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Te Hoiere Project - Towards Sustainable Financing: Summary Report

Final

Prepared for Department of Conservation

Purpose of this Document

This companion summary distils the main narrative, findings, and implications of the full report. It is designed for readers who need a rapid but credible understanding of the project, the sustainable finance challenge, and the recommended pathway for Te Hoiere. It does not replace the full technical report, matrix, appendices, or supporting evidence.

Client	**Department of Conservation, Ngā Awa Programme**
Project	Te Hoiere Project: Towards Sustainable Financing
Source report	Cox, D. & Youngman, B. (2026). Towards Sustainable Financing. Te Hoiere Project report for DOC, P05115. Morphum Environmental Limited.
Status	Summary Report

1. Executive snapshot

Central message

Te Hoiere does not need a single new funding mechanism. It needs an integrated governance architecture that can coordinate diverse revenue sources, allocate investment according to catchment priorities, and verify outcomes transparently. The report's strongest recommendation is therefore institutional: establish the governance, fund, and reporting infrastructure that makes individual instruments investable and credible.

Te Hoiere Project has reached a critical transition point. Since its formal initiation in 2019, it has built a mature, community-led, multi-partner platform for catchment restoration. It has mobilised more than NZD $13 million in investment, delivered substantial physical works, supported monitoring and research, and advanced the original ki uta ki tai premise linking land, freshwater, estuary, and harbour condition. Yet its funding model remains heavily dependent on time-limited public grants, particularly Jobs for Nature and central government programmes that are now declining or ending.

This creates both a risk and an opportunity. The risk is that gains already made through planting, fencing, restoration, monitoring, education, nursery capacity, and partnership-building are not sustained. The opportunity is that Te Hoiere is sufficiently mature to become a national exemplar for catchment-scale sustainable finance. The report concludes that this transition will require a deliberate move from project funding to portfolio financing: a blended system that combines public, private, philanthropic, market-based, and community-supported investment.

The report's practical conclusion is clear. Sustainable finance for Te Hoiere will not be achieved by bolting a few levies or credits onto the existing model. The project needs a more explicit institutional architecture built around three interdependent components: a strengthened Te Hoiere ki uta ki tai Partnership, a Healthy Harbour Report Card, and a Te Hoiere Water Fund. Together, these provide the governance, assurance, and capital coordination required to make the priority instruments workable.

2. At a glance

Question	Summary answer
What problem is the report responding to?	Te Hoiere has a structural funding challenge. Public grants have enabled major progress, but they are not durable enough to sustain intergenerational catchment restoration.
What is the main finding?	There are many financing options (philanthropic, grant, education, research, and sustainable mechanisms), but no single instrument is sufficient. The viable pathway is a blended finance portfolio supported by credible governance and reporting.
What makes Te Hoiere investable?	It has a strong partnership base, defined catchment issues, existing monitoring, demonstrable delivery, iwi and community leadership, and a clear link between upstream actions and downstream outcomes.
What is currently missing?	A complete investment account, quantified future funding need, integrated spatial storytelling, a consolidated reporting platform, and a dedicated financial structure to pool and allocate revenue.
What should happen next?	Phase 2 should test priority instruments, refine governance, establish the report card, and design the water fund as the institutional spine of the finance system.

3. Why this work matters

Te Hoiere sits within a wider national problem. Catchment groups across Aotearoa have grown rapidly through central government investment, research programmes, Jobs for Nature, and local leadership. These initiatives have contributed to what the report describes as a restoration economy: nurseries, restoration contractors, monitoring capability, iwi-led environmental enterprise, catchment coordination, and community-based delivery. That economy is now exposed to a shrinking public funding environment.

The Parliamentary Commissioner for the Environment (PCE) has emphasised that many environmental pressures are best managed at catchment or sub-catchment scale, where local communities, land users, hapū, iwi, and public agencies can coordinate decisions. Te Hoiere is already aligned with that direction. It has a catchment-scale plan, a community-led governance base, and a clear environmental pressure in sedimentation that links upland land use to freshwater, estuarine, harbour, and marine outcomes.

The importance of this project is therefore larger than a local funding shortfall. Te Hoiere can demonstrate how catchment-scale restoration finance might work in practice in Aotearoa. That requires a shift away from episodic project grants toward a system capable of coordinating investment, rewarding outcomes, and sustaining effort across decades.

4. The current state of Te Hoiere

The report positions Te Hoiere as a mature but financially exposed catchment programme. The project has strong foundations: a community-led Integrated Catchment Enhancement Plan, a multi-agency partnership model, Te Hoiere Kaitiaki Charitable Trust, iwi involvement, a substantial project portfolio, and existing monitoring across environmental, cultural, and biodiversity domains.

Investment to date is significant. The report identifies approximately NZD $13 million in programme investment, including planting, fencing, wetland restoration, bat recovery, fish passage assessment, sediment monitoring, cultural monitoring, education, communications, catchment coordination, and the establishment of Ngā Tai Pūrua nursery. This investment has created assets, capability, relationships, and credibility that should be treated as environmental capital rather than simply historical expenditure.

The weaknesses are equally clear. The funding base is narrow, much of the in-kind and voluntary investment is not fully accounted for, future investment needs are not yet fully quantified, and the project story is not yet being communicated in a way that is sufficiently spatial, integrated, or investor-facing. Put more plainly, the project has done the hard work but is not yet fully packaging that work for the funding market. That is not unusual. It is just expensive if left unresolved.

Strategic interpretation

Te Hoiere's restoration activity is already operating at a relatively mature delivery stage, but its funding infrastructure is still catching up. The project is not under-developed. Its finance system is.

5. Funding landscape and core finance logic

The report distinguishes between broad funding avenues and sustainable finance instruments. This distinction matters. Philanthropy, grants, education funding, research funding, Environmental, Social and Governance (ESG) contributions, and market-based instruments all play different roles. They should not be treated as interchangeable revenue sources.

Research funding is useful for baselines, evidence, modelling, and learning. Grants are useful for discrete projects and early implementation. Philanthropy can support innovation, community outcomes, and catalytic activity. Education funding can build capability and social licence. ESG and Taskforce for Nature-related Financial Disclosures (TNFD)-linked contributions can convert verified restoration outcomes into corporate value. Sustainable finance instruments, including levies, credits, rebates, Payment for Ecosystem Services (PES), and bonds, can create more durable incentive and revenue structures if properly governed.

The report's funding lifecycle framing is useful because it avoids a common error: asking one funding source to do too many jobs. Te Hoiere needs a funding portfolio in which each component has a clear function. Government can underwrite continuity and legitimacy. Philanthropy can catalyse and de-risk. Markets can reward verified performance. Fiscal tools can create predictable revenue. Community mechanisms can maintain local trust. Blended finance works only when each part is structurally fit for purpose.

6. Cross-sector findings

Stakeholder engagement across forestry, farming, viticulture, aquaculture, tourism, port and maritime logistics, public agencies, iwi-linked initiatives, and conservation finance organisations revealed a coherent picture. There is broad recognition of the environmental challenge, but less agreement on responsibility, funding burden, and institutional readiness. Sediment is the central system risk. Land-based activities influence sediment generation, while marine sectors, port operations, aquaculture, tourism, and communities experience downstream effects. The report is careful not to reduce the issue to one sector. Forestry, farming, land-use history, extreme weather, catchment modification, and climate adaptation all sit within the same risk system.

The most important engagement finding is an equity constraint. Stakeholders showed limited tolerance for single-sector levies or instruments that look punitive. There was stronger openness to smaller contributions distributed across beneficiaries and contributors, provided that governance is transparent, monitoring is credible, and revenue is visibly reinvested in outcomes. This matters because any finance model that ignores perceived fairness will become a politics exercise.

Existing sector systems provide useful entry points. Dairy already has supply-chain incentives and carbon reporting architecture. Viticulture has formal sustainability certification. Forestry is subject to national standards and international certification. Aquaculture is entering a coastal occupation charging regime. Port Marlborough has sustainability reporting and direct exposure to dredging and harbour condition. These systems reduce the need to build everything from scratch, provided Te Hoiere aligns with them rather than creating parallel administrative burdens.

7. The recommended institutional architecture

The report's most important recommendation is that sustainable finance must be enabled through a governance architecture rather than treated as a list of instruments. Three components are proposed: a strengthened Te Hoiere ki uta ki tai Partnership, a Healthy Harbour Report Card, and a Te Hoiere Water Fund.

Component	Core function	Why it matters
Te Hoiere ki uta ki tai Partnership	Provides strategic oversight, co-governance, cross-sector alignment, and decision-making discipline.	Without a credible partnership layer, instruments risk becoming fragmented, contested, and administratively heavy.
Healthy Harbour Report Card	Integrates environmental, cultural, social, and economic monitoring into a transparent assurance platform.	Investors, funders, sectors, and communities need evidence that money is producing outcomes, not merely activity.
Te Hoiere Water Fund	Pools and allocates capital from levies, credits, philanthropy, ESG contributions, public funding, and other mechanisms.	The fund turns disconnected funding streams into a managed portfolio linked to catchment priorities.

This recommended architecture (Figure 1) creates a closed loop: funding enters through multiple mechanisms, governance prioritises investment, the fund deploys capital, projects deliver actions, monitoring verifies outcomes, and transparent reporting strengthens confidence for future funding. That feedback loop is the difference between a funding model and a finance system.

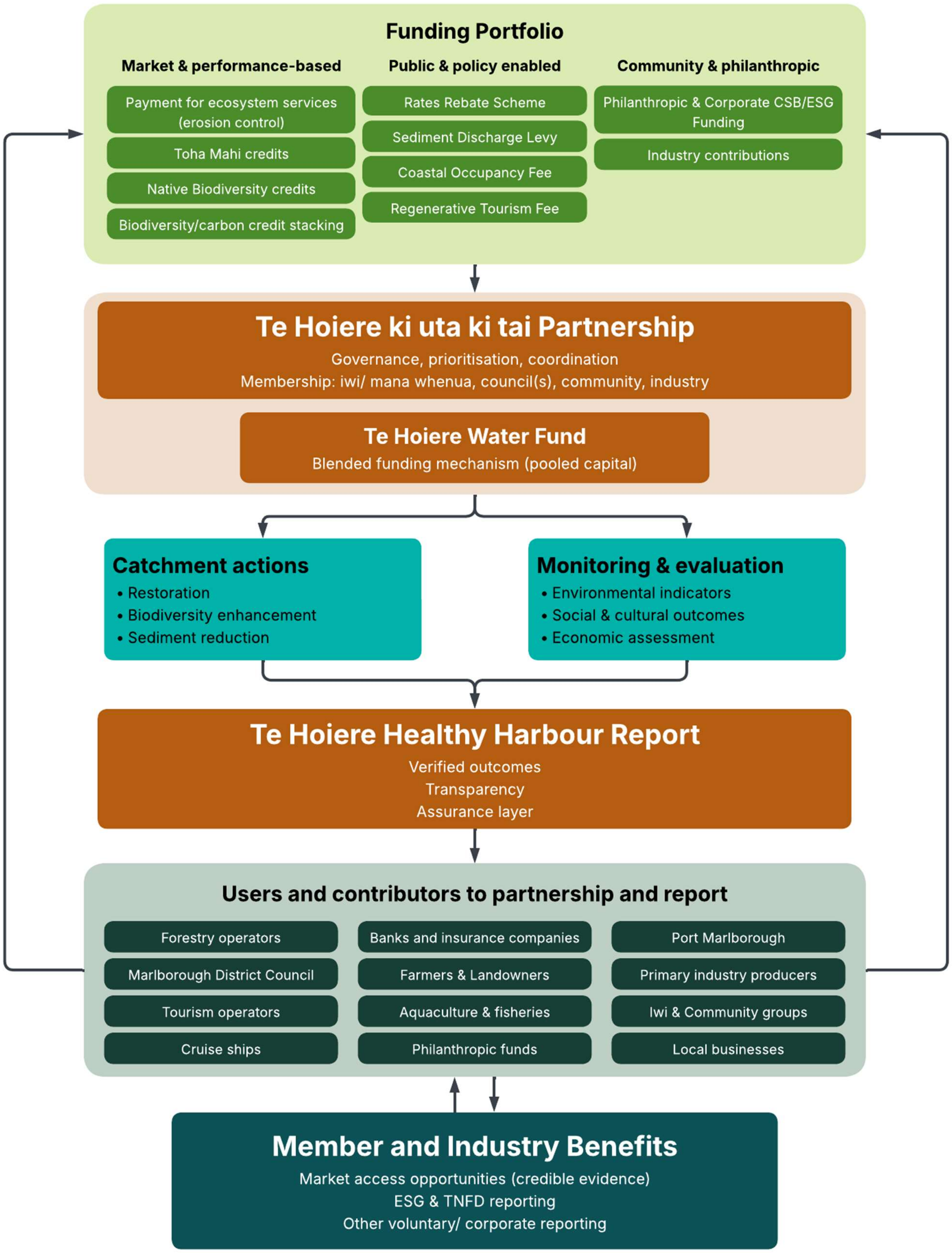

Figure 1 Recommended Institutional Architecture for Te Hoiere

8. Priority instruments and sequencing

The report identifies a broad suite of instruments, but the companion summary should not present them as equal. Some are near-term and practical. Some are medium-term and require policy or institutional development. Others are long-term and capital-intensive. The sequencing logic is more important than the catalogue.

Sequence	Instruments	Main role	Key condition
Immediate to short term	Philanthropy, grants, education funding, research partnerships, labour credits, native carbon feasibility, ESG-aligned contributions	Stabilise funding, monetise existing work where possible, build funder confidence, and strengthen reporting.	Clear investment account, credible storytelling, and early report card development.
Short to medium term	Coastal occupancy fees, rates rebates, corporate ESG contributions, biodiversity credit feasibility, native carbon aggregation, regenerative tourism contributions	Develop durable revenue and incentive mechanisms aligned with existing sector systems.	Transparent governance, co-design with sectors and iwi, and clear allocation through the Water Fund.
Medium to long term	Log levies, sediment discharge pricing, PES for sediment retention, green bonds, environmental impact bonds	Scale investment and shift incentives where strong evidence and institutional capacity exist.	Robust sediment modelling, legal design, political legitimacy, and predictable revenue streams.

The priority instruments are prioritised for different reasons. Coastal occupancy fees offer a structurally durable link to marine use. Native carbon and biodiversity credits may unlock private capital, but only where eligibility, additionality, permanence, and verification are credible. Labour credits can monetise practical restoration effort and may be useful where carbon or biodiversity markets are too slow or complex. Rates rebates are unlikely to generate large financial value, but they can signal Council support and encourage landowner engagement. A water fund is not simply another mechanism; it is the organising vehicle that makes the others coherent.

9. Phase 2 priorities

Phase 2 should move from prioritisation to design, testing, and operational preparation. The report identifies several enabling actions that should occur before, or alongside, detailed instrument feasibility, noting they are not listed in sequence of priority. These are not administrative niceties. They are investment-readiness actions.

Priority action	Purpose	Practical output
Clarify investment to date	Capture the full value of historical programme investment, including in-kind, voluntary, iwi, Council, DOC, and partner contributions.	Investment register separated into CAPEX, OPEX, project category, outcome area, and potential eligibility for credits or ESG reporting.
Clarify future investment need	Define what level of intervention is required to secure current gains and achieve sediment, biodiversity, cultural, education, and monitoring outcomes.	Costed catchment investment plan across short, medium, and long-term horizons.
Strengthen storytelling and spatial reporting	Make the project visible, credible, and investable by showing where work has occurred, where risk remains, and what outcomes are being tracked.	Updated StoryMap or equivalent geospatial platform, linked to monitoring, project actions, values, and investment needs.
Develop the Healthy Harbour Report Card	Create the assurance mechanism that connects catchment investment to freshwater, estuarine, marine, cultural, social, and economic outcomes.	Indicator framework, data partnerships, governance process, review cycle, and public-facing reporting template.
Design the Water Fund and partnership architecture	Create the institutional structure needed to receive, pool, allocate, and report on diverse funding sources.	Legal, governance, and financial design options for the Te Hoiere Water Fund and associated partnership model.
Test priority mechanisms	Move from conceptual fit to feasibility, revenue potential, legal pathway, administrative burden, equity, and risk assessment.	Feasibility assessments for native carbon, biodiversity and labour credits, coastal occupancy fees, rates rebates, PES, log levies, and other selected instruments.

10. Strategic conclusion

Te Hoiere is starting from a position of strength. It has a functioning catchment partnership, understood environmental challenges, a record of delivery, iwi and community leadership, monitoring infrastructure, and a clear ecological-economic link between upstream land use and downstream harbour condition. These are rare ingredients. The problem is not absence of value. It is insufficient financial architecture to convert that value into durable investment. The report's strongest contribution is therefore its shift in framing. Sustainable finance is not a hunt for a magic instrument. It is the design of a system. That system must be capable of bringing together multiple funding sources, distributing responsibility fairly, targeting investment spatially, verifying outcomes, and telling a compelling story to funders, industries, communities, and government.

If Phase 2 can establish the investment account, future cost profile, report card, water fund design, and priority instrument feasibility, Te Hoiere will be positioned to move from grant dependency toward an integrated finance portfolio. In doing so, it can provide a practical case study for Aotearoa: how a catchment restoration project can mature into a long-term environmental investment platform without losing its community, cultural, and ecological purpose.

Bottom line

The next decision is not which funding mechanism to pick first. The next decision is whether Te Hoiere is prepared to become investment-ready. That requires governance clarity, transparent reporting, a pooled finance vehicle, and a disciplined sequence of feasibility work. The report provides the logic. Phase 2 needs to build the machinery.