



Unconfirmed

MINUTES OF A MEETING OF THE CLIFTON TO TANGOIO COASTAL HAZARDS STRATEGY JOINT COMMITTEE

- Date:** Friday 31 May 2019
- Time:** 10.00am
- Venue:** Council Chamber
Hawke's Bay Regional Council
159 Dalton Street
NAPIER
- Present:** Cr Peter Beaven – HBRC - Chair
Cr Paul Bailey – HBRC
Cr Tom Belford – HBRC
Cr Annette Brosnan – NCC
Cr Larry Dallimore – NCC
Tania Huata – Mana Ahuriri Trust
Cr Tony Jeffery – NCC – Deputy Co Chair
Cr Tania Kerr – HDC – Deputy Co-Chair
Cr Neil Kirton – HBRC
Cr Ann Redstone – HDC
- Alternates:** Acting Mayor Faye White – NCC
Cr Rod Heaps - HDC
- In Attendance:** Simon Bendall – Traverse Environmental
Chris Dolley – HBRC
Trudy Kilkolly – HBRC
Brent Chamberlain – HDC
Bruce Allan – HDC
Mark Clews – HDC
Jon Kingsford – NCC
A Roets – Governance Administration Assistant

1. Welcome/Apologies/Notices

The Chair welcomed everyone to the meeting and Tania Huata opened with a karakia.

Resolution

CL1110/19 That the apologies for absence from Tania Hopmans and Malcolm Dixon be accepted.

**Redstone/Brosnan
CARRIED**

Secretarial note; the absence of Peter Paku was noted.

2. Conflict of Interest Declarations

There were no conflict of interest declarations.

3. Confirmation of Minutes of the Clifton to Tangoio Coastal Hazards Strategy Joint Committee meeting held on 18 March 2019

Resolution

Minutes of the Clifton to Tangoio Coastal Hazards Strategy Joint Committee meeting held on Monday, 18 March 2019, a copy having been circulated prior to the meeting, were taken as read and confirmed as a true and correct record.

**Bailey/Beaven
CARRIED**

4. Call for Items of Business Not on the Agenda

Recommendations

That the Clifton to Tangoio Coastal Hazards Strategy Joint Committee accepts the following "Items of Business Not on the Agenda" for discussion as Item 10:

Topic	Raised by
No additional items called for.	

5. Actions from Previous Clifton to Tangoio Coastal Hazards Strategy Joint Committee meetings

Item 1:

- *Distribute PDF version of OECD case study to members once available:* Still haven't received a copy – will distribute to members once available.

Item 2:

- *TAG to bring back a report in how to management risks around LTP alignment:* On Agenda for discussions today.
- *To engage with Dave Cull, President of LGNZ:* David Cull and Minister Shaw have indicated interest in to meeting. Progressing further to confirming timing.

Item 3:

- *TAG funding subgroup would further refine the funding model:* Pending update on costings by the Designing Group. Costings to form part of the refined model to it's next stage.
- *Proposed to have an update/progress on Central Government funding:* will give an update through the Project Manager's general update report.

CLI112/19 Resolution

That the Clifton to Tangoio Coastal Hazards Strategy Joint Committee receives and notes the “*Actions from previous Clifton to Tangoio Coastal Hazards Strategy Joint Committee Meetings*” report.

Kerr/Redstone
CARRIED

6. Contributory Fund

The Chair, Councillor Beaven invited Trudy Kilkolly and Brent Chamberlain to present on this paper, but highlighted that this item, the Contributory Fund certainly caught the attention of the media. Discussions traversed.

- Cr Beaven gave a background on the concept of a contributory fund and mentioned that this has been in discussions by the Joint Committee for a number of years.
- He further reiterate that key decision today is to determine whether a contributory fund needs to be established, how the fund would be operated, managed and governed.

Brent Chamberlain and Trudy Kilkolly presented on the background, interpretations, content, merits of establishing a Contributory Fund.

- The contributory fund is a collection of funds from ratepayers and potentially other external funding agencies in advance of expenditure being required to implement the Strategy.
- The costs of the proposed interventions of the strategy were estimated by Tonkin and Taylor in 2016 to be between \$130 - \$285 million, noting this was a high level estimate.
- Any funds collected for the contributory fund pre-intervention will reduce the need for debt funding and reduces future interest costs. It is highlighted that the contributory fund will not be able to cover the full cost of works but it will be used to offset debt.
- It was proposed that the three partner Councils begin collecting from ratepayers from the 2021/22 year to commence payments into the contributory fund
- The contributory fund can be used for the “Public Good” component of costs and protection of the TLAs and HBRC’s infrastructure.
- The private good benefit will be collected at a later stage through a targeted rate from those landowners receiving the benefit, when there is certainty of timing and value of the physical intervention.
- One option for the operation of the Contribution Fund is that all expenditure for the implementation of the strategy will be paid out of the contributory fund – with contributions from private landowners and others added to the fund. This would create administrative convenience by having one source of funds for paying contractors etc.
- No decision has been made on “Public vs Private” splits and no decision yet of the value on the “infrastructure protection” that the TLAs would contribute.
- A Draft Coastal Contributory Fund Rules Deed was tabled as a working draft and to seek feedback on.
- Key suggestions for discussion include that HBRC administer the fund, that HBRC’s Investment Policy would apply, and that any expenditure from the fund is pre-approved by all Councils.
- The Committee agreed that a contributory fund is established and also agreed to the need for more detail on how the fund could work and to bring this as a package to public consultation in mid to late 2020.

- The Chair received the comments of the committee members who were all supportive to move the coastal hazards strategy forward, while seeking finer detail on the allocation of costs before implementation can begin.
- There is much more detail to be worked through but the committee recognises that starting now to build a contributory fund is the right thing to do.
- The details associated with the contributory fund will be the focus of a public consultation in 2020.
- Cr Beaven thanked the Joint Committee members for showing their support and leadership, and for taking these next steps forward.
- Proposed to have a full joint workshop by respective councils around how the fund would be operated, managed and governed.

CLI1113/19 Resolutions

That the Clifton to Tangoio Coastal Hazards Strategy Joint Committee:

1. Receives and notes the “**Contributory Fund**” report.
2. Recommends to Hawke’s Bay Regional Council, Napier City Council, and Hastings District Council that a Coastal Contributory Fund be established.
3. Recommends to Hawke’s Bay Regional Council, Napier City Council, and Hastings District Council that Hawke’s Bay Regional Council be the Council that administers the Fund on behalf of Hawke’s Bay Regional Council, Napier City Council and Hastings District Council.
4. Recommends to Hawke’s Bay Regional Council, Napier City Council, and Hastings District Council that they consider rating towards the public good component of the implementation strategy in the 2021-22 financial year at the rate to be determined and subject to public consultation at a preferred option of \$15.00 per rating unit, with amount to be reviewed annually thereafter.
5. Notes and receives the Contributory Fund Rules Deed as an early draft and acknowledging more work to be done.

**Kirton/Redstone
CARRIED**

7. Community Consultation – Options and Risks around LTP Alignment

Simon Bendall, Project Manager gave a summary and background on the paper and highlighted that at the last meeting, it has been reported that 12 months had been added to the timeline to provide additional time for the Design Workstream to complete their work. Discussions traversed:

- As a consequence of the amended timeframe, public consultation on the Strategy has been delayed from Q1 2020 to the first quarter of 2021 which means that it would align with Council consultation on Long Term Plans.
- The Joint Committee requested an assessment of the risks this might present and requested TAG to present options to deal with these risks.
- TAG have identified three options for the Joint Committee’s consideration; Aligned consultation, Delayed consultation and/or Staged consultation. TAG Group has recommended the Staged Consultation approach (that initial concepts are tested with the community ahead of LTP consultation in 2021 and remaining matters are consulted on as a separate LGA special consultative process after 2021 LTP consultation is fully completed)
- Stage 1 would commence in July/Aug 2020 and Stage 2 in late 2021 after Long Term Planning Consultation has been completed.
- The TAG Group considers that this approach strikes the best balance and avoids risks associated with shortening project timelines or combining with other significant consultation processes.
- TAG Group is mindful that the consultation process needs to be appropriately

resourced and carefully planned and executed.

- If the Joint Committee agrees with the Staged Consultation process, TAG will further develop detail for the Joint Committee to review.
- This will include subject areas that can be developed for consultation to occur in July/August 2020, how the outcome of that consultation can be incorporated into 2021 LTP review processes, timing and detail of process to occur post 2021 LTP and a revised project plan to account for the staged consultation approach.
- The Joint Committee agreed to adopt the Staged approach as recommended by TAG and sought that a revised project plan is developed.

CLI114/19 **Resolution**

That the Clifton to Tangoio Coastal Hazards Strategy Joint Committee receives and notes the "*Community Consultation – Options and Risks around LTP Alignment*" report.

**Jeffery/Heaps
CARRIED**

8. Project Manager's Update

Simon Bendall provided an update on the work currently undertaken with discussions highlighting:

- As part of the Staged consultation process, TAG will produce a revised project plan which will be presented at the next meeting.

Tom Belford left the meeting at 11.55am.

- Simon Bendall gave an update on the meetings he and Chris Dolley had attended on 28 May in Wellington.
- Meetings were held with Insurance Council of New Zealand, Central Government (including Treasury, MfE and other government officials) and Local Government New Zealand.
- *Insurance Council of New Zealand* – the current coastal work undertaken are very well regarded by the Insurance industry and helpful in assisting for making key decisions based on risk.
- Insurance companies quickly recognise risks and as an example certain areas in other jurisdictions had their insurance cover removed due to risks of flooding events, but once council resolved those risks, the cover was then re-established.
- Simon and Chris will present the Strategy project to the Insurance Council of New Zealand's Personal Loans Committee in September, attended by all major insurers who issue policies in home and contents cover.
- *Central Government*: Very concerned around the national costs on coastal projects. Progress is being made on Central Government's role but no immediate outcomes at this stage.
- There may be an opportunity to present options to Central Government to assist by presenting a live project with specific challenges requiring central government support.
- LGNZ: CEO, Malcolm Alexander and senior staff were in attendance. Keen to support and partner with this Committee on engagement with Central Government. This conversation is continuing – a next step is likely to be attendance by LGNZ President Dave Cull at a Joint Committee meeting, but also ongoing collaboration at a staff level.

CLI115/19 **Resolution**

That the Clifton to Tangoio Coastal Hazards Strategy Joint Committee receives the "*Project Manager's Update*" report.

**Brosnan/Kirton
CARRIED**

9. Current Coastal Projects Update

The report provided an opportunity for TAG to update the committee on various coastal projects. Discussions highlighted:

1. Whakariri Ave Revetment Works led by NCC:
 - Jon Kingsford reported that NCC have consulted through the annual plan process on the funding model being proposed by Council. Feedback yet to be considered by Council.
 - Owners raised concerns and questions around the work to be undertaken and how it is proposed to be funded.
 - Jon to update the Committee post consultation decisions.
2. Westshore Sand Engine Provincial Growth Fund application led by NCC:
 - Jon Kingsford reported that an application has been made to the Provincial Growth Fund to provide funding for this initiative.
 - HBRC, NCC and HDC are working on joint consent application for extension of NCC's extended dumpsite for sand that might become available through the Port's capital and maintenance strategy processes.

CLI116/19

Recommendation

That the Clifton to Tangoio Coastal Hazards Strategy Joint Committee receives the "Current Coastal Project Update" report.

**Brosnan/Heaps
CARRIED**

10. Discussion of Items Not on the Agenda

Tania Huata thanked Simon Bendall, Chris Dolley and the TAG group working tirelessly behind the scenes and acknowledged the three councils for working together and closed the meeting with a karakia.

Closure:

There being no further business the Chairman declared the meeting closed at 12.17pm on Friday 31 May 2019.

Signed as a true and correct record.

DATE:

CHAIRMAN: