

Remarks of Mayor Richard McGrath

Subject: Adoption of regional water services organisation foundation documents

9 April 2026 Napier Council Meeting

I will be voting not to support this recommendation that essentially hands our water over to a regional CCO.

While I say regional, that no longer includes Wairoa, as they have pulled out seeing little value in this model. We consulted on all four regions being in the setup. It is not progressing how we envisaged.

Now plan to take two years longer than originally thought, surely eating into any proposed savings. The multi Council CCO will be at arm's length to ourselves and to the community, and we will become a minority shareholder with only 33% say. This is a long way from where we were as water as our number one priority, now relying on others to prioritize our needs for us in the future, either in a positive or negative way.

That, to me, is not accountability.

This is not a shared service. It's a CCO

The numbers. There may be some benefits down the track for Napier, but they sit in the margin of error. And I've read reports like this before a council, some saying that a valid drone had \$110 million aquarium numbers stacked up. We all heard ideas like wave pools and deco busses, and I'm sure they all stacked up.

There's a lot of talk about efficiencies and scale.

To me where the water CCO may gain some efficiencies, those will be countered within Council, then losing its own efficiencies by being made smaller.

Bigger, better, or regional models in Hawke's Bay? No, think regional busses, Civil Defense during the cyclone. Think regional policing with Napier having no cells. Think our Regional Health Model. That's failing Napier all have failed.

Why would we want? Well, sorry, why would the community expect this to be any different?

Bigger equals more bureaucracy. Look at the Auckland Council amalgamation. They had a target to 12 to save 1200 jobs. The actual was no net reduction. They had a target to save \$100 million with this scale, actual was \$90 million increase, including 53% increase in staff who are earning over \$100,000. The management bubble. So bigger doesn't equal better.

What would happen in a crisis or a weather event in nature? Currently, we have a water safety plan. The whole city services team is available to man pumps, clean streams, etc, actually deliver on that plan, and we now have the organizational setup to deliver that plan. We have the right people in the right place ready to set it up, if required, and run it, bringing 100% control back to the people of Napier and their representatives.

Napier being in control of their priorities, we would then be better able to direct shared services with the single Council, CCO, such as the lawn mowing of reserves, fleet services, engineering, health and safety, payroll, IT and even our reserves team. We'd be able to work, I think, more directly with our own CCO.

The latter would actually help remove confusion over who was responsible for what part of a reserve, whether it's water or whether it's a park. That alone would keep our scale from reducing. We would have 100% control over our future.

Many councils have gone it alone. The perceived pressure from government to combine no longer appears to be there. Depending on what numbers we use, anywhere from 22 to 30 councils who have gone it alone, including Wairoa.

Now there was talking about price harmonization. It would only take a change of government or a change to legislation that could mean any ring fenced debt would then be shared by all three councils. With the figures we've had, Hastings comes in with \$351 million, CHB with \$85 million and ourselves with \$105 million. Napier residents would not be the winner here, a single Council, CCO protects from that. If there was price harmonization, we would be the only council to harmonize with ourselves.

This is the start of amalgamation by stealth, where we become a minority.

Well done to Wairoa for seeing this early, you've already seen this, and you've already seen decisions that have favoured Hastings.

Water needs to be our number one priority, not someone else's.

That's all I've got to say.