **Geographic scope:** The analysis is limited to the Hawke's Bay region.
- **Regional I-O Multiplier Analysis:** This is a static model that assumes fixed relationships and constant Q4 2025 prices. The multipliers used reflected the economy in 2019/20 and are not able to account for structural changes since then.
- **Scope of economic benefits:** We estimated the economic benefits generated by the total construction costs. Separately we estimated the benefits of operational costs and visitor expenditure for an average year.
- **Regional tourism expenditure data:** Tourism expenditure is based on Infometrics regional tourism expenditure data for the year ended March 2025. Expenditure is grouped into the following eight categories:
    - Accommodation services
    - Cultural, recreation, and gambling services
    - Food and beverage serving services
    - Retail sales – alcohol, food, and beverages
    - Retail sales – fuel and other automotive products
    - Retail sales – other
    - Other passenger transport
    - Other tourism products.

- **Total visitor numbers:** Spend per visitor was calculated by dividing total category expenditure by estimated annual visitor numbers for Hawke's Bay. We used the unique count of international and domestic visitors for the year ended March 2025[4]:
    - Domestic visitors: 2.42 million people
    - International visitors: 400,000 people

[4] Tourism Volumes and Flows | Tourism Evidence and Insights Centre

- **Visitor Spend:** Average visitor expenditure in Hawke's Bay region is estimated at $255 per domestic visitor and $503 per international visitor, across the eight categories.
- **Price year and inflation adjustment:** Base tourism expenditure data relates to the year ended March 2025. All expenditure values were inflated to Q4 2025 dollars.
- **Mapping to input-output industries:** Some tourism expenditure categories do not align directly with the 109 input–output sectors. Expenditure was therefore redistributed across relevant I-O industries using Tourism Satellite Account tables that map tourism products to industries.
- **Hub visitor estimates:** The Trust provided estimates of additional visitors generated by the project, disaggregated by service type (for example, educational visits, community events, tours). A mid-point of these estimates was used as the basis for conservative assumptions about new visitor activity and then adjusted for sensitivity analysis (for example, we have assumed a 30% increase on these numbers under a confident scenario). Public walk-through visits were excluded from the assessment, as these were assumed to be visitors already present in the region.
- **New visitor estimates attributable to the project:** New visitors were allocated between domestic and international categories using the visitor profile percentages provided by Ātea a Rangi Educational Trust. Domestic visitors exclude local residents (although we separately comment on the potential impact of local resident spend).
- **Basis of visitor expenditure estimates:** Tourism expenditure attributable to the project was estimated by multiplying:
  - the number of new domestic and international visitors, by
  - the corresponding average spend per visitor.
- **Reliance on Trust-provided information:** In addition to visitor estimates and profiles, Ātea a Rangi Educational Trust provided capital expenditure estimates and annual operational expenditure estimates. It was assumed that all capital and operational activity is sourced locally within the Hawke's Bay region.

Additional expenditure generated by the Hub

The economic impacts are derived from additional expenditure generated directly as a result of the project – specifically, the construction and operation of the Hub.

The project's economic impacts are calculated based on new and additional capital and operational expenditure occurring within the region. Additionally, the model also includes visitor expenditure over an average single year of operation.

Economic impacts of planned capital expenditure

The construction of the new Hub adjacent to the Napier Sailing Club site is projected to generate a direct economic impact totalling $5.66 million. The $5.66 million spent in the region will directly lead to 17 jobs over the construction period and contribute $2.18 million to regional GDP.

Including indirect and induced expenditure, the construction of the Hub will support a further 19 jobs locally, bringing the total impact on jobs to 36. Similarly, this would result in an additional $2.59 million in GDP bringing the total impact on GDP to $4.77 million.

Table 1: Regional economic impacts – Capital expenditure

Hawke's Bay	Direct	Indirect + Induced	Total
Output ($000s)	5,565	5,318	10,883
GDP ($000s)	2,180	2,589	4,769
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Source: MartinJenkins

Economic impacts of operational expenditure and tourism activity

Once completed, the operating expenses of the Hub are estimated at close to $0.3 million per year. These include expenses such as staff wages, utilities, marketing, and maintenance. In addition to this new operational expenditure, the Hub is expected to increase visitor expenditure in the region. Annual new visitor expenditure is estimated at between $1.27 million and $1.66 million (based on conservative to confident assumptions), generated by:

- 966 to 1,256 new domestic visitors
- 2,043 to 2,656 new international visitors.

Note that the new additional domestic and international visitors attracted to the Hub represent only a small proportion (around 15%) of expected total visitation (around 20,000 visitors are expected annually). Many of the visitors to the Hub will be coming to the region for other reasons or will be local visitors from other parts of Hawke's Bayand will include the Hub as part of their itinerary – this will often result in increased local spend but not regional spend.

As shown in Table 2, at the low end, the $1.57 million spent each year in the region on Hub operations and new tourism activity is estimated to support 10 jobs and contribute $0.85 million to Hawke's Bay GDP annually. At the high end, Hub operations and additional visitor activity will result in $1.95 million of new expenditure, which will support 13 jobs and contribute $1.05 million to Hawke's Bay GDP annually.

When indirect and induced expenditure effects are included:

- Under the conservative assumptions, the operation of the Hub and increased tourism activity are expected to support a further 4 jobs, bringing the total employment impact to 14 jobs per year. Similarly, this additional activity is estimated to generate a further $0.61 million in GDP, resulting in a total regional GDP impact of $1.46 million per year.
- Under the more confident assumptions about new visitor activity generated by the Hub, the operation of the Hub and increased visitation are expected to support an additional 5 jobs, bringing the total employment impact under these assumptions to 18 jobs per year. Under these assumptions, the additional activity is expected to generate an additional $0.76 million in GDP, resulting in a total GDP impact of $1.82 million per year.

Table 2: Regional economic impacts – annual operational expenditure and new visitor activity

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Source: MartinJenkins

Additional local visitor expenditure

An additional economic impact for Napier City, not accounted for in the EIA, is the increase in visitor expenditure by residents from other parts of Hawke's Bay.

Based on visitor estimates provided by the Trust, the Hub is expected to attract approximately 10,054 local (regional) visitors each year. If these visitors are distributed across the region in proportion to district population shares, around 63% are likely to come from outside Napier. This is consistent with Statistics New Zealand's June 2025 population estimates[5], which show Napier accounting for 37% of the Hawke's Bay regional population (66,400 of 179,590).

On this basis, approximately 6,300 visitors per year would travel to Napier from elsewhere in the region to visit the Hub. Applying an average domestic visitor spend of $255 per visit, this represents around $1.61 million in additional annual expenditure in Napier originating from other parts of Hawke's Bay. This expenditure will support local businesses and generate flow-on impacts for employment and GDP in Napier, although these secondary effects cannot be robustly quantified within the current modelling framework.

[5] www.stats.govt.nz/information-releases

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LEFT: Ātea a Rangi Trust.

TRANSFORMING NAPIER'S INNER HARBOUR PRECINCT

The Hub is the result of years of collaborative development between Napier City Council, Ātea a Rangi Trust, community and mana whenua stakeholders.

SCP Stock (Simon Cartwright), ABOVE: Hawke's Bay Regional Council, RIGHT: Architectural render of the Ahuriri Inner Harbour Hub facility.

Together, this partnership has evolved the concept to bring the city's long-term coastal vision to life, successfully delivering on the frameworks outlined in the Ahuriri Estuary and Coastal Edge Masterplan (2018) and the Inner Harbour Plan (2019/2022).

The facility will beautify and activate a disused, disconnected parcel of land near the Napier Sailing Club, reclaiming it for the community. Establishing The Hub here delivers powerful spatial and economic benefits:

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FRESH FISH
BURGERS
LOCAL OYSTERS
LIVE CRAYFISH
SASHIMI BA

TARGET USERS

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- **Access for all:** Built on the principles of inclusive design, the Hub ensures individuals of all abilities have equal opportunity to engage with the waterfront, the waka, and educational programmes.

ACTIVATING AHURIRI

Engineered for maximum community impact and financial resilience, The Hub will operate as a vibrant education centre and premier tourism drawcard. This dynamic, multi-use civic asset features;

IMAGES: Te Hau Kōmaru Festival, Whakatane Kai Moana Festival, Te Wharewaka o Pōneke, Ātea a Rangi Trust.

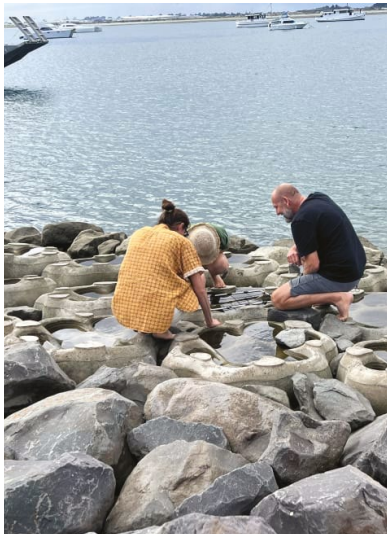
Signature Events & Cultural Tourism

Acting as the regional anchor for major economic drawcards, including an annual Ahuriri Sail and Kai Festival and the six-yearly national Te Hau Kōmaru Waka Hourua Festival. Anchored by the Te Matau a Māui waka hourua, the Hub fills a critical gap in Napier's visitor market with premium waka tours, guided storytelling, immersive experiences and bespoke retail.

A “Living Lab” for Education

The Ātea a Rangi Trust’s core educational focus is delivering immersive school programmes centred on Pacific maritime heritage, water skills, navigation and foundational marine health for the young people of Hawke’s Bay. Utilising the purpose-built rocky shore and adjacent marina as an active outdoor classroom, the Trust plans to strategically grow these offerings into comprehensive environmental, water science and safety curricula. (Note: This expanding educational framework provides a platform to integrate municipal and regional source-to-sea stormwater and Ahuriri estuary and environs education programmes).

Ātea a Rangi Trust.



Environmental Action

A practical base for community conservation, shoreline clean-ups, active water monitoring, and a landscaped rocky-shore education group and public discovery experience.

Waikato Regional Council, Living Seawalls.

Waka Heritage

The Hub will act as an official maritime gateway to host visiting international waka crews.

Premium Civic & Commercial Venue

A high-end waterfront space generating sustainable revenue through corporate hire, community events, and drop-in Council engagement forums.

Architectural render of The Ahuriri Inner Harbour Hub facility.

Professional Workspace

A functional headquarters for staff to manage education programmes, tourism marketing, and ongoing facility operations.

Ātea a Rangi Trust, Hawke's Bay Regional Council, Te Wharewaka o Pōneke.

ENDURING BENEFITS

The Ahuriri Inner Harbour Hub will deliver a range of ongoing returns to the people of Napier.

The Waka Hub will generate economic benefits from its construction and operation and the attraction of new visitors.

The construction itself is projected to generate a direct economic impact totalling $5.66 million. The $5.66 million spent in the local area will directly lead to 17 jobs over the construction period and contribute $2.18 million to regional GDP.

Including indirect benefits (resulting from the initial construction expenditure flowing through to suppliers to the companies involved in building the Hub) and induced benefits (resulting from people employed during the construction of the hub spending their wages in the region), the construction of the Hub will support a further 19 jobs in the region, bringing the total impact on jobs to 36. Similarly, the construction spend is estimated to result in an additional $2.59 million regional GDP, bringing the total impact on GDP to $4.77 million.

Once established, the Hub will generate further economic benefits on an annual basis from its operational expenditure and by attracting new visitors to Napier and the region. The Hub's ongoing operating expenditure is estimated at close to $0.3 million per year, covering staff wages, utilities, marketing, and maintenance. The Hub is also expected to increase visitor expenditure in the region by between $1.27 million and $1.66 million per year (based on conservative to confident assumptions), generated by:

- 966 to 1,256 new domestic visitors, and
- 2,043 to 2,656 new international visitors.

These visitors are brought to the region through a combination of the planned school education visitors, guided tours, waka tours, cultural and environmental programmes, and events.[1] In effect, the Hub will support 'stay longer/ spend more' effects by improving the region's itinerary depth and by supporting shoulder-season and event-led visitation.

[1] The estimates are based on conservative assumptions about new domestic and international visitor spend generated through the Hub, relative to total local, domestic and international visitation to the Hub, and informed by the experience with the Ātea a Rangi Star Compass.

By providing a permanent base and visible presence on the waterfront, the Hub can help convert day visitors into repeat visitors and support more consistent year-round demand for local businesses.

New additional domestic and international visitors attracted to the Hub represent only a small proportion (around 15%) of expected total visitation (around 20,000 visitors are expected annually). Many of the visitors to the Hub will be coming to the region for other reasons or will be local visitors from other parts of Hawke's Bay and will include the Hub as part of their itinerary – this will often result in increased local spend but not regional spend. At the low end, the $1.57 million spent each year in the region on Hub operations and new tourism activity is estimated to support 10 jobs and contribute $0.85 million to Hawke's Bay GDP annually. At the high end, Hub operations and additional visitor activity will result in $1.95 million of new expenditure, which will support 13 jobs and contribute $1.05 million to Hawke's Bay GDP annually.

When indirect and induced expenditure effects are included, under conservative assumptions, the operation of the Hub and increased tourism activity are expected to support a further 4 jobs, bringing the total employment impact to 14 jobs per year. Similarly, this additional activity is estimated to generate a further $0.61 million in GDP, resulting in a total GDP impact of $1.46 million per year. Under more confident assumptions about new visitor activity, the operation of the Hub and increased visitation are expected to support an additional 5 jobs, bringing the total employment impact to 18 jobs per year. Under these assumptions, the additional activity is expected to generate an additional $0.76 million in GDP, resulting in a total GDP impact of $1.82 million per year.

An additional economic impact for Napier City, that is not captured in the regional assessment, is increased visitor expenditure by residents from other parts of the districts within the Hawke's Bay region.

The Hub is expected to attract just over 10,000 new local (regional) visitors each year. If these visitors are distributed across the region in proportion to district population shares, around 63% are likely to come from outside Napier. On this basis, approximately 6,300 visitors per year would travel to Napier from elsewhere in the region to visit the Hub. Based on average domestic spend per visitor, this represents around $1.61 million in additional annual expenditure in Napier originating from other parts of Hawke's Bay (in addition to the spending by domestic and international visitors). This expenditure will support local businesses and generate flow-on impacts for employment and GDP in Napier, although these secondary effects cannot be robustly quantified through regional multipliers.

Overall, the Hub is expected to deliver a range of wider flow-on benefits to the economy across hospitality, accommodation, retail, transport, and professional services, as well as across a long tail of local suppliers.

In addition, the Hub provides a platform for Māori employment, skills development, and enterprise growth in tourism and education. The Hub's operating model supports the development of transferable workforce skills and pathways for rangatahi, while also creating contracting opportunities for local enterprise (for example, in transport, catering, hospitality, interpretation and storytelling, arts and cultural production).

Alongside these economic benefits, the Hub will deliver broader enduring benefits that support community wellbeing and long-term prosperity. Collectively, these benefits reflect the creation of a world-class facility that adds to Napier's appeal and vibrancy and inspires young people to care for their environment and connect with their heritage:

Napier's Vibrancy

The Hub will strengthen the mix and quality of waterfront amenities that residents use every day (public spaces, recreation opportunities, educational experiences, and events). Its role in activating the Inner Harbour precinct will increase vibrancy, strengthen walking and cycling connections, and support wider investment in waterfront infrastructure and services. The Hub's inclusive design intent (including safe access for school groups and people with limited mobility) will help broaden participation in the waterfront and in cultural and environmental learning experiences.

The City and Region's Image and Reputation

A visible, high-quality maritime, environmental and community facility presence on the Ahuriri waterfront can positively contribute to the transformation of Napier's Inner Harbour precinct and strengthen the city's identity as a coastal place with a living relationship to Te Moana-nui-a-Kiwa, complementing (rather than competing with) established propositions such as Art Deco and food and wine. The Hub offers a distinctive, story-led experience that will support the profile of Napier and Hawke's Bay in domestic and international markets, generate positive word-of-mouth and media content, and support community pride.

A recent Hawke's Bay visitor economy review[2] identified Māori and cultural tourism as an untapped opportunity and noted that, despite the region's rich cultural stories and high density of marae, there are currently relatively few structured Māori-led visitor experiences compared with regions such

[2] https://hawkesbaytourism.nz/assets/Review+of+the+value+of+the+visitor+economy+-+Final+report+05122025.pdf

as the Bay of Plenty. The Hub helps fill this gap, supports experience packaging (for example, for cruise, FIT and group markets), and adds depth to visitors' itineraries.

Over time, stronger destination reputation can also contribute to attracting business events, workers, research partnerships and investment by reinforcing the region's appeal as an innovative, culturally rich place to live, learn and do business - and by providing a national exemplar of smart, sustainable community infrastructure investment.

Cultural Benefits

The Hub provides a durable platform for preserving and sharing local mātauranga Māori and voyaging history, strengthening cultural exchange and providing authentic cultural learning for both residents and visitors. It will provide a permanent, secure berth for Te Matau a Māui and visiting waka, supporting safe hosting, tikanga-led engagement and the ability to welcome national and international waka crews. The Hub will also contribute to increased local appreciation of culturally significant sites and stories by making them more visible and accessible, and by creating regular opportunities for schools and community groups to engage. As a civic space and hosting point for visiting waka and Pacific partners, the Hub will support cross-cultural exchange, and strengthen social cohesion through shared events and volunteering.

Resilience

Finally, experience in other regions suggests that well-designed attractions such as the Hub can contribute to resilience by providing a focal point for education and civic participation. By linking cultural knowledge with environmental stewardship and water science, the Hub will support 'regenerative tourism' outcomes – encouraging visitors and residents to contribute positively to Napier, strengthening, science and kaitiakitanga, and building capability and interest in marine and environmental careers. The Hub also provides an opportunity for Napier City Council to use the facility as a 'Water and Educational Hub' – a shared, cost-effective 'one stop shop' to help schools and the public understand the city's stormwater, wastewater and drinking water systems and the 'source-to-sea' story of water management.

The economic modelling and enduring benefits outlined in this section are drawn from independent analysis by MartinJenkins. For comprehensive data and detailed findings, please refer to the full accompanying MartinJenkins report.

A COMMERCIALLY MINDED MODEL

The facility is designed to function year-round as a vibrant, multi-purpose space. By activating the site with a mix of community, educational, environmental and cultural activities, the Hub establishes a sustainable operating model that actively contributes to its running costs.

Developed as a collaborative civic asset in partnership with Napier City Council, the Hub will be led by the Ātea a Rangi Trust—a proven education and tourism operator—and sustained by the following operational funding streams:

- **Education Contracts & International Hosting:** Securing funded education contracts (such as MoE LEOTC programmes) and generating fees by hosting international visiting waka crews.

IMAGE: Te Wharewaka o Pōneke.

- **High-Yield Cultural Tourism:** Filling the region's gap in Tier-1 Māori cultural experiences by capturing the lucrative cruise and Free Independent Traveller (FIT) markets through ticketed waka tours and guided experiences.
- **Signature Events:** Acting as the physical anchor for major economic drawcards—such as an annual Ahuriri Marine Festival and the *Te Hau Kōmaru* Waka Hourua Festival—driving direct revenue for the Hub and significant economic spillover into neighbouring Ahuriri businesses.
- **Premium Venue Hire:** Leveraging the high-end waterfront design to command premium lease rates for corporate and community groups.
- **Bespoke Retail:** Capturing secondary visitor spend through curated, authentic artisan goods and branded merchandise.

BENCHMARKS IN SMART INFRASTRUCTURE

Modern civic infrastructure has moved away from siloed, single-use, static buildings. The most successful assets now integrate multiple services under one roof. The Hub follows proven national benchmarks for this integrated model:

- **Institute for Marine Futures (Tauranga):** A strategic partnership between the University of Waikato and Tauranga City Council. This facility breaks the mould of closed-off civic buildings, functioning as a highly visible public marine research and education centre, unlocking blue-economy growth right on the water's edge.
- **Hihiaua Cultural Centre (Whangārei):** An award-winning transformation of an industrial waterfront space into a vibrant community hub. It seamlessly integrates a whare with public education, proving that reclaiming the water's edge generates massive civic pride and shoreline activation.
- **Te Wharewaka o Pōneke (Wellington):** The gold standard for the Hub's commercial model. Situated on the waterfront, it proves a waka-centred facility can operate as a highly profitable, premium corporate venue, sustaining itself financially.
- **Waiaroha (Hastings):** Closer to home, Hastings District Council successfully combined municipal drinking water-storage infrastructure with public education and landscaping, winning the global City Nation Place award, beating competition from major cities like Toronto, Stockholm, and Cleveland.

"The jury applaud the remarkable achievement in Hastings – delivering a bold, meaningful project; demonstrating environmental leadership and community building connected to the city's story. As one juror commented, "We should all be treating infrastructure projects as a placemaking activity"

CITY, NATION, PLACE AWARDS 2025 (LONDON)

PROJECT BUDGET & FUNDRAISING

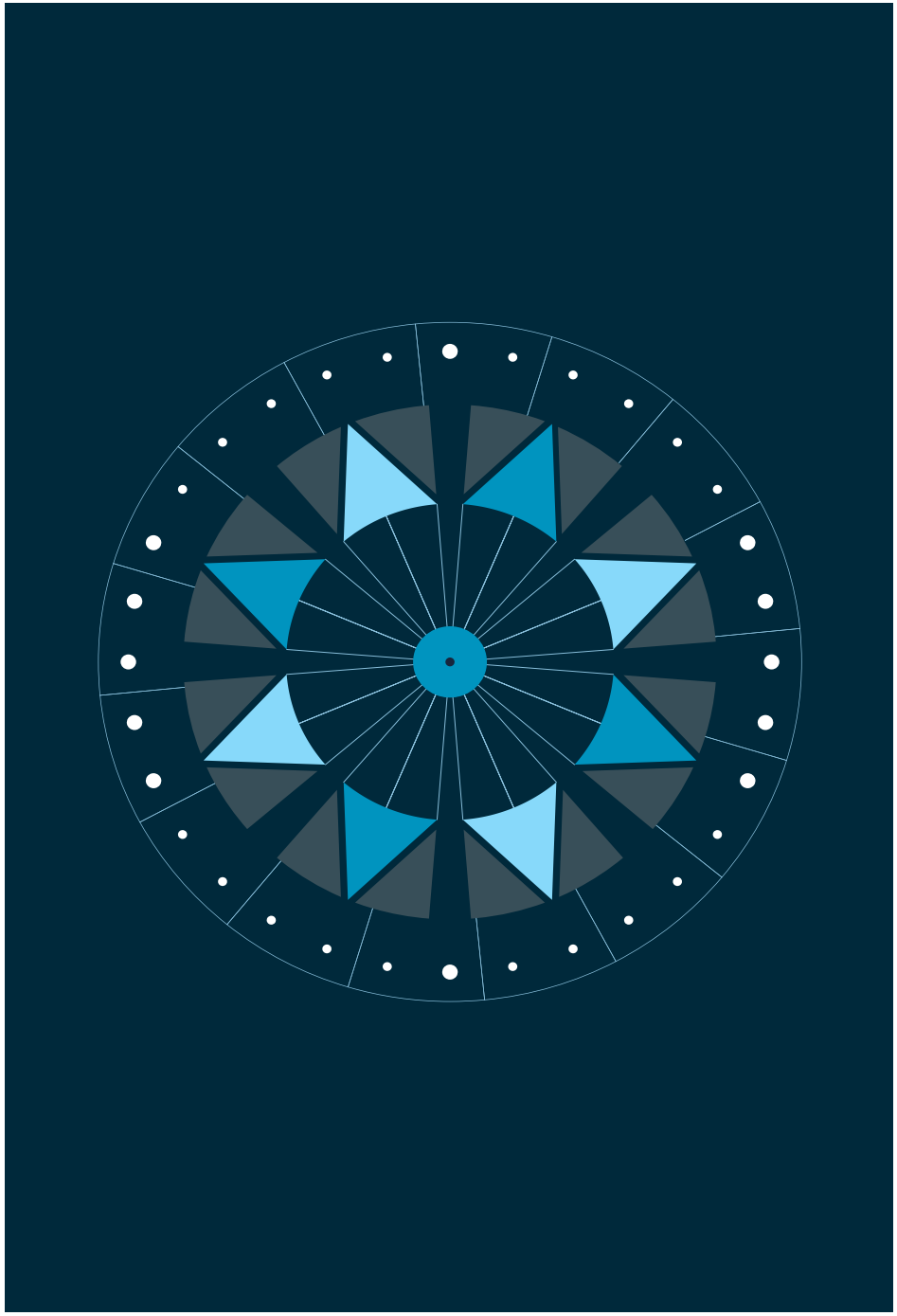
Delivering this landmark facility relies on a collaborative funding approach. Significant momentum and capital have already been achieved, making this a highly leveraged proposition for incoming funders.

Capital Expenditure (CAPEX) Requirements

Project Phase	Estimated Cost	Core Deliverables
Design	$1,500,000	Concept, Detailed Design (Better Off Fund)
Phase 1: Water Activity	$700,000	Dredging, Pontoon and Jetty Build (Better Off Fund)
Phase 2: Land Activity	$3,300,000	Wharewaka Build
Phase 3: Value Add Enhancements	$1,298,025	Artificial rockpools, signage, sail monuments, public art, landscaping. (Additions to be staged with funding)
Total Estimated CAPEX	**$6,798,025**	

Capital secured to date

Funding Partner	Amount	Status	Deployment Focus
Better Off Fund (Central Govt)	$2,200,000	Secured & Active	Waka Hub masterplan and detailed design documentation, waka berth construction.
Napier City Council	$3,300,000	Pledged	Long Term Plan funding, building and storage facilities, core landscape infrastructure.
Lotteries Environment & Heritage	$336,800	Secured	Maintenance area, arts and sculpture elements
Unison	$34,000	Secured	Power connection fee
Eastern Central Community Trust	$100,000	Secured	Phase One: Water based activities of Waka Pontoon, Jetty and shoreline.
Total Pledged / Secured	**$5,970,000**		



Funding Momentum to Date

The Better Off Fund's foundational funding of $2,200,000 (administered by Central Government's Three Waters support programme) is already actively deployed, servicing the Waka Hub masterplan, progression into Detailed Design, Resource Consent and construction of water-based elements (pontoon). This central government funding, combined with Napier City Council's local government pledge of $3,300,000 (Long Term Plan Funding) serves as the vital anchor for this project, providing the critical leverage to successfully unlock significant external investment, including Lotteries Environment and Heritage and Community Facilities grant

funding.

Targeting Final Capital:

Building on this strong foundation of secured civic and central government funding, the Trust is actively advancing the following pipeline of grants and partnerships to complete the final capital requirements.

Funding Partner	Target Amount	Current Status
Ngati Kahungunu Iwi, ongoing maintenance and running of the waka annually	$100,000 annually	Confirmed
Lotteries Community Facilities (complementary funding to Environment and Heritage)	$500,000	Application Active
Creative New Zealand (Arts Organisations and Groups fund)	$125,000 annually	Application Active
Te Puni Kōkiri (Māori Development Fund)	In discussion	Application Active
PanPac environmental fund	$50,000	Application Active
Eastern Central Community Trust	$100,000 annually	In Development
Otago University Marine Monitoring Programme	$10,000	10k for Marine monitoring kit confirmed, In Development for additional funding
Port of Napier Marine Rockpools	In discussion	In Development
Ngati Kahungunu Iwi, sponsorship of Waka Hub project	In discussion	In Development
Mana Ahuriri Trust (Napier area post settlement group)		In Development
Tamatea Pokai Whenua (Hastings area post settlement group) In discussion / In Development	In discussion	In Development

PROJECT MILESTONES & DELIVERY SCHEDULE

The following timeline outlines the project's progression from initial masterplanning through to final construction and launch:

Architectural render.

Phase & Timeframe	Status	Key Deliverables & Milestones	Funding & Critical Deadlines
Phase 1: Concept & Consultation(2022 – 2024)	Completed	Project formally adopted into Council's Inner Harbour Development Plan. Public consultation finished and site officially approved (2024).	$2.2M secured for the design phase and water-based projects (pontoon). (Better Off Fund) with expenditure deadline: 30 June 2027.
Phase 2: Design & Procurement(2024 – 2025)	Completed	Concept Design approved by Council (Mar 2025). Progression to Developed Design endorsed.	Better Off funds actively deployed for design/pontoon. ECCT funding confirmed. Napier City Council commits $3.3M to the project in LTP funding for land based phases.
Phase 3: Construction & Launch(2026 – 2027)	Underway	Detailed Design documentation completed. Waka berth construction, marine infrastructure and dredging underway. Building, storage facilities, and value-add projects completed. Official Launch.	Construction timeline aligned to meet the 30 June 2027 Better Off funding deadline.

DELIVERED IN PARTNERSHIP

This project represents a historic civic milestone as the very first co-design facility Napier City Council has partnered with iwi to develop.

The partnership between Napier City Council and the Ātea a Rangi Trust is a win-win, with a proven local tourism and education operator administering the facility operations and funding programme. This collaborative foundation is further strengthened by the Napier Sailing Club, an active partner in the development with established plans to expand and deliver joint maritime and education programmes utilising the new Hub facilities.

The Hub is being collaboratively developed by a highly skilled, cross-functional team including:

Project Partners
Napier City Council
Ātea a Rangi Educational Trust
Collaborators
Athfield Architects
Wraight and Associates Landscape Architects
Stantec (Project Management)
Ngāti Kahungunu Iwi Inc (NKII)
Mana Ahuriri Trust
Napier Port
Unison
Napier Sailing Club
Hawke’s Bay Tourism.

VOICES OF SUPPORT

Parris Greening
General Manager, Mana Ahuriri Trust

This vision aligns with Mana Ahuriri's commitment to restore Ahuriri as a cultural and environmental heart for our people and region. The Hub will serve not only as a centre of cultural excellence but as a gateway into Ahuriri-symbolising a future where Māori knowledge, community wellbeing, and environmental sustainability sit at the forefront of regional development.

Todd Dawson
CEO, Napier Port

The Ahuriri Maritime, Environmental and Community Hub will be a landmark addition to the Inner Harbour—acting as a catalyst for future development and elevating the precinct as a premier waterfront destination. Unique within New Zealand and the Pacific, the Hub will create a compelling regional point of difference and therefore strengthen the Hawke's Bay's appeal to both domestic and international visitors. Napier Port looks forward to being an active user and partner of the Hub—utilising it as a premium waterfront venue, while supporting its core mission to educate the public on marine health and cultural heritage.

Daniel Murfitt
Director of Education for Hawke's Bay/Tairāwhiti
Te Tāhuhu o te Mātauranga

The Ahuriri Hub represents a transformative educational development for Hawke's Bay as a purpose-built education centre grounded in mātauranga Māori and Pacific voyaging traditions, alongside curriculum-aligned learning experiences for ākonga across primary, intermediate, and secondary levels. The proposed marine monitoring component provides an especially valuable opportunity to integrate environmental science with cultural knowledge systems. Through engagement with coastal ecosystems, water quality, biodiversity, and climate-related observations, learners will develop both scientific capability and a sense of stewardship for Te Whanganui-a-Orotū and Te Moana-nui-a-Kiwa.

Bayden Barber
Ngāti Kahungunu Iwi Chair

The Hub represents a new approach to civic facilities, developed in true partnership. As a permanent home for our Waka Hourua, Te Matau a Māui, it is a space to gather, learn, and enable new knowledge and innovation. Appealing to a wide range of users, it will activate the inner harbour and uplift community wellbeing. Inspired by our ancestors, we are investing in our tamariki and creating a vital platform for environmental health, directly contributing to the future of our people and the taiao.

Ngahiwi Tomoana
Former Ngati Kahungunu Iwi Chair
tematauamaui.com

Our modern day voyaging waka is called Te Matau a Māui. We of the Ngāti Kahungunu tribe are descendants of Māui. We have the Māui spirit within us. We are the keepers of the stories of Māui. Reflecting on Māui's voyaging prowess and how we transfer that ancient knowledge of voyaging and navigating into today's modern search for new technology, new ideas, new formations, new relationships. The endless messaging is to keep evolving, being innovative, being inquisitive, keep searching for knowledge, keep searching for new relationships, keep searching for new ways to support humanity.

Katy Menehem
Coordinator
Ahuriri Business Association

As a waterfront precinct and gateway to Napier, Ahuriri is well positioned to benefit from increased visitation generated by the hub. This flow-on effect would help support local businesses while strengthening Ahuriri's role as an important cultural and tourism destination.

Mark Sheldrake
Commodore - Napier Sailing Club

We eagerly anticipate the opportunity to collaborate and contribute to this project. By joining forces, we can leverage our respective expertise and resources to ensure the success of the initiative, fostering a vibrant maritime community and providing invaluable educational opportunities for our youth.

Hamish Saxton
CEO, Hawke's Bay Tourism

The Hub aligns strongly with our region's visitor strategy to grow the visitor economy and encourage product development and diversity. We envisage it to be a great asset that we can proudly weave into our promotional activities to elevate its and the region's, attraction and awareness.

Simon Coe
Headmaster, Napier Boys High School

Our students have taken part in educational sessions with the Ātea a Rangi team, learning about navigation, leadership and the cultural significance of waka. These programmes have complemented our school curriculum by connecting science, history and environmental studies through a uniquely Māori and Pacifica lens. The development of the Ahuriri Hub will make waka training and education safer and more accessible. It will also open opportunities for our young men in the area of marine monitoring.

Sioned Oliver
Principal, Fairhaven School

Many of our students have limited opportunities to participate in outdoor and cultural education due to accessibility barriers. This project directly addresses those inequities by creating a fully accessible maritime learning environment where all young people can experience the same sense of wonder, achievement, and belonging.

Morrison Low Advisory

HAWKES BAY REGIONAL COUNCIL
TE KAUNIHERA Ā-ROHE O TE MATAU-A-MĀUI

NAPIER CITY COUNCIL
Te Kaunihera o Ahuriri

Napier Urban Waterways
Business Case

November 2025

Contents

1. Executive Summary

1.1. Overview

On behalf of Hawke's Bay Regional Council (HBRC) and Napier City Council (NCC), Morrison Low Advisory (MLA) was engaged to refresh the 2024 business case for the future operating model of Napier's Urban Waterways services. This work supports both councils in ensuring the urban drainage assets across the Napier/Meeanee/Puketapu and Brookfields/Awatoto catchments are managed effectively to mitigate flood risk, support infrastructure resilience, and to accommodate future urban development.

The current arrangements for ownership, management and the operation and maintenance of stormwater and drainage assets between HBRC and NCC were initially reviewed in 2022 to enable identification of the optimal model for operating the Napier Urban Waterways. This version of the business case is a refresh of the information used in July 2024 to develop a draft business case, which built on the work from 2022. The preferred option for the future operating model has not changed from the July 2024 analysis.

Since the July 2024 analysis, the main non-financial update to the business case is a revision of the implementation approach resulting from the Local Water Done Well strategic context and the decision taken by NCC to adopt a joint Water Services Delivery Plan (WSDP) with Hastings and Central Hawke's Bay District Councils resulting in the establishment of a Water Services Council Controlled Organisation (WSCCO).

This business case recommends the transfer of the urban drainage assets in the Napier/Meeanee/Puketapu and Brookfields/Awatoto catchments to the new WSCCO on 1 July 2027. To assist in the transfer of assets and joint WSCCO planning, it also recommends that the asset management and operational responsibilities of the urban drainage assets are contracted to Napier City Council for the period from 1 July 2026 to 30 June 2027. This will allow Napier City Council to properly incorporate the urban drainage assets in their planning as they work to assist the WSCCO with its long term planning.

1.2. Analysis

1.2.1. Strategic Context

The urban drainage assets currently owned by HBRC form a core part of Napier's urban stormwater network. Current arrangements regarding the ownership, operation and management of the urban drainage network date back to the 1980s and are no longer fit for purpose. Furthermore, a lack of formalisation, and the interdependence of the HBRC urban drainage assets and NCC's stormwater assets creates unnecessary complexity and challenges in managing the entirety of the stormwater network.

Large rainfall events in 2020 and 2023 demonstrated the importance of coordinated response plans, underscoring the need for deeper integrated management between HBRC and NCC. These events, and the review of the 2020 rainfall event created additional impetus to review the current ownership arrangements.

The Coalition Government's Local Water Done Well policy also seeks to address inefficiencies in the current management and ownership structures for Water, Wastewater and Stormwater assets across the country. While HBRC was not required to take part in the Local Water Done Well process, and its

assets are not included in the Hawke's Bay Joint Water Services Delivery Plan, the policy presents an opportunity to address the existing ownership arrangements of urban drainage assets. The objectives of the Hawke' Bay councils' response to the Local Water Done Well policy are well aligned to the overall objectives of this business case.

1.2.2. Economic Assessment

The investment objectives developed as part of this business case were:

- Service delivery model is fit for purpose, delivers the required level of service and meets statutory requirements.
- There is clear accountability for the performance of the network.
- Incident response capability with effective chain of command and control, coordination and decision-making processes in place.

In recommending the preferred option a range of potential options were considered. The shortlisted options included:

- Consolidated contracts for a single source of truth and cost efficiencies.
- Dedicated waterways asset management role to promote consistency and network-wide best practice.
- Asset transfer to a single organisation for clear accountability and improved performance.

1.3. Preferred Option

The preferred option to implement a **transfer of assets to a single organisation** with **assets split on a geographic basis** was assessed as the option most likely to meet the strategic objectives and improve asset management and service levels for Napier ratepayers.

While this transfer relates in a change of ownership at an entity level, there is no transfer of risk or ownership between ratepayer groups, as schemes are predominantly targeted rate funded across ratepayers in Napier.

1.3.1. Benefits

At a high level the key benefits of the preferred option include:

- Investment decisions will be able to be made independently and will better support 'best for network', efficiency and clear local accountability.
- There will be full alignment of risk, planning, investment and funding across the network, with one entity being responsible for all elements of the management of drainage assets.
- A geographic split will provide greater consistency of approach than would otherwise be able to be achieved through a functional split of assets.
- Consistent ownership of all stormwater assets within the Napier City boundary is better aligned with the district planning functions.
- More efficient delivery of services with clarity around ownership and responsibilities.
- Accountability can be clearly defined, and performance measured for each organisation.

1.3.2. Risks

At a high level the key risks of the preferred option are related to implementation and include:

- For Workstream 1, implementation ahead of the WSSCO's July 2026 start date due to competing priorities, potential community or Council resistance to service transfer, and inconsistent consent status for Napier pump stations.
- For Workstream 2, legal and commercial challenges entering the WSSCO arrangement due to limited prior involvement, unresolved residual liabilities, potential community or Council opposition to asset ownership transfer. Potential workstream risks will require formal review and mitigation planning while advancing the programme of work in collaboration with the WSCCO, with some risks likely to be addressed through legal advice, technical assessments, and detailed transfer documentation.

1.3.3. Financial Impacts

The selection of the preferred option prioritised service delivery outcomes, with funding considerations treated as secondary.

However, cost-effectiveness remained a relevant factor in evaluating delivery options. There are opportunities for reduced operating costs under a single governance and service delivery structure, and a more streamlined delivery approach may improve value for money for ratepayers, even if physical works costs remain largely unchanged.

To complete the financial assessment, it has been assumed that:

- all options will continue to be funded via targeted rates applied to properties within the serviced catchments.
- since operational, the scope and cost of capital works and investment costs are broadly consistent across options, the main financial differentiator is the cost of implementing change.

For the transfer of all catchment assets to a single organisation:

- Assets valued at $10.012 million (4% of HBRC's fixed assets) transferred from HBRC to the WSCCO.
- Implementation costs assessed at <$100,000 for the asset transfer to WSCCO (to be refined during implementation).
- Transfer of debt or financial reserves between HBRC and the WSCCO will need to be assessed as part of the implementation.

Operating Impact:

- $1.03 million annual operating expenditure shifts from HBRC to the WSCCO.

HBRC Residual Costs:

- $605,000 unfunded overheads remain with HBRC, recovered through rates.
- There will be stranded costs due to corporate overhead allocations in current drainage catchment budgets that need to be assessed as part of implementation.

1.3.4. Implementation

Implementation of the preferred option will occur through two separate, concurrent, workstreams:

1. **The establishment of joint asset management responsibilities and transfer of service delivery responsibilities** for the land drainage assets within the Napier/Meeanee/Puketapu drainage catchment, and all of the land drainage assets from within the Brookfields/Awaoto drainage catchment **to Napier City Council**.
2. **The transfer of the ownership** of all land drainage assets within the Napier/Meeanee/Puketapu drainage catchment, and all of the land drainage assets from within the Brookfields/Awatoto drainage catchment **to a single organisation, which will be the established Regional WSCCO**.

Note: The joint WSDP outlines how drinking water, wastewater, and stormwater services will be delivered by the WSCCO, a new entity jointly owned by the three councils **however we note that the HBRC owned assets considered in this business case** and the services required were **not included in the Joint Water Services Delivery Plan.**

1.4. Next steps

The urban drainage assets play a key role in the management of stormwater within the Napier City, and the network is unable to achieve desired, or required, levels of service without coordinated investment across both entities under the current ownership arrangements.

Effective management of Napier's stormwater network requires a single point of accountability and ownership which implementation of the preferred option achieves.

To progress implementation of the preferred option, we recommend that:

- Councils seek updated legal advice (refer to Sections 8.2.3 and 8.3.1).
- Councils seek endorsement from their elected members of the preferred way forward, and to obtain agreement to commence consultation.
- Councils undertake the necessary consultation with the Napier and Hawke's Bay communities.
- Councils review funding implications and make appropriate revisions to funding models, revenue and financing policies, and overhead allocation models.
- HBRC begins conversations with the WSCCO transition team regarding the potential future asset ownership transfer of the drainage assets.

From a timeline perspective:

- Regarding consultation, to undertake a single consultation on the transfer to the WSCCO with an interim transfer of management responsibilities even if not strictly required would be of value. Earlier consultation will give the WSCCO more certainty so that it can plan accordingly.
- Pending the outcome of the legal advice and in light of HBRC's wider work programme, HBRC officers have recommended that consultation should take place concurrently with consultation on the 2026-27 annual plans.

2. Business Case Background

Morrison Low completed an initial business case assessment of potential operating models for the delivery of services for the Napier Urban Waterways assets in August 2022. This business case was refreshed in July 2024 but not finalised.

HBRC and NCC saw the need to review the delivery of this activity to support a sustainable and optimal model of delivery moving forward that would support excellence in service delivery and provide enhanced accountability to ratepayers, communities and visitors. The arrangements for ownership, management and operations and maintenance were reviewed and assessed.

Whilst it was generally considered that the current arrangements for 'business-as-usual' tasks have been working adequately, it was acknowledged that there was room for improvement to ensure a more efficient service for ratepayers and communities as well as ensuring that processes and procedures are in place and understood by both organisations' management and operational staff when responding to emergency events.

The review was initiated primarily to address:

- the need to provide a consistent level of service for stormwater services within Napier's urban areas, as highlighted through low levels of community satisfaction with the performance of Napier's stormwater system.
- the need for a coordinated, consistent, investment approach for Napier's stormwater services.
- lack of accountability with roles and responsibilities not clearly defined.
- lack of clarity around ownership and operational responsibilities.
- potential to increase risk for incident response without a suitable framework in place.
- the need for effective ownership, governance and management arrangements for Napier's urban stormwater to be in place prior to the establishment of any potential three waters entity in Hawke's Bay.

The current service delivery model was considered and evaluated against a range of other potential arrangements, including:

- An enhanced status quo, with rationalisation of contracts, and standardisation of operating procedures etc.
- The creation of a designated role spanning both organisations.
- The transfer of assets to a single council.

To develop the business case the New Zealand Treasury's single stage Better Business Case process has been broadly followed, which is good practice for public sector decision-making. This approach provides objective analysis and consistent information to decision-makers, enabling them to make smart investment decisions for public value.[1] It is an ideal tool for the public sector to make long term decisions regarding service delivery. As well as financial measures, it considers strategic, economic, commercial and management measures in a weighted, balanced context.

A significant amount of information was referenced to substantiate the business case. Appendix A contains a list of the supporting documentation.

[1] *https://treasury.govt.nz/information-and-services/state-sector-leadership/investment-management/better-business-cases-bbc*

3. Current arrangements

Through provision of the stormwater activity, councils are responsible for safely collecting, treating, and disposing of stormwater. One of the core goals of the stormwater system is to minimise the effects of flooding.

Drainage schemes across the Hawke's Bay Region include detention dams, open drains, piped culverts, pump stations and control gates to meet this core requirement.

3.1. HBRC drainage assets

Hawke's Bay Regional Council currently owns, manages, and operates 25 separate flood control and drainage schemes across the Hawke's Bay region. Most of these schemes serve predominantly rural communities and are designed and operated to reflect this function.

Across all of its drainage schemes, HBRC manages:

- 544 kilometres of open drainage
- 23 pump stations
- 3,000 structures and culverts
- Assets with a combined replacement value of approximately $260 million in 2023.

The Napier area is serviced by the HBRC Heretaunga Plains Scheme, which serves approximately 39,000 hectares and 82% of Hawke's Bay's population. The scheme includes all of Hastings, Flaxmere and Havelock North urban areas as well as most of the Napier urban area.

The Heretaunga Plains Scheme includes:

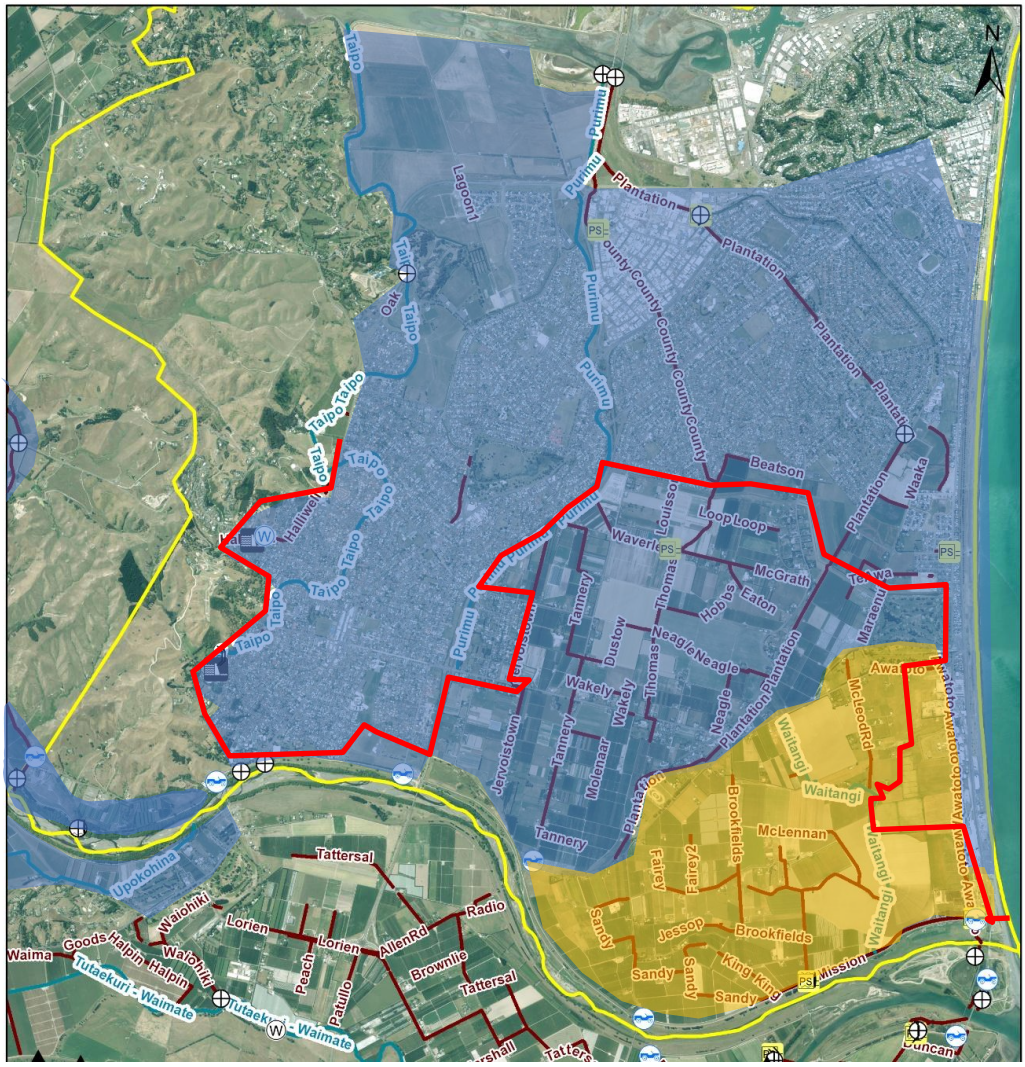
- 157 km of stopbanks
- 129 km of river channels and edge protection
- 447km of drainage channels
- 18 pump stations
- 217 structures and culverts
- Assets with a combined replacement value of approximately $152 million in 2020.

The Heretaunga Plains scheme consists of nine drainage catchments, including the Napier/Meeanee/Puketapu catchment and the Brookfields Awatoto catchment, both of which operate predominantly within the Napier City boundary. These two drainage catchments account for almost one quarter of the total length of drainage channels, and one third of the total pump stations in the Heretaunga Plains Scheme and the **assets are colloquially known as the "Napier Urban Waterways".**

- The Napier/Meeanee/Puketapu drainage catchment is the predominant drainage scheme that services the Napier City Urban area and extends beyond the western boundary of NCC into the Hastings District (although those assets that are within the Hastings District are not being considered in this review).
- The Brookfields/Awatoto drainage catchment, services a predominantly rural area within the Napier City boundary but also includes drainage assets which service commercial and industrial estates on Waitangi Road.

To support understanding of the catchment description, a catchment map is provided in Figure 1. Refer to Appendix, B, C and G for the asset details within these catchments that are specific to this assessment.

Figure 1 Map of the Napier/Meeanee/Puketapu and Brookfields/Awatoto drainage catchments



3.2. Service delivery

Maintenance and operations of the Napier Urban Waterways is managed and delivered in-house with ownership, operations and maintenance split across the two councils as explained in the following sections.

3.2.1. Hawke's Bay Regional Council

Asset management

Delivery of the asset management and investment functions for urban drainage is carried out primarily by the regional assets group and the asset planning team. This team is responsible for asset planning across all of HBRC's infrastructure assets. There are no resources dedicated specifically to asset management for drainage schemes, the HPFCS, or the schemes being considered in this business case. Based on time sheet data and cost allocations, it is estimated that between 1 – 2 FTE worth of resources from the Regional Assets group may be used for the management of the Napier/Meeanee/Puketapu and Brookfields/Awatoto schemes combined.

Some of this time relates to liaison, joint planning and coordination between HBRC and NCC.

An organisational structure for the HBRC Asset Management Group is provided in Appendix D.

Operations and maintenance

Operations and maintenance services are undertaken by Works Group (Business Unit of the HBRC Asset Management Group):

- Direct award of works with annual programme developed
- Service Level Agreement in place – provides some price tension
- Actual expenditure vs budget monitored
- Some minor renewals awarded - partly dependent on skill set required
- Electrical works sub-contracted out.

Maintenance works are sometimes cross contracted between Works Group (HBRC) and City Services (NCC), typically a reflection of the specialist plant required to undertake specific activities such as spraying or mowing. This means that in some cases, maintenance activities that are the "responsibility" of HBRC are carried out by NCC's City Services group under a contractual arrangement, and vice versa.

The proposed transfer of scheme ownership is not expected to result in any changes to current delivery arrangements for the operation and maintenance of the schemes, as the HBRC Works Group holds specialist skills that are likely to be required for the ongoing maintenance of the drains as well as HBRC's broader activities.

An organisational structure for the HBRC Works Group is provided in Appendix D.

3.2.2. Napier City Council

Asset management

Drainage and reticulated stormwater work together to form part of the overall stormwater network in the Napier City area. Asset management and investment planning for the overall stormwater network is carried out within the Water Strategy team (part of the Infrastructure Group) by a dedicated Drainage

Planning Lead. Asset management for the stormwater network also draws on skills of other staff within the Water Strategy team, including the Water Strategy Operations team.

Discussions with NCC staff indicate that the transfer of the drainage assets from HBRC to NCC is unlikely to result in need for additional resourcing.

Operations and maintenance

Operations and maintenance services are undertaken by City Services (a NCC Council Directorate).

As of August 2025, NCC was progressing through an organisational change, and the organisational structure provided in Appendix D may not be current (but the new structure is not considered material to this report).

3.2.3. Inter-Council Service Delivery Arrangements

There is evidence of a transition from informal to more formal arrangements over time. The arrangement between HBRC and City Services is presently described as:

- various (informal/partial) documents regarding the shared arrangements/MOU between NCC and HBRC.
- direct award of works.
- no formal Service Level Agreement.
- some minor renewals awarded - dependent on capacity and capability.

Maintenance works are sometimes cross contracted between Works Group (HBRC) and City Services (NCC), typically a reflection of the specialist plant required to undertake specific activities such as spraying or mowing.

3.2.4. Operational Case Study – County Drain

To demonstrate the operational complexities that arise under the existing operational model, the County Drain case study is provided in this section. Figure 2 illustrates the key operational details on a map of the area.

The County drain is part of the Napier/Meeanee/Puketapu drainage catchment and drains from the South to the North through a mainly urbanised environment. The drain is owned by HBRC; however, it is located on a greenspace corridor and road reserve land owned by NCC. The NCC stormwater network flows into the County drain at a number of points along its length.

The County drain flows into the Ahuriri estuary under normal conditions, with overflows into the adjacent Purimu stream (owned by HBRC) and the Cross Country Drain during high rainfall events (owned by NCC).

The drain is serviced by one pump station, with seven pumps (in two separately powered sets), which has two “parts”, described as “County Old” and “County New”. County Old is owned by NCC, while County New is owned by HBRC. Both parts of the County pump station are managed by NCC.

The agreed operating and maintenance arrangements are:

- HBRC to maintain the drain.
- NCC to provide routine checks on the pump station. These include a twice-weekly inspection of the station including a brief run of each pump to check that they are drawing the correct power (not always possible because of the number of pumps and low water - but different pumps are

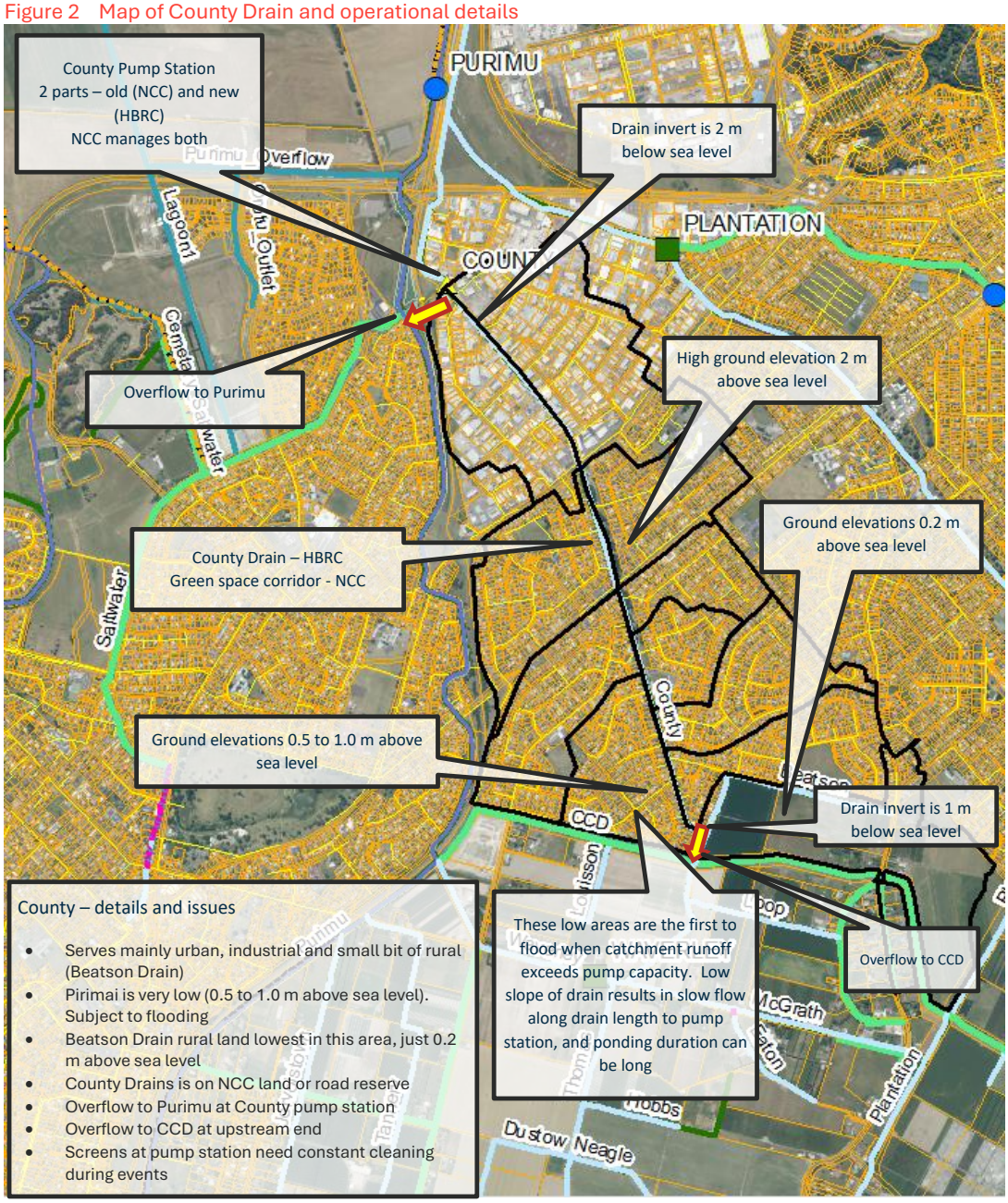
run on each visit). Record power readings and maintain the station in a tidy condition. If any electrical or mechanical problem is found, then HBRC are informed. Repairs are carried out at the instigation and the cost of the HBRC.

- HBRC meets the operational costs and carries out renewals works and other capital works.
- NCC to provide twice-weekly clearing of the screens, including removal and disposal of the screenings.
- In the event of rain, the screens are to be cleared during or after each event, by the NCC.
- Alarms from the station are monitored by NCC monitoring service and NCC staff are contracted to be on 24-hour standby to attend to any alarms that may occur and take any action necessary to deal with the cause.

In addition:

- While the County New pump station is owned by HBRC, it contains equipment owned by NCC (for example SCADA) as well as equipment owned by HBRC.
- HBRC ‘s works group is contracted to provide maintenance of the green space corridor surrounding the County drain.

Figure 2 Map of County Drain and operational details



4. Strategic Case

4.1. Overview

The strategic case presents clear and evidence-based rationale for change, demonstrating alignment with the broader strategic objectives of both councils and the regional context.

A summary of the key issues and opportunities (supplied in more detail in Section 4.7) that were identified that support a case for change include:

- Levels of service - The delivery of urban stormwater services is different to the delivery of land drainage and flood protection works. Stormwater services are typically the domain of Territorial Authorities.
- Roles and responsibilities - There is no contract or formal arrangement in place between the two organisations regarding management of the waterways - who does what / who owns what / who pays for what / who is responsible for what? It is generally accepted that more structure around roles and responsibilities will support improved incident response.
- Collaboration - HBRC and NCC have their own individual policies, priorities and funding mechanisms with consequent varying focusses and resourcing. However, they continue to work together on a number of initiatives such as regular strategic meetings, operational meetings and co-funding of an investigation into stormwater quality. There is the opportunity to build on this relationship/arrangement.
- Accountability - Accountability is not clear across the stormwater activity with regards to waterways maintenance and operations, with no one entity having overall responsibility with no clear separation. Land, assets and equipment on the same network or system may have different ownership.
- Investment and decision-making - Priorities may be different for each council and there is limited coordination on investment decisions which may lead to conflicts in investment on a scheme or network.
- Impacts on urban planning - Greenfield housing development opportunities in rural areas are constrained by levels of service provided by urban open drainage assets, for which HBRC is unable to fund through development contributions. In contrast, NCC is able to fund any investment through development contributions.
- Compliance - There is an increasing need for accurate asset data/information for performance and consent monitoring.
- 3-Waters reforms - At the point of the 2024 review of this business case the future of the three waters service delivery in Hawke's Bay was still largely unknown following repeal of the Water Services Entities Act, and the relative infancy of the Local Water Done Well policy.
  - NCC's 2025 decision to adopt a joint Water Services Delivery Plan (WSDP) with Hastings and Central Hawke's Bay District Council's means that the establishment of a joint WSSCO is now underway.

Strategic investment objectives were confirmed during this stage of work and are provided in Section 4.9.

4.2. Evolution of Napier City

HBRC and NCC have operated the Napier urban waterways according to a methodology determined through an agreement in 1989. At the time the methodology was developed, Napier was a vastly different city. Over the last 35 years, the Napier urban area has expanded significantly, moving further South into areas that were once primarily rural in nature.

Over time, increasing urbanisation of areas that are serviced by HBRC owned land drainage schemes has meant that the core function of these schemes, and consequently the level of service that needs to be provided by them, has changed. For all intents and purposes, many of these schemes now form a critical part of Napier's urban stormwater system.

- Over the next 10 years, Napier's population is set to grow by up to 9.4% or 6,700 people to a total estimated population of 75,300 by 2033 and an additional 2,560 households[2]. The likely effect of this is increasing urbanisation of rural land areas that are currently serviced by HBRC drainage assets.
- Climate change will impact the climate of Hawke's Bay to increase the storminess and likelihood of high rainfall events which, with rising sea levels and the generally flat nature of Napier, will require close monitoring of the combined network to ensure that it delivers on the level of service commitment. These risks were highlighted with the landfall of Cyclone Gabrielle in February 2023, which resulted in the loss of life and substantial property and infrastructure damage.

This gradual change in function, together with increased compliance requirements and the need to be able to respond to emergency events such as the November 2020 flood event, have highlighted the need to ensure the current arrangements reflect this evolution.

Continued urbanization of rural land will require the adoption and application of specific land use policies requiring the mitigation of stormwater effects. However, the ability for mitigation to be fully considered and adopted is currently constrained through the mixed ownership model and changing function of the drainage assets.

4.3. Coordinated Emergency Management

Napier Rainfall Event 2020

On 9 November 2020, Napier received an extreme level of rain in a short period of time over a small geographic area. Due to the speed and intensity of the weather event, many parts of the City and environs were flooded. The stormwater system worked as it was designed to do, although the specifications of the system are rated below the rating of this storm, which was described as a '1 in 250 year' event, one of the highest rainfalls on record[3].

The 'Napier Rainfall Event November 2020: Hazard Report' concluded that '*the management and operation of drainage assets by HBRC and NCC requires effective co-management in events to ensure that the network is able to operate to maximum capacity and issues are quickly resolved*'[4].

The report considered that while each organisation has its own processes for managing assets during heavy rainfall, there was no evidence of a coordinated network-wide response plan, reinforcing the

[2] Stats NZ Subnational population projections: 2018(base)–2048 update, "High" scenario, assumed household density of 2.6 residents per occupied dwelling (per 2018 Census).
[3] November 2020 Napier Flood (Napier City Council).
[4] Napier Rainfall Event November 2020 Hazard Report, page 8.

need for this business case. The draft report also commented that the operating model of the Napier urban waterways should be reviewed to determine if improvements could be made in the way that the combined system served Napier's stormwater function.

Cyclone Gabrielle

On the 13th and 14th of February 2023, Cyclone Gabrielle made landfall with the Hawke's Bay region, with rain and winds intensifying across the district to unprecedented levels. Following the event an independent review was commissioned to assess the operational performance of the Hawke's Bay Civil Defence Emergency Management Group's response to Cyclone Gabrielle. The review was primarily focussed on the operational response to the event. The report made several recommendations to improve the reduction, readiness, response, and recovery activities, including the following recommendation which is of relevance to this review:

> *"Develop, implement and communicate a regional Disaster Reduction Plan in partnership with local partners and communities. The Plan should include:*
>
> *Risk reduction operations such as:*
>
> *i. River management (dredging, maintenance of river mouths and tributaries etc.)*
>
> *ii. Stop bank planning and maintenance*
>
> *iii. Drain and flood scheme maintenance*
>
> *iv. Management of forestry by products*
>
> *v. Plans for mitigation of utility and service outages"*

Further information related to these events, is provided in Appendix E.

4.4. Joint Water Services Delivery Plan 2025

In separate meetings held on 29 August 2025 Napier City Council, Hastings District Council, and Central Hawke's Bay District Council each formally adopted a joint Water Services Delivery Plan (WSDP) to submit to the Department of Internal Affairs in line with the Local Water Done Well legislative deadline on September 3, 2025.

The joint WSDP sets out how drinking water, wastewater, and stormwater services will be delivered by the Water Services Council Controlled Organisation (WSCCO) and outlines the pathway to establishing the new entity. Owned by the three councils, it will consolidate all water services currently provided by the three councils.

The options presented in this business case, and the benefits of implementing the preferred option, should be viewed independently of this decision (however this decision impacts the implementation approach which is outlined in the commercial and management case sections).

This business case seeks to achieve:

- consistent levels of service for urban stormwater and drainage activities within the Napier City boundary.
- coordinated investment in stormwater services within the Napier area.
- more efficient and effective urban development model of urban infrastructure regulation and construction.

- a clearer line of sight regarding the responsibilities of each council in relation to the provision of stormwater, drainage and flood protection activities.

We note that the HBRC owned assets considered in this business case and the services they provide were **not included in the Joint Water Services Delivery Plan.** This means that some stormwater services provided to Napier residents and their costs, have not yet been considered in that plan.

This may be inconsistent with how other councils' three waters assets and services have been evaluated in the plan and the impact of their inclusion into the plan will need to be assessed by the new entity as part of the implementation phase.

This business case is intended to address specific issues related to the current ownership and operating model, and as such, has a set of clear and specific objectives that address those issues.

The alignment between the objectives in this business case and the assessment criteria used to assess Local Water Done Well (LWDW) delivery options[5] is summarised in Table 1 and these are considered broadly in alignment.

Table 1 Alignment of WSDP assessment criteria and business case investment objectives

LWDW Modelling & Assessment Criteria	Business Case
Value for Money	Assessed in the Financial Case (Section7)
Enhanced Delivery & Capability	Service delivery model is fit for purpose, delivers the required level of service and meets statutory requirements (Investment Objective 1:)
Increased Resilience	Incident response capability with effective chain of command and control, coordination and decision-making processes in place (Investment Objective 3)
Community and mana whenua engagement	Aligned (see Section 3.2.2)
Ease of Implementation	
Minimised Impact to Community	There is clear accountability for the performance of the network (Investment Objective 2)

4.5. Mātauranga Māori

Water is a critical taonga for Māori that holds a central role in their sense of identity and well-being. Many hold the inherent understanding that Māori are *Ko wai mātou* – we are water. The principle of kaitiakitanga is strong for ancestral water so Māori perspectives, knowledge and interests are pivotal to any discussion of water.

Wai *water* is the essence of all life and the world's most precious resource. It is of high importance to Māori, as it is the life giver of all things, a precious taonga *treasure*, part of Māori whakapapa *genealogy*.

Te wai, he taonga i tuku iho mai i ngā tīpuna

[5] Local Water Done Well Modelling and Criteria Assessment – Hawke's Bay Regional Recovery Agency

Water is taonga, a precious treasure passed down from our ancestors

Water is under increasing pressure due to the strain we have put on the world, including rapid urbanisation, food production challenges, aging infrastructure and climate change.

Through urbanisation we have disrupted the flow of water, in particular ngā roimata o ngā Atua, the tears of Ranginui *sky father* to Papatūānuku *earth mother*. We have made the land impervious to water through laying concrete, asphalt and roofs; we have piped and culverted our waterways; we have taken water from one catchment to serve the people in another catchment.

As a result, many of our local water resources have depleted over time and this has impacted a range of traditional practices. This is especially true for the harvesting of resources, wild foods and plants, where stocks have been depleted or lost, or where discharges of wastewater and stormwater make wild food consumption and recreation unsafe and subject to tapu *cultural restriction*.

This review specifically considers the conveyance of stormwater from an urban environment into natural waterways. However, this review's predominant focus relates to who manages, operates and maintains the open waterways within Napier City Council's urban area. It does not specifically pertain to the way in which that occurs, how much is spent on the management of the waterways, or any potential treatment of stormwater prior to its discharge into natural and built environments.

Council officers discussed this review (in 2024) with the Hawke's Bay Regional Council's Māori Partnerships Group and NCC's Te Waka Rangapū to determine their preferred engagement approach. Feedback from these groups suggested a growing frustration with the current management and operating structure, whereby Māori are unable to clearly identify who to raise concerns with, and a strong desire for a single point of accountability. Consequently, they expressed a desire to be involved in this kaupapa *only once a clear direction had been identified and agreed*.

Given the broader context of Local Waters Done Well it is proposed that further engagement with Māori is carried out as part of the wider reform programme under the joint water entity.

4.6. Territorial Authority

Each organisation identifies its own Mission and Vision and strategic priorities through their Long-Term Plans and annual plans. The following section sets out how the proposed transfer of assets within this business case aligns with each council's vision, mission and strategic priorities.

Hawke's Bay Regional Council

HBRC sets out its core strategic goals within its "Strategic Plan 2020 – 2025". The plan includes a mission statement, vision, and four core areas of focus. The strategic plan also sets out HBRC's values, organisational identity, and approach.

Figure 3 HBRC's Mission, Vision and Focus areas

This business case seeks to give effect to HBRC's mission, vision, and focus areas by:

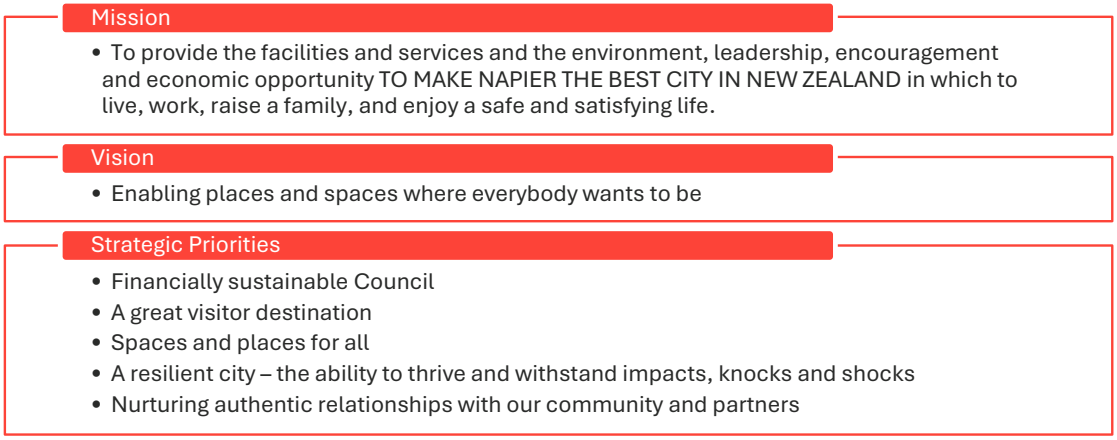
- enabling a whole of network approach to investment in improved stormwater levels of service, thereby potentially reducing and mitigating the impacts of high rainfall events on residents, businesses and communities.
- aligning ownership of drainage assets with the ownership of the green corridors and land in which they are situated.
- creating a single point of accountability for stormwater discharges, consents and quality.
- enabling HBRC to focus its resources towards the management of rural land drainage, river management and flood protection, to improve the productive potential of land.

Napier City Council

In 2023 Napier City Council revisited its mission, vision and strategic priorities. Through that process it adopted five key strategic priorities which are used to help guide decision makers on what projects, activities and budgets to prioritise in its Long-Term Plan.

These mission statements, vision and strategic priorities are outlined in Figure 3 below. Strategic priorities are supported by definition statements, which are not highlighted in the chart.

Figure 4 Napier City Council mission, vision and strategic priorities



This business case is aligned to the mission, vision and strategic priorities of NCC in the following ways:

- Community and social wellbeing is enhanced through improved management of stormwater systems within the Napier City area and by reducing the likelihood and impact of flooding events through an improved ability to deliver level of service upgrades.
- By combining ownership of drainage assets with the land and green corridors in which they are situated, there would be an improved ability to undertake coordinated investment that improves the amenity and function of spaces.
- Investment in drainage assets and the stormwater network currently requires a high level of coordination across councils to ensure that the investment is effective and able to deliver the desired outcomes. This is resulting in delayed investment in infrastructure and potential increased costs. A single point of ownership and accountability should ensure that investment can be completed when it is needed, can be coordinated to deliver intended outcomes efficiently and duplication of effort is minimised.
- The mixed ownership and management arrangement makes it difficult for community groups, and mana whenua to engage in key issues relating to the existing drainage and stormwater network. A single point of ownership and accountability will make it easier to engage with interested stakeholders.

4.7. Issues and opportunities

In undertaking this review, through workshops and the review of information, the following issues and opportunities were previously identified for the Napier urban waterways operation:

Table 2 Summary of issues and opportunities

Description	Issue / Opportunity	Discussion
Roles and responsibilities	Issue	There is no contract or formal arrangement in place between the two organisations regarding management of the waterways - who does what / who owns what / who pays for what / who is responsible for what? A lack of formalised documentation about roles and responsibilities – much of this is documented but there is no single 'source of truth'. There is a lack of public clarity for roles and responsibilities which is exacerbated by cross contracting due to access to specialist equipment. Capability and capacity for incident response needs to be aligned to the roles and responsibilities of each organisation. The original agreement (1989) is outdated and no longer fit-for-purpose. Other agreements regarding urban waterways have been developed since but these are generally not specific on roles and responsibilities although they do highlight the desire to work together.
Levels of service	Issue	Existing levels of service for the Napier/Meeanee and Brookfields/Awatoto drainage catchments are based on land drainage levels of service and not clearly aligned to urban stormwater levels of service. Planned future investment in drainage assets requires alignment to ensure downstream impacts are minimised, and that designed upgrades are consistent. A whole of network approach needs to be adopted which is more challenging under joint ownership and operation.

Description	Issue / Opportunity	Discussion
		HBRC does not have the ability to levy development contributions from new development within the drainage areas, which could otherwise be used as a potential funding source for some of these upgrades. NCC does have the ability to levy Development Contributions.
Collaboration	Opportunity	HBRC and NCC have their own individual policies, priorities and funding mechanisms with consequent varying focusses and resourcing. However, the councils do work together: • Regular operational meetings for which minutes are also reviewed by the strategic meetings. • Regular strategic meetings (monthly) where they 'check in' with each other. • The councils are co-funding an investigation into stormwater quality – looking at point sources of pollution and then developing an investment plan to address. There is the opportunity to build on this relationship/arrangement. A combined Stormwater AMP could be seen as the next level of maturity.
Accountability	Issue	Accountability is not clear across the stormwater activity with regards to waterways maintenance and operations. No one entity has overall responsibility with no clear separation e.g. the Purimu, Plantation and County Drain pump stations are dual managed by HBRC and NCC, although NCC undertakes the day-to-day maintenance and operation, with HBRC contributing financially and advisory. Joint discharge consents gives accountability across both organisations. Not evident to the public and communities as to who is responsible for what – who should they contact if they have a complaint/issue? Accountability can be more complicated when assets are owned by one entity but maintained by another.
Ownership	Issue	Both councils are reasonably clear on asset ownership. Land, assets and equipment may have different ownership e.g. pump station owned by HBRC but SCADA system installed by NCC, who operate the pump station – a necessary 'tool' for efficient operation but owner may not be willing to invest. There is some conflict between asset registers and AMPs. Assets within assets may have different ownership e.g. pump stations / SCADA / pumps.
Investment and decision-making	Issue	Priorities may be different for each council and there is limited coordination on investment decisions – each council makes their own decisions based on their own 'risk appetite'. Level of investment across both councils may not be consistent across both councils which could have downstream impacts. NCC projects have been fed into the HBRC LTP with key projects informed through the Napier City Stormwater Master Plan 2020 which provides alignment.

Description	Issue / Opportunity	Discussion
Compliance	Issue	There is an increasing need for accurate asset data/information and performance and consent monitoring. Privately owned pipes discharging to HBRC/drains – who takes responsibility? Do owners know their responsibilities?
Uncertainty around the 3-Waters reforms	Issue	At the point of the 2024 review of this business case the future of the three waters service delivery in Hawke's Bay was still largely unknown following repeal of the Water Services Entities Act, and the relative infancy of the Local Water Done Well policy. NCC's 2025 decision to adopt a joint Water Services Delivery Plan (WSDP) with Hastings and Central Hawke's Bay District Council's means that the establishment of a joint WSSCO is now underway.

4.8. Benefits of investment/change

The benefits arising from addressing the issues and opportunities associated with the current arrangement were discussed in a workshop on 23 May 2024. The workshop identified that the primary benefits arising from addressing the current ownership and management arrangements are outlined in Figure 5 below.

Figure 5 Benefits of addressing current arrangement

Coordination between councils requires a significant amount of effort and resourcing. A single ownership and management model will negate the need for this coordination between organisations.

The transfer of ownership of HBRC owned drainage assets and the associated resource consents, creates a separation between the regulatory and operational functions of HBRC.

More efficient maintenance and operations, including providing consistency in SCADA, CCTV and telemetry systems and ability to coordinate maintenance and renewals across assets.

A single emergency response coordinator resulting in a reduced need for interagency co-ordination. This also allows HBRC to manage emergency response resources more effectively across the region.

Streamlined investment decision making can be achieved, as investment can be planned across the entire stormwater network, allowing solutions to be considered that would be difficult to achieve through existing arrangements.

4.9. Investment objectives, existing arrangements and business needs

Strategic objectives were agreed with the councils and adopted as investment objectives, reflecting both organisations' strategic context and the aims of this review.

Table 3 Investment objectives, existing arrangements and business needs

Investment Objective 1	**Service delivery model is fit for purpose, delivers the required level of service and meets statutory requirements**
Existing arrangement	• Informal model of service delivery in place. • Inconsistency between the measurement and design standards of stormwater levels of service between the urban land drainage assets and more traditional "urban stormwater". • No contract or formal arrangement in place between the two organisations. • Potential funding constraints for level of service improvements and addressing changing demands on network arising from growth. • A need to coordinate investment across two organisations to give effect to level of service improvements, without mechanisms to ensure complimentary investment is "matched". • Roles and responsibilities not well defined. • Conflict in asset data in some areas. • Different priorities for each organisation can lead to investment decisions that may not be 'best for network'. • There is no mechanism for one council to require the other council to make investment in level of service improvement, which gives rise to deferral of needed investment.
Business needs	• An operating model that delivers an efficient and value for money service. • A model that supports future growth and levels of service through a consistent and coordinated investment approach. • A model that better enables compliance. • Increasing need for accurate asset data/information and performance and consent monitoring.
Investment Objective 2	**There is clear accountability for the performance of the network**
Existing arrangement	• Lack of public clarity of roles and responsibilities. • Accountability is not clear across the stormwater activity. • No one entity has overall responsibility with no clear separation - assets within assets may have different ownership. • Not evident to the public and communities as to who is responsible for what. • Accountability can be more complicated when assets are owned by one entity but maintained by another.
Business needs	• Defined and clear performance requirements. • Clear lines of accountability and responsibility. • A model with a single point of accountability for any network/system.

Investment Objective 3	**Incident response capability with effective chain of command and control, coordination and decision-making processes in place**
Existing arrangement	• No evidence of an overall response plan for the management of the network. • Lack of clarity of roles and responsibilities. • Accountability is not clear across the stormwater activity. • Whole of network investment planning would allow improved opportunities to mitigate and reduce the impacts of high rainfall events.
Business needs	• Capability and capacity for incident response needs to be aligned to the roles and responsibilities of each organisation. • Effective event management to ensure that the network is able to operate to maximum capacity and issues are quickly resolved.

5. Economic Case

The economic case outlines the assessment criteria and methodology used to identify the preferred option. The economic case also considers the financial costs of implementing each of the shortlisted options.

5.1. Options Assessment Criteria

All options were assessed against the following critical success factors:

- Strategic fit and business needs
- Potential value for money
- Supplier capacity and capability
- Potential affordability
- Potential achievability

Taking into account the strategic/investment objectives of this review, the following assessment criteria were identified:

Table 4 Assessment Criteria

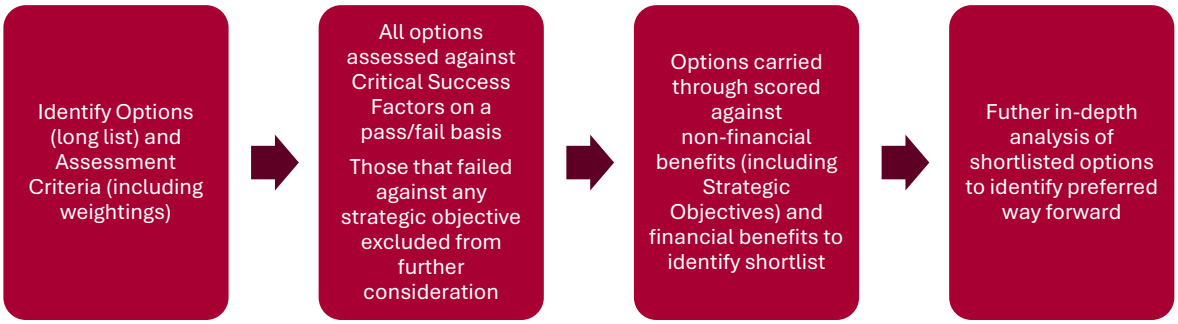
Financial Benefits (30%)	Non-financial Benefits (70%)
• Set up costs (10%) • Governance and management costs (10%) • Operational costs (10%)	Strategic/Investment Objectives: • Service delivery model is fit for purpose, delivers the required level of service and meets statutory requirements (10%) • There is clear accountability for the performance of the network (10%) • Incident response capability with effective chain of command and control, coordination and decision-making processes in place (10%) Other non-financial benefits: • Clear definition of roles and decision-making responsibilities across each council (10%) • Acceptable and manageable level of risk (5%) • Effective, efficient and consistent delivery of service (10%) • Supporting regional collaboration (5%) • Political sensitivity (10%)

5.2. Identification of long list options and assessment

5.2.1. Methodology

The process for the option analysis phase is outlined in the figure below.

Figure 6 Options analysis



Assessment criteria and options were agreed through an issues and opportunities workshop in September 2021. Following an initial analysis of the long list of options by Morrison Low, those results were presented and workshopped with key management and operational staff from both organisations by way of a challenge workshop in October 2021 to score all options and identify the shortlisted ones.

A further workshop in March 2022 then confirmed the preferred way forward in light of developments in the Three Waters Reform and consideration of timelines and high-level costing information.

Investment objectives, problem statements, and risks were revisited at a workshop involving staff from NCC and HBRC on 23 May 2024. This resulted in a confirmation that the objectives remained relevant. The workshop also identified the need to draw a clear alignment between the objectives of this business case and any iterations of Three Waters Reform.

5.2.2. Longlist of options

A range of options (the long list) for alternative service delivery arrangements were identified for consideration against the status quo. This is not an exhaustive list of options but is designed to cover the range of practicable options.

The longlist options and assessment are set out in the table below which includes a description of each option, the outcome from the longlist assessment and associated commentary. The full analysis of the longlist is detailed in Appendix F.

Longlisted options were first assessed against the critical success factors with any option failing against any factor excluded from further consideration. The options were then scored against agreed assessment criteria to determine their overall fit with the strategic objectives and financial and non-financial criteria. Options were scored between 1 and 5 where 1 demonstrated minimal benefit and 5 scoring maximum benefit.

Options that scored the highest and met the critical success factors, were identified to be carried forward for further consideration (shortlisted and are highlighted in shaded colour).

Table 5 Long list assessment summary

Option description		Assessment score	Ranking and overall assessment	Advantages	Disadvantages
1	**Status Quo** Current arrangements maintained	3.1/5	7 - Not recommended	• Business as usual / familiarity • No additional cost to implement any change	• Continued lack of accountability with roles and responsibilities not clearly defined • Uncertainty around ownership and operational responsibilities • Potential to increase level of risk for incident response
2a	**Do minimum / Enhanced Status Quo** Current practice operationalised - documented and collated into a structured and combined format	3.5/5	6 - Discounted from further analysis	• Modest improvement over the status quo	• Added benefits are considered low compared to current practice
2b	**Enhanced Status Quo with rationalisation of contracts** Option 2a plus additional improvements through rationalisation of contracts	4.15/5	4 - Potential option	• This option presents some additional benefits over the do-minimum option and is likely to see an uplift in overall performance • Rationalisation of contracts will lead to efficiencies and potential cost savings	• Still areas of uncertainty around cross-over between ownership and operations/maintenance responsibility • Some conflict in investment decision-making (each organisation has their own priorities which may have an impact on a system that is managed / owned by both)
2c	**Enhanced Status Quo with waterways asset management position established** Option 2b plus establishment of a new role to oversee the management of the urban waterways as a combined activity	4.2/5	2 - Potential option	• This option would provide for someone in an asset management role acting on behalf of both councils which will help drive consistency and prioritisation on a 'best for network' basis	• Still areas of uncertainty around cross-over between ownership and operations/maintenance responsibility • Perceived conflict of interest if asset management position held by one of the organisations

Option description		Assessment score	Ranking and overall assessment	Advantages	Disadvantages
3a	**Assets split on a geographic basis** Open drainage assets transferred based on their geographical location such as catchment boundaries or urban boundary (as defined in District Plan for example)	4.5/5	1 – preferred option	• Clear split of assets – ownership and maintenance/operations responsibilities • Assets will be owned, operated and maintained by one organisation giving clear accountability which generally drives performance • Roles and responsibilities will be clearly defined and understood • Geographic split (e.g. by catchment) less likely to have conflicts of interest than split by function	• Higher cost of implementation than options 2a and 2b although once established, should be more cost-effective and efficient • May require s17 process (transfer of responsibilities) and s16 process (where a regional council takes over significant activity already being undertaken by a TLA council or vice versa)
3b	**Assets split by function** Each council has full ownership and responsibility for a specific asset 'function' or activity e.g. open waterways vs stormwater channels	4.15/5	3 - Potential option	• Clear split of assets – ownership and maintenance/operations responsibilities • Assets will be owned, operated and maintained by one organisation giving clear accountability which generally drives performance • Roles and responsibilities will be clearly defined and understood	• Higher cost of implementation than options 2a and 2b although once established, should be more cost-effective and efficient • Would require s17 process (transfer of responsibilities) and s16 process (where a regional council takes over significant activity already being undertaken by a TLA council or vice versa) • Potential for impacts from other assets which are the responsibility of the other organisation within same catchment • Public confusion may persist if function is not clearly defined.

Option description		Assessment score	Ranking and overall assessment	Advantages	Disadvantages
3c	**All assets transferred to one council (either NCC or HBRC)*** One council has full responsibility for ownership and management of all open waterways within the Napier City Council boundary	3.9/5	Discounted due to replication of 3a	This could reflect the current 3-Waters direction to some degree (HB to be part of Entity C). This option is broadly consistent with option 3a (depending on the agreed drainage catchments to be transferred) and has therefore been discounted due to a lack of specificity. Where there is a desire to ultimately transfer all drainage assets to one council, this can still be addressed through the definition of the geographic area under option 3a.	
4	**Full shared services jointly managed between HBRC and NCC**	Not scored – Failed critical success factors		Likely higher governance costs and additional setup cost with little, if any, added benefit over the current arrangements	
5	**By CCO/CCTO owned by Council/s** Transfer of the Urban Waterways into a newly established CCO/CCTO (unrelated to the Regional WSCCO)	Not scored – Failed critical success factors		Likely higher governance costs and additional setup cost with little, if any, added benefit over the current arrangements Could add complexity to the management of the networks	
6	**Council forms an Alliance arrangement to manage and deliver the urban waterways**	Not scored – Failed critical success factors		The volume and type of work carried out in this space would be unlikely to attract, or warrant, a partnership approach with the private sector	

This table was created before the LWDW policy update progressing (Option 5).

5.3. Shortlisted options

5.3.1. Overview of options

The longlist of options analysis resulted in three options being shortlisted for further assessment as below:

1. **Single source of truth and consolidated contracts** (Option 2b: Enhanced Status Quo with rationalisation of contracts)
2. **Create designated role** (Option 2c: Enhanced Status Quo with waterways asset management position established)
3. **Transfer of assets**
    a. Option 3a: Assets split on a geographic basis
    b. Option 3b: Assets split by function.

5.3.2. Financial discussion for shortlisted options

The focus of the review is on service delivery and decisions regarding funding are not the key decision-making variables when looking at service delivery options. In that context, funding cost-effectiveness is included in the review through the consideration of:

- Whether there are costs that can be reduced by sharing services between the councils for governance and service delivery.
- The relative establishment costs and ongoing financial impact of each of the options considered.
- A high-level cost assessment has been completed to enable comparison of the shortlisted options. This assessment has considered the range of costs for implementing each of the options and includes an estimate of the value of internal staff time that may be required.
- It is anticipated that the cost of delivering the physical works will vary little across the options as the scope of works will essentially remain unchanged. However, it is anticipated that a more efficient delivery model will result in better value for money to ratepayers.
- The drainage catchments that are the subject of this business case are funded through the application of targeted rates levied over properties serviced by the catchments. Given costs of operating and investing in these schemes are broadly consistent across all options and will be funded by the same group of ratepayers, the financial analysis presented below focusses only on the cost of implementing change. A discussion on the ongoing investment requirements and operational costs of the catchments is included in Appendix B (HBRC Scheme Descriptions and Performance) and C (NCC Stormwater Network and Performance).

The table below outlines the costs that will be included in each of the options and includes allowances for the value of staff time (noting that no additional resourcing is expected to be required).

Table 6 High level financial impact of shortlisted options

Costs	OPTION		
	Option 1 - Single source of truth and consolidate contracts	Option 2 - Create designated role	Option 3 - Transfer of assets
Cost Estimate	$25,000 -50,000	$50,000 -70,000	<$100,000
Asset data register	Complete	Complete	Complete
Māori/Iwi consultation	✓	✓	✓
Rationalise contracts / develop Standard Operating Procedures	✓	✓	✓
Revaluation of assets	Complete	Complete	Complete
Survey of assets	Complete	Complete	Complete
AMP review	×	×	✓
New role established	×	✓	×
Legal costs for transfer of assets	×	×	✓
Consultation	×	×	✓

5.3.3. Assessment of shortlisted options

The merits of each shortlisted option were assessed against the status quo and according to:

- the relative likelihood of each option to meet the business needs.
- the relative risks associated with delivering each option.

5.3.4. Risk assessment

For the risk assessment, options have been assessed against political, economic, social, technical, legal and environmental risks as below. Shading in the table denotes level of risk with red indicating high risk and green indicating low risk.

Table 7 Risk assessment

Option		Political risk – Reputational risks to HBRC/NCC, 3-Waters reform	Economic risk – cost increases / uncertainty	Social risk - population growth, customer expectations	Technical risk - Untried technology or process	Legal risk - Council decisions legally challenged	Environmental risk – climate change, environmental compliance	Recommendation from risk assessment
0: Status Quo		High risk – current issues and problems not addressed	High risk – lack of clarity can lead to uncertainty around costs and funding	Medium risk – does not provide well for growth	Low risk – no change in method of delivery	Low risk - unlikely to be legally challenged	High risk – current issues and problems not addressed	Not recommended
1: Single source of truth and consolidate contracts		Medium risk – minimal improvement in delivery	Low risk – no change to overall service, some efficiencies introduced	Medium risk – does not provide well for growth	Low risk – no change in method of delivery	Low risk - unlikely to be legally challenged	Medium risk – improvements over status quo with clarity around accountability	Possible
2: Create designated role		Medium risk – minimal improvement in delivery	Low risk – asset mgt role to support investment decisions	Medium risk – does not provide well for growth	Low risk – no change in method of delivery	Low risk - unlikely to be legally challenged	Medium risk – improvements over status quo with clarity around accountability	Possible
3: Transfer of assets	3a: Geographic split	Low risk – clear boundaries supports clear accountability	Low risk – clear boundaries and accountability will better support good investment decisions	Low risk – asset split allows for investment decisions around growth within one organisation	Low risk – no change in method of delivery	Medium risk – s17 process required	Low risk –	Preferred
	3b: Functional split	Medium risk - clear boundaries supports clear accountability but potential catchment cross-over. Additional complexity with implementation during WSCCO establishment.					Medium risk – some risk liability from other organisation with potential overlap of catchments	Possible

5.3.5. Assessment against Investment Objectives and Business Needs

Table 8 Assessment of shortlisted options against investment objectives and business needs

Business needs	Options				
	Status Quo	1: Single source of truth & consolidate contracts	2: Create designated role	3: Transfer of assets	
				3a: Geographic	3b: Functional
Investment Objective 1: Service delivery model is fit for purpose, delivers the required level of service and meets statutory requirements					
• An operating model that delivers an efficient and value for money service • A model that supports future growth and levels of service • A model that better enables compliance • Increasing need for accurate asset data / information and performance and consent monitoring	Does not meet - Current model out of date and not fit-for-purpose.	Partially meets – addressing asset information conflicts and consolidating contracts will deliver more effective model, but ownership / responsibility overlaps will not deliver most efficient option	Partially meets – dedicated role to support better investment decision making but ownership / responsibility overlaps remain	Fully meets – clear split of assets will support clear maintenance / operational responsibilities	Partially meets - clear split of assets will support clear maintenance / operational responsibilities. Some cross-boundary risks regarding compliance
Investment Objective 2: There is clear accountability for the performance of the network					
• Defined and clear performance requirements • Clear lines of accountability and responsibility • A model with a single point of accountability for any network / system	Does not meet – roles and responsibilities / accountability not clear.	Partially meets – improvement over status quo but ownership / responsibility overlaps will remain	Partially meets – as option 1	Fully meets – clear split of assets will give clear accountability	Partially meets – clear split of assets will give clear accountability however care will need to be taken to define and distinguish asset function
Investment Objective 3: Incident response capability with effective chain of command and control, coordination and decision-making processes in place					
• Capability and capacity for incident response needs to be aligned to the roles and responsibilities of each organisation • Effective event management to ensure that the network is able to operate to maximum capacity and issues are quickly resolved	Does not meet - roles and responsibilities / accountability not clear.	Partially meets – more efficiency but still some overlap in ownership / O&M responsibilities which may give lack of clarity in the response to events	Partially meets – more efficiency but still some overlap in ownership / O&M responsibilities which may give lack of clarity in the response to events	Fully meets – clear split of assets will give clear accountability	Fully meets – clear split of assets will give clear accountability
Recommendation from assessment	**Not recommended**	**Possible**	**Possible**	**Recommended**	**Possible**

6. Preferred option

The preferred option is to implement a **transfer of assets to a single organisation** with **assets split on a geographic basis**. While this transfer relates in a change of ownership at an entity level, there is no transfer of risk or ownership between ratepayer groups, as schemes are predominantly targeted rate funded across ratepayers in Napier.

Figure 7 Preferred option

Key benefits of the preferred option include:

- One organisation will be fully responsible for ownership and operation / maintenance of those assets.
- Risk easier to deal with as it will lie fully with the owner who is responsible for the assets and the related service.
- Allows alignment of growth planning, regulatory duties, funding and infrastructure planning within the urban area.
- More efficient delivery of service with clarity around ownership and responsibilities.
- Accountability can be clearly defined, and performance measured for each organisation. The public will have improved clarity regarding the owner of stormwater/drainage assets.
- Investment decisions will not be reliant on coordination with other organisations as all linked assets will be under the control of one entity.
- Investment decisions will better support 'best for network'.
- Financial responsibilities clear.

Whilst the set-up costs to implement the transfer of assets option will be higher than under other options which do not include asset transfer, the ongoing costs of physical works will be similar and will deliver a more efficient and cost-effective service.

6.1. Geographic split boundary definition

As described in Section 3.1 both catchments have been considered independently in terms of identifying the assets and geographic boundaries that may apply. Appendix G provides more detail on the asset split.

The options applying to each scheme, including the advantages and disadvantages of each approach, are outlined below in Table 9 and Table 10.

Table 9 Geographic asset split options applying to the Napier/Meeanee/Puketapu drainage catchment

Description	Advantages	Disadvantages
Option 1 Transfer entire catchment within the Napier City Council boundary[6].	• Simplicity – all drains within the Napier Boundary are the responsibility of a single organisation. • Full control of upstream and downstream water flows by one entity. • Expertise for management of rural drains can be contracted from HBRC. • Allows single organisation to proactively manage investment in drainage assets which may be subject to future urbanisation and coordinate this with changes in district planning provisions.	• A number of drains are truly rural in terms of level of service and design – this is HBRC's expertise.
Option 2 Transfer only assets within the urban limits defined in Napier City Council's District Plan	• Leaves rural drains with HBRC, who have the appropriate expertise to manage and maintain the drains. • Includes a clear geographic split between single organisation and HBRC assets.	• Includes six points of interface between HBRC and single organisation managed drains including two high flow interfaces at Waverly and Tannery Drains. • May need to be reviewed again if the urban area of Napier expands. • Some drains are owned by both councils.
Option 3 Transfer assets within the urban limits defined in Napier City Council's District Plan plus drains that traverse the urban limit	• Reduces number of interface points between WSCCO and HBRC drains. • No split ownership of individual drains. • Ensures that the majority of rural drains remain within HBRC ownership (who have the asset management expertise).	• Contributes to confusion about ownership of urban drains. • May need to be reviewed again following expansion of the Napier Urban area.

[6] With the exception of the Apley stream, the Dartmoor, Cadwallader, Turirau, O'Briens, McCluskey and Rubbish Tip drains and any drains on the southern side of the Tutaekuri river.

Table 10 Geographic asset split options applying to the Brookfields/Awatoto drainage catchment

Description	Advantages	Disadvantages
Option 1 Transfer all drainage assets in the Brookfields/Awatoto drainage catchment within the Napier City Council boundary.	• Reduces confusion about ownership of drainage assets within the Napier City Council boundary. However, NCC also owns a number of roadside drains within the Brookfields/Awatoto catchment. • A single organisation may be more able to invest in level of service upgrades on the Awatoto Drain and may have more ability to collect development or financial contributions to fund this work. • There is increasing demand from property owners serviced by the Brookfields/Awatoto drainage catchment for an increased level of service.	• The Brookfields/Awatoto drainage catchment is predominantly rural and is more naturally aligned with drainage catchments that will be retained by HBRC.
Option 2 Hawke's Bay Regional Council retains all of the drainage assets in the Brookfields/Awatoto drainage catchment.	• The Brookfields/Awatoto drainage catchment is predominantly rural and is more naturally aligned with drainage catchments that will be retained by HBRC.	• Confusion regarding asset ownership may remain, drainage catchment boundaries are not obvious to public who will continue to expect assets that "look the same" to be managed by the same entity. • Single organisation may be more able to invest in level of service upgrades on the Awatoto Drain.
Option 3 Transfer the drainage assets (drains and pump stations) which primarily service the industrial estate to single organisation with retaining rural drainage assets.	• Results in rural drains being retained by HBRC, while better enabling investment in drains servicing commercial property.	• Mixed ownership of drains within a catchment will continue and will require investment in level of service upgrades to be co-ordinated to ensure desired outcomes are achieved. • Drainage catchment boundaries are not obvious to public who will continue to expect assets that "look the same" to be managed by the same entity. • There are practical and technical limitations to the separation of the Brookfields/Awatoto drainage catchment noted in the Inspiratus review. Separation of ownership would likely conflate existing challenges.

On balance, we have recommended that for the **Napier/Meeanee/Puketapu catchment** and all drainage assets within the NCC boundary are transferred. This recognises that this option is most likely to fulfil the strategic objectives of this review, in particular:

- Service delivery model is fit for purpose, delivers the required level of service and meets statutory requirements
  - Future development in areas outside of the urban limits in NCC will require boundaries to be revisited or risk being provided with a lower level of service than is otherwise required.
  - Ownership of all drainage assets within the city boundary enables better alignment of urban planning with investment in supporting drainage infrastructure.
  - Create full alignment between district planning provisions, infrastructure planning, funding provisions and regulatory functions and powers.
- There is clear accountability for the performance of the network
  - Transfer of all assets within the NCC boundary is the only option that provides absolute clarity regarding the roles and responsibilities for managing those assets.
  - Transfer of all assets is the only option that recognises the function of drainage assets as being key parts of the stormwater network.
  - Alternative transfer arrangements require the management of interface points for the monitoring of water quality, and a continued need to coordinate investment to ensure effective performance of the network.

Transfer of the Brookfields/Awatoto drainage assets was discussed in a workshop with NCC and HBRC staff. That workshop identified a preferred approach to transfer all of the drainage assets in the **Brookfields/Awatoto catchment** to a single organisation for the reasons listed above.

6.2. Treatment of the remaining assets in the catchments

This business case is specific to Napier's Urban Waterways, however **some of the underlying principles may be applicable to other Hawke's Bay Regional Council assets within the newly established WSCCO service area**. Further work would be required to identify and assess those assets in detail.

For example, the Napier/Meeanee/Puketapu catchment includes:

- The Apley stream
- The Dartmoor, Cadwallader, Turirau, O'Briens, McCluskey and Rubbish Tip drains
- Drains on the southern side of the Tutaekuri river

Most of these drains service ratepayers in the Hastings District and have been excluded from the transfer proposal. However, a small number of ratepayers in the Napier City area are also serviced by some of these drains. These drains are not connected to the part of the drainage catchment that is proposed to transfer, and function as operationally separate drainage areas. These drainage assets relate to the "Puketapu" drainage catchment.

Ongoing ownership, operation and maintenance of the drainage assets in these areas will continue to be the sole responsibility of HBRC, and ratepayers will be levied a targeted rate for that service provision. Whether these continue to be funded as a separate catchment or are amalgamated into a different neighbouring catchment, is an operational decision that will be made closer to transfer date. The costs associated with managing the "Puketapu" catchment are considered to be immaterial to the overall costs of the Napier/Meeanee/Puketapu catchment.

7. Financial Case

The Financial Case considers the financial viability of the services and identifies possible funding sources by demonstrating that the preferred option is affordable and fundable.

7.1. Current funding

The expenditure on the Napier waterways is not significant in terms of the overall spend within each council. In 2025 the Napier/Meeanee/Puketapu and Brookfields/Awatoto drainage scheme budgets will equate for approximately 2% of HBRC's total operating budget[7]. The budget for the HBRC owned drainage schemes equates to 18% of NCC's 2024/25 budget for its stormwater activity.

Table 11 Current funding split

HBRC		NCC	
Funded through 90% targeted rates / 10% general rates		Funded through 100% targeted rates	
2025/26 budgets (Napier/Meeanee/Puketapu and Brookfields/Awatoto drainage areas combined)	Opex (incl depreciation) = $1.90 million Capex = $766,000	2025/26 budgets for stormwater activity	Opex (incl depreciation) = $12.7 million Capex = $6.9 million[8]

Regardless of which service delivery model is accepted, funding options are continually assessed and refined as part of regular service optimisation reviews, when changes to service are proposed (e.g. as part of the Long-Term Plan) or when Council reviews its revenue and financing policy.

7.2. Financial implications of implementation

Any option taken forward that includes the transfer of assets will need an in-depth assessment of the financial implications for HBRC and the WSCCO.

This section presents an estimate of the financial implications based on operating budgets for the 2025/26 financial year. The actual financial implications for each council will be fully assessed as part of the process for implementing the preferred option and will be reliant on a number of decisions and actions.

Factors which may influence future cost and balance sheet outcomes include condition assessments and asset revaluation processes, as well as further role and process definition work which may arise as a result of Māori/Iwi consultation. This may result in additional roles or resources being required within the final operating model.

Further, impacts to ratepayers will not be fully understood until a rating mechanism is determined.

It is estimated that implementation of the preferred transfer of assets option will have a cost below $100,000 pending legal advice regarding the transfer mechanism.

Cost estimates include a provision for internal staff time and high-level estimates for external resources.

[7] HBRC annual plan 2024/25
[8] Sourced from Napier city council volume 1 of the Three-Year plan 2024-27

7.3. Current financial situation

The operating budgets for the 2025/26 financial year, as they relate to the assets considered as part of this review, are outlined for each council in the table below:

Table 12 Current financial situation

	HBRC – Napier/Meeanee/Puketapu and Brookfields/Awatoto catchments	NCC – Stormwater activity
Operating costs	$1,025,000	$1,814,000
Overheads – general	$515,000	$3,328,000
Employment overheads	$90,000	$n.a[9]
Depreciation	$270,000	$5,574,000
Loan interest	$0	$0
Capital charges	$0	$1,973,000
Total expenditure	**$1,900,000**	**$12,689,000**
Book value of assets	$10,012,000	$280,382,000

As noted, for both councils, the stormwater and drainage activities are funded mainly by way of targeted rate.

There is a significant asset renewal programme for the Napier/Meeanee/Puketapu scheme which will see the balance of that scheme's depreciation reserve fully depleted by the end of the 2026/27 financial year. In addition to the physical assets included in the above information HBRC reports the following reserve balances which may be relevant to the transfer of assets.

Table 13 HBRC reserve balances estimated closing balance 2023/24

Reserve name	Balance
Targeted rate operating reserve	$682,000
Depreciation reserve	$1,000,000
Disaster reserve[10]	$266,000
Total	**$1,948,000**

[9] Value cannot be derived from NCC's 3-year plan.
[10] As of the 24/25 Annual Report this reserve is now fully depleted.

7.4. Ongoing financial impacts of transfer

The ongoing impacts of the transfer of the Napier/Meeanee/Puketapu and Brookfields/Awatoto catchment assets are presented in the following table. As the preferred option includes the transfer of assets from both catchments, these have been combined in the table below.

The analysis does not include any estimates of potential operating efficiencies that may be achieved following transfer. It is expected that these may exist due to consolidation of contracting and contract management, a reduction in duplication in relation to the development of strategic documents and Asset Management Plans, and a reduction in required effort for coordination of work. Most of these efficiencies are likely to be minor and may not give rise to any financial savings (but may give rise to improved productivity).

Detailed analysis of future funding requirements should take place as part of the transfer process.

Implementation of the preferred option would result in the following transfer of costs in the 2027/28 year. The costs below include a loan funded feasibility study, which is a one-off cost (spanning two years) relating to proposed capital upgrades in the Napier/Meeanee/Puketapu catchment. This study, and the associated funding, will be completed prior to the 2027/28 and will not form part of the transferred costs.

Table 14 Financial implication of implementation of preferred option

	Total existing costs (HBRC)	To that will now be borne by WSCCO	Costs that will remain with HBRC
Contracted works (general)	$645,000	$645,000	-
Contracted works (stopbanks)	$25,000		$25,000
Contracted works (Puketapu)	$240,000		$240,000
Other operating costs	$155,000	$155,000	
Overheads – general	$515,000	-	$515,000
Employment overheads	$90,000	-	$90,000
Depreciation	$270,000	$270,000	-
Total expenses	**$1,900,000**	**$1,030,000**	**$870,000**
Funded by:			
Targeted rates	$1,485,000	$730,000	$265,000
General rates	$185,000	-	$605,000
Loan funding (feasibility study)	$300,000	$300,000	
Book value of assets	$10,012,000	$10,012,000	*$0*

The rates impact of the proposed transfer is therefore approximately $1.03 million per annum, or an average of $40 per property in Napier that pays a stormwater targeted rate. This equates to approximately 1% of Napier's annual rates income. This will be largely offset by a reduction in HBRC's

targeted rate. The actual impact on individual ratepayers may differ as rating structures, differentials, and ratepayer groups may differ.

The total rates funding requirement is higher than the current arrangement due to current catchment rates being partly funded from operating reserves. This option will remain available to the WSCCO following transfer.

NCC currently funds its stormwater activity through a targeted rate which includes differentials for commercial and industrial properties, and an exemption for rural properties. The drainage assets that are proposed to transfer include assets which service rural property. The WSCCO will not be legally empowered to charge rates and will need to consider its approach to charging for stormwater assets as part of its implementation work and the development of its first Water Services Strategy. This work should include consideration of the stormwater service area. The transfer of drainage assets that service properties in Napier that do not currently pay a stormwater targeted rate, may mean that the service area is larger than the current targeted rate area in Napier.

Costs remaining with HBRC relate to the Puketapu catchment, the maintenance of stopbanks, and corporate overhead costs. The funding mechanism for these has been illustrated as a general rate across the entire Hawke's Bay region, however in practice, overhead costs will be redistributed across the remaining activities in Council and will therefore follow the underlying funding approach for those activities. A more detailed discussion on this stranded overhead cost is included later within the Financial Case.

Cost split

For completeness, the split of costs to be transferred between the Napier/Meeanee/Puketapu and Brookfields/Awatoto catchments is shown below.

A portion of the Napier/Meeanee/Puketapu catchment relating to the Puketapu area is proposed to remain with HBRC. Additionally, some of the contracted works relate to maintenance of stopbanks will remain. A review of HBRC's contract with Works Group has been undertaken, and those costs have been separated and are assumed to not transfer.

Table 15 Distribution of budget between Napier/Meeanne/Puketapu and Brookfields/Awatoto catchments

Item	Napier/ Meeanee/ Puketapu	Brookfields/ Awatoto	Total
Contracted works (general)	$595,000	$50,000	$645,000
Contracted works (stopbanks)	$25,000	-	$25,000
Contracted works (Puketapu)	$240,000	-	$240,000
Other operating costs	$70,000	$45,000	$155,000
Overheads – general	$430,000	$85,000	$515,000
Employment overheads	$65,000	$25,000	$90,000
Depreciation	$225,000	$45,000	$270,000
Total expenses	$1,650,000	$250,000	$1,900,000

Item	Napier/ Meeanee/ Puketapu	Brookfields/ Awatoto	Total
Funded by:			
Targeted rates	$1,315,000	$170,000	$1,485,000
General rates	$160,000	$25,000	$185,000
Loan funding (feasibility study)	$300,000	-	$300,000
Book value of assets	$8,214,000	$1,798,000	$10,012,000

7.5. Capital expenditure

HBRC's proposed capital works programme for the three years of its 2024/25 three-year plan (a replacement for its Long-Term Plan) is set out below. The programme predominantly focuses on renewal of ageing infrastructure, rather than new capital works.

Renewals are funded through the established depreciation reserves for each catchment, including any annual funded depreciation charges. Investment in upgraded levels of service or growth-related infrastructure is funded through debt or grants if available.

Table 16 Budgeted capital expenditure

	2024/25	2025/26	2026/27
Napier/Meeanee/Puketapu			
Renewals	-	$757,000	$606,000
Level of service and growth upgrades	$10,000	$10,000	$10,000
Brookfields/Awatoto			
Renewals	-	-	$7,000
Level of service and growth upgrades	-	-	-

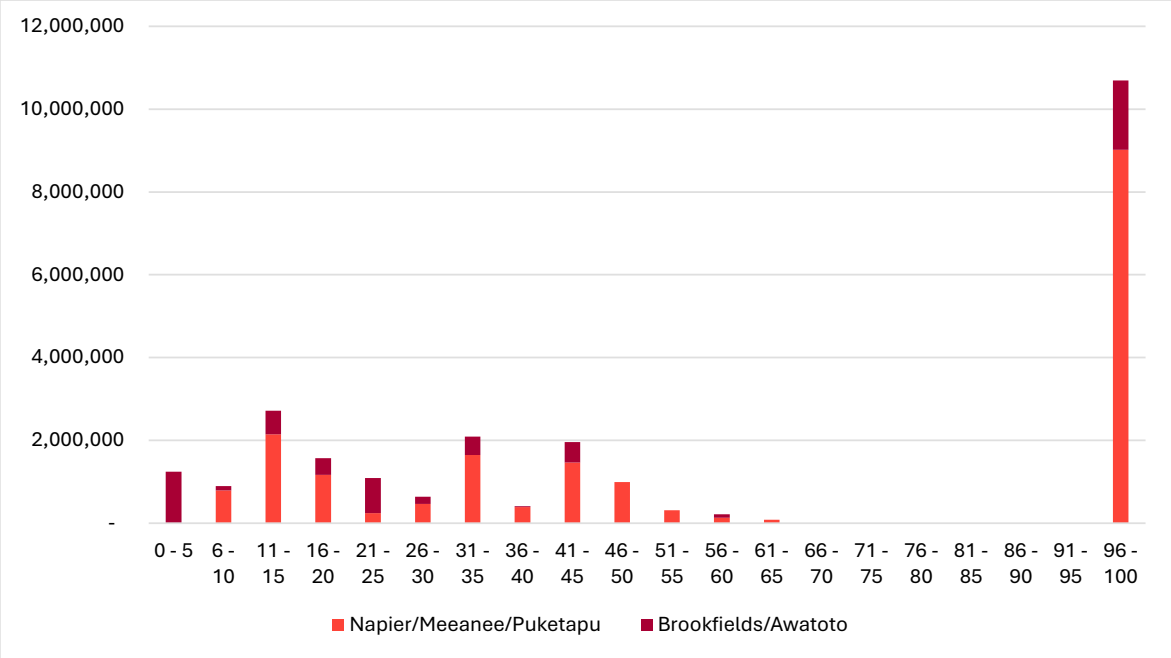
Of note, the three-year capital works programme does not include the investment identified in the Stantec or Inspiratus reviews, as outlined in Appendices H and I. However, it is noted that:

- The Napier/Meeanee/Puketapu drainage scheme operating budget includes $500,000 spread over years 2024/25 and 2025/26 to undertake a feasibility study to support the planned upgrades to that scheme.
- The need for planned upgrades in the Napier/Meeanee/Puketapu schemes has been recognised by Council staff and is expected to be required in the next ten years. The benefits from undertaking this investment are only likely to be fully realised if WSCCO is able to complete its share of the required investment.

The chart below shows the age profile of assets in the two schemes against their replacement value. The chart shows $1.5 million of assets in the Napier/Meeanee/Puketapu catchment, and a further $1.2 million of drainage assets in the Brookfields/Awatoto catchment, with less than 5 years of remaining useful life. Open drains are recorded as having a further 100 years of useful life.

This would suggest an asset renewal programme of approximately $370,000 per year will be required over the next ten years across the two catchments. The majority of this investment relates to pump station assets.

Figure 8 Asset replacement value by remaining life



7.6. Stranded costs

The current operating budgets for the Napier/Meeanee and Brookfields/Awatoto drainage catchments include an allocation of corporate overhead costs. These costs form part of the total cost calculation which is used to determine the amount of targeted rates to be collected from properties within the scheme catchments.

We have assumed that general overheads and internal charges are not likely to transfer to the WSCCO.

These overhead cost recoveries include a share of costs for:

- Corporate support, customer service, and communications
- Finance, treasury, risk and IT
- Governance and executive
- Office accommodation, utilities, etc

Combined, the two schemes will fund $515,000 of corporate overhead in 2025/26. Asset transfer of these two schemes to the WSCCO would be unlikely to result in any material reduction to the underlying corporate overhead costs within HBRC.

These costs are not additional costs. They are already funded by ratepayers within the drainage catchment and will not be transferred. The transfer is not anticipated to create any need for additional organisational overhead within the WSCCO (as it was not expected too had the asset transfer been to NCC).

The overhead costs currently funded through the transferring drainage catchments will be reallocated across the remaining activities in HBRC based on its existing methodology. This means that the funding for these overheads will include a variety of sources, reflective of the underlying funding approach for each activity. This will result in a small change in total rates payable by all ratepayers in the Hawke's Bay region.

HBRC could also consider funding these costs through targeted rates within the existing catchment areas, though this may be difficult to achieve through application of section 101(3) of the Local Government Act 2002.

We have also assumed that employment overheads ($90,000) will remain with HBRC. These overheads relate to the allocation of staff employment costs (based on timesheets). These overhead costs relate to actual work undertaken by staff in each catchment. It is estimated that between 1 – 2 FTE's worth of time is spent on the Napier/Meeanee/Puketapu and Brookfields/Awatoto schemes combined. However, this is spread over a number of staff, meaning there is unlikely to be a case for reducing resources following the transfer of drainage assets. These costs would similarly be redistributed across other activities within HBRC.

8. Commercial Case

8.1. Overview

The purpose of the commercial case is to demonstrate that the preferred option will result in a viable solution where appropriate agreements can be put in place to deliver the services.

Implementation of the preferred option will occur through two separate, concurrent, workstreams.

The two implementation workstreams to manage are:

1. Establishment of joint asset management responsibilities and transfer of service delivery responsibilities to NCC by 1 July 2026
2. Transfer of asset ownership to the WSCCO at a date to be defined (and highly dependent on WSCCO transition programme).

These two workstreams are illustrated below and covered in more detail in Section 9 Management Case.

Figure 9 Implementation of the preferred option

8.2. Implementation of Workstream 1

Delivery of this workstream is intended to be complete by 1 July 2026. Implementation of Workstream 1 involves the following activities described in this section.

8.2.1. Complete stocktake of assets

A stocktake of assets to be transferred, including an assessment of condition, valuation, consent status and expected useful life, was commissioned by Napier City Council and has been recently completed. The stocktake identified:

- The assets have a current optimised replacement value of $27.3 million.
- The assets have a current book value of $18.2 million (this is based on the remaining life of assets, and is not the book value of the assets as recorded in HBRC's asset register).
- Two pump stations which do not currently have resource consents (Brookfields and Mission).
- Two pump stations with expired resource consents (County and Kenny Road).
- Two jointly held resource consents (County and Plantation).

This information can also be utilised for Workstream 2 however by the time the asset ownership transfer occurs it may need to be updated.

The PDP reports for this stocktake have been attached as Appendix J.

8.2.2. Assess existing contractual arrangements

The existing contractual arrangements relating to the operation and maintenance of the Napier/Meeanee/Puketapu and Brookfields/Awatoto catchments are outlined in the table below. It is noted that there may be additional contractual arrangements that are not detailed here. HBRC's Works Group and NCC's City Services engage subcontractors to undertake specialised work on scheme assets occasionally.

To the best of our knowledge, all of the sub-contracting arrangements are on an ad-hoc/as needed basis, and there are no ongoing commitments. It is anticipated that the work currently contracted to HBRC's Works Group and NCC's City Services will continue to be carried out by those groups into the foreseeable future.

As part of the proposed transfer, the completeness of the above stocktake of contractual arrangements will be verified. Given HBRC will maintain overall funding responsibility and ownership of the drainage assets between 1 July 2026 and 30 June 2027, a decision will need to be made as to whether these contracts (and their management) are transferred alongside the asset planning and asset management responsibilities, or whether novation is delayed until 1 July 2027.

Table 17 Summary of existing contracts

Principal to contract	Contractor	Services provided	Estimated annual value[11]	End date (if applicable)
HBRC	HBRC Works Group	Asset Maintenance, Drainage and Pumping	$330,000	30 June 2024
HBRC	NCC – City Services	Napier Pump Stations Maintenance - County, Plantation, Purimu	$125,000	30 June 2024
HBRC	Broad Electrical	Electrical Maintenance	$6,000	30 June 2024
HBRC	Harris Landscaping	Napier Urban Streams Taipo Maintenance	$12,500	30 June 2024

8.2.3. Legal advice and creation of legal agreement

Once the split of assets has been determined, a 'Memorandum of Understanding", "Service Level Agreement", or an equivalent legally binding document will be required. HBRC should confirm no other legal advice is required to support this workstream (it is expected this advice would be limited as ownership arrangements are not being impacted).

The document would need to address issues such as:

- How the interface between rivers and flood control and drainage assets will be managed
- The process for developing a joint asset management plan
- The process for updating catchment management plans
- The use of any relevant easements or other infrastructure access requirements

[11] Transferring schemes component

- Legal and regulatory compliance responsibilities
- Functional roles and responsibilities for service delivery
- Funding and cost-sharing arrangements
- Performance monitoring metrics.

8.3. Implementation of Workstream 2

The tasks required to deliver this workstream have not been extensively detailed due to its interdependency with the WSCCO establishment and transition plan. The timing for the transfer of the ownership of the urban waterways assets as described in this business case has been set for June 30, 2027, however this date will need to be assessed as the workstream gets underway and progresses.

8.3.1. Legal advice

The legal advice originally obtained from Simpson Grierson for the transfer of assets from HBRC to NCC is attached as Appendix K.

HBRC will need to commission updated legal advice regarding the legal process *for enacting a transfer of the drainage assets from HBRC to the WSCCO*. In addition to the matters covered in the existing advice it should also consider:

- The asset transfer process having regard to the Local Government (Water Services Act), and whether there is a need for a two-stage transfer.
- Whether the Local Government (Water Services Preliminary Arrangements) Act has changed the consultation requirements.
- The impacts on the WSCCO's constitution, shareholders agreements, calculation of shareholding, and balance sheet position.

Regarding consultation, from a practical perspective, to undertake a single consultation on the transfer to the WSCCO with an interim transfer of management responsibilities even if not strictly required would be of value. Earlier consultation will give the WSCCO more certainty so that it can plan accordingly.

Pending the outcome of the legal advice and in light of HBRC's wider work programme, HBRC officers have recommended that consultation should take place concurrently with consultation on the 2026-27 annual plans.

If the provisions of the Local Government (Water Services) Act 2025 can be utilised, it is expected that the transfer of assets and associated debt and reserves could be addressed through a transfer agreement with the WSCCO. This would need to include:

- The legal description and value of assets to be transferred
- Any agreed consideration
- The transfer of responsibilities for, and ownership of, resource consents
- The transfer of any relevant easements
- The legal responsibilities for any historical claims or unpaid debts at the date of transfer.

8.3.2. Urban drainage interface details

In addition, to achieve the transfer HBRC and the WSCCO will need to consider the interface of the urban drainage assets. This could be addressed in a separate Interface Agreement or may ultimately reside in a memorandum of transition.

This may include:

- Which bit of which watercourse is managed by:
  - WSCCO
  - HBRC
  - Roading Authority
  - Private owners
- What function will each entity be responsible for, such as:
  - Whole of catchment management
  - Emergency management
  - Land use planning
  - Structures, stopbanks, culverts
  - Channel maintenance
  - Managed retreat
  - Nature based solutions
  - Consent monitoring and compliance
- How the interface between rivers and flood control and drainage assets will be managed.
- Any changes to emergency management responsibilities and arrangements that arise because of the transfer.

9. Management Case

The purpose of the management case is to demonstrate that robust arrangements are in place for the delivery, monitoring and evaluation of the services, including feedback into the councils' strategic planning cycle.

The two implementation workstreams to manage are:

1. Establishment of joint asset management responsibilities and transfer of service delivery responsibilities to NCC by 1 July 2026.
2. Transfer of asset ownership to the WSCCO at a date to be defined (and highly dependent on WSCCO transition programme).

9.1. Overview

To successfully implement the preferred option, the following actions are recommended:

Workstream 1 – Establish Joint Asset Management Responsibilities and Transfer Service Delivery Responsibilities

- **Appoint a Project Manager** to oversee the transfer of responsibilities. This team would be in place until the responsibilities have been transferred, and management lies with NCC. The Project Team will consist of leads from both HBRC and NCC to ensure programme delivery and coordination.
- **Develop a Project Plan** this should include:
  - a delivery structure
  - responsibilities matrix
  - timeline
  - an understanding of the necessary approvals required for the memorandum of understanding and authority to proceed.

Workstream 2 – Transfer Asset Ownership

- **Use the existing Project Team and appoint a WSCCO point of contact** to oversee the transfer of assets. This team would be in place until the asset transfer is complete, and the assets are transferred to the WSCCO. The Project Team is expected to consist of workstream leads from HBRC coordinating with the appropriate workstream lead from the WSCCO transition team to ensure programme delivery and coordination.
- **Develop a HBRC specific Project Plan** to complement the WSCCO transition plan. This should include:
  - responsibilities matrix
  - approval of the asset transfer plan and authority to proceed.

Specialist advisors will need to be identified and procured to support delivery of the asset transfer. These advisors are likely to include legal (conveyance and s17 process), finance (asset valuations and ongoing costs), communications and engagement.

9.2. Programme

The indicative programme for implementation of the preferred option is outlined in the table below:

Figure 10 Implementation programme of the preferred option

TASK	Who	Duration	14-Oct-25	21-Oct-25	28-Oct-25	4-Nov-25	11-Nov-25	18-Nov-25	25-Nov-25	2-Dec-25	9-Dec-25	16-Dec-25	23-Dec-25	30-Dec-25	6-Jan-26	13-Jan-26	20-Jan-26	27-Jan-26	3-Feb-26	10-Feb-26	17-Feb-26	24-Feb-26	3-Mar-26	10-Mar-26	17-Mar-26	24-Mar-26	31-Mar-26	7-Apr-26	14-Apr-26	21-Apr-26	28-Apr-26	5-May-26	12-May-26	19-May-26	26-May-26	2-Jun-26	9-Jun-26	16-Jun-26	23-Jun-26	30-Jun-26	14-Oct-26	21-Oct-26	28-Oct-26	4-Nov-26	11-Nov-26	18-Nov-26	25-Nov-26	2-Dec-26	9-Dec-26	16-Dec-26	23-Dec-26	30-Dec-26	6-Jan-27	13-Jan-27	20-Jan-27	27-Jan-27	3-Feb-27	10-Feb-27	17-Feb-27	24-Feb-27	3-Mar-27	10-Mar-27	17-Mar-27	24-Mar-27	31-Mar-27	7-Apr-27	14-Apr-27	21-Apr-27	28-Apr-27	5-May-27	12-May-27	19-May-27	26-May-27	2-Jun-27	9-Jun-27	16-Jun-27	23-Jun-27	30-Jun-27
Workstream One - Establish joint asset management and transfer service delivery responsibilities																																																																														
Legal Advice (pertains to both workstreams, will inform consultation requirements)	Internal / external	3 Weeks																																																																												
Identify and document current contracts / arrangements including with sub-contractors and cross-contracting	Internal	3 Weeks																																																																													
Define roles and responsibilities	Internal / external	3 Weeks																																																																													
Develop and agree interface agreement and memorandum of transfer	Internal / external	6 weeks																																																																													
Develop standard operating procedures for stormwater activities and interfaces with river and flood control assets	Internal / external	6 weeks																																																																													
Establishment of joint asset management and transfer of service delivery responsibilities	Internal / external	1 week																																																																													
Workstream Two - Transfer asset ownership																																																																															
WSCCO Establishment (WSCCO led process, limited detail provided)																																																																															
Legal advice	Internal	3 Weeks																																																																													
Define roles and responsibilities (estimate)	Internal / external	3 Weeks																																																																													
Consultation documents released	Internal / external	6 weeks																																																																													
Transfer of asset ownership	Internal / external	1 week																																																																													

9.3. Risk management

At a high level, the risks listed below have been identified for implementing the two workstreams. Both workstreams need to stay present to risk of the impact of changes on staff.

Workstream 1 – Establish Joint Asset Management Responsibilities and Transfer Service Delivery Responsibilities

- Achieving implementation while the WSSCO is being established, ahead of its operational start date of July 1, 2026, may be challenging due to competing priorities and change in focus during the period.
- Service delivery responsibility transfer may be opposed by the community (if consultation is required on this element) or not approved by the Council.
- Operationally the status of consents for pump stations within the Napier City area are inconsistent ranging from consents being associated with adjacent assets, to having no consents in place.

Workstream 2 – Transfer Asset Ownership

The workstream risks have not been extensively detailed due to its interdependency with the WSCCO establishment and transition plan. The risks to implementation for this workstream will need to be reviewed and formalised.

Some of these risks may be mitigated or resolved through seeking external legal advice or through the proposed work programme. For example, issues regarding residual liabilities are likely to be addressed through legal advice, asset condition assessments, and through specific clauses in any memorandum of transfer that is prepared.

- There may be legal and commercial challenges associated with entering the WSCCO arrangement without having been involved in earlier discussions.
- The residual liabilities may be a spectrum of items and could include debts or obligations that remain with HBRC, or ongoing responsibilities such as warranties, indemnities, or environmental obligations.
- Asset ownership transfer is opposed by the community or not approved by the Council.

10. Next steps

To progress implementation of the preferred option, we recommend that:

- Councils seek updated legal advice (refer to Sections 8.2.3 and 8.3.1).
- Councils seek endorsement from their elected members of the preferred way forward, and to obtain agreement to commence consultation.
- Councils undertake the necessary consultation with the Napier and Hawke's Bay communities.
- Councils review funding implications and make appropriate revisions to funding models, revenue and financing policies, and overhead allocation models.
- HBRC begins conversations with the WSCCO transition team regarding the potential future asset ownership transfer of the drainage assets.

From a timeline perspective:

- Regarding consultation, to undertake a single consultation on the transfer to the WSCCO with an interim transfer of management responsibilities even if not strictly required would be of value. Earlier consultation will give the WSCCO more certainty so that it can plan accordingly.
- Pending the outcome of the legal advice and in light of HBRC's wider work programme, HBRC officers have recommended that consultation should take place concurrently with consultation on the 2026-27 annual plans.

Appendix A Supporting documentation

Documents reviewed include but not limited to:

- HBRC Annual Report 2023/24
- HBRC Annual Plan 2025/26
- HBRC Three Year Plan 2024/27
- HBRC Annual Report 2022/23
- HBRC Annual Plan 2023/24
- HBRC Long-Term Plan 2021/31
- Napier/Meeanee/Puketapu Scheme review (Stantec, 31 March 2023)
- Brookfields Awatoto scheme review (Inspiratus Feb 2024)
- November 2020 Napier Flood (Napier City Council)
- Napier Rainfall Event November 2020 – Hazard Report (August 2021)
- The Independent Review into HB CDEM Group's response to Cyclone Gabrielle
- Independent Operational Review – Napier Floods (August 2021)
- Heretaunga Plains Flood Control Scheme Asset Management Plan 2021
- Terms of reference and Description of Napier/Meeanee Drainage network
- NCC Annual Report 2023/24
- NCC Annual Plan 2025/26
- NCC Three Year Plan 2024/27
- NCC Annual Report 2022/23
- NCC Annual Plan 2023/24
- NCC LTP 2021/31
- NCC Stormwater Activity Management Plan 2021-31
- A range of operational and technical information provided to Morrison Low from HBRC and NCC senior managers.
- Draft reports from PDP dated 24 January 2024, 9 April 2024, and 5 June 2024.
- Information available online relative to the joint WSDP with Napier City Council, Hastings District Council and Central Hawke's Bay District Council.
- *Late Agenda of Ordinary Meeting of Council - Thursday, July 31, 2025*

Appendix B HBRC Scheme Descriptions and Performance

The Napier Meeanee/Puketapu catchment

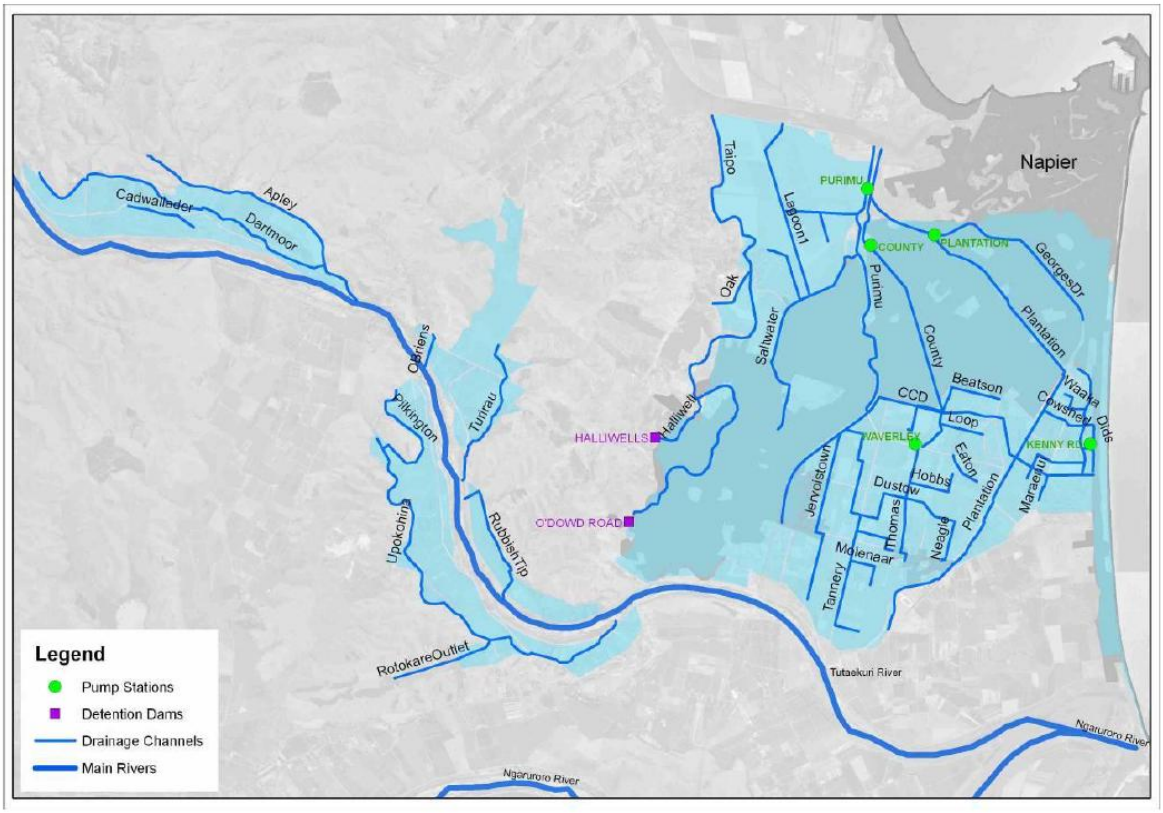
Scheme description

This catchment covers the area between Lagoon Farm and Prebensen Drive in the North through to the Tutaekuri River and Awatoto Road in the South. The scheme includes:

- 78 km of open channels
- 8.3 km of stopbanks
- 2 tidal floodgates
- 6 pipelines
- 2 detention dams
- 16 pumps located across 4 pump stations
- Assets with an estimated replacement value of $20.35 million (per PDP report)[12].

The drainage catchment follows the Tutaekuri River to the West, crossing into the Hastings District around Ōmaranui Road, Dartmoor Road and Springfield Road. The areas within the Hastings District are excluded from this review. The catchment mainly drains to the North.

Figure 11 Map of Napier/Meeanee/Puketapu drainage catchment



[12] $15.4 million based on 2020 valuations

Levels of service

While the Brookfields/Awatoto drainage catchment is predominantly serviced by HBRC owned drainage assets, the Napier/Meeanee/Puketapu catchment involves a complex mix of HBRC and NCC owned assets which must operate in tandem to achieve planned levels of service. A review of the Napier Meeanee Puketapu Scheme was completed by Stantec in early 2023 (provided in Appendix H).

Instead of modelling the HBRC drainage network to a specific level of service, Stantec focussed on ensuring that the HBRC drains will allow the local network to drain freely if it has sufficient capacity. The modelling also considered scenarios to accommodate future growth within the drainage catchment areas.

The Stantec report highlighted a broad range in the level of service currently provided by drainage assets in the Napier/Meeanee/Puketapu drainage catchment, and in some cases within the same drain, for example:

- Current level of service across the drainage catchment varies from less than a one in ten-year event on parts of the plantation drain, through to a one in one-hundred-year event on the Purimu drain.
- Part of the Plantation Drain having a level of service that can respond to a less than a one in ten-year event, with other parts of the same drain being able to respond to a one in one-hundred-year event.

Modelling undertaken by Stantec resulted in a detailed list of upgrades to the drainage network, including upgrades to culverts, stormwater management systems, and pipe. Upgrades were grouped into existing and future upgrades:

- Existing upgrades relate to the current growth and rainfall scenarios and had total estimated costs in the order of $200 million.
- Future scenario upgrades related to expected increases in rainfall as a result of climate change, and additional property growth. The total estimated costs of these upgrades was $356 million.

These projects have been prioritized with a target annual expenditure of between $3 – 5 million per year for the first 10 years.

The Stantec report also recognises that upgrades to the Napier/Meeanee/Puketapu drainage scheme have benefits to the NCC local network. The report therefore considers how costs could be shared between the councils. The summarised suggested cost split is outlined in the table below. Note that cost sharing arrangements have not been formally agreed.

Table 18 Cost estimate for future upgrades for Napier/Meeanee/Puketapu catchment (2023 Stantec Report)

	Total cost	Proposed HBRC share	Proposed NCC share
Existing upgrades	$200.09 million	$44.3 million	$155.78 million
Future upgrades	$356.20 million	$231.53 million	$124.67 million

The proposed total cost of future upgrades to the Napier/Meeanee/Puketapu drainage catchment are more than double the replacement value of HBRC's entire drainage network.

Details regarding the recommended upgrades, costs, and timing are contained in the Stantec report (Appendix H).

Roles and responsibilities

For the Napier / Meeanee Drainage Scheme, the roles and responsibilities are captured in Table 19.

Table 19 Roles and Responsibilities for the Napier / Meeanee Drainage Scheme

Taipo Stream	• Most land owned by NCC • Stream maintained by HBRC • Catchment includes the Halliwell and O'Dowd dams – Halliwell Dam –Dam/Spillway/Gate owned and operated by HBRC, NCC owns the land the dam is on, HBRC owns the detention area but NCC maintains the detention area – O'Dowd Dam - Dam/Structure/Gate owned and operated by HBRC, NCC own the land the dam is on, private ownership and maintenance of detention area
Saltwater Creek	• Owned by NCC • Maintained under contract by HBRC
Meeanee (Waverley)	• Rural drains owned by HBRC • Drains are on private land or road reserve
Purimu catchment	• Largest catchment – serves rural areas and most of Taradale • Includes Saltwater and Waverley • Purimu pump station owned and maintained by NCC • Purimu Drain owned by HBRC
County Drain	• County Drain – HBRC • NCC stormwater pipes flow into the open drains • County Pump Station: 2 parts – old (HBRC) and new (NCC) - NCC manages both
Plantation Drain	• Plantation pump station: owned by HBRC, dual managed by HBRC and NCC, NCC undertakes the day-to-day maintenance and operation, HBRC contributes financially • Plantation Drain: owned by HBRC, managed by NCC - NCC stormwater pipes flow into open drains • Harakeke Waterway constructed and maintained by HBRC • Drains are on NCC land or road reserve
Georges Drive Drain	• Georges Drive pump station: owned by NCC, managed by NCC • Georges Drive Drain: owned by NCC, managed by NCC • Drains are on NCC land or road reserve
Te Awa/Kenny Road	• Owned and operated by HBRC
Cross Country Drain	• Owned and maintained by NCC • Pump station owned and maintained by NCC
Old Tutaekuri River Bed	• Maintenance ownership not well defined

The information above shows the inconsistency in ownership and maintenance responsibilities across the Meeanee / Napier area.

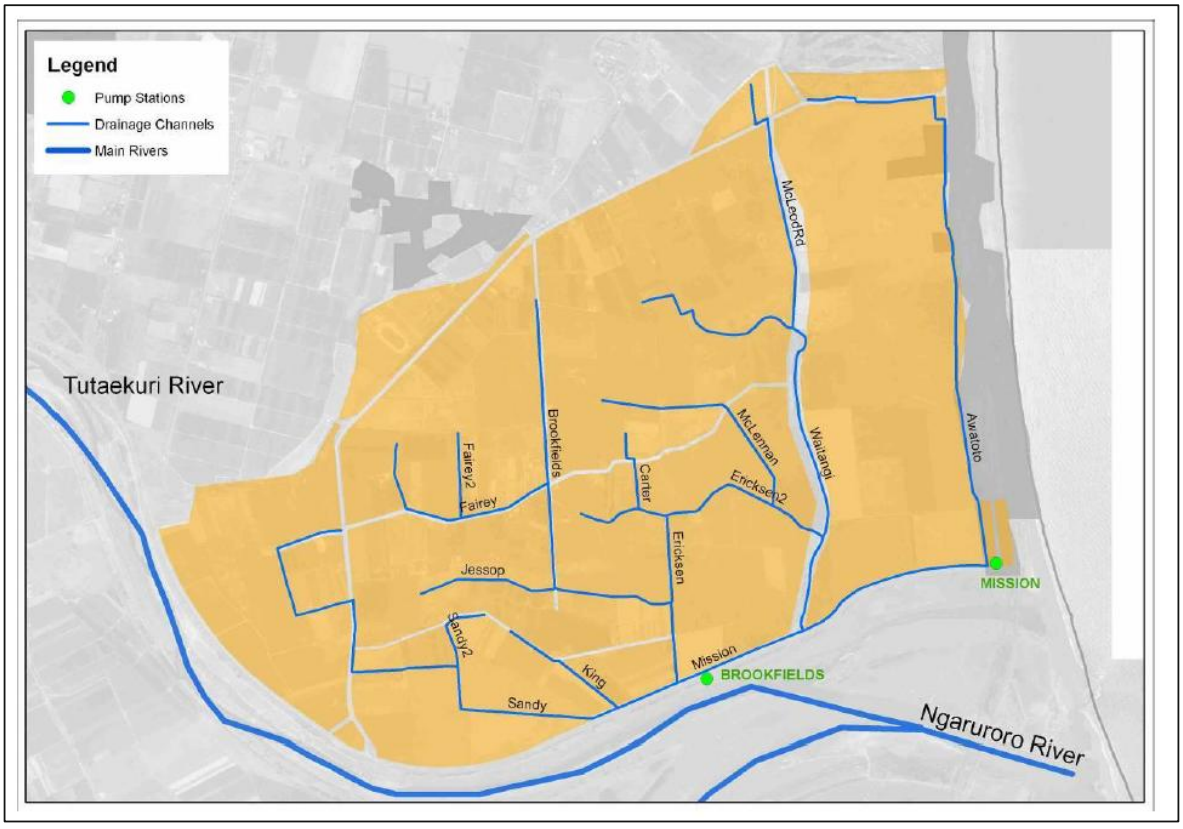
The Brookfields/Awatoto catchment

Scheme description

This catchment covers the area between Awatoto Road in the North and the Tutaekuri River in the South. The area drains south to the Mission drain, before being pumped to the sea in the East. The catchment is served by:

- 22km of open channel
- 2 pipelines
- 1 control gate
- 1 mobile pump
- 5 permanent pumps located in two pump stations.
- Assets with an estimated replacement value of $6 million (per PDP report)[13]

Figure 12 Map of Brookfields/Awatoto drainage catchment



The Napier/Meanee drainage scheme services an area that has become increasingly urbanized over time, and the function and level of service required of the scheme has evolved. The demands for water drainage within the area serviced by this scheme are now more aligned with an urban stormwater system than a typical land drainage scheme.

The Brookfields/Awatoto drainage scheme services a large number of commercial and industrial businesses. The businesses in this area are situated in low lying land which faces risks of flooding

[13] $3.3 million based on 2020 valuations

during high rainfall events. With the increasing severity and frequency of such events, businesses in this area are now requesting further investment in the drainage scheme and have indicated a willingness to contribute financially.

The increase in the area of impermeable surface in both the Brookfields/Awatoto and Napier/Meanee areas has resulted in the drainage schemes needing to manage significantly greater volumes of water than their design performance.

Levels of service

Existing planned level of service for rural drainage catchments in Hawke's Bay is to drain at least 32mm of runoff in a 24-hour period. A Drainage Catchment Review for the Mission & Brookfield's Catchments was completed by Inspiratus in early 2024 (provided in Appendix I). The Inspiratus review notes that this would theoretically require a continuous pumping rate of 3,626L/s, versus a combined 3,550L/s of actual pumping capacity from the Brookfields and Mission pump stations.

Detailed hydraulic modelling of a 5-year event (which would create approximately 43mm of runoff – higher than the design standard) suggested the catchment was likely to achieve around 85% of target performance. The report noted that to achieve the target performance, nominal pumping capacity would likely need to be 15 – 20% higher than the average target rate (to account for periods where pumping does not occur).

Overall modelling suggested that the current level of service for the catchment was unlikely to be achieved.

The review then considered the investment and upgrades required to the Brookfields/Awatoto catchment to meet the requirements of the New Zealand Building Code, which states that the stormwater network should be designed to ensure that there is no flooding of habitable floors in a 1 in 50 year event.

Modelling of pump station upgrades was carried out based on a hypothetical 50-year storm event. That modelling identified significant upgrades to the Awatoto and Mission drains to improve drainage capacity, and the replacement of existing pump stations with four 3,000L/s pumps at the Mission pump station and two 2,500L/s pumps at the Brookfields pump station.

The report also considered alternative solutions, including:

- Maintaining different levels of service between the Brookfield's and Mission Pump station – this was ruled out due to shared geography and close relationship between the two drainage catchments.
- Replacement of the two pump stations with one "mega" pumpstation was ruled out due to the benefits of being able to operate both pumpstations in tandem.
- Splitting the two catchments was ruled out due to the need to undertake significant investment to separate the catchments properly.

Cost estimates for the recommended upgrades totalled $6.3 million for the Brookfield's pump station, and $7.75 million for the Mission pump station. These cost estimates do not include the costs of upgrading or reconfiguring the Awatoto or Mission drains (which would be needed to ensure performance of the system).

Further detailed design has been completed for the pump stations and is included in the Inspiratus review (Appendix I).

Performance measures

HBRC updated their performance measures with their 2024-2027 three-year plan. Normally a ten-year Long-Term Plan would be developed, as all councils are required to under the Local Government Act 2002 (LGA 2002). However, special temporary legislation following Cyclone Gabrielle in February 2023 changed the planning cycle to three years for the worst affected councils.

The most relevant of these are outlined in the table below. It should be noted that the 2023 results were impacted by Cyclone Gabrielle.

HBRC does not need to report against the Department of Internal Affairs' mandatory performance measures for stormwater as it is not a Territorial Authority.

Table 20 Revised HBRC flood control performance measures

Strategic alignment	Level of Service Statement	Level of Service Measure	Performance Target (previous year's AR result)
A resilient community Outcome measures: By 2030, flood risk is being managed to adapt to foreseeable climate change risks out to 2100	HBRC will maintain a cost-effective flood control and drainage network that provides protection from frequent flooding to communities and productive land within designated flood protection schemes in the Heretaunga Plains and Ruataniwha Plains. HBRC administers these schemes: 1) Heretaunga Plains Flood Control Rivers and Drainage Scheme 2) Upper Tukituki Scheme 3) Small Schemes	Major flood protection and control works maintained, repaired, and renewed to the standards defined in the relevant scheme Asset Management Plan and annual works programme: 1. An annual maintenance programme is prepared and delivered. 2. Annual capital programme is prepared and delivered.	Mandatory measure Not Achieved (2023-24) (Maintenance programme completed. Capital programme 60% completed) Not Achieved (2022-23) Not Achieved (2021-22)
		Following a flood event, affected areas are surveyed and repairs are programmed: 3. Following a major flood event, a flood report will be compiled within 6 months of the event (major event is defined as material impact to property or productivity). 4. Major event report outcomes incorporated into AMP.	Not Achieved (2023-24) Achieved (2022-23) Achieved (2021-22)

Strategic alignment	Level of Service Statement	Level of Service Measure	Performance Target (previous year's AR result)
A prosperous community	HBRC will maintain cost-effective drainage schemes that provide drainage and remove surface water from beneficial land use within designated scheme areas.	Drainage infrastructure is maintained, repaired and renewed to the standards defined in the relevant scheme Asset Management Plan and annual works programme: a) An annual maintenance programme is prepared and delivered. b) An annual capital programme is prepared and delivered.	New measure
A resilient community	HBRC will build new flood infrastructure in accordance with the *Future of Severely Affected Land* contract with the Government to improve protection resilience to communities for future flooding events.	A capital programme for new flood infrastructure is prepared and delivered.	New measure

Appendix C NCC Stormwater Network and Performance

The Napier stormwater network consists of open drains, large underground pipes and pump stations which carry stormwater out into the sea. About three quarters of the city is reliant on pumped systems for stormwater drainage.

Open drains are used extensively in Napier to transport stormwater and to provide storage to reduce the peak load on stormwater pump stations.

In the area of the Taradale hills, two detention dams are utilised to reduce the peak load on the stormwater disposal system. Both are in the Taipo catchment and are owned by NCC but managed by HBRC under the Heretaunga Plains Flood Control Scheme.

Napier City Council owns and operates a significant stormwater network across the city, which includes:

- 241 kilometres of stormwater mains
- 10 Pump stations
- 2 Detention dams – managed by HBRC
- 47 kilometres of open drains
- 5,337 manholes
- A total replacement value of $341 million

10.1.1. Levels of service

NCC's performance measures remained unchanged with their 2024-2027 three-year plan. Normally a ten-year Long-Term Plan would be developed, as all councils are required to under the Local Government Act 2002 (LGA 2002). However, special temporary legislation following Cyclone Gabrielle in February 2023 changed the planning cycle to three years for the worst affected councils.

Napier City Council's 2021 – 2051 Infrastructure Strategy notes that the current desired level of service for stormwater services is to provide protection from a one in fifty-year rainfall event. The infrastructure strategy notes however that this is not currently being achieved due to inadequate capacity in the network. Achieving full capacity in the network will require coordination of investment with HBRC owned infrastructure.

The infrastructure strategy also sets an aspirational service level of protection from a one in one-hundred-year rainfall event. It is recognised that the costs of achieving this are likely to be prohibitive, and that value for money solutions will need to be sought.

Napier City Council's 2021 infrastructure strategy identified significant expenditure being required to develop Lagoon Farm as a stormwater detention facility, with estimated costs ranging from $18.2 million to $40 million at the time. As of late 2025 this project was expected to be in the preliminary design phase[14].

10.1.2. Performance measures

The following performance measures apply to NCC's stormwater network. The majority of these performance measures are mandatory measures set pursuant to section 261B of the Local Government Act 2002.

[14] *Ahuriri Regional Park Masterplan Joint Committee Meeting*

It should be noted that the 2023 results were impacted by Cyclone Gabrielle.

Of particular relevance for this business case, resident satisfaction of the performance of the stormwater network has consistently fallen below targets. NCC's 2023/2024 report indicates that resident satisfaction levels have remained consistent for the last four years.

As the stormwater work committed to through the Three-Year Plan progresses, an increase in satisfaction is expected. Improvement in overall stormwater network performance requires coordinated investment and management with HBRC.

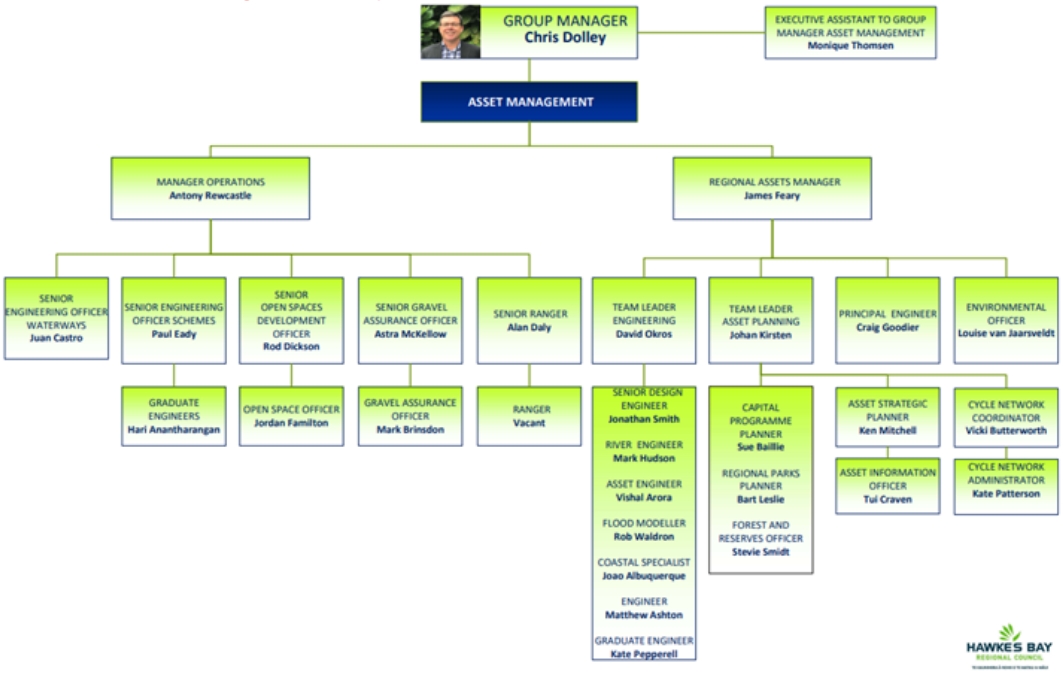
Table 21 NCC Stormwater – performance measures (Annual Report 2023/24)

Level of Service	Service Performance measure	Actual 2023/24	Target 2023/24	Performance 2023/2024	Actual 2022/23	Actual 2021/22
The Stormwater network adequately protects the health and safety of Napier residents and protects property by providing protection against flooding	System adequacy – *Number of flooding events that occur per year	0	≤1	Achieved	0	0
	System adequacy – *For each flooding event, the number of habitable floors affected per 1,000 properties	0	≤1	Achieved	0	0
	Response time – *Median response time to attending a flood event (notification to personnel being on site)	0.55 Hours	≤2 hours	Achieved	117.28 hrs	0
Stormwater is collected and disposed of in a manner that protects public and environmental health	Discharge compliance – *Compliance with resource consents for discharge from its stormwater system as measured by the number of:					
	a) Abatement notices	0	0	Achieved	0	1
	b) Infringement notices	0	0	Achieved	0	2
	c) Enforcement orders	0	0	Achieved	0	0
	d) Convictions received in relation to stormwater resource consents	0	0	Achieved	0	0
	Number of education programmes delivered to improve stormwater quality	2	>1	Achieved	1	1
Residents are satisfied with Council's Stormwater service	Customer satisfaction – *Number of complaints received about performance of stormwater system (per 1,000 properties connected)	4.5	≤5	Achieved	6.12	4.56
	Percentage of residents satisfied with Stormwater in the Residents Satisfaction Survey	46%	89%	Not achieved	46%	39%

Appendix D Organisational Workforce Details

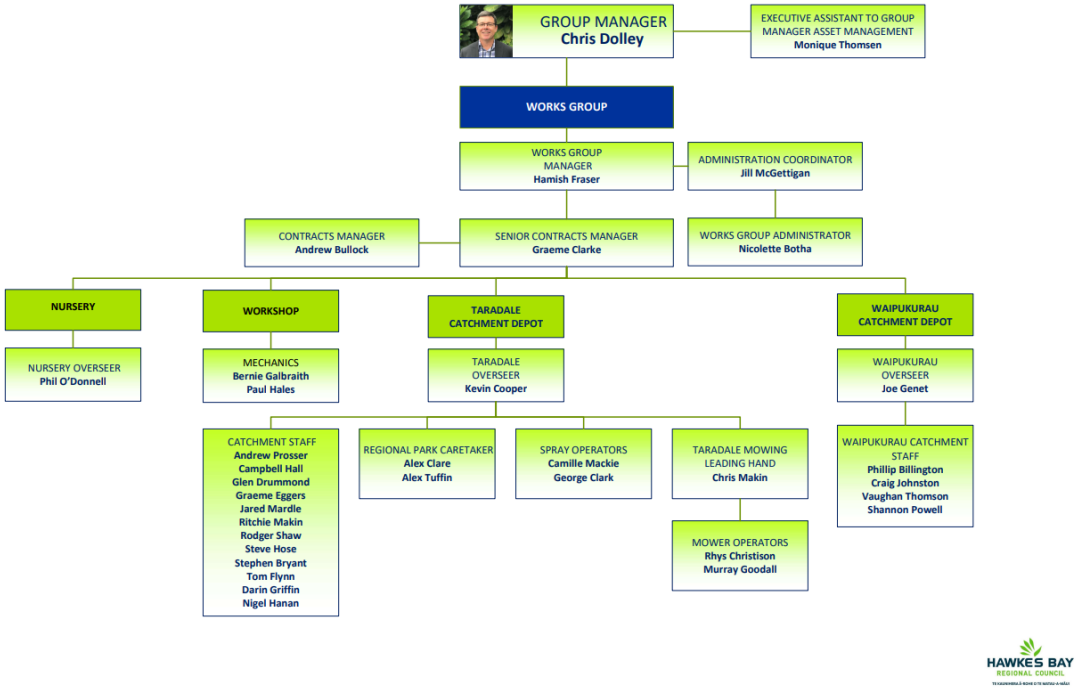
While roles may have been filled by different people, the HBRC Asset Management Group organisational structure below is current.

Figure 13 HBRC Asset Management Group



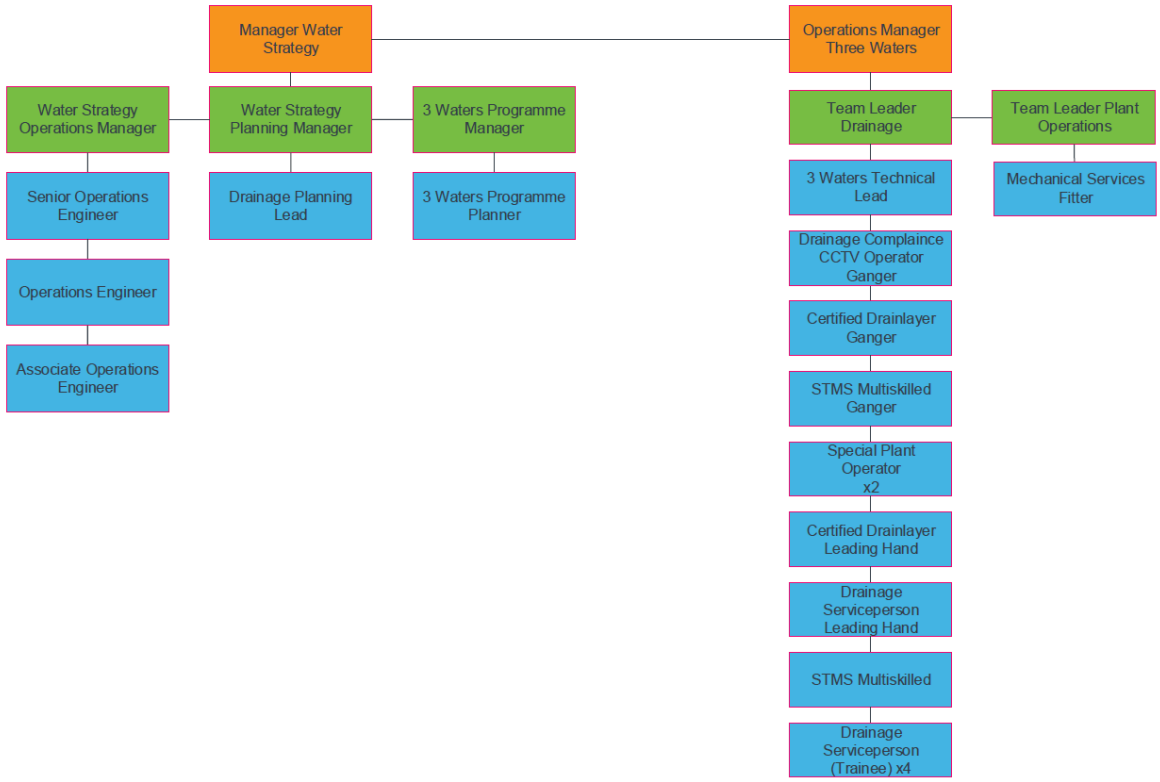
While roles may have been filled by different people, the HBRC Works Group organisational structure below is current.

Figure 14 HBRC Works Group



The specific roles within City Services involved in the day-to-day operation and maintenance of the stormwater network is shown on the right of Figure 15.

Figure 15 NCC Infrastructure – Water Strategy



Appendix E Emergency Management Events

2020 rainfall event

The November 2020 flooding event was one of the worst to hit the city in recent times. There was 240mm of rain within a 20 hour time period with the event focussed on a very small area in the order of 15 square kilometres.

The 'Napier Rainfall Event November 2020: Hazard Report' (HBRC Civil Defence Emergency Management Group, July 2021) reviews the causes of the event, the consequence of the performance of assets to control drainage and flooding and the impacts of the event on the community and built environment.

The report recognises that the stormwater network and drainage channels are not designed for an event of such magnitude.

Specific to this review, the report concluded that '*the management and operation of drainage assets by HBRC and NCC requires effective co-management in events to ensure that the network is able to operate to maximum capacity and issues are quickly resolved*'. The report considered that although each organisation has its own processes in place for management of assets in heavy rainfall events, there was no evidence of an overall response plan for the management of the network.

One of the recommendations from the report states:

'*NCC and HBRC should review the existing arrangements for management of the flood scheme to ensure the most effective integration and coordination of the assets where possible. This includes arrangements for conducting of operational activities, both in readiness and response.* ***This may be achieved through the development of a plan that clearly details the roles and responsibilities of all parties involved in the management of the scheme, including maintenance, forecasting, data sharing, response priorities and activities, reporting lines and structures and resource requirements'***[15].

Cyclone Gabrielle

On the 13th and 14th of February 2023, Cyclone Gabrielle made landfall with the Hawke's Bay region, with rain and winds intensifying across the district to unprecedented levels. Critical infrastructure, including flood protection, electrical, and drainage networks were damaged and failed. The results of the Cyclone were catastrophic and included the loss of life and livelihoods.

The event saw peak rainfall of 400mm over 12 hours at Glengarry, with rain significantly exceeding forecasts throughout most of the region. In some areas peak rainfall reached nearly 40mm per hour. This compares to the modelled one hundred year events in the Inspiratus and Stantec reviews of the Brookfields/Awatoto and Napier/Meeanee/Puketapu schemes (respectively), which focussed on modelling network upgrades to address 24 hour storm depths of up to 247mm. The scale of the event was unlike any other seen in the region, and it would not be economically viable to design infrastructure to manage the levels of rainfall observed during Cyclone Gabrielle.

Following the event an independent review was commissioned to assess the operational performance of the Hawke's Bay Civil Defence Emergency Management Group's response to Cyclone Gabrielle. The review was primarily focussed on the operational response to the event. The report made a number of

[15] *Emphasis added*

recommendations to improve the reduction, readiness, response, and recovery activities, including the following recommendation which is of relevance to this review:

> *"Develop, implement and communicate a regional Disaster Reduction Plan in partnership with local partners and communities. The Plan should include:*
>
> *Risk reduction operations such as:*
>
> *vi. River management (dredging, maintenance of river mouths and tributaries etc.)*
>
> *vii. Stop bank planning and maintenance*
>
> *viii. Drain and flood scheme maintenance*
>
> *ix. Management of forestry by products*
>
> *x. Plans for mitigation of utility and service outages;"*

This recommendation can be implemented under the existing arrangements between HBRC and NCC, and both councils currently work together to provide effective operation and maintenance of drainage assets. However, existing operational arrangements add complications to this planning by requiring a high level of coordination across different network assets.

Appendix F Options Analysis

This table was created before the LWDW policy update progressing (Option 5).

Service Delivery Options Review

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Service group:	Urban Waterways	**Potential benefits of the option:**		
Client:	HBRC / NCC	5		High level of benefit
Review date:	April 2022	3		Medium level of benefit
Version	Final	1		Low level of benefit

		Status Quo	Enhanced Status Quo			Transfer of ownership			Shared Services	Council Control Organisation/Council Controlled Trading Organisation	Alliance
Service delivery options	**Weighting**	**Option 1: Status Quo**	**Option 2a: Do minimum / Enhanced Status Quo - current practice operationalised**	**Option 2b: Enhanced Status Quo with rationalisation of contracts**	**Option 2c: Enhanced Status Quo with waterways asset management position established**	**Option 3a: Assets split on a geographic basis**	**Option 3b: Assets split by function**	**Option 3c: All assets transferred to one council (either NCC or HBRC)**	**Option 4: Full shared services/joint committee jointly managed between HBRC and NCC**	**Option 5: By CCO/CCTO owned by Council/s**	**Option 6: Council forms an Alliance arrangement to manage and deliver the urban waterways**
Description of option:		Current arrangements.	Current practices to be documented and collated into a structured and combined format (such as a Management framework or Standard Operating Procedures) to include: - roles and responsibilities of and within each organisation - asset ownership - systems in place to manage and operate waterways - operations and maintenance responsibilities - emergency event/incident response	Option 2a plus additional improvements through rationalisation of contracts. eg electrical / pump stations works could be procured as a single contract - currently sub-contracted out by HBRC and NCC)	Option 2b plus establishment of a new role to oversee the management of the urban waterways as a combined HBRC/NCC activity (asset management type role with costs split across both councils). Capex funding decisions would remain separate	Open drainage assets transferred based on their geographical location. This option would entail open drainage assets that are located within the defined "Napier urban boundary" being transferred to NCC (and later Entity C) Geographic split to be defined but could align with catchment boundaries or urban boundary (as defined in District Plan for example - may need review as urban limits grow).	Each council has full ownership and responsibility for a specific asset 'function' or activity eg open waterways vs stormwater channels. Each system would include all assets along it such as the waterway or drainage channel itself, culverted sections, pump stations etc. Would need clear definition of waterways / open drains / watercourses etc. This option would entail "open drainage" assets to be transferred to HBRC (and potentially later to Entity C)	One council has full responsibility for ownership and management of all open waterways within the Napier City Council boundary.	Formal shared services arrangement to manage and provide the urban waterways activities. This would typically have a formal governance group or joint committee of some description overseeing the joint delivery of works across the two councils.	Transfer of the Urban Waterways into a newly established CCO/CCTO. This would include establishment of a board of directors and formal entity. Possible transfer of assets. This would likely include an expectation for the CCO/CCTO to return a dividend to Council/s, and for the CCO/CCTO to compete for work from Council/s.	Council would form an alliance to manage the urban waterways with a private company. Alliance could be formed in a number of different ways. - Long-term agreement e.g. 15 years - Suppliers could invest or purchase assets from the councils. - JV could be set up between the councils and the private sector.
Critical Success Factors	**Y/N**	**Carried through as comparator**	**Further assessment**	**Further assessment**	**Further assessment**	**Further assessment**	**Further assessment**	**Further assessment**	**Discount**	**Discount**	**Discount**
Strategic Fit and Business needs		Partial	Partial	Yes	Yes	Yes	Yes	Yes	Partial	Partial	Partial
Potential Value for money		Partial	Yes	Yes	Yes	Partial	Partial	Partial	No	No	No
Supplier capacity and capability		Partial	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Potential affordability		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Partial	Partial	No
Potential achievability		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Partial	Partial	No
Financial benefits:	**30%**	**11.0**	**10.0**	**11.0**	**11.0**	**11.0**	**11.0**	**11.0**	**Not scored**	**Not scored**	**Not scored**
Set up costs	10%	**5**	**4**	**4**	**4**	**3**	**3**	**3**			
Governance and management costs	10%	**3**	**3**	**4**	**4**	**5**	**5**	**4**			
Operational costs	10%	**3**	**3**	**3**	**3**	**3**	**3**	**4**			
Non-financial benefits:	**70%**	**23.0**	**28.0**	**34.0**	**35.0**	**38.0**	**34.0**	**31.0**	**Not scored**	**Not scored**	**Not scored**
Strategic Objectives											
Service delivery model is fit for purpose, delivers the required level of service and meets statutory requirements,	10%	**3**	**4**	**5**	**5**	**5**	**5**	**3**			
Clear accountability for the performance of the network	10%	**3**	**3**	**4**	**4**	**5**	**4**	**5**			
Incident response capacity and capability with effective chain of command and control, coordination and decision making processes in place	10%	**3**	**4**	**5**	**5**	**5**	**4**	**3**			
Other											
Acceptable and manageable level of risk	5%	**3**	**3**	**4**	**4**	**5**	**4**	**3**			
Effective, efficient and consistent delivery of service	10%	**3**	**4**	**5**	**5**	**5**	**5**	**4**			
Clear definition of roles and decision making responsibilities	10%	**2**	**4**	**4**	**5**	**5**	**5**	**5**			
Supporting regional collaboration and alignment	5%	**3**	**3**	**3**	**3**	**3**	**3**	**3**			
Political sensitivity	10%	**3**	**3**	**4**	**4**	**5**	**4**	**5**			
TOTAL SCORE	**100%**	**3.1**	**3.5**	**4.15**	**4.25**	**4.5**	**4.15**	**3.9**			
Overall ranking:		**7**	**6**	**4**	**2**	**1**	**3**	**5**			
Financial benefit ranking:		**1**	**7**	**1**	**1**	**1**	**1**	**1**			
Non-financial benefit ranking:		**7**	**6**	**3**	**2**	**1**	**3**	**5**			
Overall assessment:		**Not recommended but used as comparator**	**Discount**	**Potential**	**Potential**	**Preferred**	**Potential**	**To be further considered depending on outcome of 3W reform**	**Discount**	**Discount**	**Discount**
Commentary:		Continued lack of accountability with roles and responsibilities not clearly defined. Uncertainty around ownership and operational responsibilities. Potential to increase level of risk for incident response	Could be used as a cost-effective option whilst the 3W reform is progressed - cost of investment will not have material impact regardless of outcome of reform. Documenting 'where we are now' and 'how we do this' (for example as a set of Standard Operating Procedures) will give clarity and provide a level of accountability and will better define roles and responsibilities for management, operators and contractors.	Could be used as an interim option whilst the 3W reform is progressed - cost of investment will not have significant impact regardless of outcome of reform. Rationalisation of contracts will lead to efficiencies and potential cost savings.	Could be used as an interim option whilst the 3W reform is progressed - cost of investment will not have significant impact regardless of outcome of reform. This option would provide for someone in an asset management role acting on behalf of both councils which will help drive consistency and prioritisation on a 'best for network' basis - likely not a full time role and costs would be shared. No change in ownership	Will give clear accountability - drives performance Geographic boundary potentially on a catchment / urban basis. Would require s17 process (transfer of responsibilities) and s16 process (where regional council takes over significant activity already being undertaken by TLA). Consultation could be undertaken as part of Annual Plan process Resource consents would need to be reviewed for transfer of obligations under RMA and consent conditions	Will give clear accountability - drives performance Will need to clearly define 'function' - eg drainage channels and piped networks (generally man-made) vs watercourses (generally natural) Would require s17 process (transfer of responsibilities) and s16 process (where regional council takes over significant activity already being undertaken by TLA). Consultation could be undertaken as part of Annual Plan process Resource consents would need to be reviewed for transfer of obligations under RMA and consent conditions	This could reflect the current 3-Waters direction to some degree (HB to be part of Entity C) Would require s17 process (transfer of responsibilities) and s16 process (where regional council takes over significant activity already being undertaken by TLA). Consultation could be undertaken as part of Annual Plan process. Resource consents would need to be reviewed for transfer of obligations under RMA and consent conditions	Likely higher governance costs Additional setup cost with little, if any, added benefit	High set up and governance costs. Likely to increase operational costs. Could add complexity to the management of the networks. High cost with little added benefit	The volume and type of work carried out in this space would be unlikely to attract, or warrant, a partnership approach with the private sector. This model would likely add additional cost for little clear benefit over other options.

Appendix G Detailed Asset Split Options Assessment

Table 22 Detailed asset split for each option available for the Napier/Meeanee/Puketapu drainage catchment

Description	Included	Excluded
Option 1 Transfer entire catchment within the Napier City Council boundary to Napier City Council	All drainage assets within the Napier/Meeanee/Puketapu drainage catchment that are within the Napier City Council boundary	• The Apley stream • The Dartmoor, Cadwallader, Turirau, O'Briens, Phils, McCluskey and Rubbish Tip drains • Any drains on the southern side of the Tutaekuri river • NCC transportation/NZTA assets • Estuary and stopbanks • Any waterways that are currently managed by HBRC and flow from NCC to HDC
Option 2 Transfer only assets within the urban limits defined in Napier City Council's district plan	• The Taipo and Halliwell drains and the Halliwells and O'Dowd Road flood detention areas • All drainage assets located north of the Cross Country Drain • The full length of the Purimu Stream • The full length of the Te Awa, Maraenui and Eriksen drains and the Kenny Road pump station	• The Jervoistown drain • The portions of the County and plantation drains that are south of the Cross Country Drain • The Waverly pump station • NCC transportation/NZTA assets • Estuary and stopbanks • Any waterways that are currently managed by HBRC and flow from NCC to HDC Any drainage assets located outside the Napier City Council boundary per option 1
Option 3 Transfer assets within the urban limits defined in Napier City Council's district plan plus drains that traverse the urban limit	The same assets as option 2 above, with the following additional assets: • The portions of the County and plantation drains that are south of the Cross Country Drain • The Loop and Louisson drains	Per option 2

Table 23 Detailed asset split for each option available for the Brookfields/Awatoto drainage catchment

Description	Included	Excluded
Option 1 Transfer all drainage assets in the Brookfields/Awatoto drainage catchment within the Napier City Council boundary to Napier City Council	All of the assets in the Brookfields/Awatoto drainage catchment are included	None of the assets in the Brookfields/Awatoto drainage catchment are excluded. The following assets are excluded: • NCC transportation/NZTA assets • Estuary and stopbanks
Option 2 Hawke's Bay Regional Council retains all of the drainage assets in the Brookfields/Awatoto drainage catchment	None of the assets in the Brookfields/Awatoto drainage catchment are included	All of the assets in the Brookfields/Awatoto drainage catchment are excluded. Also excluded are: • NCC transportation/NZTA assets • Estuary and stopbanks
Option 3 Transfer the Awatoto drain and Mission pump station to Napier City Council	• The Awatoto Drain • The Mission Pump station	• The remaining assets in the Brookfields/Awatoto drainage catchment, including the Brookfields pump station and the Mission, Waitangi and McLeod Rd drains

Appendix H Napier Meeanee Puketapu Scheme Review (Stantec)

Appendix I Drainage Catchment Review Mission & Brookfield's Catchments (Inspiratus)

Appendix J PDP advice regarding transferring assets

Appendix K Legal advice regarding asset transfer

Document Status

Job #	Version	Written	Reviewed	Approved	Report Date
3056	001	G.Woodward	S.Cross	S.Cross	11 November 2025

Morrison Low
Advisory
Advice You Can Act On

NAPIER CITY COUNCIL
Te Kaunihera o Ahuriri

ENVIRONMENTAL SCAN

Summary document for Elected Members

INTRODUCTION

The Environmental Scan summarises key trends and external influences that are expected to affect Napier City Council's (NCC) Long Term Plan (LTP) 2027–2037.

Local government is entering a period of significant legislative, structural, and governance change. Central government reforms are reshaping the local government system, including changes affecting the delivery and regulation of three waters services, urban planning and environmental management, rates and affordability settings, and broader accountability and decision-making arrangements.

Further proposals for local government reorganisation, shifts in governance structures, and potential limits on rates increases have also been signalled by central government.

In preparing the LTP, NCC is required to make assumptions about the potential impacts of these reforms, despite ongoing uncertainty around their timing, scope, and final form.

The data, analysis, and identification of trends contained in the Environmental Scan are intended to support Council in setting its strategic direction and priorities, and in developing the significant forecasting assumptions that will underpin the LTP 2027–2037.

The Environmental Scan includes a PESTLE analysis, examining Political, Economic, Social and Cultural, Technological, Legal and Regulatory, and Environmental factors that shape the external operating environment. This approach assists Council to identify key trends, risks, and uncertainties likely to influence priorities, investment decisions, service delivery, and financial sustainability over the next 10 to 30 years.

This summary document highlights the key considerations from the Environmental Scan that are most relevant to the preparation of Napier City Council's LTP, including an overview of the PESTLE analysis and identification of the major themes specific to Napier.

OVERVIEW OF KEY THEMES

Efficient Delivery in an Era of Reform

This theme reflects the combined effect of increasing regulatory and compliance requirements, the need to reinvest in essential end-of-life infrastructure and facilities and to service growth, and wider economic and affordability constraints, including proposed caps on rates increases.

Together, these pressures mean that much of the Long-Term Plan is likely to be shaped by mandatory obligations and core asset renewal, limiting flexibility for new initiatives or service expansion.

Clear strategic direction from Council will therefore be required to guide prioritisation where limited discretion remains. This includes balancing fiscal restraint with longer-term considerations such as community wellbeing, place quality, and Napier's ongoing attractiveness as a place to live, work, and visit. Alternative funding or delivery approaches, such as Public Private Partnerships, may also be considered where appropriate.

Climate Resilience

Climate change and natural hazards are increasingly affecting Council-owned assets in Napier, including both infrastructure and community facilities, as well as the wider community.

Investment decisions therefore need to consider not only affordability and timing, but also the risks of not acting.

While proactive investment can place pressure on near-term budgets, deferring action can increase exposure to service disruption, asset deterioration, rising insurance costs, reduced insurance availability, and impacts on community wellbeing.

Not all risk can be avoided, meaning emergency management remains essential. However, reliance on response alone can increase long-term costs.

Together, these factors will influence LTP prioritization, sequencing, and risk management decisions.

Napier's Identity

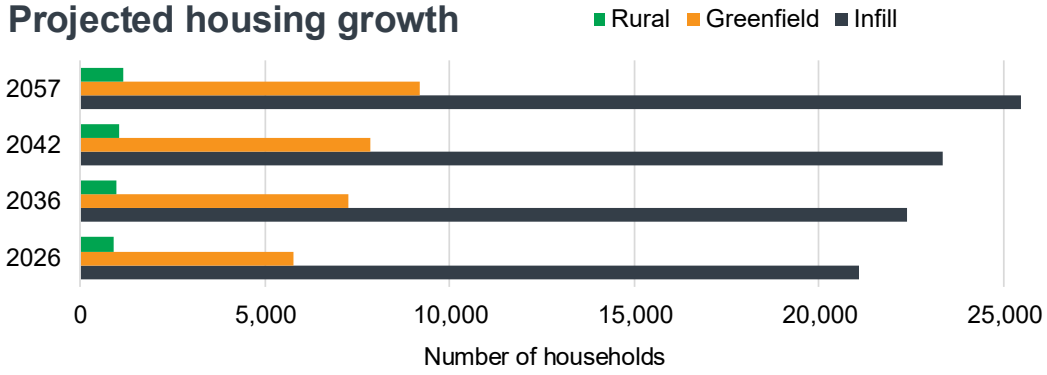
This theme reflects the tension between increasing central government direction, local government reform, regulatory standardisation, and economic constraints, and the desire to retain Napier's distinct character and local voice.

As national and regional settings increasingly influence council decisions, there is a risk that Napier's priorities and perspectives have less influence unless they are clearly articulated. For Napier, changes affecting heritage character, natural and coastal environments, and key visitor and community assets may affect how the city functions, feels, and is experienced by residents, workers, and visitors.

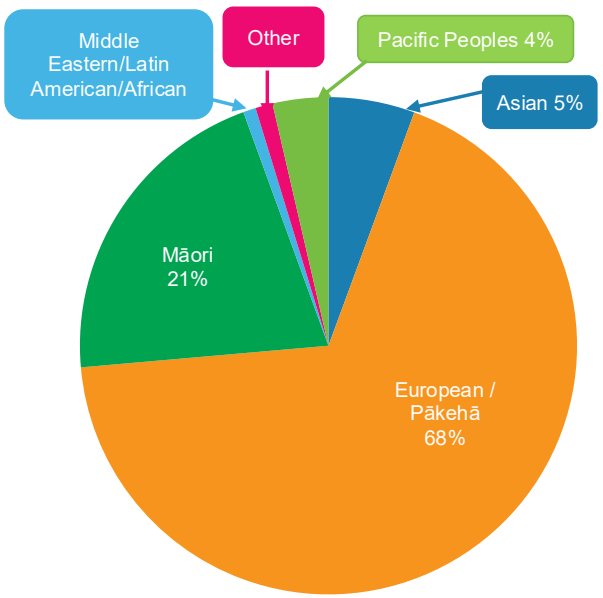
Maintaining Napier's identity will therefore require deliberate LTP choices about where local distinctiveness and an independent voice matter most, recognising the values that are integral to the city's long-term direction, sense of place, and role within the wider region.

Napier City Snapshot

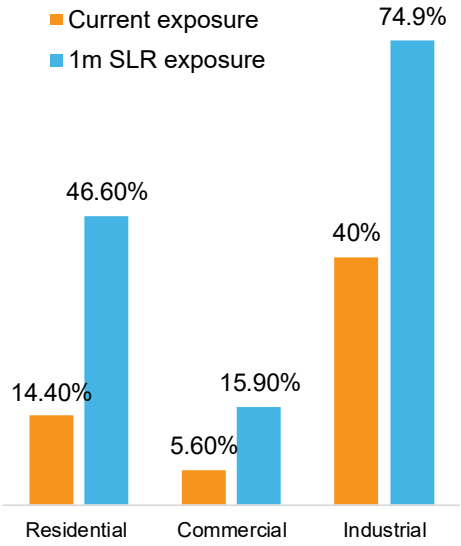
Projected housing growth



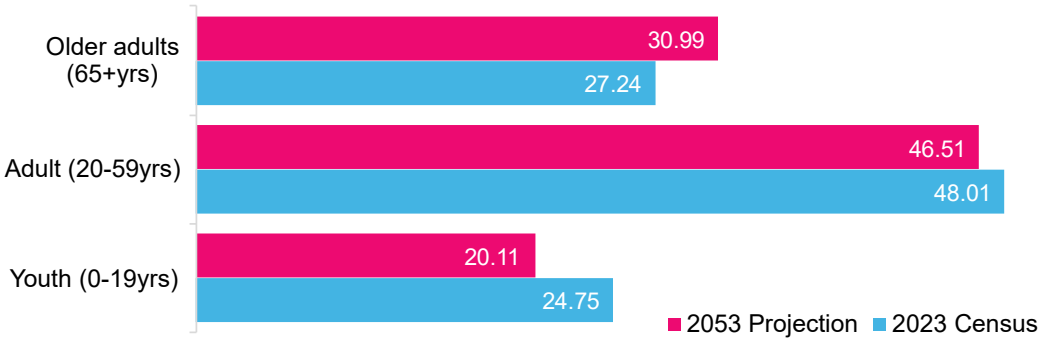
Ethnic groups (2023 census)



Infrastructure exposure to coastal flooding



Age group population projection



PESTLE Scan - Summary

POLITICAL

- **Cost of living and affordability front and centre**

Public concern about cost of living is increasing scrutiny of rates, fees, and council spending. The LTP will need clear priorities, strong value-for-money signals, and careful timing of investment.

- **Uncertainty about future policy settings**

With ongoing reform and an upcoming general election, national policy and funding settings are less predictable. The LTP needs flexibility to adapt if rules, funding, or expectations change.

- **Changing expectations around governance and partnership**

National debate about Māori–Crown relationships is shaping expectations of how councils engage with mana whenua and reflect Te Tiriti considerations in decision-making, within evolving legal frameworks.

- **Greater local responsibility for climate risk**

Signals from central government point to less reliance on post-disaster buy-outs and more emphasis on managing risk upfront. This increases the importance of land-use decisions, infrastructure resilience, and honest conversations about risk and adaptation.

- **Building trust and participation**

Low engagement in local democracy means councils need to work harder to explain trade-offs, listen to communities, and show how long-term decisions benefit current and future residents. The LTP is a key tool for rebuilding confidence and participation.

ECONOMIC

- **Cautious growth and external exposure**

As a trade- and tourism-exposed city, Napier is sensitive to global, national and regional conditions. While economic growth is expected to be moderate, exposure to global shocks and policy changes creates ongoing uncertainty for revenue and investment.

- **Workforce and skills pressures**

An ageing workforce, skill shortages and wider staffing challenges make attracting and retaining people in key sectors critical to economic performance, service delivery, and community wellbeing, including the sustainability of essential services such as health care.

- **City attractiveness matters**

Amenity, heritage, the natural environment, and quality public spaces support tourism, workforce attraction, CBD vitality, and long-term resilience.

- **Climate risk affecting confidence and cost**

Flooding and stormwater management, coastal risk, and post-cyclone recovery continue to influence insurance, development costs, labour markets, and investment confidence. These challenges directly affect NCC assets and facilities as well as the wider community.

- **Affordability pressures**

Housing and living costs affect workforce retention, business viability, and overall competitiveness.

- **Infrastructure and land constraints**

Limited business land, rising construction costs, and infrastructure capacity constraints can restrict growth and require careful sequencing.

- **Funding trade-offs**

Constraints on rates growth and rising costs may require alternative funding or delivery approaches, which can spread risk and enable investment; however, they may also affect affordability, accessibility and long-term flexibility.

PESTLE Scan - Summary

SOCIAL AND CULTURAL

- **Changing demand, not just more demand**
  An ageing, more diverse population and migration-led growth are changing where and how services are needed, rather than simply increasing overall demand. This affects the location, timing, and design of facilities, transport, and community services.
- **Different communities, different outcomes**
  Income, housing, health, education, and safety outcomes vary widely between Napier's suburbs. LTP decisions need to be informed by place-based understanding so investment responds to local needs rather than a one-size-fits-all approach.
- **Mana whenua relationships**
  Relationships with mana whenua are an established and evolving part of Napier's governance and planning context, with specific legal obligations arising from Treaty settlements with Mana Ahuriri and Maungaharuru-Tangitū Hapū. These obligations and relationships shape expectations around engagement, decision-making, and project delivery.
- **Housing pressures affect wider wellbeing**
  Housing affordability, insecurity, and suitability continue to influence social outcomes, workforce stability, and service demand. An estimated 8,000 new dwellings will be required by the mid-2050s, meaning the LTP needs to align infrastructure investment, growth sequencing, and service planning with realistic housing delivery assumptions.
- **Access and resilience matter**
  Access to health services, emergency response, transport, and community facilities plays a major role in local wellbeing, particularly for older residents and more vulnerable communities. Resilience to disruptions, including extreme weather events, is increasingly important.
- **Community expectations are evolving**
  Residents are increasingly focused on affordability, value for money, and transparency, alongside expectations that public spaces and services are inclusive, safe, and support social connection and community cohesion.
- **Many drivers sit outside Council control**
  Outcomes for Napier communities are influenced by external factors such as health system capacity, labour markets, migration settings, and national policy. This reinforces the need for conservative assumptions, scenario testing, and flexibility in the LTP.

TECHNOLOGICAL

- **Digital systems are core infrastructure**
  Council services and emergency response increasingly rely on digital systems, making reliability, cyber security, and resilience important LTP considerations.
- **Opportunity to improve efficiency and outcomes**
  Technology can support more efficient service delivery, stronger project and asset management, and better environmental and hazard modelling, improving value for money over time.
- **Digital inclusion remains important**
  Uneven access and digital confidence—particularly among older residents—mean services must remain accessible and supported as more functions move online.
- **External dependencies increase risk**
  Reliance on third-party platforms and providers means some technology risks sit outside Council's direct control and must be managed through planning and contingencies.

PESTLE Scan - Summary

LEGAL AND REGULATORY

- **Tighter fiscal, governance and regulatory settings**
  Ongoing local government reform is increasing expectations around financial discipline, performance, transparency and accountability, while proposed changes to governance and fiscal settings may affect councils' funding flexibility and decision-making.
- **Planning system transition risk**
  The replacement of the Resource Management Act and introduction of new national direction creates a period of overlap and uncertainty. While unlikely to materially change core LTP assumptions, the overlap of old and new systems adds short-term complexity and resourcing pressure.
- **Potential fiscal exposure from protections**
  Proposed planning legislation may require regulatory relief or incentives where protections impose significant burdens on landowners. For Napier, this creates trade-offs between maintaining strong Art Deco and heritage protections and managing long-term costs while supporting CBD vitality, tourism, and economic development.
- **Stronger focus on risk-based planning**
  National policy is placing greater emphasis on natural hazard risk management and evidence-based decision-making, which may constrain development in higher-risk areas and influence land values, infrastructure costs, and long-term exposure.
- **Alignment across growth, water, and infrastructure planning**
  Councils must coordinate the Napier–Hastings Future Development Strategy, water services delivery planning, and emerging regional spatial planning requirements, increasing the importance of sequencing, prioritisation, and integrated investment decisions through the LTP.
- **Ongoing regulatory change and uncertainty**
  Frequent national reform, unresolved regional issues (including water allocation through the TANK Plan Change), and proposals to simplify local government structures contribute to uncertainty around future roles, responsibilities, and funding settings.

ENVIRONMENTAL

- **Rising pressure on core infrastructure and Council facilities**
  Climate change is increasing stress on stormwater, wastewater, transport, and coastal assets as sea-level rise, higher groundwater, and more intense rainfall reduce system capacity and increase disruption risk. Council's community and tourism facilities are also under pressure from increased climate risk.
- **Stormwater quality alongside flood management**
  Urban stormwater is a key contributor to contamination of Te Whanganui a Orotū, requiring ongoing investment in treatment, catchment-scale interventions, and nature-based solutions alongside traditional drainage works. Resource consents for the city's stormwater discharges, and proposed environmental limits, may put legal obligations on Council (and the Water Services Entity) to improve stormwater quality.
- **Environmental outcomes increasingly integrated with infrastructure delivery**
  Projects linked to Te Muriwai o te Whanga and wider catchments show that restoring ecological health, improving water quality, and recognising cultural values are now closely tied to Council's core infrastructure and capital programmes.
- **Growing waste and residual risk obligations**
  Reliance on the Ōmarunui Landfill, long-term aftercare responsibilities, and exposure to waste surges following extreme weather reinforce the need for waste minimisation, diversion, and regional coordination to manage environmental and financial risk.
- **Reduced natural buffering increases long-term costs**
  Biodiversity loss, wetland degradation, and sedimentation are reducing the environment's ability to moderate hazards, increasing reliance on engineered solutions and strengthening the case for preventative, integrated environmental investment.

KEY THEMES FOR NAPIER

This section draws together the key themes emerging from the Environmental Scan to provide context for assessing proposals and for setting Long Term Plan (LTP) assumptions. It highlights how regulatory reform, fiscal constraint, climate risk, and place-based identity interact to shape Napier City Council's operating environment over the next decade.

EFFICIENT DELIVERY IN AN ERA OF REFORM

A Period of Transition

Central government reforms are reshaping the local government landscape, creating a period of sustained transition and uncertainty for Napier City Council (NCC).

Major Legislative & Policy Reforms

Central government is driving one of the biggest waves of change for local government in decades, and much of it will land during the next Long Term Plan period. Extensive reforms are proposed across:

- Local government purpose, functions, governance and accountability
- Water services delivery and regulation
- Rates constraints and affordability settings
- Planning system reform
- Natural environment management
- Development levy and infrastructure funding frameworks

Collectively, these reforms will reset councils' statutory purpose, tighten funding settings, shift governance expectations, and introduce a new planning and environmental management system. For elected members, the practical implication is a more constrained and more standardised operating environment, with higher expectations for evidence, transparency, and clearly articulated trade-offs in the LTP.

Local government reform

A key change is the Local Government (System Improvements) reform package, which refocuses the purpose of local government on delivering "good-quality, cost-effective" local infrastructure, local public services, and regulatory functions, and requires stronger emphasis on "core services", alongside enhanced performance reporting and transparency.

At the same time, "Simplifying Local Government" proposals (consulted on by Government) could reshape regional governance through Combined Territories Boards and Regional Reorganisation Plans, potentially changing how functions are governed and delivered (including shared services and service delivery models). Central government has also signalled possible moves toward more deliberative community participation models (such as citizens assemblies).

Planning reform

The Resource Management Act is proposed to be replaced by two statutes – the Planning Act and the Natural Environment Act - with the Bills introduced in December 2025 and expected to be enacted during 2026. In parallel, central government is proposing new funding mechanisms for growth, including a development levies framework.

For Napier, the transition period overlaps with appeals on the Proposed District Plan, and in the context of implementing the recently adopted Napier-Hastings Future Development Strategy. The transition is therefore expected to be demanding: updating plans and processes, applying new direction in resource consenting, managing compliance and monitoring uplift, and making LTP assumptions around growth and revenue, while regulatory settings, costs, and potential liabilities are moving at the same time.

Water services reform

Water services regulation has shifted following the repeal of the former Three Waters framework and the implementation of the Local Water Done Well legislative programme.

Napier, Hastings and Central Hawke's Bay have adopted a joint Water Services Delivery Plan that sets a pathway to deliver drinking water, wastewater and stormwater through a jointly owned Water Services Council-Controlled Organisation (WSCCO).

Under the WSCCO approach, ownership of water assets (and associated debt and liabilities) is intended to transfer to the new organisation, enabling accounting separation from the councils' non-water balance sheets.

The model enables the WSCCO to borrow for water infrastructure investment separately from council borrowing, while councils' remaining debt capacity can be focused on non-water activities.

Political uncertainty

The November 2026 general election may affect the pace, sequencing, scope, or direction of ongoing local government reforms. In addition to timing uncertainty, proposals to simplify the local government system—including potential changes to governance arrangements, roles, or regional structures—create uncertainty for councils about future responsibilities, accountabilities, and organisational form.

This uncertainty reinforces the need for cautious assumptions, adaptive pathways, and scenario planning in the LTP to ensure decisions remain resilient across a range of potential policy and structural outcomes.

Economic and fiscal conditions

Constrained fiscal environment

Napier City Council faces a tightening financial environment shaped by central government policy, expanding regulatory obligations, ageing and high-risk infrastructure and facilities, and wider economic uncertainty. Together, these pressures constrain revenue flexibility, increase delivery risk, and heighten the importance of disciplined prioritisation and long-term investment choices through the LTP.

Rates, revenue, and affordability

Central government has signalled a rates-capping approach, increasing pressure on Council to limit rates growth regardless of whether the policy is ultimately legislated. At the same time, cost-of-living pressures mean communities are increasingly sensitive to rate rises and fee increases.

The Government's proposed rates cap/rates target model would constrain councils' rates-raising flexibility, with a transition period

0starting in 2027 and a full regulatory model expected from 2029. The model includes an indicative target range of 2–4% per capita annual rates increases.

There is therefore increased pressure to prioritise core services, manage operating and capital cost growth, and clearly articulate what will be deferred, reduced, or delivered differently under tighter funding limits.

Ahuriri Investment Management Limited

Ahuriri Investment Management Limited (AIM) is a council-controlled trading organisation, established to manage and optimise returns from council-owned commercial and investment assets through a more market-facing, commercially focused lens. This is a positive for NCC because it creates a dedicated vehicle to build financial resilience and reduce longer-term reliance on ratepayers.

However, AIM is not insulated from the wider operating environment. As a landowner and developer it is exposed to many of the same regulatory, cost and market constraints that affect Council, which can influence delivery timing and achievable returns.

Fees, charges, and equity

Fees and charges present both opportunities and risks. While increasing user charges can improve cost recovery and support financial sustainability, they may also reduce access to essential services and community facilities, or create unintended consequences, such as increased illegal dumping from higher waste disposal charges, if not carefully designed and managed.

There is also a risk of growing pressure for commercial activities, including tourism and visitor facilities, to subsidise core council operations or remain fully self-funding. For Council-owned community and visitor assets, this creates a tension between revenue targets, affordability, and accessibility, as fee increases can suppress demand (particularly from local families) and undermine broader economic and social objectives.

Ageing and high-risk infrastructure and facilities

Infrastructure renewal is a growing cost driver. Several critical assets are at or near the end of their useful life and require timely reinvestment to avoid service disruption and regulatory exposure. Recent commissioning of the wastewater treatment plant outfall reflects this risk profile, while Inner Harbour infrastructure also requires significant renewal.

Trade waste systems also present particular challenges. Upgrading the network to meet performance and regulatory expectations is costly, rate-limiting constraints reduce funding flexibility, and a strict user-pays approach may be unaffordable for many businesses. This points to the need for cost-sharing approaches and careful optioneering of funding models.

Innovation, alternative funding, and growth opportunities

Innovation and alternative funding models may play a greater role over time. Digital tools, including emerging AI-enabled systems, could make mechanisms such as dynamic pricing or tolling more viable in the future.

In addition, some financing options are increasingly linked to specific performance or policy settings. For example, low-interest Climate Action Loans offered by the Local Government Funding Agency provide borrowing incentives for councils with approved emissions reduction targets and plans, illustrating how alternative funding pathways may emerge alongside changing regulatory and market expectations.

Maintaining Napier's quality of place and liveability supports economic resilience by helping

to attract remote workers and knowledge-based industries, broadening the city's revenue base and strengthening the workforce that underpins economic and community wellbeing. In this context, Council may need to explore and assess funding and delivery approaches not widely used in the past, including public–private partnerships and other alternative models.

Service levels and community expectations

Service level decisions are closely linked to economic outcomes. Reducing investment in community facilities, parks, reserves, and urban amenity to manage fiscal pressure can undermine Napier's attractiveness to residents, workers, and businesses and, over time, weaken the rates base.

At the same time, changes to earthquake-strengthening requirements may create opportunities to unlock redevelopment, including residential use above ground floor in the city centre.

In this context, service level decisions also need to be clearly framed and consulted on, as community expectations for amenity, heritage protection, and public space quality may not align with what is affordable under tighter funding settings. The Long Term Plan will need to make explicit where service levels are being maintained, reduced, or deferred, and the trade-offs involved, to ensure transparency, manage expectations, and maintain community trust over time.

Delivery constraints and market conditions

Delivery constraints remain a practical challenge. Long project lead times, capacity constraints in construction and professional services markets, and demands for greater certainty from contractors can delay delivery and result in unspent budgets. Broader insurance pressures and growth uncertainty may further affect market confidence and cost certainty.

Water security and growth

Water security remains a binding constraint on economic growth. Horticulture and industrial activity depend on reliable water supply, but new water takes from the Heretaunga Plains are constrained under the TANK Plan Change due to overallocation, limiting development in areas such as Awatoto. Napier's own water supply challenges reinforce the strategic importance of the Mataruahou Reservoir project.

Global economic influences

Global economic conditions add further uncertainty. Changes in trade settings can affect primary production and regional growth, while economic downturns may impact a range of council facilities and activities, as well as revenue. For example, economic downturns may reduce waste volumes, therefore extending landfill life but increasing unit operating costs due to reduced economies of scale.

Implications for the LTP

Napier City Council is entering a prolonged period of transition shaped by significant central government reform, fiscal constraint, and wider economic uncertainty. These changes will reset governance arrangements, tighten funding flexibility, increase regulatory and delivery complexity, and raise expectations for transparency and prioritisation.

As a result, the LTP will need to be cautious, adaptable, and explicit about assumptions, trade-offs, and sequencing, while planning for ongoing uncertainty in governance, funding, service delivery, and growth conditions.

CLIMATE RESILIENCE

A more volatile operating environment

Climate change is interacting with environmental degradation, economic uncertainty, and social vulnerability to reshape the risk environment for local government. Rather than isolated shocks, councils increasingly face compounding and recurring disruptions, with shorter recovery periods, diminishing natural buffers, and more constrained central government financial support.

Global emissions trajectories remain consistent with higher-warming scenarios, increasing long-term risk and uncertainty. For councils, this means climate impacts are no longer a distant or episodic consideration, but a persistent influence on infrastructure performance, service delivery, financial resilience, and long-term planning assumptions.

Napier's exposure

Napier's vulnerability is shaped by its flat, low-lying coastal setting, extensive reclaimed land, and reliance on pumped stormwater and groundwater systems. Sea-level rise and groundwater elevation reduce drainage capacity and increase the frequency of nuisance and damaging floods, even in the absence of extreme rainfall.

Tectonic subsidence further compounds relative sea-level rise.

Regional climate risk assessments indicate that a significant proportion of Napier's commercial, industrial, and residential properties are affected

during major flood events, with wider areas subject to isolation due to inundation of key transport routes. Water supply and wastewater infrastructure are also exposed to coastal and river flooding risks over time. Community and tourism assets and facilities, and AIM managed property assets, are similarly subject to a range of natural hazards.

These exposures mean that even incremental climate change can have disproportionate impacts on service continuity, asset performance, and recovery costs for Napier over time.

Systemic impacts

Rising insurance premiums and increasingly risk-based pricing are beginning to influence affordability, investment decisions, and Council's own asset risk profile, particularly in areas exposed to flooding and coastal hazards.

Council's three waters network, transport infrastructure, open spaces, and tourism and community facilities have varying levels of exposure to climate and coastal hazard risk. Long-term asset planning therefore needs to consider adaptation alongside renewals and levels of service decisions, rather than treating adaptation as an optional activity.

Development costs are increasing in some locations due to stormwater capacity constraints, on-site detention requirements in addition to the payment of financial contributions, and uncertainty around the timing and scale of future network upgrades such as improved pump station capacity.

Social vulnerability also plays a role in how communities prepare for and recover from disruption., influencing both the distribution of impacts and the pace of recovery.

Implications for governance

Future operating conditions will be less predictable and more constrained than those assumed when much of Napier's infrastructure and funding models were established.

Resilience is therefore not only an engineering challenge but also a governance and community challenge, shaped by equity, preparedness, trust, and adaptive capacity.

In this context, Council's role lies in:

- reducing exposure through land-use and investment decisions;
- avoiding lock-in to high-risk, long-life assets that limit future adaptation choices;
- preserving future options;
- addressing affordability and intergenerational fairness;
- working with the community on adaptation pathways; and
- planning for disruption as a baseline condition, rather than an exception.

Implications for the LTP

The LTP is being developed in a more volatile and constrained environment where climate and hazard risks are ongoing rather than exceptional. As a result, the plan must explicitly manage trade-offs between service levels, resilience, and affordability, embed adaptation into core planning and investment decisions, and plan for disruption as a baseline condition while preserving flexibility and choice for future councils and communities.

NAPIER'S IDENTITY

Shifting governance context

Local government reform is changing the role of elected members, particularly through the separation of water services governance from direct Council control. Further structural reform remains possible, creating uncertainty around long-term governance arrangements and accountability for key infrastructure, facilities, and services. This places greater emphasis on local advocacy, coordination, and stewardship of place-based outcomes within evolving governance frameworks.

Standardisation and local character

Increased national standardisation reduces local discretion in planning, regulation, and service delivery. This heightens the importance of advocacy and partnership to ensure Napier's distinct character, values, and economic strengths are recognised within nationally directed systems.

For Napier, visitor experiences and Council-owned facilities play a central role in expressing city identity. Loss or decline of assets that contribute to this identity may weaken Napier's distinctiveness and economic resilience over time.

Without deliberate place-based choices, there is a risk of gradual identity drift, where cumulative standardised decisions erode the qualities that distinguish Napier from other centres.

Heritage and place

Proposed planning reforms may weaken heritage protections and introduce regulatory compensation requirements, increasing fiscal risk and potentially accelerating heritage loss. For Napier, this has implications for Art Deco character, city centre vitality, and the function of heritage assets as part of the broader urban environment.

At the same time, changes to earthquake strengthening requirements may create opportunities to unlock redevelopment, including residential use above ground floor in the city centre. How these changes are managed will influence whether renewal reinforces or dilutes Napier's established character.

Napier's history of recovery and reinvention following the 1931 earthquake remains a defining part of the city's narrative. Contemporary responses to climate risk, hazard exposure, and regulatory change will increasingly shape how that narrative evolves.

Community dynamics and partnership

Changing demographics, affordability pressures, and wider social trends increase the complexity of community engagement and decision-making. Expectations are more diverse, and the impacts of disruption are unevenly experienced across communities.

Evolving relationships with mana whenua following Treaty settlement have changed the institutional and development context within which Council operates. These relationships create opportunities for partnership, coordinated planning, and place-based outcomes where interests align, particularly in relation to land use, development, and environmental management.

Implications for the LTP

Napier's identity is being shaped by a changing governance environment that includes greater national standardisation, evolving planning and heritage settings, and shifting community dynamics.

As local discretion reduces, there is increased importance on deliberate place-based decision-making to protect distinct character, manage change to heritage and the city centre, and navigate more complex engagement expectations. How Council responds to reform, climate risk, and redevelopment pressures will influence whether Napier's identity is reinforced or gradually diluted over time.

NAPIER
CITY COUNCIL
Te Kaunihera o Ahuriri

ENVIRONMENTAL SCAN

Napier City Council
Long Term Plan

TABLE OF CONTENTS

EXECUTIVE SUMMARY

This Environmental Scan document sets out key trends, and a summary of external influences that will affect Napier City Council's (NCC) Long Tem Plan (LTP) 2027-2037.

Local Government is in a period of significant legislative, structural, and governance reform, including changes affecting the delivery of three water services, urban planning, environmental management, and broader accountability and decision-making arrangements.

Local government reorganisation, shifts in governance structures, and proposed limits on rates increases have also been signalled by central government. NCC is required to make assumptions about the impacts of these reforms on its LTP.

The data, analysis and identification of trends contained in this report will help inform Council when setting its vision and priorities, and in drafting the significant forecasting assumptions that will form the basis for the LTP 2027-2037.

SETTING THE SCENE

An Environmental Scan looks at what changes are likely to affect the future internal and external operating environment for Napier City Council.

This Environmental Scan is designed to consolidate available information to inform a robust and strategic approach to developing the Long Term Plan 2027-2037. It examines existing and emerging trends, key issues, policy and regulatory changes and other factors that may affect the Napier community and Council service delivery.

The Environmental Scan is intended as a starting point to guide the strategic planning process for the Long Term Plan. It draws on knowledge and information from a wide variety of sources, including external documents, published data, and interviews with staff across the Council organisation.

This scan is presented in two parts:

Part A: PESTLE Scan

PESTLE factors across the Political, Economic, Social and Cultural, Technological, Legal and Regulatory, and Environmental domains shape the external environment in which Council operates.

A PESTLE scan helps Council to understand the key external trends and uncertainties likely to influence priorities, investment decisions, service delivery, and financial sustainability over the next 10 to 30 years.

By setting out this context upfront, it supports more informed and transparent decision making as part of the Long Term Plan.

The scan identifies key global, national, and regional/local trends under each PESTLE heading and considers their implications for Napier City Council, ensuring that long term risks and opportunities such as climate change, regulatory and local government reform, demographic change, economic conditions, and evolving community expectations are clearly recognised and reflected in planning assumptions.

Part B: Key themes

The PESTLE Scan identifies key themes that will be particularly relevant to Napier City Council over the next ten years and beyond:

- Efficient delivery in an era of reform
- Climate resilience
- Napier's identity and wellbeing

A summary of the key factors arising from the Environmental Scan within each of the above themes seeks to bring together tensions as well as opportunities that NCC may wish to explore as part of its strategic direction setting and LTP development.

PART A – PESTLE SCAN

POLITICAL

Global trends

Global political conditions are becoming more complex and less predictable. Many advanced economies are experiencing slower, uneven growth driven by ageing populations, productivity constraints, and ongoing economic and geopolitical uncertainty. In response, governments are playing a more active role in markets through regulation, industrial policy, and targeted trade and investment measures to manage risk and improve resilience.

At the same time, geopolitical tensions are more persistent, contributing to greater uncertainty in global systems and less reliance on stable, long-term international arrangements and established agreements. Trust in national political institutions has declined across many developed countries. International analysis shows that this is increasing public scrutiny of decision-making and raising expectations for transparency, engagement, and delivery.

National trends

National political priorities are being shaped by ongoing cost-of-living pressures, public confidence in economic management, and the approach of the next general election, scheduled for November 2026. As the election cycle progresses, there is increased uncertainty around the direction, timing, and durability of future policy settings over the medium term, and the potential for bipartisan support for regulatory and local government reform.

Cost of living, housing affordability and supply, access to healthcare, climate adaptation, Māori–Crown relations, and overall economic performance continue to dominate national discourse. Alongside these issues, central government has signalled a focus on restoring fiscal discipline, improving the efficiency and performance of core public services, and addressing long-term productivity and development constraints, as reflected in recent Budget Policy Statements.

Local government reform

Central government is progressing a significant and wide-ranging reform programme that will materially change the role, responsibilities, funding, and operating environment of local government over the next decade and beyond. Collectively, these reforms are intended to address perceived system inefficiencies and complexity, reduce barriers to growth, and strengthen national consistency. However, they are also likely to introduce cost pressure, uncertainty and delivery risk for councils, alongside the potential erosion of local voice as standardisation and central government direction increases.

The ”Simplifying Local Government” reforms would change the structure and governance of local government, particularly at the regional level.

Proposals include:

- Replacing regional councils’ elected governance with Combined Territories Boards, made up of district and city mayors
- Requiring regions to develop reorganisation plans that could lead to shared services, consolidation, or unitary structures over time
- Potential reduction in the number of councils nationally through staged reorganisation.

Other areas of reform are addressed elsewhere in this PESTLE scan and include reform on planning and environmental management, and potential rates-target or rates-cap constraints.

Treaty of Waitangi

Public debate is increasingly focused on how Te Tiriti o Waitangi is reflected in contemporary governance, legislation, and public-sector decision-making, including both the implementation of Treaty settlements, and the broader application of Treaty principles such as partnership, participation, and active protection. Ongoing settlement commitments, reviews of Treaty clauses in legislation, and evolving expectations around Māori involvement in policy development, service delivery, and governance arrangements have contributed to a dynamic and, at times, contested policy environment, shaped by differing political, legal, and community perspectives.

These discussions reflect divergent views on the future expression of the Māori–Crown relationship, including the respective roles of central and local government, and create a degree of uncertainty for public-sector organisations, including councils. This is particularly evident in areas such as resource management, infrastructure provision, environmental regulation, and governance structures, where Treaty obligations, settlement commitments, and wider policy reform intersect with long-term planning, investment decisions, and community expectations.

Climate adaptation and mitigation

At a national level, climate adaptation policy is moving toward clearer upfront risk management and reduced reliance on post-disaster intervention. Central government has signalled that future responses are likely to place greater responsibility on risk avoidance, land-use planning, and managed retreat, with less expectation of Crown-funded property buy-outs following climate-related disasters.

Central government climate mitigation settings are anchored by legally binding emissions targets under the Climate Change Response (Zero Carbon) Amendment Act, including a commitment to net-zero greenhouse gas emissions (excluding biogenic methane) by 2050, supported by five-year emissions budgets and emissions reduction plans.

While these headline targets have remained formally unchanged, recent policy changes have reduced the scale, certainty, and immediacy of measures intended to deliver them, with greater reliance placed on market mechanisms, cost-containment, and future technology uptake. As a result, emissions reductions in later budget periods are increasingly dependent on future policy action and private-sector response, creating uncertainty around the timing, costs, and emissions profile of long-lived infrastructure, transport, buildings, and waste services owned or influenced by councils.

Regional and local trends

Hawke's Bay's political context is increasingly shaped by stronger regional collaboration and shared advocacy. Councils across the region have worked closely to engage with central government on common priorities such as infrastructure investment, economic resilience, housing supply, and long-term recovery. This more coordinated approach reflects both the scale of challenges facing the region (including in relation to Cyclone Gabrielle recovery) and the growing expectation that councils work collectively to influence national policy and funding decisions.

Community engagement in local democracy remains mixed. Local election turnout broadly reflects national patterns of relatively low participation, despite strong interest in specific local issues. Recent election outcomes show a

Political trends – what this means for Napier's LTP

- **Cost of living and affordability front and centre**
  Public concern about cost of living is increasing scrutiny of rates, fees, and council spending. The LTP will need clear priorities, strong value-for-money signals, and careful timing of investment.
- **Uncertainty about future policy settings**
  With ongoing reform and an upcoming general election, national policy and funding settings are less predictable. The LTP needs flexibility to adapt if priorities, rules, funding, or expectations change.
- **Changing expectations around governance and partnership**
  National debate about Māori–Crown relationships is shaping expectations of how councils engage with mana whenua and reflect Te Tiriti considerations in decision-making, within evolving legal frameworks.
- **Greater local responsibility for climate risk**
  Signals from central government point to less reliance on post-disaster buy-outs and more emphasis on managing risk upfront. This increases the importance of land-use decisions, infrastructure resilience, and honest conversations about risk and adaptation.
- **Building trust and participation**
  Low engagement in local democracy means councils need to work harder to explain trade-offs, listen to communities, and show how long-term decisions benefit current and future residents. The LTP is a key tool for rebuilding confidence and participation.

combination of continuity and change, with many incumbents returned alongside new elected members and leadership changes.

Ongoing debate around governance arrangements and representation, including Māori wards and constituencies, highlights differing community views about how local democracy should be structured and how priorities should be set.

There is also increasing public focus on fiscal constraint and affordability, particularly through annual plan and consultation processes. Submissions are showing heightened scrutiny of rates increases, service levels, and discretionary spending, with a strong expectation that councils demonstrate value for money, clear prioritisation, and transparency about trade-offs. This environment reinforces the need for careful framing of LTP choices and clear communication about what can realistically be delivered within constrained funding settings.

Overall, Hawke's Bay politics reflect a pragmatic and fiscally focused environment, characterised by regional cooperation, institutional continuity, and ongoing discussion about governance, affordability, and the region's long-term direction. For councillors, this context underscores the importance of disciplined decision-making, alignment with regional partners, and clear engagement with communities about priorities and constraints.

ECONOMIC

Global trends

The global economy is expected to continue growing through 2026, but at a moderate and uneven pace. While economic growth proved more resilient than expected through 2025, the outlook remains uncertain due to geopolitical tensions, high public debt levels in many countries, and uncertainty about how quickly new technologies such as artificial intelligence will translate into sustained productivity gains. Overall, this points to steady but fragile global conditions, rather than a strong or predictable upswing.

International trade and supply chains are becoming less stable and more fragmented. Governments are making greater use of industrial policy, trade barriers, and targeted investment measures, increasing uncertainty for exporters and globally connected sectors. Economic performance continues to vary significantly by region, with the United States outperforming most advanced economies, Europe experiencing slower growth, and China adjusting to a lower growth trajectory as it works through structural and demographic challenges.

Inflation is expected to continue easing globally, which may allow interest rates to gradually come down. This supports household spending and investment, but conditions remain sensitive to shocks. While pandemics are no longer a central forecast risk, future geopolitical, climate-related, or health events are still recognised as low-probability but high-impact risks that can quickly disrupt economic conditions and financial markets.

Globally, the tourism and visitor economy remains uneven and shock-exposed, with leisure travel demand holding up but becoming more discretionary and volatile as cost-of-living pressures influence trip length, frequency, and spend. International travel is sensitive to geopolitical conditions, airline capacity, recovery in key markets, and cruise scheduling, while climate-related events are now a structural risk, capable of disrupting travel flows and destination confidence at short notice.

International competition for skilled labour remains intense across construction, infrastructure, health, engineering, and digital sectors, driven by ageing populations and persistent skill shortages in advanced economies. These dynamics continue to place upward pressure on wages and project costs, constraining productivity and delivery capacity and increasing the risk of cost escalation, delays, and reliance on contractors, particularly for capital-intensive and technically specialised work.

Financial markets remain alert to downside risks, including volatility in technology-related investment, ongoing fiscal pressures, and labour market constraints. For New Zealand, these global conditions influence export demand, financing costs, workforce availability, and economic confidence, reinforcing the need for cautious assumptions, prioritisation, and resilience-focused planning at the local government level.

National trends

For New Zealand, the global backdrop presents a mixed but gradually improving outlook. As a small, open, export-oriented economy, it remains highly sensitive to global demand, commodity prices, and trade conditions. While global growth is expected to remain moderate, easing inflation and more stable international financial conditions are likely to support economic activity through 2026.

Domestic forecasters expect the economy to move onto firmer footing over this period, supported by lower interest rates and resilient food and fibre exports, although near-term investment remains subdued due to weak business confidence and a softer construction pipeline.

Over the medium term, growth is expected to be modest and uneven, largely driven by domestic demand. GDP growth is forecast at around 1.5% in 2026, strengthening toward the high-2% range as falling interest rates lift household spending power and labour market conditions stabilise. However, persistent skills shortages and an ageing workforce are likely to constrain productivity growth and capacity expansion in key sectors, particularly construction, health, infrastructure, and primary processing.

Export performance is expected to improve gradually but remains sensitive to dairy prices and international trade settings, with export-focused regions likely to outperform while urban centres with higher public-sector exposure face a slower recovery under ongoing fiscal constraint.

Tourism remains a significant component of the national economy, with growth

increasingly focused on value, experience, and sustainability rather than volume alone. Central government and industry reporting identifies rising demand for wellness tourism, nature-based experiences, and experiential attractions that emphasise health, culture, and authentic local engagement, reflecting changing visitor preferences and cost-of-living sensitivities. Cruise tourism is experiencing a more uncertain recovery in New Zealand than internationally, reflecting higher operating and compliance costs, biosecurity requirements, and regulatory uncertainty.

The rising cost of climate adaptation, climate mitigation, and natural hazard risk management is becoming a material economic factor, influencing public investment priorities, infrastructure costs, insurance availability, and long-term fiscal capacity. These pressures are increasingly compounded by rising electricity prices, declining natural gas supply, and the scale of investment required to transition to a low-emissions energy system, as climate mitigation policy, carbon pricing, and global energy market conditions interact. Together, these dynamics affect the cost, timing, and feasibility of infrastructure delivery and service provision, particularly for energy-intensive assets and activities.

Looking ahead

Beyond 2030, New Zealand's outlook is increasingly shaped by structural headwinds, including persistent productivity underperformance, an ageing workforce, slower population growth, and infrastructure deficits. Without sustained productivity gains—through skills development, technology adoption, innovation, and improved international connectivity—long-term growth and fiscal capacity are likely to remain constrained, increasing the risk of widening regional divergence.

Local Government Rates Target Model

The Government's proposal to introduce a Rates Target Model signals a tightening of the local government funding environment, with full implementation expected from 2029 following a transitional period. While the intent is to moderate cost-of-living pressures for households, the proposal places additional constraints on councils' ability to raise revenue at a time when infrastructure demands and regulatory expectations are increasing.

The proposal creates growing tension between capped revenue growth and rising cost pressures. Councils face significant funding requirements to address end-of-life infrastructure, climate adaptation and resilience investment, and recovery from extreme weather events, alongside

the need to implement centrally mandated reforms such as planning system change, water services regulation, and enhanced performance and reporting requirements. Many of these obligations are cost-driven by national policy but must be funded locally.

Over time, a constrained rates environment is likely to increase pressure on councils to prioritise core services, defer or re-sequence capital programmes, seek efficiency gains, and expand the use of alternative funding and financing tools, including user charges, partnerships, use of the proposed developer levies, and debt within prudential limits. Greater reliance on user charges introduces demand sensitivity risks, as higher charges may reduce usage, affecting revenue stability, asset utilisation, and the long-term sustainability of services and facilities, particularly where fixed operating costs are higher. It can also raise equity and accessibility concerns, as price increases may disproportionately affect lower-income and fixed-income households.

These dynamics heighten the importance of transparent trade-offs, robust demand and affordability assumptions, long-term asset management, and realistic expectations about what can be delivered within available funding over the Long Term Plan period.

Funding growth

Central government is proposing to replace the current development contributions system with a new development levies framework, intended to improve how growth-related infrastructure is funded as urban areas expand.

The proposed approach would allow councils to recover a proportionate share of the total long-term cost of growth infrastructure across defined levy areas, rather than tying charges only to specific planned projects. This sits alongside changes to targeted rates and reforms to the Infrastructure Funding and Financing Act, which aim to make alternative tools such as special-purpose vehicles and levies more workable.

For councils, these changes offer the potential for more flexible and consistent cost recovery, but also introduce new regulatory oversight, transitional complexity, and uncertainty about how quickly and effectively the new tools will support infrastructure delivery during the LTP period.

Insurance, Compliance and Asset Renewal Costs

Insurance, compliance, and asset renewal costs are placing increasing baseline pressure on local government finances. Insurance premiums and excesses for public assets have risen significantly, and in some hazard-prone locations insurance availability is becoming more constrained, reflecting increased climate and seismic risk.

At the same time, expanded national regulatory frameworks across resource management, water services, emergency management, and climate adaptation are increasing unavoidable compliance and monitoring costs, even where service levels remain unchanged. These pressures coincide with a growing need to renew ageing infrastructure following decades of underinvestment, higher construction and financing costs, and climate impacts that can accelerate asset deterioration or bring renewals forward.

Together, these trends are reducing fiscal headroom for councils, increasing delivery risk, and reinforcing the need for careful prioritisation, sequencing of investment, and realistic long-term planning assumptions.

Solid waste management

Recent expansion and increases to the national waste disposal levy have materially increased the cost of disposing waste across New Zealand, with

further incremental increases scheduled over coming years. While higher disposal costs are intended to incentivise waste reduction and diversion, they also create upward pressure on council contracts, household charges, and growth-related infrastructure costs. Changes to waste levy funding settings, including broader central government use of levy revenue, reduce certainty about the level of funding available to support local waste minimisation initiatives, requiring cautious financial assumptions in LTP planning.

Regional trends

Hawke's Bay's economy has undergone significant structural change, shaped by longer-term diversification and major shocks, particularly COVID-19 and Cyclone Gabrielle. While historically anchored in primary production, the regional economy has been steadily shifting toward higher-value processing, manufacturing, and construction alongside traditional land-based sectors.

A small number of value-chain industries are central to future growth and economic resilience, including forestry and wood processing, horticulture, food and beverage processing, machinery and equipment manufacturing, and construction. These sectors are regionally concentrated and generate strong flow-on effects across employment, logistics, and supporting services.

Between 2018 and 2023, overall regional economic output grew strongly, while agriculture expanded more slowly than in the wider economy, reducing its share of regional GDP. This reflects post-cyclone rebuilding, food-system investment, and a broader shift toward higher-value activity.

Cyclone Gabrielle continues to influence recovery, particularly in horticulture, through rebuilding, replanting, supply-chain disruption, and workforce impacts that are shaping labour markets, housing demand, and investment decisions.

The recovery period also presents opportunities for economic renewal. Rebuilding activity is supporting employment and skills development, while investment in more resilient infrastructure, water security, and transport networks has the potential to lift long-term productivity and reliability. Growing demand for high-value food, wood products, and advanced processing supports Hawke's Bay's role in export-oriented value chains, while the region's climate, land resources, and established industry base provide a platform for further diversification and innovation.

Key constraints remain, particularly around freshwater availability and transport resilience. Increasing pressure on water supply risks limiting productivity without improved water security, while damage to transport corridors during Cyclone Gabrielle highlighted vulnerabilities in the region's export-dependent economy, making the restoration and strengthening of key routes critical to long-term competitiveness and market access.

Spotlight on Napier

Napier functions as a growing and increasingly diversified urban economy within Hawke's Bay, anchored by port-related logistics, manufacturing, professional and business services, and tourism. External analysis, including Infometrics' Regional Economic Profile, identifies these sectors as the core of the city's economic base, reflecting Napier's role as the region's primary commercial, employment, and visitor hub and its strategic position linking production, export, and tourism markets through the Port of Napier and Hawke's Bay Airport. The airport plays a key role in supporting tourism, business travel, freight movement, and access to essential services, with long-term trends indicating gradual passenger growth alongside sensitivity to broader economic conditions.

Population growth continues to support labour supply and demand for housing, services, and infrastructure, while rising residential and commercial land values signal an economically active but increasingly constrained urban environment.

Tourism remains a significant contributor to economic activity and CBD vitality, with Napier serving as Hawke's Bay's primary visitor destination. MBIE data indicates domestic visitor spending of approximately $179 million in the year to June 2024, supplemented by an estimated $69 million in international visitor spending across the Hawke's Bay region, as well as cruise tourism and major events.

However, global and national tourism trends point to increased volatility, with growth increasingly driven by higher-value, experience-led travel rather than visitor numbers alone, and cruise tourism subject to uncertainty arising from international scheduling decisions, regulatory requirements, and operating costs. In Napier, while recent post-COVID seasons have been strong, bookings for the 2025/26 cruise season indicate a reduction in cruise ship calls, consistent with a wider national slowdown, reinforcing the externally driven and inherently variable nature of cruise visitation.

These trends heighten reliance on the quality, resilience, and performance of tourism assets, public spaces, and event infrastructure, many of which are owned and operated by NCC. At the same time, climate exposure, fluctuating visitor demand, and rising construction, renewal, and insurance costs increase the financial risk associated with maintaining these assets, particularly where benefits are episodic rather than steady.

Napier's economic performance is supported by its attractiveness as a place to live, work, and invest, with the city's Art Deco heritage, coastal setting, and events calendar contributing to tourism outcomes and influencing the ability to attract and retain a skilled workforce for higher-value industries and essential services.
More broadly, there is an increasing emphasis in coastal and climate-exposed cities such as Napier on the role of infrastructure resilience in shaping development and investment confidence, given its connection to insurability, financing conditions, service continuity, and long-term investment viability.

Workforce availability is an increasing constraint across Napier's visitor economy and Council service delivery. Seasonal demand fluctuations, national labour shortages, and competition from other sectors make it difficult to recruit and retain staff across a wide range of roles, including lifeguards, hospitality and café staff, guest services, and specialist operational roles such as aquarium husbandry, as well as skilled trades and professionals required to deliver and maintain infrastructure and capital programmes. Rising wage expectations, driven by cost-of-living pressures and tight labour markets, are occurring alongside limited ability to increase fees or rates without affecting affordability and access. For NCC, these workforce pressures can directly affect operating hours, service levels, project delivery timeframes, and the quality of visitor and community experiences, increasing both operational and financial risk and reducing the capacity to fully leverage existing assets.

The CBD remains economically active but is undergoing structural change, with demand increasingly concentrated in prime, well-located retail, hospitality, and mixed-use space associated with visitor and event activity. In contrast, secondary retail areas and upper-floor commercial space face weaker demand due to changing work patterns, online retail, and the cost of seismic upgrades. Beyond the city centre, industrial and employment areas at Ahuriri, Onekawa, and the Port continue to anchor Napier's productive economy.

Over the Long-Term Plan period, population growth combined with constrained business land,

ageing infrastructure, workforce pressures, and rising development, renewal, compliance, and insurance costs is expected to place increasing pressure on land supply, infrastructure capacity, affordability, and labour availability. For NCC, this environment heightens exposure to expensive asset renewals, insurance and workforce-related operating costs, and climate-related risk, reinforcing the need for coordinated, long-term planning that carefully prioritises investment, manages risk, and balances economic growth with resilience, affordability, and place-based outcomes.

Economic trends – what this means for Napier's LTP

- **Cautious growth and external exposure**
  Economic growth is expected to be moderate and uneven. As a trading and tourism-exposed city, Napier is sensitive to global conditions, commodity prices, and policy-driven shocks, which adds uncertainty to revenue and investment assumptions.
- **Workforce and skills pressures**
  An ageing workforce, ongoing skill shortages and wider staffing challenges mean Napier's ability to attract and retain people in key roles (such as health, engineering, planning, construction, technical services, and the tourism sector) is critical to economic performance and council service delivery.
- **City attractiveness matters**
  Amenity, heritage character, the natural environment, and quality public spaces support tourism and help Napier compete for skilled workers. Investment decisions that protect and enhance place quality can have long-term economic benefits. Attracting visitors and a sustainable workforce supports the wider economy, including the vitality of the CBD and broader economic resilience.
- **Climate risk affecting confidence and cost**
  Flooding, coastal risk, and infrastructure vulnerability influence insurance availability and cost, development costs, and private investment decisions, increasing the importance of resilience-focused planning. These risks extend to NCC assets.
- **Affordability pressures**
  Housing and living costs affect workforce retention, business viability, and overall competitiveness, reinforcing the need to consider affordability impacts alongside growth ambitions.
- **Infrastructure and land constraints**
  Limited business land, rising construction costs, and infrastructure capacity constraints can restrict investment and employment growth, requiring careful sequencing and prioritisation.
- **Post-cyclone recovery effects**
  Ongoing recovery from Cyclone Gabrielle continues to shape labour markets, construction demand, and competition for skills across the region over the LTP period.
- **Funding trade-offs**

  With constraints on rates growth and rising asset renewal and operating costs, the LTP may need to consider alternative funding and delivery mechanisms. While these approaches can help spread risk and enable investment, they also carry material risks for Council, including reduced affordability, demand sensitivity if fees increase, and long-term contractual commitments that may limit future flexibility.

SOCIAL / CULTURAL

Global trends

Global research indicates that societies are entering a period of accelerated demographic change, cultural diversification, and rising expectations of wellbeing, trust, and human-centred governance. Major forces shaping social outcomes include population ageing in developed economies, shifting global migration patterns, increasing cultural pluralism, and the rapid integration of digital technologies and artificial intelligence into everyday life.

International demographic and labour market analyses (including work by the OECD) consistently identify ageing populations, changing family structures, and evolving workforce participation as long-term structural trends that will continue reshaping social expectations, service needs, and community dynamics. Global foresight and cultural trend analysis points to growing public emphasis on mental wellbeing, authenticity, digital literacy, social connection, and cultural identity.

These shifts are occurring alongside growing evidence of social strain linked to economic uncertainty, climate-related stress, and increasingly complex digital information environments. International research indicates that, in this context, public institutions are increasingly expected to respond not only to material needs and service delivery, but also to psychosocial wellbeing, inclusion, transparency, and trust.

National trends

New Zealand's social and demographic trajectory is characterised by population ageing, declining fertility, and migration-driven population growth. National data show that the total fertility rate has been below replacement level (2.1 births per woman) since 2013, falling to around 1.55–1.57 in recent years, while life expectancy continues to increase, contributing to a steadily rising median age. These trends place long-term pressure on health systems, social services, labour supply, and public finances, including the affordability and sustainability of superannuation settings over time, with potential flow-on implications for household incomes, consumption patterns, and demand for public support over the next several decades.

Urbanisation remains a defining feature of population change, with around 85 percent of New Zealanders now living in urban areas and population growth increasingly concentrated in cities and large towns. This pattern intensifies demand for housing, transport, and infrastructure in urban centres, while many smaller and rural communities experience slower growth and more rapid ageing.

National wellbeing and social indicators highlight persistent, and in some cases widening, disparities in income, housing affordability, access to services, and health outcomes. Official wellbeing and deprivation measures show that housing costs, material hardship, and unequal access to social and cultural resources remain key drivers of wellbeing inequality. These structural pressures increasingly intersect with broader megatrends such as climate change, digitalisation, and technological disruption, shaping how communities experience growth, resilience, and opportunity.

Regional trends

Hawke's Bay's social and demographic profile reflects a higher proportion of Māori than the national average, accelerated population ageing, and modest growth increasingly reliant on migration. Census data indicate an "older-dominant" age structure in parts of the region, including Napier, with residents aged over 65 now outnumbering those under 14.

Recent population change indicates that international migration has become the primary driver of growth, creating opportunities through workforce replenishment and diversity, while also increasing exposure to volatility linked to national and global migration conditions.

Official wellbeing and census evidence highlights persistent spatial disparities across Hawke's Bay, including variation in health outcomes, housing quality, deprivation, access to services, and educational attainment between communities and suburbs.

Climate-related events have also had significant social impacts. Peer-reviewed research and nationally commissioned wellbeing studies document elevated levels of psychosocial stress, trauma, and disruption to community cohesion following Cyclone Gabrielle, reinforcing the close relationship between environmental shocks and social wellbeing in the region.
Collectively, these trends point to growing demand for culturally grounded engagement, community resilience and preparedness initiatives, and equitable access to services and resources across the region.

Spotlight on Napier

Napier's social and cultural context reflects national demographic trends interacting with local conditions, resulting in uneven outcomes across the city. Evidence from Stats NZ, the Hawke's Bay Community Compass, and the Napier Social Monitor shows marked variation between suburbs in population change, income and deprivation, housing conditions, health and education outcomes, and perceptions of community safety.

Demographic change

Napier City's estimated population is approximately 67,000, with recent growth driven primarily by net migration rather than natural increase. Based on medium-high growth projections, the city's population is expected to increase to around 73,000 within the next decade, and to approximately 82,000 by the mid-2050s.

Napier has a median age of around 42 years, higher than the national median, and data indicates a growing proportion of residents aged 65 years and over, alongside slower growth in younger age groups and increasing ethnic diversity. This ageing and diversifying population is increasing demand for accessible infrastructure, health and community services, appropriate housing choice, and reliable transport access to health, community, and essential services, while also shaping expectations around inclusion, resilience, and service accessibility.

Cultural context and Treaty relationships

Napier has a strong Māori presence, with mana whenua values forming an important part of the city's social, cultural, and historical identity. Treaty settlements with Mana Ahuriri and Maungaharuru-Tangitū Hapū provide formal recognition of historical relationships with the Crown and establish enduring cultural, historical, and environmental interests within the Napier area. In addition, settlements have also resulted in the return of land, and there are associated aspirations for their use and development over time to support the social, cultural, and economic wellbeing of hapū.

This context shapes expectations around recognition of cultural values, protection of sites of significance, and enduring partnerships with mana whenua, including early and ongoing engagement on matters affecting land, water, and the coastal environment, consistent with statutory requirements and settlement commitments.

Cultural values, whakapapa connections to place, and the role of marae, iwi organisations, and community networks contribute to social cohesion, wellbeing, and resilience. These connections have been especially evident during recovery from natural hazard events, where

community-led responses and support networks have played a key role in local resilience.

Income, deprivation, and housing

Income and deprivation indicators vary markedly across Napier suburbs, with neighbourhoods spanning the full range of deprivation deciles, including areas ranked among the most socioeconomically deprived in New Zealand, alongside areas with comparatively strong household incomes. Median household income in Napier remains below the national median, and cost-of-living pressures are experienced unevenly across the city.

Housing pressures persist across the continuum, from homelessness and housing insecurity through to affordability and long-term supply. Local evidence links these pressures to income constraints, housing costs, demographic change, and limited availability of suitable housing types.

The Napier–Hastings Future Development Strategy (2025–2054) identifies ongoing residential demand driven by population growth, smaller household sizes, and ageing. Around 3,000 additional households are anticipated in Napier over the next ten years under medium-high growth projections, increasing to around 8,000 additional dwellings by the mid-2050s.

While sufficient long-term capacity is planned through District Plan zoning changes which enable intensification around centres and amenities, delivery remains sensitive to infrastructure provision, development costs, market feasibility, and natural hazard constraints. Demographic trends further reinforce the need for a broader mix of dwelling types, densities, and accessible housing close to services and transport.

Health, education, and community safety

Health and wellbeing outcomes vary across Napier communities, reflecting broader social determinants such as income, housing quality, transport accessibility, and age profile. Access to urgent and after-hours health services remains a local issue, with Napier residents reliant on limited overnight services and, at times, travel to Hastings due to health sector workforce constraints.

Education outcomes are mixed. While many residents hold post-school qualifications, data indicates that in some neighbourhoods a notable share of school leavers do not achieve NCEA Level 2, with implications for long-term workforce participation and social mobility.

Community safety is an important contributor to wellbeing. Property-related offences account for a significant share of recorded crime, and perceptions of safety vary by location and time of day. Evidence consistently shows that strong neighbourhood connections, inclusive community facilities, and well-designed public spaces support higher perceptions of safety and social resilience.

Overall social profile

Taken together, Napier's social and cultural profile is characterised by:

- an ageing and increasingly diverse population;
- strong Māori presence and evolving Treaty-based relationships;
- below-median incomes with significant variation between suburbs;
- housing affordability and suitability pressures;
- uneven health, education, and wellbeing outcomes aligned with deprivation patterns; and
- strong links between social connection, place quality, cultural identity, and perceptions of safety.

These characteristics provide important context for understanding how broader social trends are experienced locally, and how they intersect with

Napier City Council's long-term planning, partnership, and service delivery responsibilities.

Social and cultural trends – what this means for Napier's LTP

- **Changing demand, not just more demand**
  An ageing, more diverse population and migration-led growth are changing where and how services are needed, rather than simply increasing overall demand. This affects the location, timing, and design of facilities, transport, and community services.
- **Different communities, different outcomes**
  Income, housing, health, education, and safety outcomes vary widely between Napier's suburbs. LTP decisions need to be informed by place-based understanding so investment responds to local needs rather than a one-size-fits-all approach.
- **Mana whenua relationships**
  Relationships with mana whenua are an established and evolving part of Napier's governance and planning context, with specific legal obligations arising Treaty settlements with Mana Ahuriri and Maungaharuru-Tangitū Hapū, particularly in areas associated with Te Whanganui-a-Orotū. These obligations and relationships shape expectations around engagement, decision-making, and project delivery in relevant locations.
- **Housing pressures affect wider wellbeing**
  Housing affordability, insecurity, and suitability continue to influence social outcomes, workforce stability, and service demand. The LTP needs to align infrastructure investment, growth sequencing, and service planning with realistic housing delivery assumptions.
- **Access and resilience matter**
  Access to health services, emergency response, transport, and community facilities plays a major role in local wellbeing, particularly for older residents and more vulnerable communities. Resilience to disruptions, including extreme weather events, is increasingly important.
- **Community expectations are evolving**
  Residents are increasingly focused on affordability, value for money, and transparency, alongside expectations that public spaces and services are inclusive, safe, and support social connection and community cohesion.
- **Many drivers sit outside Council control**
  Outcomes for Napier communities are influenced by external factors such as health system capacity, labour markets, migration settings, and national policy. This reinforces the need for conservative assumptions, scenario testing, and flexibility in the LTP.

TECHNOLOGICAL

Global trends

Globally, economies and public institutions are undergoing rapid digital transformation driven by advances in artificial intelligence, automation, data, and digital infrastructure. This is widely recognised as a long-term structural shift that is changing how services are designed, delivered, and governed, rather than a short-term technology cycle.

International research, including from the International Labour Organization, shows that digitalisation and AI are reshaping labour markets across most sectors, affecting productivity, job quality, and income distribution. While these technologies offer opportunities for efficiency and new ways of working, they also carry risks of workforce displacement and widening inequality if not supported by skills development and organisational adaptation.

In response, governments are strengthening frameworks for responsible AI use, cyber security, and digital public infrastructure, increasing expectations that public-sector technology adoption is transparent, secure, and aligned with public trust and service outcomes.

National trends

New Zealand is experiencing the same broad digital transition as other advanced economies, with artificial intelligence, automation, and digital platforms increasingly embedded across public services. In response, central government has introduced the Public Service AI Framework (2025) to guide the safe, transparent, and responsible use of AI, emphasising risk-based decision-making, privacy protection, and public trust rather than mandating specific technologies.

National analysis indicates that digital transformation has the potential to improve productivity, service quality, and decision-making, including through better use of data, automation, and digital tools. At the same time, it introduces risks related to cyber security, system resilience, skills shortages, and digital exclusion, particularly where workforce capability and access are uneven.

Demographic trends reinforce these challenges and opportunities. An ageing population increases demand for accessible, user-centred digital services and technology-enabled healthcare, while the continued shift of services online heightens the importance of digital inclusion and support. As a result, national policy increasingly frames digitalisation as an enabler of efficiency, resilience, and better outcomes, rather than technology adoption for its own sake.

Regional and local trends

At a regional and local level, Hawke's Bay communities are increasingly reliant on digital connectivity and online platforms for accessing health services, education, employment, and information. The Community Compass dashboard shows variation across suburbs in socio-economic wellbeing and access to services, indicating that digital access and capability are not evenly distributed across the region.

Recent climate-related events, including Cyclone Gabrielle, have reinforced the role of technology in resilience and emergency management. Regional assessments highlight the importance of digital communications, data sharing, mapping and geospatial tools, and system redundancy in supporting early warning, response coordination, and recovery following major events.

Technology also presents opportunities to improve efficiency, capability, and decision-making across the region. Digital tools and data analytics can support more efficient service delivery, better project planning and

delivery, improved asset and infrastructure management, and more robust environmental and natural hazard modelling and monitoring. Over time, these capabilities can help councils and partner agencies make better-informed investment decisions, manage risk, and target resources more effectively.

Technological trends – what this means for Napier's LTP

- **Digital systems are core infrastructure**
  Council services and emergency response increasingly rely on digital systems, making reliability, cyber security, and resilience critical LTP considerations.
- **Opportunity to improve efficiency and outcomes**
  Technology can support more efficient service delivery, stronger project and asset management, and better environmental and hazard modelling and monitoring, improving value for money over time.
- **Digital inclusion remains important**
  Uneven access and digital literacy — particularly among older residents— mean services must remain accessible and supported as more functions move online.
- **External dependencies increase risk**
  Reliance on third-party platforms and providers means some technology risks sit outside Council's direct control and must be managed through planning and contingencies.

Hawke's Bay's demographic profile further shapes local technological challenges and opportunities. An increasingly older population heightens the need for digital services that are accessible, supported, and complemented by non-digital options, while also increasing demand for technology-enabled healthcare, remote service delivery, and connected communities. Collectively, these trends underscore that technological change at the local level is as much about capability, resilience, and inclusion as it is about innovation.

LEGAL / REGULATORY

Global trends

Globally, regulatory systems are becoming more fragmented and nationally specific, with governments increasingly favouring domestic rule-making over harmonised international frameworks. This has contributed to more complex and less predictable regulatory environments, particularly for infrastructure, environmental management, and public services.

Across jurisdictions, there is a clear trend toward stronger accountability, transparency, and governance standards for public institutions. Regulators are placing greater emphasis on demonstrable decision-making quality, procedural fairness, and the ability to evidence compliance, particularly where decisions affect property rights, service access, or long-term investment.

The broader global signal for local government is an expectation of robust governance systems, clear statutory mandates, and defensible decision-making, rather than reliance on discretionary or informal practice.

National trends

Central government is undertaking one of the most significant periods of regulatory change impacting the local government system since the late 1980s. Reforms underway, or signalled during 2025–2026, affect the purpose of local government, governance arrangements, planning and environmental regulation, funding mechanisms, accountability settings, and community participation models. Many of these changes are expected to take effect, or have transitional impacts, within the timeframe of the next Long-Term Plan.

Local Government (System Improvements)

At the centre of current reform is a redefinition of the statutory role of councils. The Local Government (System Improvements) Amendment Bill refocuses the purpose of local government on meeting the current and future needs of communities for good-quality, cost-effective local infrastructure, local public services, and local performance of regulatory functions, alongside enhanced transparency and performance reporting settings. These reforms are intended to increase comparability, efficiency, and fiscal discipline across the sector, including by requiring councils to place stronger emphasis on “core services” when making financial and service decisions. The Bill is expected to become law later in 2026.

These reforms sit alongside the Government’s proposed rates cap / rates target model, which signals tighter constraints on councils’ ability to raise revenue. The Government has indicated a transition period from 2027, with full implementation of the regulatory model from 2029, and an indicative target range for annual rates increases (per capita) of 2–4%.

Together, these settings heighten the importance of transparent trade-offs and robust long-term planning to manage both capital and operating cost pressures across councils’ core services. This represents a material shift from the framework that underpinned the previous Long-Term Plan, reflecting the removal of the social, economic, environmental, and cultural “four wellbeings” from the statutory purpose of local government and a renewed emphasis on the cost-effective delivery of core functions.

It is understood that “core services” under the Bill will extend beyond infrastructure networks to encompass the provision of essential local public services and regulatory functions, including transport, water and waste services, civil defence and emergency management, public transport, planning and consenting activities, and the

community, recreational, and cultural facilities that support day-to-day service delivery. This scope reinforces the need for integrated asset, service, and financial planning to ensure councils can sustainably meet current and future community needs within increasingly constrained funding settings.

Simplifying Local Government

In parallel, the Government has consulted on proposals to simplify local government structures, including replacing elected regional councillors with Combined Territories Boards and requiring the preparation of Regional Reorganisation Plans (RRPs). If implemented, RRPs would examine how local and regional functions and services are governed and delivered within each region and could involve changes to governance arrangements, shared services, service delivery models, or organisational structures, including for parks, reserves, environmental management, and other community-facing services. Indicative implementation from around 2029 falls within the next Long-Term Plan period and may introduce transitional costs, governance change, and short-term service delivery risks, alongside longer-term efficiency objectives.

A further change arising from the Simplifying Local Government proposals is the potential introduction of deliberative democracy and enhanced community participation mechanisms to strengthen public input into local government decision-making. Central government has signalled it is considering new legislative options to enable communities to play a more substantive role in shaping decisions, including through structured engagement processes to inform the development of RRPs and other significant governance or service-delivery changes.

If progressed, greater use of deliberative approaches—such as citizens' panels, assemblies, or other facilitated participation models—would represent a shift from traditional consultation toward more resource-intensive, time-bound, and capability-dependent engagement processes. While intended to improve decision legitimacy and public trust, these approaches may have implications for council costs, staff resourcing, specialist facilitation, and decision-making timeframes, particularly where applied alongside existing statutory consultation requirements. The scale and timing of these impacts would depend on the final legislative design but are likely to be relevant within the next Long-Term Plan period, especially if linked to regional reorganisation processes.

Resource management system reform

The Resource Management Act is being replaced by two new statutes — a Planning Act and a Natural Environment Act — introduced in December 2025 and expected to come into force during 2026. The new system represents a fundamental shift away from the integrated, effects-based approach of the RMA toward a framework that prioritises enabling development under the Planning Act, alongside environmental protection and limits under the Natural Environment Act.

A defining feature of the new planning system is its explicit grounding in the enjoyment of private property rights, with stronger checks on regulatory overreach and new requirements to justify and, in some cases, financially offset regulatory restrictions placed on individual properties.

Regulatory relief and compensation

Proposed changes to New Zealand's planning system would, for the first time, require councils to provide mandatory regulatory relief where planning protections are assessed as imposing a significant burden on landowners. Protections potentially affected include heritage listings, outstanding landscapes, and sites of significance to Māori, introducing a direct fiscal dimension to planning decisions.

For Napier, this is particularly relevant given the city's extensive heritage protections, including the Art Deco precinct. These changes may expose Council to financial liability or ongoing incentive costs, creating trade-offs between maintaining protections and managing affordability and fiscal risk.

Over time, this could influence how heritage and other protected values are prioritised, funded, and integrated with economic development, tourism, and city-centre vitality, while also shaping how Council approaches engagement and decision-making around culturally and environmentally significant places.

Environmental limits

The proposed Natural Environment Act will introduce an explicit framework of environmental limits for matters such as freshwater, coastal environments, and ecosystems. In parallel, the Water Services (Wastewater Environmental Performance Standards) Regulations 2025 establish nationally consistent performance standards for wastewater treatment plants, network discharges, and overflows.

The new system shifts focus towards outcomes, consistency, and operating within defined limits, with greater reliance on data, monitoring, and regional-scale planning.

More explicit environmental limits may place increased emphasis on infrastructure network performance, cumulative effects, and long-term compliance, with possible impacts on the timing, scale, and cost of infrastructure investment.

National direction and natural hazard management

Alongside the new Acts, the Government has introduced a suite of new and amended national policy statements and standards, including the National Policy Statement for Natural Hazards 2025, which came into force in January 2026.

The NPS for Natural Hazards establishes a mandatory, risk-based framework for managing natural hazard exposure across planning and consenting decisions. It applies to hazards including flooding, coastal inundation, erosion, liquefaction, landslip, tsunami, and active faults, and requires councils to embed hazard risk — including likelihood and consequence — into decision-making across all zones and environments.

For Napier, this national direction reinforces the need to carefully manage development in low-lying, coastal, and hazard-prone areas, with potential implications for:

- development feasibility and costs;
- insurance availability and affordability;
- future intensification patterns; and
- long-term exposure of people and assets to climate-related risk.

While the new framework provides greater national consistency and supports more defensible decisions, it may also constrain development capacity in some locations or require more extensive mitigation, affecting land values and investment timing.

Transitional and implementation implications

Although the new planning system is intended to reduce regulatory complexity over time, the transition period is likely to be demanding for councils. Requirements to replace plans, apply new national direction immediately in consenting, develop regulatory relief frameworks, and manage new exposure to compensation claims all increase legal, financial, and resourcing risk in the short to medium term.

For Long Term Plans, this means councils must make assumptions in an environment where planning controls, costs, and liabilities are shifting simultaneously, reinforcing the importance of conservative forecasting, clear prioritisation, and

alignment between regulatory strategy, financial planning, and place-based economic outcomes.

National Adaptation Framework

In 2025, the Government announced a new National Adaptation Framework, marking a shift from the first National Adaptation Plan (2022), which focused primarily on identifying risks and priority actions, to a stronger emphasis on roles, responsibilities, and implementation mechanisms.

The Framework signals clearer expectations for local government, including proposed amendments to the Climate Change Response Act to require adaptation planning in priority locations, greater use of nationally consistent hazard and climate risk information (such as a National Flood Map), and closer alignment with resource management reform.

While the Framework outlines intended regulatory direction, key elements—including funding arrangements, cost-sharing models, and the timing and scope of mandatory adaptation planning—remain subject to further policy and legislative decisions, creating an evolving regulatory environment for councils planning long-term climate adaptation.

Water services regulation

Water services regulation has shifted following the repeal of the former Three Waters framework and the enactment of Local Water Done Well legislation. For Napier, water assets and associated liabilities are expected to transfer to a council-controlled water services entity covering Napier, Hastings and Central Hawke's Bay, creating a clear separation between water services and the Council's core balance sheet.

This separation allows the water services entity to borrow independently to fund water infrastructure investment. However, it also means Napier City Council can no longer borrow against water assets, with all water-related borrowing capacity sitting solely with the water entity. As a result, the Council's remaining debt capacity will be focused on non-water activities, such as transport, community facilities, and place-based investment.

The new framework introduces stronger economic, quality, and performance regulation of water services, including mandatory Water Services Delivery Plans, enhanced information disclosure, and customer protection requirements. While this provides clearer accountability and financial separation, operational, affordability, and compliance risks remain significant, with direct implications for investment timing, service pricing, coordination with the Long Term Plan, and the Council's residual borrowing capacity for non-water assets.

Solid waste management

Solid waste management legislation is evolving, with amendments to the Waste Minimisation Act strengthening data reporting, compliance expectations, and environmental outcomes, while signalling a longer-term shift toward greater producer responsibility for priority products. At the same time, several previously proposed national waste minimisation service mandates have been paused or deferred, increasing uncertainty for councils about future regulatory requirements and service expectations. Together, these changes create a more complex and less predictable regulatory environment for councils, reinforcing the need for flexibility in waste service design and long-term planning assumptions

Wider regulatory shifts

In addition to direct local government reform, several wider regulatory trends provide important context for council planning, even where councils are not the primary target of reform:

- *Employment and labour law change*, including increased scrutiny of worker

classification, wage compliance, and employment standards, contributes to a tighter compliance environment for council-controlled organisations, contractors, and labour-intensive service delivery.

- *Natural hazard and climate-related regulation*, including evolving standards for hazard disclosure, resilience planning, and managed retreat, continues to influence land-use planning, infrastructure investment, and risk management obligations.

- *Earthquake strengthening* requirements have shifted from rigid percentage-based standards to a more risk-based approach, targeting buildings that pose the greatest life-safety risk. For Napier, this is expected to reduce compliance costs and uncertainty for many heritage and commercial buildings, potentially supporting reinvestment and reuse in the city centre.

- *Public sector accountability and audit expectations* are increasing, with greater emphasis on evidence-based decision-making, transparency, and defensibility of regulatory and investment choices.

- *Simplification and standardisation agendas* across central government regulation point to reduced tolerance for local variation where national consistency is prioritised, reinforcing a shift away from bespoke local regulatory approaches.

Overall regulatory direction
Taken together, these reforms point to a regulatory environment characterised by:

- tighter statutory definitions of council purpose and scope;
- constrained revenue-raising flexibility;
- stronger central oversight of performance and financial outcomes;
- reduced discretion in planning and environmental regulation; and
- higher expectations for compliance, transparency, and evidential decision-making.

For Long Term Plans, this context increases the importance of conservative assumptions, prioritisation of core services, clear articulation of trade-offs, and explicit recognition of regulatory transition risk.

Regional and local trends

Hawke's Bay's legal and regulatory environment is being shaped by planning system reform, regional spatial planning, ongoing water allocation uncertainty, and evolving governance arrangements, alongside frequent national regulatory change.

Napier District Plan decision and appeals

Napier City Council issued decisions on its Proposed District Plan in late 2025, with a limited number of Environment Court appeals now underway. These appeals are confined to specific provisions and do not reopen the plan as a whole. Most provisions are already operative. While the appeals may create short-term uncertainty for affected sites and add to consenting workloads, they
are unlikely to have material implications for the Long Term Plan.

Regional spatial planning and system reform

The replacement of the Resource Management Act places greater emphasis on regional-scale spatial planning and stronger alignment between land use, infrastructure, and environmental management. In the interim, the Napier–Hastings Future Development Strategy (2025–2054) operates as the shared growth framework for the Tier 2 urban area, guiding housing capacity,

0intensification, greenfield sequencing, and infrastructure planning.

As the new planning system is implemented, the FDS is likely to be reviewed or adapted through a regional spatial plan process. Until then, councils must manage potential misalignment between the FDS, District Plans, and emerging national direction, reinforcing the need for close coordination between spatial planning and LTP investment decisions.

TANK Plan Change and water allocation

The TANK Plan Change (Plan Change 9) is the Hawke's Bay Regional Council plan change that sets rules for groundwater and surface water allocation and quality in the Tutaekurī, Ahuriri, Ngaruroro, and Karamū catchments. Its purpose is to manage water takes, improve water quality, and ensure long-term sustainability of the region's freshwater resources.

Although the plan has legal effect, its implementation remains complex. Allocation limits, consent pathways, and ongoing appeals continue to influence investment certainty for water-dependent activities. For Napier, this affects industrial and employment land development, growth areas without reticulated supply, and alignment between land use planning, water infrastructure investment, and economic development objectives.

Governance and ongoing reform pressure

Hawke's Bay's governance context includes statutory regional planning partnership arrangements under the Regional Planning Committee Act 2015, embedding shared decision-making at the regional level, although the future of this legislation and committee is uncertain under the "Simplifying Local Government" proposal. Expectations for early and effective engagement with mana whenua continue to shape planning, infrastructure, and environmental management processes.

Alongside region-specific issues, councils are responding to ongoing national regulatory change, including environmental limits, water services regulation, and local government performance requirements. Collectively, these factors reinforce the need for coordinated planning, legal capability, and careful management of delivery risk over the LTP period.

Regulatory trends – what this means for Napier's LTP

- **Tighter fiscal, governance and regulatory settings**
  Ongoing reform across local government is increasing expectations around financial discipline, performance, transparency, and accountability, while proposed changes to fiscal settings and governance arrangements may affect councils' funding flexibility, decision-making roles, and responsibilities. Together, these changes reduce discretion and heighten the importance of prioritisation and affordability within the LTP.
- **Planning system transition risk**
  The replacement of the Resource Management Act and introduction of new national direction creates a period of overlap and uncertainty. While District Plan appeals are limited in scope and unlikely to materially affect LTP assumptions, they add to short-term complexity and workload.
- **Potential fiscal exposure from planning protections**
  Proposed planning legislation may require regulatory relief or incentives where protections impose significant burdens on landowners. For Napier, this creates trade-offs between maintaining strong Art Deco and heritage protections and managing long-term costs while supporting CBD vitality, tourism, and economic development.
- **Stronger focus on risk-based planning**
  National policy is placing greater emphasis on natural hazard risk management and evidence-based decision-making, which may constrain development in higher-risk areas and influence land values, infrastructure costs, and long-term exposure.
- **Alignment across growth, water, and infrastructure planning**
  Councils must coordinate the Napier–Hastings Future Development Strategy, water services delivery planning, and emerging regional spatial planning requirements, increasing the importance of sequencing, prioritisation, and integrated investment decisions through the LTP.
- **Ongoing regulatory change and uncertainty**
  Frequent national reform, unresolved regional issues (including water allocation through the TANK Plan Change), and proposals to simplify local government structures contribute to uncertainty around future roles, responsibilities, and funding settings. This reinforces the need for conservative assumptions, flexibility, and adaptive pathways within the LTP.

ENVIRONMENTAL

Global trends

Globally, climate change is driving increasing variability and intensity of weather and climate-related hazards. The Intergovernmental Panel on Climate Change (IPCC) identifies a shift toward more frequent and compounding events, including higher temperatures, heavier rainfall, sea-level rise, and increased coastal and river flooding risk due to climate change. These changes are reducing the distinction between “extreme” and “normal” conditions and increasing the likelihood of repeated disruption to communities and infrastructure.

Global mean sea-level rise is accelerating, with IPCC projections indicating continued rise throughout the century under all emissions scenarios. Many coastal cities are already experiencing higher groundwater tables, more frequent nuisance flooding, and reduced effectiveness of gravity-based drainage systems, particularly in low-lying and reclaimed areas. Current global emissions trajectories remain consistent with warming outcomes above 2 °C, amplifying long-term climate risk and uncertainty for infrastructure and land-use planning.

In parallel, global ecosystem degradation and biodiversity loss are reducing the natural buffering capacity of landscapes and coastlines. Wetlands, dunes, reefs, and river systems that historically absorbed floodwaters, stabilised coastlines, and filtered pollutants are under sustained pressure from land-use change, pollution, and climate stressors.

This loss of ecological function increases exposure to natural hazards and raises the cost and complexity of engineered and other responses.

National trends

National climate trends mirror global patterns, with warming temperatures, more intense rainfall, sea-level rise, and increasing flood and coastal hazard exposure. Updated NIWA and MfE projections indicate these impacts will intensify over time, driving stronger national policy expectations around risk-based planning, climate adaptation, flood and stormwater management, and cumulative hazard risk.

Beyond climate hazards, national environmental reporting highlights ongoing degradation of freshwater, marine, and terrestrial ecosystems, including declining water quality, sedimentation, and biodiversity loss. Proposed environmental legislation and planning reform place greater emphasis on setting environmental limits, although the timing, scope, and application of those limits remain uncertain during the transition to the new system.

National policy is also tightening expectations for solid waste and stormwater management. The *Waste and Resource Efficiency Strategy (2025)* signals higher ambition for waste minimisation, emissions reduction, recycling, and management of contaminated and legacy sites. Evolving guidance on stormwater discharges points to stronger expectations that councils manage stormwater for environmental outcomes, not only flood protection.

Regional trends

Hawke’s Bay faces a high-impact climate risk profile due to its coastal exposure, low-lying terrain, tectonic processes, and catchment characteristics. The *Hawke’s Bay Regional Climate Change Risk Assessment (2025)* identifies increasing risk from coastal inundation, sea-level rise, groundwater rise, extreme rainfall, flooding, landslides, liquefaction, drought, and compound multi-hazard events.

Low-lying coastal and estuarine areas are particularly vulnerable, where rising sea levels and groundwater reduce stormwater system capacity and increase flooding frequency. Tectonic subsidence in parts of the region further compounds relative sea-level rise, while critical infrastructure—including transport corridors, the port, and the airport—faces increasing exposure under projected climate scenarios.

Environmental pressures extend beyond hazards. Regional State of the Environment reporting highlights declining wetland health, sedimentation of waterways, groundwater pressure, and biodiversity loss, reducing natural resilience and increasing reliance on engineered solutions. Stormwater quality is a persistent issue, with monitoring showing repeated exceedances of water quality guidelines following rainfall, exacerbated by urban growth, ageing infrastructure, and more intense rainfall events.

Legacy waste infrastructure, including closed landfills and disposal sites, also remains a regional challenge, requiring careful management to limit leachate, emissions, and contamination risks, with these risks heightened under changing climate and extreme weather conditions.

Spotlight on Napier

Climate change and natural hazards

Napier's environmental context is strongly influenced by its coastal location, low-lying topography, and historic modification of natural systems, including land drainage, stopbanks, and reclaimed land. Parts of the city sit at or below sea level and rely on pumped stormwater systems, making them particularly sensitive to sea-level rise, elevated groundwater levels, and more intense rainfall. These conditions increase the frequency of flooding and place sustained pressure on stormwater, wastewater, transport, and other critical networks.

Recent regional climate risk assessment work highlights the scale of exposure under major flood scenarios, even when accounting for existing protections. During a 1:100-year flood event (including climate change impacts), a substantial proportion of the built environment is exposed, including over half of commercial properties (52.8%), more than two-fifths of industrial buildings (41.2%), and around a quarter of residential buildings (25.6%). High proportions of properties are also at risk of isolation during major events, due to flooding in the transport network, increasing the likelihood of service disruption, constrained access, and wider impacts on community wellbeing and economic continuity.

Climate-driven hazard exposure therefore intersects directly with land-use decisions, infrastructure investment, and long-term affordability, particularly in areas already experiencing flooding, drainage constraints, or service disruption. Repeated exposure can accelerate asset degradation, increase operating and renewal costs, and influence insurance availability, development feasibility, and private investment confidence.

As these pressures intensify, environmental risk increasingly shapes where and when Council invests, and where residual risk must be actively managed rather than avoided. Environmental constraints are therefore likely to play a growing role in LTP prioritisation, investment sequencing, and risk-based decision-making, reinforcing the importance of resilience-focused planning alongside affordability considerations.

Wider environmental considerations

A defining feature of Napier's environmental response is the focus on Te Whanganui-a-Orotū (Ahuriri Estuary).

Established under the Ahuriri Hapū Claims Settlement Act 2021, Te Komiti Muriwai o te Whanga brings together Mana Ahuriri Trust, Napier City Council, Hastings

District Council, Hawke's Bay Regional Council, and the Department of Conservation to support the protection and enhancement of the estuary's environmental, cultural, social, and economic values.

Stormwater quality is a key issue for Te Whanganui a Orotū. Monitoring shows that untreated urban stormwater carries sediments, nutrients, heavy metals, hydrocarbons, and microbial contaminants into the estuary, contributing to degraded water quality, ecological stress, and limitations on contact recreation and customary food gathering. As a result, improving stormwater quality is central to achieving both environmental outcomes and cultural restoration objectives. Recent progress in the replacement of expired stormwater discharge resource consents reinforces this direction by requiring ongoing improvement in the quality of stormwater discharges from Council networks into the estuary.

Solid waste management also intersects with Napier's environmental outcomes. Managing waste volumes, closed landfill sites, and waste-related emissions remains important for protecting land and water quality, particularly during extreme weather events where waste infrastructure can be exposed or mobilised.

For Napier, environmental considerations therefore extend beyond climate adaptation alone, encompassing stormwater quality, ecosystem restoration, waste minimisation, and partnership-based environmental stewardship, all of which have implications for infrastructure planning, operating costs, and long-term resilience.

Environmental trends – what this means for Napier's LTP

- **Rising pressure on core infrastructure and Council facilities**
  Climate change is increasing stress on stormwater, wastewater, transport, and coastal assets as sea-level rise, higher groundwater, and more intense rainfall reduce system capacity and increase disruption risk. Council's community and tourism facilities are also under pressure from increased climate risk.
- **Stormwater quality alongside flood management**
  Urban stormwater is a key contributor to contamination of Te Whanganui a Orotū, requiring ongoing investment in treatment, catchment-scale interventions, and nature-based solutions alongside traditional drainage works. Resource consents for the city's stormwater discharges, and proposed environmental limits, may put legal obligations on Council (and the Water Services Entity) to improve stormwater quality.
- **Environmental outcomes increasingly integrated with infrastructure delivery**
  Projects linked to Te Muriwai o te Whanga and wider catchments show that restoring ecological health, improving water quality, and recognising cultural values are now closely tied to Council's core infrastructure and capital programmes.
- **Growing waste and residual risk obligations**
  Reliance on the Ōmarunui Landfill, long-term aftercare responsibilities, and exposure to waste surges following extreme weather reinforce the need for waste minimisation, diversion, and regional coordination to manage environmental and financial risk.
- **Reduced natural buffering increases long-term costs**
  Biodiversity loss, wetland degradation, and sedimentation are reducing the environment's ability to moderate hazards, increasing reliance on engineered solutions and strengthening the case for preventative, integrated environmental investment.

PART B - KEY THEMES FOR NAPIER

This section draws together the key themes emerging from the Environmental Scan to provide context for assessing proposals and for setting Long Term Plan (LTP) assumptions. It highlights how regulatory reform, fiscal constraint, climate risk, and place-based identity interact to shape Napier City Council's operating environment over the next decade.

EFFICIENT DELIVERY IN AN ERA OF REFORM

A Period of Transition

Central government reforms are reshaping the local government landscape, creating a period of sustained transition and uncertainty for Napier City Council (NCC).

Major Legislative & Policy Reforms

Central government is driving one of the biggest waves of change for local government in decades, and much of it will land during the next Long Term Plan period. Extensive reforms are proposed across:

- Local government purpose, functions, governance and accountability
- Water services delivery and regulation
- Rates constraints and affordability settings
- Planning system reform
- Natural environment management
- Development levy and infrastructure funding frameworks

Collectively, these reforms will reset councils' statutory purpose, tighten funding settings, shift governance expectations, and introduce a new planning and environmental management system. For elected members, the practical implication is a more constrained and more standardised operating environment, with higher expectations for evidence, transparency, and clearly articulated trade-offs in the LTP.

Local government reform

A key change is the Local Government (System Improvements) reform package, which refocuses the purpose of local government on delivering "good-quality, cost-effective" local infrastructure, local public services, and regulatory functions, and requires stronger emphasis on "core services", alongside enhanced performance reporting and transparency.

At the same time, "Simplifying Local Government" proposals (consulted on by Government) could reshape regional governance through Combined Territories Boards and Regional Reorganisation Plans, potentially changing how functions are governed and delivered (including shared services and service delivery models). Central government has also signalled possible moves toward more deliberative community participation models (such as citizens assemblies).

Planning reform

The Resource Management Act is proposed to be replaced by two statutes – the Planning Act and the Natural Environment Act - with the Bills introduced in December 2025 and expected to be enacted during 2026. In parallel, central government is proposing new funding mechanisms for growth, including a development levies framework.

For Napier, the transition period overlaps with appeals on the Proposed District Plan, and in the context of implementing the recently adopted Napier-Hastings Future Development Strategy. The transition is therefore expected to be demanding: updating plans and processes, applying new direction in resource consenting, managing compliance and monitoring uplift, and making LTP assumptions around growth and revenue, while regulatory settings, costs, and potential liabilities are moving at the same time.

Water services reform

Water services regulation has shifted following the repeal of the former Three Waters framework and the implementation of the Local Water Done Well legislative programme.

Napier, Hastings and Central Hawke's Bay have adopted a joint Water Services Delivery Plan that sets a pathway to deliver drinking water, wastewater and stormwater through a jointly owned Water Services Council-Controlled Organisation (WSCCO).

Under the WSCCO approach, ownership of water assets (and associated debt and liabilities) is intended to transfer to the new organisation, enabling accounting separation from the councils' non-water balance sheets.

The model enables the WSCCO to borrow for water infrastructure investment separately from council borrowing, while councils' remaining debt capacity can be focused on non-water activities.

Political uncertainty

The November 2026 general election may affect the pace, sequencing, scope, or direction of ongoing local government reforms. In addition to timing uncertainty, proposals to simplify the local government system—including potential changes to governance arrangements, roles, or regional structures—create uncertainty for councils about future responsibilities, accountabilities, and organisational form.

This uncertainty reinforces the need for cautious assumptions, adaptive pathways, and scenario planning in the LTP to ensure decisions remain resilient across a range of potential policy and structural outcomes.

Economic and fiscal conditions

Constrained fiscal environment

Napier City Council faces a tightening financial environment shaped by central government policy, expanding regulatory obligations, ageing and high-risk infrastructure and facilities, and wider economic uncertainty. Together, these pressures constrain revenue flexibility, increase delivery risk, and heighten the importance of disciplined prioritisation and long-term investment choices through the LTP.

Rates, revenue, and affordability

Central government has signalled a rates-capping approach, increasing pressure on Council to limit rates growth regardless of whether the policy is ultimately legislated. At the same time, cost-of-living pressures mean communities are increasingly sensitive to rate rises and fee increases.

The Government's proposed rates cap/rates target model would constrain councils' rates-raising flexibility, with a transition period

starting in 2027 and a full regulatory model expected from 2029. The model includes an indicative target range of 2–4% per capita annual rates increases.

There is therefore increased pressure to prioritise core services, manage operating and capital cost growth, and clearly articulate what will be deferred, reduced, or delivered differently under tighter funding limits.

Ahuriri Investment Management Limited

Ahuriri Investment Management Limited (AIM) is a council-controlled trading organisation, established to manage and optimise returns from council-owned commercial and investment assets through a more market-facing, commercially focused lens. This is a positive for NCC because it creates a dedicated vehicle to build financial resilience and reduce longer-term reliance on ratepayers.

However, AIM is not insulated from the wider operating environment. As a landowner and developer it is exposed to many of the same regulatory, cost and market constraints that affect Council, which can influence delivery timing and achievable returns.

Fees, charges, and equity

Fees and charges present both opportunities and risks. While increasing user charges can improve cost recovery and support financial sustainability, they may also reduce access to essential services and community facilities, or create unintended consequences, such as increased illegal dumping from higher waste disposal charges, if not carefully designed and managed.

There is also a risk of growing pressure for commercial activities, including tourism and visitor facilities, to subsidise core council operations or remain fully self-funding. For Council-owned community and visitor assets, this creates a tension between revenue targets, affordability, and accessibility, as fee increases can suppress demand (particularly from local families) and undermine broader economic and social objectives.

Ageing and high-risk infrastructure and facilities

Infrastructure renewal is a growing cost driver. Several critical assets are at or near the end of their useful life and require timely reinvestment to avoid service disruption and regulatory exposure. Recent commissioning of the wastewater treatment plant outfall reflects this risk profile, while Inner Harbour infrastructure also requires significant renewal.

Trade waste systems also present particular challenges. Upgrading the network to meet performance and regulatory expectations is costly, rate-limiting constraints reduce funding flexibility, and a strict user-pays approach may be unaffordable for many businesses. This points to the need for cost-sharing approaches and careful optioneering of funding models.

Innovation, alternative funding, and growth opportunities

Innovation and alternative funding models may play a greater role over time. Digital tools, including emerging AI-enabled systems, could make mechanisms such as dynamic pricing or tolling more viable in the future.

In addition, some financing options are increasingly linked to specific performance or policy settings. For example, low-interest Climate Action Loans offered by the Local Government Funding Agency provide borrowing incentives for councils with approved emissions reduction targets and plans, illustrating how alternative funding pathways may emerge alongside changing regulatory and market expectations.

Maintaining Napier's quality of place and liveability also supports economic resilience by

helping attract remote workers and knowledge-based industries, broadening the city's revenue base, as well as a workforce to support economic and community wellbeing. In this context, Council may need to explore and assess funding and delivery approaches not widely used in the past, including public–private partnerships and other alternative models.

Service levels and community expectations

Service level decisions are closely linked to economic outcomes. Reducing investment in community facilities, parks, reserves, and urban amenity to manage fiscal pressure can undermine Napier's attractiveness to residents, workers, and businesses and, over time, weaken the rates base. Planning reform adds further complexity: proposed changes may weaken heritage protections and introduce compensation requirements, increasing fiscal exposure and potentially accelerating loss of Art Deco buildings that underpin tourism and CBD vitality.

At the same time, changes to earthquake-strengthening requirements may create opportunities to unlock redevelopment, including residential use above ground floor in the city centre.

In this context, service level decisions also need to be clearly framed and consulted on, as community expectations for amenity, heritage protection, and public space quality may not align with what is affordable under tighter funding settings. The Long Term Plan will need to make explicit where service levels are being maintained, reduced, or deferred, and the trade-offs involved, to ensure transparency, manage expectations, and maintain community trust over time.

Delivery constraints and market conditions

Delivery constraints remain a practical challenge. Long project lead times, capacity constraints in construction and professional services markets, and demands for greater certainty from contractors can delay delivery and result in unspent budgets. Broader insurance pressures and growth uncertainty may further affect market confidence and cost certainty.

Water security and growth

Water security remains a binding constraint on economic growth. Horticulture and industrial activity depend on reliable water supply, but new water takes from the Heretaunga Plains are constrained under the TANK Plan Change due to overallocation, limiting development in areas such as Awatoto. Napier's own water supply challenges reinforce the strategic importance of the Mataruahou Reservoir project.

Global economic influences

Global economic conditions add further uncertainty. Changes in trade settings can affect primary production and regional growth, while economic downturns may impact a range of council facilities and activities, as well as revenue. For example, economic downturns may reduce waste volumes, therefore extending landfill life but increasing unit operating costs due to reduced economies of scale.

Implications for the LTP

Napier City Council is entering a prolonged period of transition shaped by significant central government reform, fiscal constraint, and wider economic uncertainty. These changes will reset governance arrangements, tighten funding

flexibility, increase regulatory and delivery complexity, and raise expectations for transparency and prioritisation.

As a result, the LTP will need to be cautious, adaptable, and explicit about assumptions, trade-offs, and sequencing, while planning for ongoing uncertainty in governance, funding, service delivery, and growth conditions.

CLIMATE RESILIENCE

A more volatile operating environment

Climate change is interacting with environmental degradation, economic uncertainty, and social vulnerability to reshape the risk environment for local government. Rather than isolated shocks, councils increasingly face compounding and recurring disruptions, with shorter recovery periods, diminishing natural buffers, and more constrained central government financial support.

Global emissions trajectories remain consistent with higher-warming scenarios, increasing long-term risk and uncertainty. For councils, this means climate impacts are no longer a distant or episodic consideration, but a persistent influence on infrastructure performance, service delivery, financial resilience, and long-term planning assumptions.

Napier's exposure

Napier's vulnerability is shaped by its flat, low-lying coastal setting, extensive reclaimed land, and reliance on pumped stormwater and groundwater systems. Sea-level rise and groundwater elevation reduce drainage capacity and increase the frequency of nuisance and damaging floods, even in the absence of extreme rainfall.

Tectonic subsidence further compounds relative sea-level rise.

Regional climate risk assessments indicate that a significant proportion of Napier's commercial, industrial, and residential properties are affected

during major flood events, with wider areas subject to isolation due to inundation of key transport routes. Water supply and wastewater infrastructure are also exposed to coastal and river flooding risks over time. Community and tourism assets and facilities, and AIM managed property assets, are similarly subject to a range of natural hazards.

These exposures mean that even incremental climate change can have disproportionate impacts on service continuity, asset performance, and recovery costs for Napier over time.

Systemic impacts

Rising insurance premiums and increasingly risk-based pricing are beginning to influence affordability, investment decisions, and Council's own asset risk profile, particularly in areas exposed to flooding and coastal hazards.

Council's three waters network, transport infrastructure, open spaces, and tourism and community facilities have varying levels of exposure to climate and coastal hazard risk. Long-term asset planning therefore needs to consider adaptation alongside renewals and levels of service decisions, rather than treating adaptation as an optional activity.

Development costs are increasing in some locations due to stormwater capacity constraints, on-site detention requirements in addition to the payment of financial contributions, and uncertainty around the timing and scale of future network upgrades such as improved pump station capacity.

Social vulnerability also plays a role in how communities prepare for and recover from disruption., influencing both the distribution of impacts and the pace of recovery.

Implications for governance

Future operating conditions will be less predictable and more constrained than those assumed when much of Napier's infrastructure and funding models were established.

Resilience is therefore not only an engineering challenge but also a governance and community challenge, shaped by equity, preparedness, trust, and adaptive capacity.

In this context, Council's role lies in:

- reducing exposure through land-use and investment decisions;
- avoiding lock-in to high-risk, long-life assets that limit future adaptation choices;
- preserving future options;
- addressing affordability and intergenerational fairness;
- working with the community on adaptation pathways; and
- planning for disruption as a baseline condition, rather than an exception.

Implications for the LTP

The LTP is being developed in a more volatile and constrained environment where climate and hazard risks are ongoing rather than exceptional. As a result, the plan must explicitly manage trade-offs between service levels, resilience, and affordability, embed adaptation into core planning and investment decisions, and plan for disruption as a baseline condition while preserving flexibility and choice for future councils and communities.

NAPIER'S IDENTITY

Shifting governance context

Local government reform is changing the role of elected members, particularly through the separation of water services governance from direct Council control. Further structural reform remains possible, creating uncertainty around long-term governance arrangements and accountability for key infrastructure, facilities, and services. This places greater emphasis on local advocacy, coordination, and stewardship of place-based outcomes within evolving governance frameworks.

Standardisation and local character

Increased national standardisation reduces local discretion in planning, regulation, and service delivery. This heightens the importance of advocacy and partnership to ensure Napier's distinct character, values, and economic strengths are recognised within nationally directed systems.

For Napier, visitor experiences and Council-owned facilities play a central role in expressing city identity. Loss or decline of assets that contribute to this identity may weaken Napier's distinctiveness and economic resilience over time.

Without deliberate place-based choices, there is a risk of gradual identity drift, where cumulative standardised decisions erode the qualities that distinguish Napier from other centres.

Heritage and place

Proposed planning reforms may weaken heritage protections and introduce regulatory compensation requirements, increasing fiscal risk and potentially accelerating heritage loss. For Napier, this has implications for Art Deco character, city centre vitality, and the function of heritage assets as part of the broader urban environment.

At the same time, changes to earthquake strengthening requirements may create opportunities to unlock redevelopment, including residential use above ground floor in the city centre. How these changes are managed will influence whether renewal reinforces or dilutes Napier's established character.

Napier's history of recovery and reinvention following the 1931 earthquake remains a defining part of the city's narrative. Contemporary responses to climate risk, hazard exposure, and regulatory change will increasingly shape how that narrative evolves.

Community dynamics and partnership

Changing demographics, affordability pressures, and wider social trends increase the complexity of community engagement and decision-making. Expectations are more diverse, and the impacts of disruption are unevenly experienced across communities.

Evolving relationships with mana whenua following Treaty settlement have changed the institutional and development context within which Council operates. These relationships create opportunities for partnership, coordinated planning, and place-based outcomes where interests align, particularly in relation to land use, development, and environmental management.

Implications for the LTP

Napier's identity is being shaped by a changing governance environment that includes greater national standardisation, evolving planning and heritage settings, and shifting community dynamics.

As local discretion reduces, there is increased importance on deliberate place-based decision-making to protect distinct character, manage change to heritage and the city centre, and navigate more complex engagement expectations. How Council responds to reform, climate risk, and redevelopment pressures will influence whether Napier's identity is reinforced or gradually diluted over time.