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

DELIVERY & REGULATORY PERFORMANCE COMMITTEE

Open Attachments (Under separate cover 1)

Meeting Date:	Thursday 4 June 2026
Time:	9.00am
Venue:	Large Exhibition Hall War Memorial Centre Marine Parade Napier

TABLE OF CONTENTS

Water Services Strategic Asset Management Plan

Napier City Council

Click or tap here to enter text.

[Publish Date]

Sensitivity: General

Contents

Sensitivity: General

Figures

Tables

Sensitivity: General

Approvals

This Strategic Asset Management Plan (2026/27) was endorsed by the Napier City Council at the:

Delivery & Regulatory Committee 4 June 2026

1 Introduction

An overview of the organisation and outline of the purpose and scope of the Strategic Asset Management Plan, including key dates, assumptions, stakeholders, and approval processes.

1.1 Summary of the Strategic Asset Management Plan

This Strategic Asset Management Plan (SAMP) sets out how Napier City Council (NCC) manages its water services assets (drinking water, wastewater, and stormwater) to deliver reliable services, meet regulatory requirements, and support the long-term needs of our community. It covers our strategic direction, asset management framework, risk appetite, lifecycle approach, and improvement priorities.

Underpinning our approach to water services are two important principles: Te Mana o te Wai, which recognises the health and wellbeing of water as fundamental to the wellbeing of people and communities, and giving regards to Te Muriwai o Te Whanga, which gives expression to these values in the context of the Ahuriri Estuary. These principles shape how we think about water, how we make decisions, and how we plan for future generations. They are discussed further in **Section 2.3 and 2.4.**

This SAMP has been prepared at a significant moment of change for the water services sector. NCC is transitioning water services to a new regional Water Organisation, while at the same time facing increasing expectations from economic and public health regulators. This document is deliberately positioned as a transition document, reflecting where we are today and clearly signalling the improvements needed to meet future regulatory expectations.

The table below summarises the material factors shaping our asset management and investment decisions.

Table 1: Key Asset Management and Investment Considerations

Area	Summary of Significance	Implications for Asset Management
Climate change & natural hazards	Climate change and hazard events present material risks to water assets and service continuity.	Requires resilience planning, adaptive design standards, and integration of climate risk into decision-making.
Growth & future demand	Napier is expected to grow by nearly 20% by 2053, with the Future Development Strategy setting out where and how that growth will be accommodated.	Requires proactive capacity planning, growth-funded infrastructure investment, and alignment of asset management programmes.
Compliance with regulatory standards	Standards for drinking water, wastewater, and environmental performance are becoming more demanding, creating greater expectations on how Council manages its water services.	Requires proactive investment, improved monitoring and reporting, and integration of regulatory requirements into asset planning to ensure ongoing compliance.
Asset management maturity	Current maturity is below target, with a goal to achieve desired maturity within two to three years.	Requires capability uplift, improved processes, and structured maturity improvement planning.
Asset data & planning	Gaps exist in asset data quality, forecasting capability, and risk-based planning.	Limits decision quality and requires investment in data systems and risk-based

Area	Summary of Significance	Implications for Asset Management
		frameworks to support regulatory compliance.
Funding & investment certainty	Securing funding for renewals and capital works now and transitioning into the new Water Organisation is critical.	Essential to ensure delivery of regulatory requirements, agreed service levels, and long-term asset sustainability.
Renewal backlog	A legacy of underinvestment and ageing infrastructure, compounded by rising regulatory and resilience expectations, has created renewal backlogs across the networks.	Requires prioritised renewal programmes, increased investment, and robust justification of renewal needs.

1.2 Purpose and Scope

Napier City Council (NCC) is the territorial authority for Napier City, on the eastern coast of the North Island. With a population of around 67,900 (2023) and growth of nearly 20% expected by 2053, the demands on our water services infrastructure will only increase over time.

NCC manages a range of water services assets on behalf of our community. These assets are fundamental to everyday life, and our community rightly expects them to be reliable, well-maintained, and delivered at the best long-term value. That expectation is at the heart of how we approach asset management.

This SAMP sets the overall direction for managing our water services assets and works alongside our Asset Management Plans (AMPs), which provide the operational detail for each asset type. It also reflects where we are headed as NCC transitions into a new Water Organisation with neighbouring councils.

Specifically, this SAMP:

- Explains how NCC's Asset Management Policy will be implemented through the transition to a WO
- Sets out the strategic context, goals, and objectives for NCC's water services
- Summarises the water services assets NCC owns and manages
- Describes our asset management framework, covering governance, service levels, risk, lifecycle management, and the systems and people that support it
- Connects strategic objectives to asset management outcomes
- Guides the development of AMPs and related documents
- Outlines how our asset management practices will evolve to meet regulatory expectations

1.3 Transition to Water Organisation

Napier City, Central Hawke's Bay District, and Hastings District Councils are coming together to form a single Water Organisation to manage drinking water, wastewater, and urban stormwater across the region.

Each council currently manages its assets differently, and the Water Organisation (WO) will bring these together into one integrated approach. To get a head start, the three councils have already developed their SAMPs using a shared template, making it easier to move toward a single asset management framework when the time comes.

The transition isn't just an organisational change; it's a shift in how water services are regulated and funded. Moving from council-led

management to a nationally regulated model means the focus moves toward efficiency, consistency, and transparency. This brings with it new requirements around financial reporting, including regulated asset base (RAB) valuations, IFRS-aligned accounting, and benchmarking against other water organisations.

This SAMP reflects where NCC is today and sets a direction that supports the transition. It partially meets future information disclosure requirements, but further work will be needed as the Water Organisation framework is finalised.

Known transition risks include differences in asset management maturity across the three councils, variations in data quality and asset valuations, and the need to align systems and processes. These will be worked through as part of transition planning.

1.4 Key SAMP Assumptions

This section outlines the significant assumptions used in the preparation of this SAMP.

Table 2: Significant Assumptions Used in Preparation of the SAMP

No.	Significant Assumption	Qualifications / Limitations	Why the Assumption is Significant
1	Transition to a Water Organisation (WO) will proceed broadly as planned.	Final governance, operating model, policies and asset management requirements are not yet confirmed and may change.	Positions this SAMP as a transition document and shapes its structure, improvement focus and approach to regulatory readiness.
2	This SAMP is partially, but not fully, aligned with Commerce Commission Information Disclosure requirements.	Further work is required on data quality, valuation alignment, regulatory reporting and consistency across AMPs and IDPs.	Avoids overstating compliance and clearly signals future improvement and investment needs.
3	Current asset data supports strategic-level decision-making, but is not yet at full regulatory standard.	Data quality varies by asset class; gaps remain in condition, criticality and system calibration.	Data confidence underpins demand forecasts, risk assessment, renewals and investment prioritisation.
4	Population growth broadly follows the Future Development Strategy (medium–high growth scenario).	Actual growth may differ due to economic, planning or external factors; assumptions will be reviewed as strategies such as Future Development Strategy and Water Services Strategy are updated.	Growth assumptions drive demand forecasting, capacity planning and capital investment.
5	Climate change impacts increase over the planning horizon and require adaptation and resilience responses.	Timing and severity of impacts are uncertain and subject to evolving science and modelling.	Climate change is a key risk driver affecting asset criticality, resilience, investment priorities and affordability.

No.	Significant Assumption	Qualifications / Limitations	Why the Assumption is Significant
6	Funding remains constrained, requiring prioritisation based on risk, criticality and affordability.	Funding levels depend on Council decisions, regulatory settings and the future WO financial framework.	Directly influences renewal backlogs, upgrade timing and trade-offs between service, compliance and affordability.
7	Existing council frameworks and systems form the initial foundation for the future WO.	The WO may adopt new systems, standards or processes over time.	Enables early regional alignment and supports a smoother transition to a unified asset management framework

1.5 Alignment with Other Planning Documents

This SAMP does not sit in isolation. It is designed to connect with and inform a wider set of NCC planning documents, ensuring consistency across how we plan, fund, and deliver water services. The key documents this SAMP aligns with are summarised below:

- *Asset Management Policy (2023)*
  sets the overarching principles for asset management decision-making.
- *Asset Management Plans 2024 (AMPs)*
  for drinking water, wastewater, and stormwater, which provide detailed asset, risk, and programme information consistent with the strategic direction set in this SAMP.
- *Infrastructure Strategy (2024)*
  informs long-term (30-year) demand, growth, resilience, and investment priorities.
- *Three Year Plan (LTP) 2024*
  integrates asset management priorities with funding, affordability, and community outcomes.
- *Te Muriwai o Te Whanga Plan*
  sets out the vision, values, and coordinated actions needed to restore and protect the health of the Ahuriri Estuary for present and future generations.
- *Napier Hastings Future Development Strategy 2025-2054*
  sets out a coordinated, long-term plan for where and how Napier and Hastings will accommodate population growth, housing, and business development over the coming decades.
- *Water Supply (2019 & 2024), Wastewater (2020), Stormwater (2020) Masterplans*
  identifies future infrastructure needs and sets out the projects, priorities, and sequencing needed to meet growth, compliance, and level-of-service goals over time.
- *Future Water Organisation Water Services Strategy (WSS)*
  which this SAMP is intended to inform and align with as the sector transitions to the new delivery model.

2 Strategic Drivers

Understanding the strategic drivers for Water Services activities are essential for shaping NCC's approach to asset management, risk, and long-term planning.

2.1 Water Services Strategic Issues and Impacts

Our three water networks each face their own challenges, but common themes run through all of them climate resilience, population growth, ageing infrastructure, rising regulatory expectations, and increasing funding pressures. Understanding these pressures is what drives our asset management decisions.

2.1.1 Water Supply

Napier's water supply network faces growing pressure to meet increasingly strict drinking water quality standards while managing the risks of an ageing network. A changing climate adds further complexity, with risks including saltwater intrusion into the Heretaunga Aquifer, reduced groundwater recharge during dry periods, and greater vulnerability of critical infrastructure to flooding. As the city grows, ongoing network upgrades are needed to maintain firefighting capacity and reliable supply. Regulatory conditions may also place further constraints on how much water we can abstract.[1]

2.1.2 Wastewater

Our wastewater system is under pressure from ageing pipes, growing community expectations, and evolving regulatory standards. A key challenge is inflow and infiltration (I&I), where groundwater and surface water enter the network and reduce capacity, particularly during heavy rainfall. This increases the risk of overflows, with potential impacts on public health and the environment. Population growth is driving demand for both new infrastructure and upgrades to existing assets. Resilience pressures, including more frequent storm events and rising sea levels, are increasing groundwater infiltration and constraining network capacity.

2.1.3 Stormwater

Napier's stormwater network plays a key role in managing flood risks, with recent severe weather highlighting where resilience can be further strengthened. Growth across the city means the network needs both expansion and upgrading to keep pace with demand. As pressures on the network increase, such as more frequent storm events and rising sea and groundwater levels there is a need to continue strengthening infrastructure performance. Environmental compliance also remains a focus, as stormwater can carry contaminants to waterways, requiring ongoing improvements to meet higher standard.[2]

2.2 NCC Strategic Direction

NCC's strategic direction was shaped with Napier's residents through the Three Year Plan process, anchored by a clear vision: **"Enabling places and spaces where everybody wants to be."**

This vision sits behind every decision we make, including how we manage our water services assets.

[1] 2024 Water Supply AMP Summary-Draft Version 4, NCC, 2023

[2] 2024 Stormwater AMP Summary-Draft Version 2, NCC, 2023

NCC's mission is to provide the facilities, services, leadership, and economic opportunity to make Napier the best city in New Zealand to live, work, raise a family, and enjoy a safe and satisfying life.

To deliver on this, NCC has five strategic priorities:

- Financially sustainable Council
- A great visitor destination
- Spaces and places for all
- A resilient city (the ability to thrive and withstand impacts, knocks and shocks)
- Nurturing authentic relationships with our community and partners

Reliable, well-managed water services are fundamental to nearly all these priorities, from supporting growth and resilience to maintaining the trust of our community.

These priorities reflect NCC's current strategic direction and are used here as an interim reference point. Looking ahead, NCC will refresh its vision and priorities through the upcoming Long Term Plan process. At the same time, as water services move to the new Water Organisation, the WO Board will set its own strategic priorities, informed by the Statement of Intent. How this transition might shape our asset management approach is discussed further in **Section 4.3.**

2.3 Te Mana o te Wai

Te Mana o te Wai is a principle established under the National Policy Statement for Freshwater Management. It recognises that water has its own mauri (life force) and that protecting the health and wellbeing of water is inseparable from protecting the health and wellbeing of people and communities. It places the health and wellbeing of water first, the health needs of people second and the needs of other users, including commercial and non-essential uses third.

For NCC Water Services, Te Mana o te Wai is not just a regulatory obligation. It is a guiding principle that influences how we approach decisions about water takes, wastewater discharges, stormwater management, and infrastructure investment. It reinforces our commitment to managing water resources in a way that protects both current and future generations.

2.4 Te Muriwai o Te Whanga

Te Muriwai o Te Whanga refers to the statutory oversight of the present-day Ahuriri Estuary, referring to the catchment area of the wider Te Whanganui-ā-Orotū, a place of deep cultural, environmental, and spiritual significance to the Hapū that Mana Ahuriri represent. The estuary is a taonga that has sustained communities for generations and remains central to the identity and wellbeing of mana whenua.

NCC's water services infrastructure, particularly stormwater and wastewater networks, has a direct relationship with the health of the estuary. Managing the risk of discharges, reducing contaminant loads, and improving network performance are not only regulatory requirements but obligations to uphold the mauri of this significant place and contribute to the implementation of the Te Muriwai o te Whanga Plan.

Te Komiti Muriwai o Te Whanga is a joint committee that provides guidance and coordination for the management of the estuary and its catchment. NCC is a statutory partner represented in Te Komiti alongside other partners. Asset management decisions that may affect the estuary are considered through this lens, ensuring that investment planning reflects our obligations to Te Muriwai o Te Whanga.

Mana Ahuriri Trust, as PSGE for Ahuriri and NCC's Te Tiriti partner, holds a key role in the governance and protection of Te Muriwai o Te Whanga, including through statutory acknowledgements and co-governance arrangements.

2.5 Guiding Strategies and Policies

How we plan and manage our water services is shaped by a layered set of policies and strategies at national, regional, and local level.

At a **national level**, policies made under the Resource Management Act 1991 set the overarching direction, including the National Policy Statement for Freshwater Management.

At a **regional level**, Hawke's Bay Regional Council sets the policies and plans that apply to our area, including the Regional Policy Statement and regional plans for water and land management.

At a **local level**, NCC is guided by its own foundation and supporting strategies, the Napier District Plan, Long Term Plan, Infrastructure Strategy, and a range of bylaws and policies that shape how assets are planned, maintained, renewed, and operated to meet community needs.

This also includes supporting strategies such as the Emissions Reduction Plan 2025–2035, which sets out actions to reduce operational emissions and work toward net zero, and the Disability Strategy, which ensures Council activities and services are accessible and inclusive for all members of the Napier community.

Looking ahead, the Local Government (Water Services) Act 2025 will take over some of the roles currently covered by NCC's bylaws. This means our bylaws will need to be reviewed and updated to align with both this Act and the Local Government Act 2002.

2.6 Chlorine-free pathway

NCC has a long-term direction[3] to work towards a chlorine-free drinking water supply, provided this can be achieved safely and in line with all regulatory requirements. This is a long-term goal rather than an immediate change, and progress depends on continued investment in infrastructure resilience and security of supply.

Details of the infrastructure investments supporting this pathway and the decisions that will shape its future are discussed in **Section 6.1.2.**

2.7 Legislative and Regulatory Framework

NCC operates within a layered set of legal obligations that shape how water services are planned, delivered, and reported. The key pieces of legislation are summarised below, along with what they mean in practice for how we manage our assets.

2.7.1 Local Government Act

The LGA is the foundation for how councils plan and make decisions on behalf of their communities. For water services, it means NCC is accountable for managing assets prudently, investing sustainably, and being transparent with the community about performance and spending. Asset Management Plans feed directly into the Long-Term Plan, connecting what we own and how it's performing to how we fund and prioritise investment.

From 1 July 2027, water services will transfer to the new Water Organisation and largely move out of the LGA framework.

[3] Chlorine-free Review, Report number 1293086, Sustainable Napier Committee - 25 March 2021

2.7.2 Local Government (Water Services) Act 2025 (LGWS)

The LGWS establishes the new regulatory framework for water services in New Zealand and is the legislation that enables the Water Organisation to be formed. It introduces stronger requirements for planning, performance reporting, and community accountability.

A central requirement is that the WO must prepare a Water Services Strategy (WSS), its primary planning and accountability document, covering service levels, financial forecasts, infrastructure plans, and how it will engage with customers and communities. Before the WSS is finalised, NCC and the other shareholding councils will provide a Statement of Expectations to the WO Board, setting out what outcomes they expect water services to deliver. The WSS must align with both shareholder expectations and regulatory standards.

2.7.3 Regulators

Three regulators have oversight of how water services are delivered:

Taumata Arowai is the dedicated water services regulator, focused on public health outcomes. NCC reports to Taumata Arowai on drinking water quality and compliance, treatment and safety plan performance, and wastewater and stormwater network performance including overflows and blockages.

Hawke's Bay Regional Council regulates environmental activities under the Resource Management Act, including issuing and enforcing resource consents for water takes, wastewater discharges, and stormwater discharges across the region.

The Commerce Commission is responsible for economic regulation and consumer protection. In February 2026 it published its Water Services Information Disclosure Determination, which sets out what water service providers must publicly disclose from 1 July 2027. These requirements cover financial performance, asset management, and service delivery, including the required content of a SAMP, AMP, and Investment Delivery Plan (IDP). Providers have two years to achieve full compliance.

	How They Fit Together	Information Disclosure Focus
SAMP	Sets what matters and why	Strategy, risk appetite, governance, capability
AMP	Defines what assets need and when	Asset condition, service levels, risks, improvement needs
IDP	Confirms what will be delivered, how and in what order	Prioritised investments, delivery plans, confidence and constraints

Figure 1: Information Disclosure Asset Management Requirements

2.8 Partners and External Stakeholders

NCC's water services decisions are shaped by a wide range of people and organisations, from those who use and fund our services every day, to partners who contribute to the direction we take.

Residents, businesses, industry, and visitors are the primary users and beneficiaries of our water services, and the main contributors through rates, fees, and charges. Building strong relationships with Māori and partner councils is a priority, with a genuine commitment to growing these partnerships over time.

Key groups including mana whenua, iwi, advisory panels, and community boards play an important role in shaping decisions. Government agencies, utilities, and emergency services also have a stake in how water services are planned and delivered.

2.8.1 Mana Ahuriri

NCC recognises Mana Ahuriri Trust as the Post Settlement Governance Entity (PSGE) for Ahuriri and NCC's Te Tiriti o Waitangi partner in relation to water services and environmental management. This reflects a statutory and Treaty-based relationship, including settlement obligations, statutory acknowledgements, and an ongoing role in strategic decision-making affecting water resources and Te Muriwai o Te Whanga..

Our relationship reflects Te Tiriti partnership and is grounded in statutory obligations, shared stewardship of taonga, and ongoing co-governance and co-management arrangements.

In practice, this partnership is active and ongoing. NCC and Mana Ahuriri participate in ongoing governance, planning, and decision-making processes, including regular structured engagement to ensure statutory obligations, cultural values, and mātauranga Māori are reflected in water services planning and delivery.

The partnership is guided by Te Tiriti o Waitangi principles, Te Mana o te Wai, and NCC's Māori partnership frameworks, and goes beyond consultation to include early involvement, shared problem definition, and co-design of solutions where appropriate. In practice this means:

- Early and ongoing involvement as Te Tiriti partner in the development of strategies, asset management plans, and programmes of work, ensuring cultural values and mātauranga Māori are reflected in decision-making
- Project-level governance and co-design roles where Mana Ahuriri contribute to governance groups, cultural impact assessments, and design outcomes on major infrastructure programmes
- Co-design of actions and programmes where water resource management, environmental outcomes, and community wellbeing intersect
- Formal governance and committee arrangements for assets and places of cultural significance
- Ongoing Te Tiriti partnership arrangements supported by NCC's Māori Partnerships team, building capability, trust, and long-term collaboration across the asset lifecycle.

2.8.2 External Stakeholder Engagement

Engaging with our community is a legal requirement under the Local Government Act and the Local Government (Water Services) Act, but it's also just good practice. NCC's Significance and Engagement Policy (2025) guides how we identify important decisions and involve the people affected by them.

Our Water Services team has built on this with a Customer Promise, a commitment to the standards residents can expect when we deliver water services. This includes how we communicate, respond to issues, manage disruptions, and keep the community informed about the performance of our networks. It reinforces our focus on being transparent, responsive, and accountable in how services are provided.

NCC Water Services is also developing a Voice of Customer (VoC) programme to provide a more structured understanding of customer experience, community expectations, and service impacts across the three waters networks.

Because Napier's communities have different needs depending on where they live, how they're growing, and what infrastructure they rely on, we engage through a range of channels, from formal committee processes to broader community consultation.

The committees most relevant to water services are:

- Delivery and Regulatory Performance Committee
- HB Water Services CCO Transitional Governance Group
- Heretaunga Water Storage Shareholder Committee

- Reimagining Flood Resilience Steering Group

A full overview of NCC's governance and committee structure is available at www.napier.govt.nz

As water services transition to a new Water Organisation, a dedicated Significance and Engagement Policy will be developed to guide how that organisation engages with its stakeholders and customers going forward.

2.8.3 Internal Stakeholders

Good asset management doesn't happen in isolation. Across NCC, three key groups shape how we plan and deliver water services:

- Elected Members (Mayor and Councillors)
- Executive Leadership Team
- Water Services Managers

These groups (along with others across the organisation) play an active role in setting direction, making decisions, and ensuring our asset management objectives are achieved. We engage through a mix of formal and informal channels including workshops, meetings, and regular communication.

Asset Management Plan (AMP) development is led by the Manager Planning and Investments and endorsed by the Head of Strategy and Investments. Currently, this sits within the three-yearly planning cycle that produces our Long-Term Plan and Infrastructure Strategy.

As we transition to a new Water Organisation, our AMP will align to the Water Services Strategy rather than the LTP and Infrastructure Strategy. This shift reflects our growing focus on long-term, dedicated water services planning that puts the needs of our customers at the centre.

For more detail on roles and responsibilities, see **Section 3.3 Asset Management System**.

2.8.4 How Stakeholder Input Informs Asset Management

NCC captures input and feedback from a wide range of sources including planning submissions, mana whenua engagement, customer feedback, operational data, and regulatory correspondence.

Currently, customer feedback primarily informs us on how well we are performing against existing service levels rather than directly setting targets. This is an area that will evolve as the new regulatory framework matures, with stronger expectations around how community input shapes service level decisions.

At a project level, stakeholder input plays a more direct role. NCC uses multi-criteria analysis (MCA) to evaluate options for significant projects, bringing together stakeholder and community values alongside technical and financial considerations to inform decision-making.

Mana whenua input shapes both strategic direction and project outcomes, with Mana Ahuriri involved early in planning processes to ensure cultural values are reflected in how assets are designed, delivered, and managed.

As the Water Organisation is established, there will be an opportunity to strengthen the link between community expectations and asset management objectives, with the Water Services Strategy providing a clearer accountability framework for how stakeholder needs are reflected in planning and investment decisions.

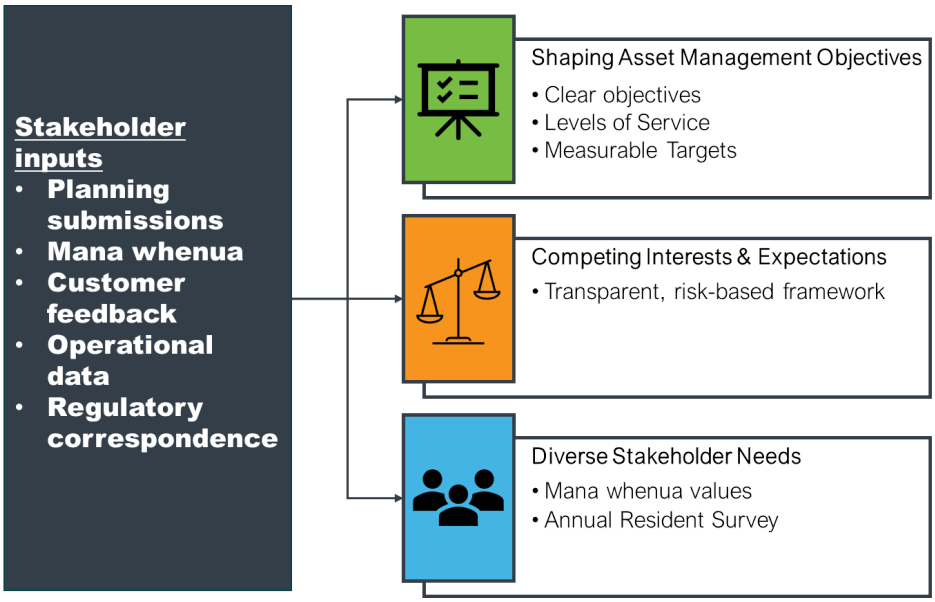

Figure 2: How Stakeholder Input Informs Asset Management

3 Scope of Asset Management

This section provides an overview of the scope, principles, and key elements of asset management as applied within NCC, establishing the foundation for subsequent detail on services, systems, and organisational frameworks.

3.1 Asset Management Framework

The diagram below shows how NCC's asset management approach fits together, from our high-level goals and community outcomes, through to the policies, plans, and strategies that guide day-to-day decisions. At the centre of this framework sits the SAMP, translating strategic direction into the asset management plans that inform our Long Term Plan and investment decisions.

A range of external factors feed into this framework, including Te Tiriti partner expectations (including Mana Ahuriri Trust), stakeholder expectations, legislation, growth and demand, financial considerations, and risk.

As water services transition to the Water Organisation, this framework will be adopted at a regional level across all three councils.

Figure 3: Asset Management Framework

3.2 Overview of the Assets We Manage

Water Services is responsible for three core water services: drinking water, wastewater, and stormwater. Together these networks form the backbone of the city's infrastructure, serving residents, businesses, and visitors across Napier every day. The infographics below summarise the scale of each network.

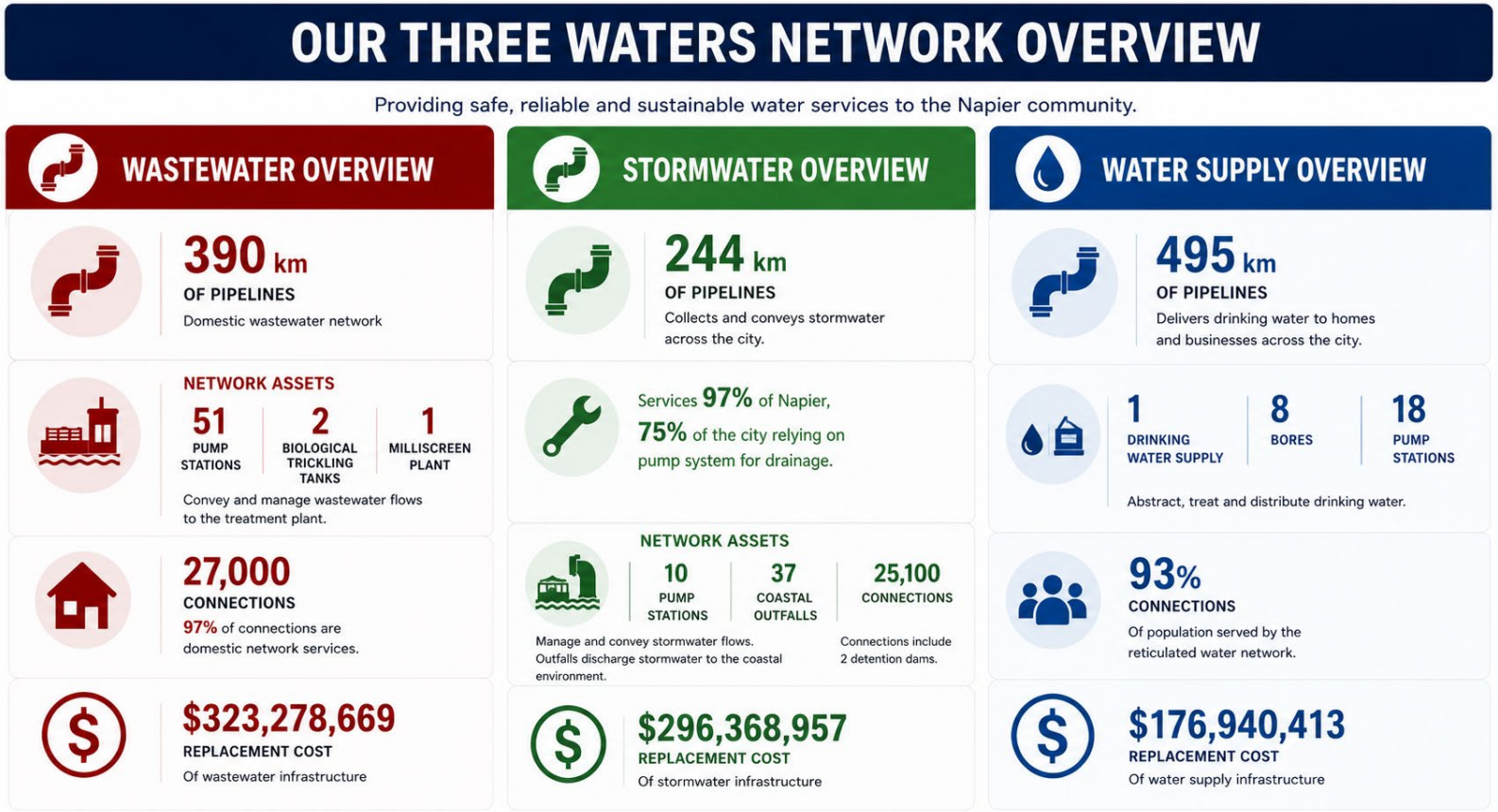

Figure 4: Asset Overview

3.3 Asset Management System Governance and Leadership Structure

NCC is governed by elected members comprising the Mayor, Deputy Mayor, and Councillors, supported by the Chief Executive who leads the Executive Leadership Team. Water services sit under the Executive Director Water Services, as shown in the organisational chart above.

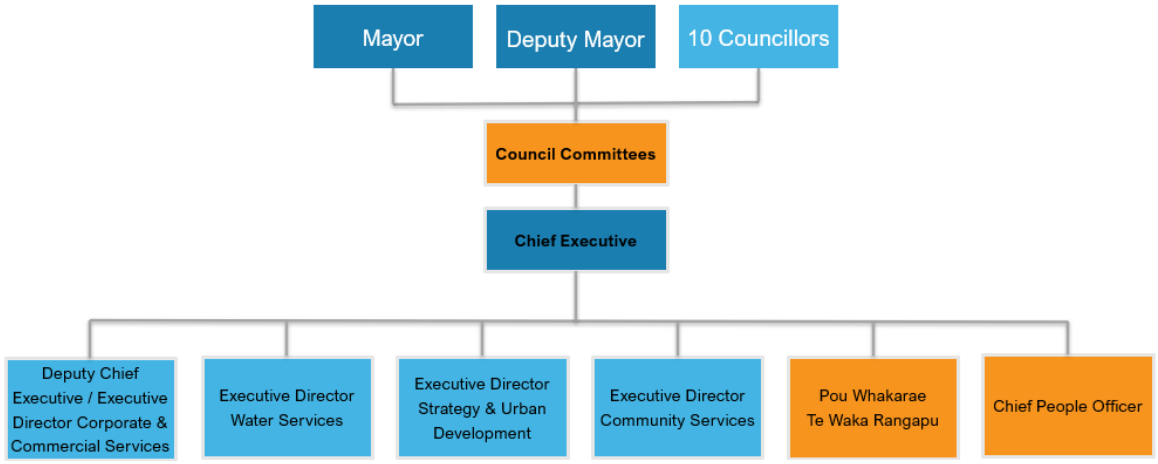

Figure 5: NCC Governance and Leadership Structure

Good asset management depends on clear accountability at every level of the organisation. The NCC Asset Management Policy sets out who is responsible for what, from governance through to day-to-day delivery.

In practice this works across three levels:

- Council sets the vision, approves funding, and provides high-level oversight, ensuring asset management aligns with community needs and organisational goals
- The Chief Executive and Executive Directors are responsible for putting policy into practice, ensuring asset management objectives are met through a prioritised and costed improvement programme
- Employees and contractors carry out the day-to-day work, following established policies and procedures to deliver on asset management objectives

When the Water Organisation is established, the WO Board will take on the oversight role currently held by Council.

3.3.1 Skills, Resources and Capability

One of NCC's strengths is having an in-house team of experts carrying out operations and maintenance, giving us direct control over service quality and retaining valuable institutional knowledge within the organisation.

NCC staff have individual role descriptions and personal development plans that are reviewed annually. As part of NCC's Future Ready Council strategy, Te Ara Pae Tawhiti, a dedicated workstream is being developed to strengthen performance and remuneration alignment, enhance role clarity and recognition, and support the development of high potential employees.

Asset management is a shared responsibility across multiple teams and disciplines. To build consistent capability across the organisation, NCC has a number of tools at its disposal, including Kōwhai (a new Learning Management System) and LinkedIn Learning. NCC is undertaking a Learning Needs Analysis to develop an asset management training module, which will provide staff across all teams with a consistent foundation of asset management knowledge.

All members of the Water Services team contribute to asset management, with the newly established Planning and Investments team having a specific focus in this area. NCC has also established a professional services panel to support delivery and upskilling across the team.

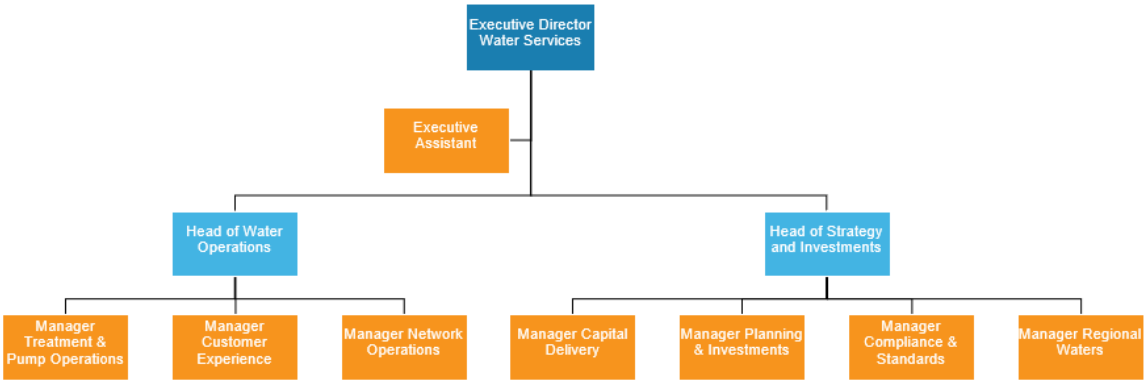

Figure 6: NCC Water Services Executive Team

3.3.2 Systems and Processes

The following systems are used as part of NCC's asset management practices:

Napier City Council's Water Services asset management information environment is primarily supported by Triton, Council's corporate GIS-based asset register. (Asset register, work management, inspections and financial capture for below ground assets)

Triton is an integrated solution comprising the following key components:

- **Esri ArcGIS Enterprise** – provides the core spatial data environment and authoritative asset datasets for below ground assets.
- **ArcGIS Pro** – used for asset capture, editing, and maintenance.
- **ArcGIS Workflow Manager** – manages asset capture and update workflows, including task sequencing and approvals.
- **ArcGIS Versioning** – controls concurrent editing and supports data integrity.
- **ArcGIS Data Reviewer** – applies data validation rules and quality checks.
- **Accela** – supports operational asset management functions and service processes. Asset register for above ground assets.
- **Accela EMSE** – synchronises selected data changes between Accela and ArcGIS.
- **Microsoft SQL Server** – hosts the underlying databases supporting both ArcGIS Enterprise and Accela.

MagiQ Enterprise (Service requests and financial account management)

Lutra ID (Infrastructure Data) (Compliance, monitoring and reporting)

Backflow ID (Testing, tracking and compliance of boundary backflow devices)

SCADA (operational control and monitoring)

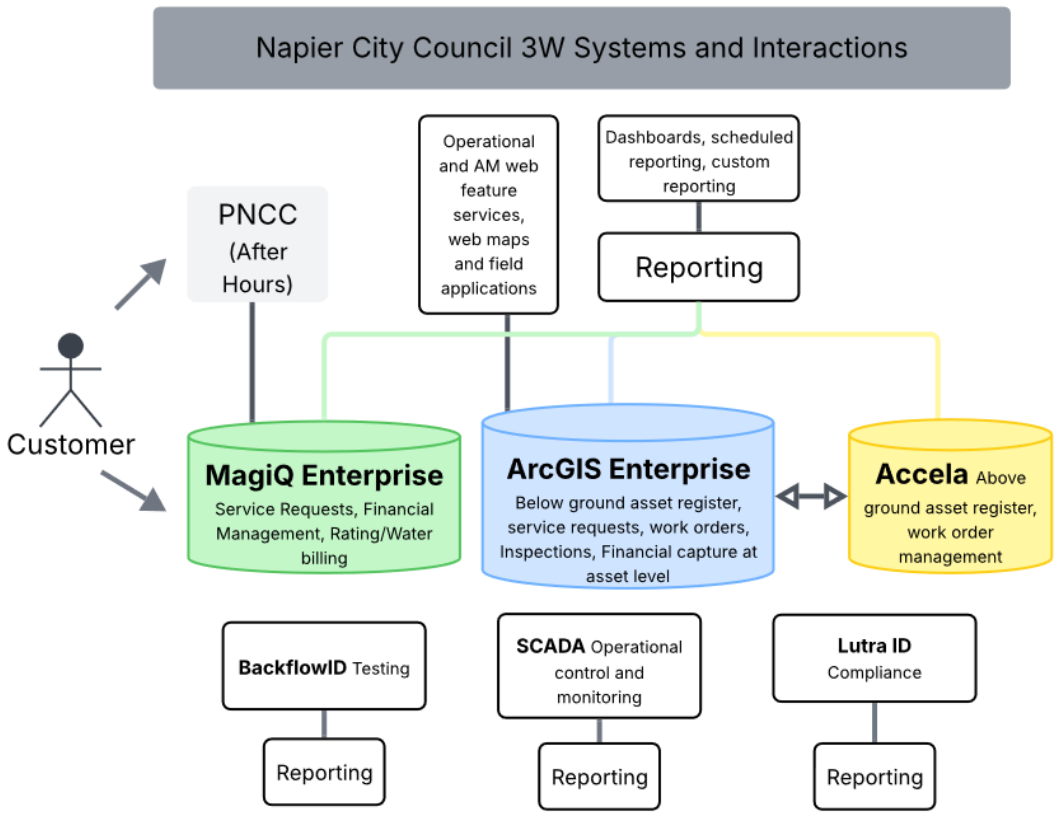

Figure 7: Water Services Systems and Interactions

While these systems provide a solid foundation for managing asset information, NCC recognises that the current environment has limitations, particularly in supporting the level of integration and maturity required. The decommissioning of vendor support for Accela presents a further risk to the sustainability of the existing system landscape. As a result, the current suite does not fully meet NCC's growing asset management maturity needs, particularly in areas such as system integration, data consistency, and end-to-end lifecycle visibility. This has triggered a review of the asset management information systems, with the aim of identifying a future-state solution that is more aligned with best practice, supports improved decision-making, and enables a more integrated and efficient approach to managing water services assets.

4 Approach to Asset Management

Outline of the policy and objectives guiding NCC's approach to asset management, setting the foundation for effective policy and future aspirations.

4.1 Asset Management Policy

NCC's Asset Management Policy (2023) sets out how we develop our asset management strategies, objectives, and plans to meet our goals and commitments to the community.

The policy is built around the following principles[4]:

- Align asset management decisions with organisational strategy and goals.
- Incorporate the entire lifecycle of assets, from planning to disposal.
- Prioritise health, safety and environment in the workplace.
- Ensure transparency and accountability in decision-making through clear reporting and communication.
- Maintain consistency across all aspects of the business in the asset management strategy and practices.
- Develop a professional skillset for better asset management.
- Consult effectively to determine appropriate service and cost levels.
- Make decisions with a long-term, risk-conscious and inter-generational approach.
- Implement efficient and effective service delivery models that recognise the indirect benefits of utilising inhouse resources.
- Incorporate climate resilience considerations in the decision-making process.
- Continuously evaluate and improve the asset management system to enhance performance and efficiency.

While this policy applies across all council activities and asset types, it isn't tailored to water services specifically. Given tightening regulations and the move to a new Water Organisation, a dedicated water services asset management policy is needed, one that reflects industry requirements, service expectations, and governance. This will be developed either through NCC's current improvement programme or as part of setting up the new Water Organisation.

4.2 Asset Management Objectives – Current NCC Structure

Asset management objectives translate our strategic priorities and Asset Management Policy into clear, measurable goals. Each objective is supported by performance measures that allow us to track and monitor progress over time.

The objectives and performance measures below were developed by Water Services staff through a series of workshops held in November 2025 and January 2026.

[4] Asset Management Policy, 2023, Napier City Council

Table 3: NCC Asset Management Objectives

Strategic Intention	Asset Management Objectives	Performance Outcomes
Financially sustainable Council		
Delivering affordable, value-for-money services for ratepayers (customers)	• Optimise expenditure over the full asset lifecycle. • Build community and stakeholder confidence/trust that value for money is being delivered.	• Long-term funding plans maintain agreed service levels. • Whole-of-life funding principles are applied, with any gaps explained in the Annual Plan and LTP. • Assets are valued and depreciated in accordance with IFRS. • Procurement policies are applied consistently across the organisation.
A resilient city – the ability to thrive and withstand impacts, knocks and shocks		
Good planning and investment to prepare for climate change and build community self-reliance	• Support continuous improvement in asset management. • Optimise service delivery to meet agreed community outcomes and levels of service. • Manage risks appropriately. • Ensure assets can support the community during emergencies.	• An asset management improvement programme guides objectives, with annual progress reported to the Management Team. • The 30-year Infrastructure Strategy addresses key strategic issues. • Climate change and emergency preparedness are included in the infrastructure programme. • A risk register is maintained and monitored, with high and extreme risks escalated as required.
Spaces and places for all		
Safe, accessible, and well-maintained assets for residents, visitors, and the environment	• Prioritise health and safety by maintaining and operating assets in a safe and reliable manner.	• Assets and services comply with current legislation and are adaptable to future regulatory changes. • Assets and services are regularly monitored for performance and compliance.
Nurturing authentic relationships with our community and partners		
Listening to our community & upholding our obligations under Te Tiriti o Waitangi **including recognising Mana Ahuriri Trust as PSGE and Te Tiriti partner**	• Recognise and preserve cultural assets and traditions, and promote cultural wellbeing, identity, and inclusion.	• Meaningful engagement with partners and communities' shapes and informs the LTP, Infrastructure Strategy, and Investment Programme.

4.3 Asset Management Objectives – Future Water Organisation

The objectives below reflect how asset management will need to evolve under the WO's operating and regulatory environment. They have been developed in collaboration with Hastings District and Central Hawke's Bay District Councils to support a smoother transition.

Table 4: Future WO Asset Management Objectives

Strategic Intention	WO Asset Management Objectives	Performance Outcomes
NEW		
Cost effective service delivery Demonstrating value to customers through transparent and financially sustainable operations	• Manage water assets and services in a cost-effective and financially sustainable manner, with openness, transparency, and accountability.	• Efficiency gains are passed on to customers through water service charges. • Performance and financial information disclosed to customers, regulators, and the wider public. • Long-term funding plans maintain agreed service levels in alignment with the Statement of Intent and customer expectations. • Whole-of-life funding principles are applied, with any gaps explained in the WSS and Annual Reports. • Assets are valued and depreciated in accordance with IFRS. • AMPs and funding plans address key strategic issues including growth and water servicing. • Procurement policies and procedures are implemented consistently across the organisation
	• Optimise investment in assets over their lifecycle to support safety, reliability, and resilience for current and future customers.	• AMPs and Funding and Financing Plans address key strategic issues and priorities as outlined in shareholders' long-term strategies (e.g., growth, water servicing). • Climate change impacts and emergency preparedness are identified and included in the prioritised capital programme. • An asset management improvement programme and roadmap guide objectives, with annual progress reported to the Board.
A resilient city – the ability to thrive and withstand impacts, knocks and shocks		
Good planning and investment to prepare for climate change and build self-reliance. Our people, economy and infrastructure are resilient.	• Engage communities and customers effectively so that water services meet their expectations.	• Water service performance is benchmarked against similar providers through annual regulatory reporting. • Demand management and conservation plans are in place for all water service activities.
	• Ensure risks are managed appropriately and that all assets can support the community during emergency situations.	• Climate change impacts and emergency preparedness are identified and included in the prioritised capital programme. • A risk management framework is in place, with key risks and mitigation measures monitored. High and extreme

Strategic Intention	WO Asset Management Objectives	Performance Outcomes
		risks are escalated and managed as outlined within the framework.
	• Provide sufficient infrastructure capacity to support housing growth and urban development.	• AMPs allow for a range of flexible scenarios to address key strategic issues and priorities as outlined in shareholders' long-term strategies. • The WO is actively involved in growth planning and reflects shareholders strategies in its investment programme.
Spaces and places for all		
Safe, accessible, and well-maintained assets for all communities, with a focus on accessibility, affordability, safety, and city vibrancy.	• Prioritise health and safety by ensuring all assets are maintained and operated in a safe and reliable manner.	• Assets and services comply with current legislative requirements and are adaptable to future regulatory requirements. • Environmental impact targets are set, monitored and met.
Nurturing authentic relationships with our community partners		
Fostering meaningful relationships and upholding our obligations under Te Tiriti o Waitangi through strong partnerships with mana whenua and tāngata whenua.	• Recognise and preserve cultural assets and traditions, enhance cultural wellbeing and identity, and promote cultural engagement and inclusion.	• Engagement protocols and processes fairly represent different types of customers, align with Te Tiriti o Waitangi obligations and the principles of Te Mana o te Wai. • Servicing strategies are developed in collaboration with shareholders, Te Tiriti partners, including Mana Ahuriri Trust, alongside Māori communities and stakeholders. • Community and stakeholder input is collected through the WSS process to inform levels of service. • Additional targeted engagement with the community and stakeholders takes place as needed.

5 Asset Management Processes

Key themes, strategies, and operational frameworks that underpin NCC's approach to effective asset management and service delivery.

5.1 Levels of Service & Performance

NCC works alongside the community to set levels of service (LoS) through the Long-Term Plan process. Our current LoS targets are already documented in the Water Services Delivery Plan and align with the performance measures we report to Taumata Arowai and the Department of Internal Affairs.

NCC has reviewed its LoS targets as part of preparing this SAMP and is satisfied they remain fit for purpose. NCC Water Services is also developing a Customer Expectations Strategy to define how service expectations will be set and managed going forward. The emerging Voice of Customer (VoC) programme will also help inform future refinement of LoS by providing ongoing insight into customer priorities, satisfaction, and perceived service performance.

As this matures, opportunities may emerge to review and refine how levels of service are defined and measured, including alignment with Commerce Commission Information Disclosure requirements which focus on customer outcomes such as service interruptions, water quality compliance rates, discharge incidents, formal benchmarking, and transparency.

Full LoS performance measures are provided in **Appendix A**.

5.1.1 2024/25 Performance

The 2024/25 Annual Report identified a few areas where performance targets were not met:

- Customer satisfaction targets were not met across all three water services
- Water supply protozoal compliance targets were not met at three bores, with corrective action underway to install new bores
- Average annual water consumption targets for water supply were not met
- Dry weather wastewater overflow targets were not met, noting that NCC's target is typically set lower than comparable councils

These results are used to inform our improvement planning, ensuring that areas of underperformance are identified, prioritised, and addressed through targeted action.

5.1.2 Levels of Service under the Water Organisation

NCC's existing LoS targets will transfer to the WO unchanged, providing continuity for the community. Over time, the WO will be required to consolidate targets from all shareholding councils into a unified regional framework, and future versions of this SAMP will reflect that shift.

5.2 Strategic Risk Management

5.2.1 Risk Management Framework

NCC's enterprise risk management framework is aligned with AS/NZS ISO 31000:2018 and set out in the Risk Management Policy (2022). It provides a consistent approach to identifying, assessing, managing, monitoring, and reporting risks across all council activities, including water supply, wastewater, and stormwater services.

The Policy and associated Strategy are being updated in 2026, and this SAMP will be updated to align once those documents are adopted.

The framework operates across three levels of governance, management and staff, Executive Leadership, and the Audit and Risk Committee, with clear escalation authorities, roles, and reporting requirements at each level.

5.2.2 How Risk Informs Decision Making

Risk assessments feed directly into renewal prioritisation, investment decisions, and planning horizons, informing our AMPs, capital programme, and operational planning. For water services, this means:

- Prioritising renewals and upgrades for ageing and critical infrastructure (see **Section 5.3.2**).
- Making investment decisions that address capacity, resilience, and compliance risks.
- Planning for long-term climate change and natural hazard exposure.

Our asset management system supports resilience to natural hazards through identification of critical assets, condition assessments, hydraulic and network modelling, and integration of emergency response and business continuity planning. Stormwater planning specifically incorporates modelling for climate change, increased rainfall intensity, rising sea levels, and population growth.

5.2.3 Key Risk Inputs

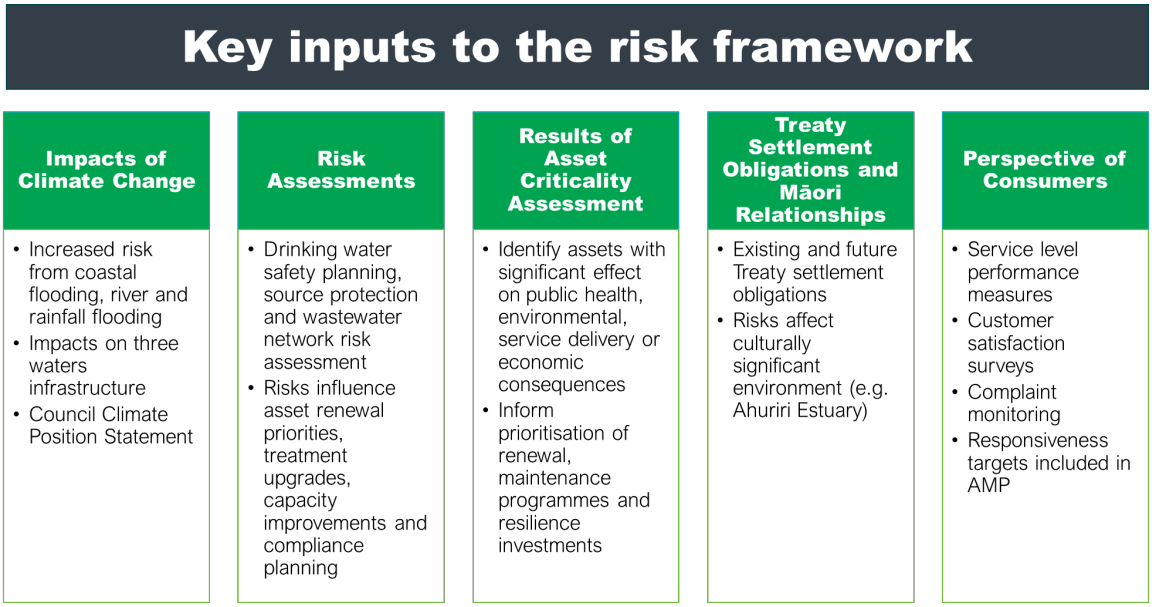

Figure 8: Key Inputs to Risk Framework

5.2.4 Risk Appetite

NCC has a low appetite for risks affecting public health, environmental outcomes, regulatory compliance, infrastructure integrity, and essential service delivery. A moderate tolerance applies to financial and reputational risks. Risks exceeding approved tolerances are escalated and subject to governance oversight.

5.2.5 Risk Management Strategies

The following strategies are in place to address the key challenges in delivering this SAMP:

Table 5: Risk Management Strategies

Risk	Strategy	Description
Climate Change Impacts	Climate-informed planning and modelling	Using climate projections and modelling to build resilience against emerging and future hazards.
Risk Plan results	Capacity and treatment upgrades	Improvements to system capacity and treatment processes to manage compliance and environmental risks.
Asset Criticality Results	Targeted renewal and upgrade programmes Ongoing condition assessment and data improvement	Replacing and enhancing ageing and critical infrastructure to ensure reliability and service continuity. Continuous evaluation of asset conditions to support proactive maintenance and informed decision making.
Treaty obligations and Māori Relationships	Mana whenua engagement	Ngā Mānukanuka o te Iwi advocates on behalf of mana whenua and tāngata whenua in local, regional, and national decision-making.
Customer Perspectives	Emergency response and business continuity planning	Coordinating response plans, essential service links, and business continuity measures to minimise disruption during incidents or emergencies.

5.3 Lifecycle Management Approach

NCC manages its water services assets using a risk-based, whole-of-lifecycle approach across planning, design, operation, maintenance, renewal, and disposal. While the same principles apply across water supply, wastewater, and stormwater, risk drivers differ between networks and responses are tailored accordingly.

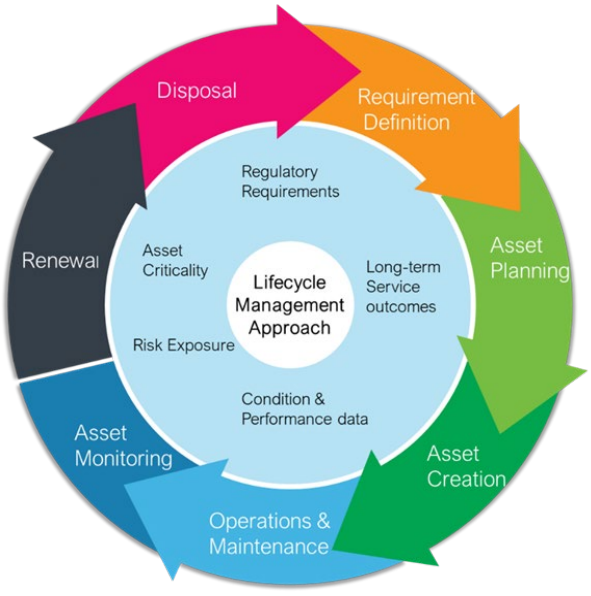

Figure 9: Lifecycle Management Approach

5.3.1 Identification of Asset Needs

Asset needs are identified through an integrated combination of risk assessment, performance monitoring, growth planning, and regulatory requirements, including:

- Output from the Asset Criticality and Risk Assessment, including Priority 1–3 assets
- Levels of service performance and compliance gaps
- Asset condition, age profile, and failure history
- Capacity constraints identified through hydraulic and system modelling
- Growth, redevelopment, and intensification pressures
- Climate change impacts and resilience considerations
- Learnings from incidents, near misses, and emergency response events

Identified needs are considered through the SAMP, Infrastructure Strategy, AMPs and supporting master plans, and are translated into investment programmes through the AMP/IDP process

5.3.2 Criticality and Risk Assessment

Every asset is assessed across two dimensions: the consequence of failure (covering service, economic, environmental, health and safety, and cultural impacts) and the likelihood of failure (based on age, material performance, and operational knowledge). Together these determine a Priority Category from 1 to 4, which drives investment and renewal decisions across the portfolio see **Section 5.3.4.**

5.3.3 Investment Prioritisation and Trade-offs

Investment decisions give primary consideration to public health and safety, regulatory compliance, and asset criticality. Condition trends, network capacity, climate resilience, and whole-of-life cost are also weighed alongside affordability and deliverability constraints.

Where competing pressures exist, lifecycle decisions involve trade-offs between renewal and rehabilitation, planned and reactive intervention, short-term savings and long-term risk exposure, and growth investment against renewal backlogs.

5.3.4 Renewal Planning and Critical Assets

Renewal decisions follow a proactive, condition-based approach rather than simple age-based replacement. In practice, decisions are guided by a clear set of priorities: maintaining safe and reliable core services, focusing investment on high-consequence infrastructure, and incrementally improving resilience. NCC has identified formalising this into a documented Asset Portfolio Strategy as an improvement item.

Interventions are scaled to asset priority:

- Priority 1: immediate or near-term intervention
- Priority 2: planned renewal or targeted investigation
- Priority 3: monitoring and data improvement
- Priority 4: deferred unless other drivers emerge

Critical assets are those where failure would have the greatest consequence for service delivery, public health, or environmental outcomes. Identifying and managing these assets is a key part of NCC's renewal planning approach. Formal documentation of the critical asset register, along with a spares strategy that identifies which critical assets require held spares and where they are located, is identified as an

improvement item. This work will help reduce the risk of extended outages where procurement lead times could otherwise significantly delay restoration of service.

5.3.5 Use of Condition and Performance Data

Lifecycle decisions draw on a range of information sources including condition assessments and inspections, operational performance data and incident records, water quality and flow monitoring, hydraulic modelling, and the operational knowledge of Council staff and contractors.

Data confidence varies across asset classes and networks, and this is a known limitation. Where data is incomplete or based on assumptions, NCC applies confidence grading within its risk framework to identify where targeted inspection and investigation is most needed, support decision-making under uncertainty, and drive ongoing improvement in asset data quality. As with the renewal backlog, better condition data over time is expected to sharpen the picture and lead to more informed and efficient lifecycle decisions.

5.3.6 Renewal Backlog Management

A renewal backlog exists across parts of the Water Services networks due to historic underinvestment, ageing asset profiles, and rising regulatory and resilience expectations.

It is important to note that our asset data has limitations, and the current backlog estimates rely heavily on assumptions around asset age and material rather than direct condition assessment. On that basis, the backlog may appear larger than it is. As more detailed condition assessments are completed, we expect to get a clearer and more accurate picture, which may show the situation is not as significant as current data suggests.

The backlog is actively managed by:

- Prioritising renewal based on risk and consequence, not asset quantity.
- Focusing funding on assets with the highest exposure to service, environmental, and financial risk.
- Refining renewal timing as condition data confidence improves.
- Aligning renewal programming with funding availability and delivery capacity.

5.3.7 Metering and Monitoring

Metering, monitoring, and telemetry play an increasingly important role in Water Services lifecycle management approach by improving visibility of system performance and risk.

Current practices include:

- District metering areas within the drinking water network
- Flow and level monitoring in wastewater and stormwater systems
- Expanded use of telemetry and SCADA for operational oversight and incident response

While these activities are established operationally, a consolidated and documented Water Services Metering Strategy is not yet in place and has been identified as an improvement item to support long-term demand management, performance optimisation, and evidence-based investment decisions.

5.4 Asset Valuation and Depreciation Forecasts

5.4.1 Asset Valuation

NCC re-values its fixed assets on a three-yearly cycle in line with statutory financial reporting requirements. Independent valuers assess each asset class using an optimised depreciated replacement cost methodology,

reviewing unit pricing against market and current contract values alongside useful life assumptions. Any changes in value are recorded against the asset value and in the asset revaluation reserve, and revaluations are thoroughly reviewed by independent auditors as part of the year-end financial statement process.

The 2025 Water Services valuation was carried out jointly with partner councils as part of the Local Water Done Well process. The valuation report identifies a number of improvements and recommendations[5] for future regional valuations. For NCC specifically, water services assets have grown slightly overall, with growth in the sewerage system partially offset by a decline in the drainage network.

Further detail on NCC's valuation processes is available in the Three-Year Plan 2024.

5.4.2 Depreciation Forecasts

Depreciation reflects the amount of asset value used up each year and is calculated on a straight-line basis using the expected useful life of each asset type. Land is not depreciated. For fixed plant and equipment, depreciation rates of 5 to 20% are applied. Depreciation forecasts are included in the Three-Year Plan 2024.

As water services transition to the Water Organisation, asset valuations and depreciation will need to align with IFRS standards and Commerce Commission information disclosure requirements, as noted in **Section 2.7.3.**

[5] Hawkes Bay 3 Waters Valuation, GHD, 2025

6 Current Forecast and Desired Performance

The organisation-wide forecasting approach and strategies to establish the basis for current and future service delivery expectations.

6.1 Understanding and Meeting Demand for Services

Understanding what drives demand for water services is fundamental to making good investment decisions and ensuring services continue to meet community needs. Detailed demand forecasts are documented in the Water Services Delivery Plan (WSDP), with performance monitored through the AMP.

The WSDP identifies the following key risks and significant assumptions across each network:

Table 6: NCC Water Services Risks and Assumptions[6]

Key Risks	Drinking Water Supply	Wastewater	Stormwater
• Future water service delivery • Network performance • Regulatory compliance • Delivery of Capital Programme • Organisational capacity • Long term issues e.g., providing for growth, climate change	• Aquifer depletion • Ageing assets • Leaks and variable pressure zones • Renewals funding constraints (renewals on hill cost-prohibitive) • Current compliance gaps • Limited skilled resources • Uncertainty around growth	• Capacity issues from population growth • Ageing assets • Inflow and infiltration (I&I) • Renewals funding constraints • New discharge standards • Limited skilled resources • Uncertainty around growth	• Climate change, sea level rise, coastal inundation • Capacity issues • Model is not yet calibrated • Renewals funding constraints • Level of service not met for existing floor levels • Uncertainty around growth
Significant Assumptions	**Drinking Water Supply**	**Wastewater**	**Stormwater**
• Future water service delivery • Network performance • Regulatory compliance • Delivery of Capital Programme • Organisational capacity • Long term issues e.g., providing for growth, climate change	• Improved asset data will enable better asset management • Reduced demand by putting demand management strategies in place • No further changes to compliance requirements • Renewal of water take consent, with no reduction in limits • Water services entity improves resourcing • Required funding becomes available	• Hot spots are identified, and improvements will reduce overflows	• Treatment requirements will increase, but manageably so

[6] Water Services Delivery Plan 2025, Central Hawke's Bay District Council, Hastings District Council, Napier City Council

	• Growth limited to areas in the Future Development Strategy (FDS)		

6.1.1 Infrastructure Strategy

The 2024 Infrastructure Strategy sets out the key focus areas for long-term water services planning:

- Risk assessment and resilience building, directing capital investment toward strengthening infrastructure.
- Community engagement and transparency, keeping the community informed and involved.
- Innovative solutions and technology, investing in efficient and sustainable management.
- Continuous monitoring and adaptation, allocating operational funding for ongoing upkeep.
- Strategic financial planning, balancing capital development with operational maintenance sustainably.

One of the biggest challenges NCC faces is gaps in knowledge about its water services assets. Once established, the Water Organisation will develop a 30-year AMP that incorporates the WSS and identifies significant infrastructure issues.

6.1.2 Chlorine-free Pathway

NCC has a long-term direction to work towards a chlorine-free drinking water supply for Napier, provided it can be achieved safely and meets all regulatory requirements. A review completed in 2020 confirmed this is a long-term goal, drawing on international examples and recognising that the pathway requires careful planning and staged investment.

Progress is being supported by investment in new service reservoirs and bore fields, strengthening the security, resilience, and overall performance of the drinking water supply. Any decision to move away from chlorine will need to meet Taumata Arowai requirements and align with the broader Water Organisation framework as it develops.

6.2 Demand Management

As Napier grows, so does demand for water services. NCC and Hastings District Council have developed a Future Development Strategy (FDS) to ensure infrastructure can meet future needs. NCC has adopted a medium to high growth projection, balancing the need to meet increasing demand without overwhelming resources or compromising existing service levels.

Growth projects that increase network capacity will be funded through financial contributions.

NCC has also developed a Water Demand Management Strategy and Action Plan, which analyses demand trends from 2015 to 2024 and models six future demand scenarios. Scenario 5 was endorsed by the Delivery and Regulatory Committee in March 2026, with the associated action plan now being implemented, targeting a 10% reduction in water demand by 2030. A high-level programme timeframe is set out below.

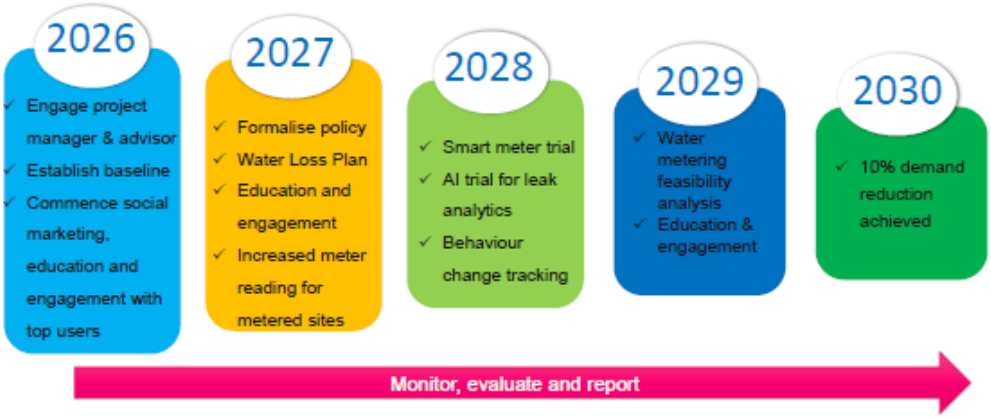

Figure 10: Water Demand Programme summary

6.3 Planning Assumptions

Key planning assumptions are outlined in **Section 1.4**.

7 Asset Management Response

Asset maturity assessment and key improvement plan actions. Monitoring and review of SAMP.

7.1 Maturity Assessments

NCC completed an external Asset Management Maturity Assessment in 2019, which established a baseline across key asset management functions and identified areas for improvement. In 2024, NCC carried out an internal assessment against the IIMM asset management maturity tool, the results of which are shown in Figure 19 below.

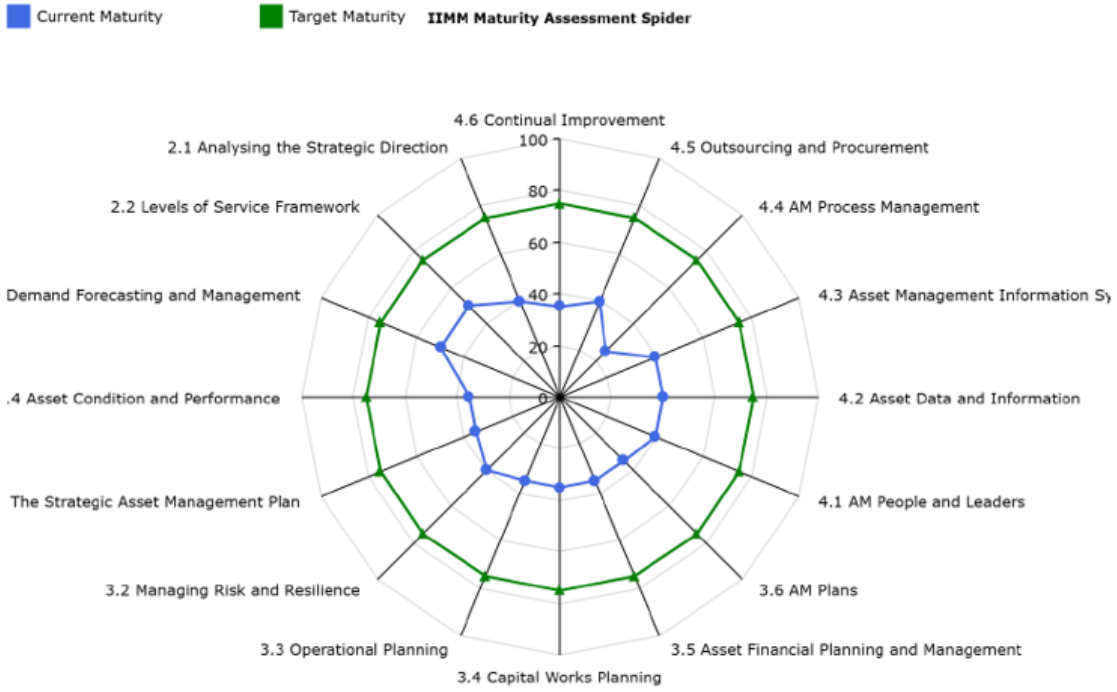

Figure 11: 2024 NCC Internal Maturity Assessment

The 2024 assessment found that NCC Water Services asset management is operating mainly at a basic level, with Levels of Service Framework and Demand Forecasting and Management performing at the higher core level. The gap between current and target maturity shown in the spider diagram highlights the areas that our improvement plan is focused on addressing.

Going forward, NCC will take a structured approach to maturity assessment, combining three-yearly independent reviews with annual self-assessments and ad hoc internal reviews as needed. An independent maturity assessment is being commissioned in 2026, which will provide an updated baseline and inform the next phase of our improvement programme. This will provide a consistent mechanism to measure and report progress toward core asset management practice over time.

7.2 Asset Management Improvement Plan

The Asset Management Improvement Plan sets out the priority areas for strengthening asset management capability across NCC Water Services. The programme is designed to progressively lift organisational maturity and build confidence in investment decision-making, regulatory compliance, and customer outcomes.

NCC aims to achieve a core maturity level across all asset management functions within the next three years, consistent with the Āpōpō Asset Management Maturity Framework and aligned with ISO 55000 principles. Progress will be monitored by the Planning and Investments team through periodic maturity assessments, integrated into business planning and reporting cycles.

The improvement programme below is intentionally high-level. NCC will address detailed tasks, sequencing, and resourcing through the AMP, IDPs, and annual work programmes, refining these as the transition to the Water Organisation progresses.

Table 7: Proposed Asset Management Improvement Plan

Improvement area	Focus of improvement	Timeframe	Responsible
Asset data and knowledge	Data quality standards, condition and criticality capture, system calibration, periodic review, and Āpōpō maturity assessment cycle	Short to medium	Planning & Investments Performance & Data
Forecasting and renewal planning	Asset Renewal Strategy Water Metering and Monitoring Strategy Critical Asset Register to include held spares	Medium to long	Network Renewals Planning and Investments Capital Delivery Treatment and Pump Operations Customer Experience
Risk-based asset management	Strengthening integration of risk into investment decisions	Medium	Planning & Investments Risk & Resilience
Levels of service	Clear documented LoS aligned to customer expectations, with consistent monitoring and performance reporting	Short to Medium	Customer Experience
Roles and accountabilities	Identify and close resource and skill gaps. Develop AM training plan	Short	Leadership team Planning & Investments
Business planning integration	Embed AM improvements into budgets	Short but ongoing	Planning & Investments
Monitoring and reporting	Performance measures and Commerce Commission ID alignment	Short-Medium	Planning & Investments Customer Experience
Performance and service outcomes	Addressing areas of underperformance identified in 2024/25	Short to Medium	Planning & Investments Customer Experience Operations

NCC will monitor progress through the following actions:

- Dedicating resources to asset management
- Continuing to report on the current state of assets
- Identifying and prioritising improvements
- Monitoring implementation progress regularly
- Establishing an asset management steering or working group

7.3 Monitoring and Reviewing Process

This SAMP will be reviewed and updated on a three-year cycle, consistent with the requirements for Water Organisations. As a Napier-specific document, it is intended to support the transition to the regional Water Organisation, at which point it will be reviewed to enable the new organisation to develop and submit a combined SAMP by 1 July 2027. A new Asset Management Policy is also expected to be developed by the WO as part of this process.

Table of abbreviations

Abbreviation	Meaning
AMP	Asset Management Plan
AMMA	Asset Management Maturity Assessment
AS/NZS ISO 31000	Risk Management – Principles and Guidelines (Australian/New Zealand Standard)
BERL	Business and Economic Research Limited
CCO	Council-Controlled Organisation
CEO	Chief Executive Officer
DIA	Department of Internal Affairs
FDS	Future Development Strategy
GIS	Geographic Information System
HDC	Hastings District Council
HBRC	Hawke's Bay Regional Council
ID	Information Disclosure
IDP	Investment and Delivery Plan
IFRS	International Financial Reporting Standards
IIMM	International Infrastructure Management Manual
LGA	Local Government Act 2002
LGWS	Local Government (Water Services) Act 2025
LTP	Long Term Plan
LoS	Levels of Service
LWDW	Local Water Done Well
NCC	Napier City Council
O&M	Operations and Maintenance
RAB	Regulatory Asset Base
RMA	Resource Management Act 1991
SAMP	Strategic Asset Management Plan
SCADA	Supervisory Control and Data Acquisition
SQL	Structured Query Language
Taumata Arowai	Water Services Authority – Taumata Arowai
WDMSAP	Water Demand Management Strategy and Action Plan

Abbreviation	Meaning
WO	Water Organisation
WSDP	Water Services Delivery Plan
WSS	Water Services Strategy

Appendix A – Levels of Service & Performance Measures

Level of Service	Performance Measure	Year 1 2024-25	Year 2 2025-26	Year 3 2026-27	Years 4-10 2027-34
Safeguard Public Health	We meet the bacterial and protozoal requirements of the Water Services (Drinking Water Services for New Zealand) Regulations 2022	Yes	Yes	Yes	Yes
Management of Environmental Impacts	The percentage of real water losses from Council's networked reticulation system as determined through an annual water balance (Mandatory measure 2)	Decrease on previous year	Decrease on previous year	Decrease on previous year	Decrease on previous year
	Average annual consumption of drinking water per day per resident (Mandatory measure 5)	<430L	<430L	<430L	<430L
	Median response times from time notification received: attendance time for urgent call-outs (Mandatory)	≤ 90 minutes	≤ 90 minutes	≤ 90 minutes	≤ 90 minutes
	Median response times from time notification received: resolution time for urgent call-outs (Mandatory)	≤ 6 hours	≤ 6 hours	≤ 6 hours	≤ 6 hours
	Median response times from time notification received: attendance for non-urgent call-outs (Mandatory)	≤ 24 hours	≤ 24 hours	≤ 24 hours	≤ 24 hours
	Median response times from time notification received: resolution time for non-urgent call-outs (Mandatory)	≤ 72 hours	≤ 72 hours	≤ 72 hours	≤ 72 hours
Customer Satisfaction	Total number of complaints per 1,000 connections relating to drinking water taste, drinking water clarity, drinking water odour, drinking water pressure or flow, and continuity of supply (Mandatory measure 4)	≤ 2	≤ 2	≤ 2	≤ 2
	Percentage of residents satisfied with Water Supply in the Residents' Satisfaction Survey	70%	70%	70%	70%

Figure 12: Drinking water levels of service and performance measures

Level of Service	Performance Measure	Year 1 2024-25	Year 2 2025-26	Year 3 2026-27	Years 4-10 2027-34
Public Health and Sanitation: We operate, maintain, and size the network to minimise the occurrence of raw wastewater overflows into habitable areas	Number of dry weather wastewater overflows, expressed per 1000 connections	<0.12 per 1000 connections	<0.12 per 1000 connections	<0.12 per 1000 connections	<0.12 per 1000 connections
Minimise Environmental Impacts: By treating wastewater to the legally required standard before discharging into the environment	Compliance with resource consents for discharge from the wastewater system as measured by the number of abatement notices received in relation to wastewater resource consents (Mandatory)	0	0	0	0
	Compliance with resource consents for discharge from the wastewater system as measured by the number of infringement notices received in relation to wastewater resource consents (Mandatory)	0	0	0	0
	Compliance with resource consents for discharge from the wastewater system as measured by the number of enforcement orders received in relation to wastewater resource consents (Mandatory)	0	0	0	0
	Compliance with resource consents for discharge from the wastewater system as measured by the number of convictions received in relation to wastewater resource consents (Mandatory)	0	0	0	0
Customer Responsiveness and Satisfaction: We respond to and restore loss of service and address complaints. We will deliver a consistently high level of customer satisfaction	Median response times to sewerage overflows: attendance time from notification to staff on site (Mandatory)	≤2 hours	≤2 hours	≤2 hours	≤2 hours
	Median response times to sewerage overflows: resolution time from notification to resolution of the issue (Mandatory)	≤8 hours	≤8 hours	≤8 hours	≤8 hours
	Customer satisfaction with wastewater in the Residents' Satisfaction Survey	70%	70%	70%	70%
	Total number of complaints per 1,000 connections relating to sewage odour, sewerage system faults, sewerage system blockages, and response to issues with Napier's sewerage system (Mandatory)	≤36	≤36	≤36	≤36

Figure 13: Wastewater levels of service and performance measures

Level of Service	Performance Measure	Year 1 2024-25	Year 2 2025-26	Year 3 2026-27	Years 4-10 2027-34
The stormwater network adequately protects the health and safety of Napier residents and protects property by providing protection against flooding	Number of flooding events that occur per year (Mandatory)	≤1	≤1	≤1	≤1
	For each flooding event, the number of habitable floors affected per 1,000 properties (Mandatory)	≤1	≤1	≤1	≤1
	Median response time to attending a flood event (notification to personnel being on site) (Mandatory)	≤2 hours	≤2 hours	≤2 hours	≤2 hours
Stormwater is collected and disposed of in a manner that protects public and environmental health	Compliance with resource consents for discharge from the stormwater system as measured by the number of abatement notices (Mandatory)	0	0	0	0
	Compliance with resource consents for discharge from the stormwater system as measured by the number of infringement notices (Mandatory)	0	0	0	0
	Compliance with resource consents for discharge from the stormwater system as measured by the number of enforcement orders (Mandatory)	0	0	0	0
	Compliance with resource consents for discharge from the stormwater system as measured by the number of convictions received in relation to stormwater resource consents (Mandatory)	0	0	0	0
Residents are satisfied with Council's stormwater service	Number of complaints received about performance of stormwater system (per 1,000 properties connected) (Mandatory)	≤5	≤5	≤5	≤5
	Percentage of residents satisfied with stormwater in Residents' Satisfaction Survey	70%	70%	70%	70%
Stormwater is collected and disposed of in a manner that protects public and environmental health	Number of education programmes delivered to improve stormwater quality	>1	>1	>1	>1

Figure 14: Stormwater levels of service and performance measure