



Meeting of the Environment and Integrated Catchments Committee

Date: Wednesday 3 February 2021
Time: 9.00am
Venue: Council Chamber
Hawke's Bay Regional Council
159 Dalton Street
NAPIER

Agenda

ITEM	TITLE	PAGE
1.	Welcome/Notices/Apologies	
2.	Conflict of Interest Declarations	
3.	Confirmation of Minutes of the Environment and Integrated Catchments Committee meeting held on 4 November 2020	
4.	Follow-ups from Previous Environment and Integrated Catchments Committee Meetings	3
5.	Call for Minor Items Not on the Agenda	7
6.	Nic Caviale Presentation – Freshwater Improvement Fund co-funding Opportunities for Community led projects as Demonstrated by the Waipuka whenua restoration project	
Decision Items		
7.	Tūtira Regional Park Pine Forest Replanting Plan	9
8.	Funding the Erosion Control Scheme	31
Information or Performance Monitoring		
9.	Integrated Catchment Management - Catchment Delivery Section Update	37
10.	verbal Chilleen Needle Grass Update	
11.	verbal Pest Management - Possum Control Update	
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14.	Discussion of Minor Matters Not on the Agenda	55

HAWKE'S BAY REGIONAL COUNCIL**ENVIRONMENT AND INTEGRATED CATCHMENTS COMMITTEE****Wednesday 03 February 2021****SUBJECT: FOLLOW-UPS FROM PREVIOUS ENVIRONMENT AND INTEGRATED CATCHMENTS COMMITTEE MEETINGS****Reason for Report**

1. **Attachment 1** lists items raised at previous meetings that require follow-ups. All items indicate who is responsible for each, when it is expected to be completed and a brief status comment. Once the items have been completed and reported to the Committee they will be removed from the list.

Decision Making Process

2. Staff have assessed the requirements of the Local Government Act 2002 in relation to this item and have concluded that, as this report is for information only, the decision making provisions do not apply.

Recommendation

That the Environment and Services Committee receives and notes the *Follow-up Items from Previous Environment & Services Committee Meetings* staff report.

Authored by:

Annelie Roets
GOVERNANCE ADVISOR

Approved by:

James Palmer
CHIEF EXECUTIVE

Attachment/s

- [!\[\]\(a16a19bbc0e991a431a3f945e52ea4ee_img.jpg\) 1](#) Follow-ups from Previous EICC Meetings

Follow-ups from Previous Environment & Integrated Catchments Committee Meetings

4 November 2020

	Agenda item	Follow-up item	Responsible	Status/Comment
1.	Tūtira Regional Park and Tangoio Soil Conservation Reserve Forest Harvest Update	Staff to bring options for replanting plans for both Regional Parks to February EICC to enable recommendation to Council on the replanting plan to be implemented	C Dolley	On 3 February EICC Agenda
2	Hawke's Bay Marine & Coast Group (HBMaC) and Sustainable Seas National Science Challenge Collaboration	Report to Environment and Integrated Catchments Committee meeting its long term marine and coastal science programme and the model to enable implementation of Ecosystem Based Management	A Madarasz-Smith /J Smith	To be prepared for May EICC meeting
3	Biosecurity Operational Plan and Annual Report	Provide a map showing pest 'hotspots'	M Mitchell	Staff investigating options for providing this information on Council's website
4	Discussion of Minor Matters Not on the Agenda	Dashboard for reporting relevant project / work programme progress and milestones to EICC	D Cull /I Maxwell /C Dolley	Dashboard under development with intent to present to May EICC meeting.

Item 4

Attachment 1

HAWKE'S BAY REGIONAL COUNCIL
ENVIRONMENT AND INTEGRATED CATCHMENTS COMMITTEE

Wednesday 03 February 2021

Subject: CALL FOR MINOR ITEMS NOT ON THE AGENDA

Item 5

Reason for Report

1. This item provides the means for committee members to raise minor matters they wish to bring to the attention of the meeting.
2. Hawke's Bay Regional Council standing order 9.13 states:
 - 2.1. "A meeting may discuss an item that is not on the agenda only if it is a minor matter relating to the general business of the meeting and the Chairperson explains at the beginning of the public part of the meeting that the item will be discussed. However, the meeting may not make a resolution, decision or recommendation about the item, except to refer it to a subsequent meeting for further discussion."

Recommendations

3. That the Environment and Integrated Catchments Committee accepts the following "Minor Items Not on the Agenda" for discussion as Item 14.

Topic	Raised by

Leeanne Hooper
GOVERNANCE LEAD

James Palmer
CHIEF EXECUTIVE

HAWKE'S BAY REGIONAL COUNCIL

ENVIRONMENT AND INTEGRATED CATCHMENTS COMMITTEE

Wednesday 03 February 2021

Subject: TŪTIRA REGIONAL PARK PINE FOREST REPLANTING PLAN

Reason for Report

1. This item presents two options for replanting harvested pine forest in the Tūtira Regional Park and seeks the Committee's agreement to Option 2: The Composite Option.

Officers' Recommendation

2. Council officers recommend that the Committee agrees to the re-planting plan presented as Option 2: The Composite Option, as proposed.

Executive Summary

3. 114 ha of pine forest will be harvested in the Tūtira Regional Park between 2021 and 2027. Significant interest in the replanting plan for the forest led to the establishment of a working group comprised of HBRC staff, tangata whenua (Maungaharuru Tangitū Trust) and the Tūtira Community responsible for submitting a replanting recommendation to Council for approval.
4. A replanting plan (Attachment 2) has been created that recommends 51ha of the forest be retired to regenerate to native forest after the coming harvest, with 57ha retained in radiata pine and the balance of the 114ha lost to roading and skids. Staff believe this plan provides a good balance between the various objectives for the Park and recommend the Committee approves this Plan.

Background

5. The land that is now Tūtira Regional Park was purchased by Hawke's Bay Regional Council in 1998 and gazetted as a soil conservation reserve under the Soil Conservation and Rivers Control Act (1941) for the principle objective of soil conservation to maintain and improve the water quality in Lake Tūtira and Waikopiro. The secondary objective of purchase was to provide a quality outdoor recreation environment for the people of Hawke's Bay.
6. 78ha of pine forest had been established prior to HBRC ownership by the Guthrie Smith Trust in partnership with the Landcare Trust, and HBRC established a further 36ha during the year of purchase. All of the pine forest was established to provide rapid and effective erosion control, and eventually a financial return on investment.
7. In 2016 as the forest neared harvest age, feedback from Maungaharuru Tangitū Trust confirmed removing logs (approximately 2,000 truck and trailer loads) via the existing Park access would be culturally unacceptable as it would involve traversing an important waahi tapu site. Environment and Services Committee 15 March 2017 authorised the construction of access roading to the forest via easement over neighbouring land. This access is now complete, pending the construction of a bridge over the Kahikanui Stream to be completed this summer.
8. Significant interest from tangata whenua (Maungaharuru Tangitū Trust) and the Tūtira Community in the replanting plan for the Tūtira pine forest led to the establishment of a working group responsible for submitting a replanting recommendation to Council for approval. Staff updated Environment and Services Committee meeting 5 September 2018 on progress of the replanting plan for the Tūtira pine forest and were asked to return to the Committee with:
 - 8.1. Views of the community group for analysis and comparison with the status quo (radiata pine) option

- 8.2. Cost-benefit and financial analysis of options
- 8.3. A recommendation for Council to consider.

Discussion

9. The Tūtira Regional Park is an important HBRC strategic asset with a range of values. These and various other factors provide important context to the replanting decision:
 - 9.1. The primary statutory purpose of Tūtira Regional Park is as a Soil Conservation Reserve, and any management decisions and general operations on the Park must be consistent with that purpose
 - 9.2. The streams flowing through the Park, Lake Tūtira, and the Park itself are of great cultural and historic significance to Maungaharuru Tangitū hapū. The hapū have statutory acknowledgement of the Lake margins and own the stratum of the Lake, i.e. the space occupied by the water above the bed.
 - 9.3. The Trust, HBRC and other stakeholders have made a significant investment over many years in water quality improvement initiatives in the Lake, including in recent years more than \$4 million in the Tūtira Mai Ngā Iwi and Te Waiū o Tūtira Projects to restore the mauri and water quality of the Lake.
 - 9.4. HBRC is making significant investment of around \$1.1 million in roading, bridges, processing sites, and other forest infrastructure to enable harvest of the existing crop with least environmental impact. These costs comprise approximately 50% of the total net log revenue from this first harvest (Table 1 below). Once the harvest infrastructure is in place, subsequent harvest cycles will create less soil disturbance and give greater net returns.

Table 1: Tūtira Forest Harvest Infrastructure Costs

Expected Harvest Revenue	\$3,420,000
Incurred Costs	
Sealed category E accessway off State Highway 2	\$ 60,000
4.2 km metalled forestry road	\$ 400,000
Papakiri Stream bridge	\$ 146,000
Fencing	\$ 108,000
Estimated Costs Remaining	
Kahikanui Stream bridge	\$ 250,000
Ridgemount access road and land acquisition costs	\$ 120,000
HBRC contribution to Te Waiū Project sediment control	\$ 150, 000
Total estimated costs	\$ 1,134, 000
Estimated harvest revenue net of harvest infrastructure costs	\$2,286,000

- 9.5. The loss of canopy cover and root occupancy following harvest will create a “window of vulnerability” to erosion that will persist until they are re-established. The replanting plan must balance the long-term objective for the land with minimising the duration of this window.
- 9.6. The forest land has been classed as moderately to highly susceptible to erosion in the recently introduced National Environmental Standards for Plantation Forestry (2018) (Figure 1). As such, provided species prone to ‘wilding’ are not replanted and earthworks and logging meet the requirements of the Standards and best industry practice, there are no restrictions on replanting or future harvest operations.

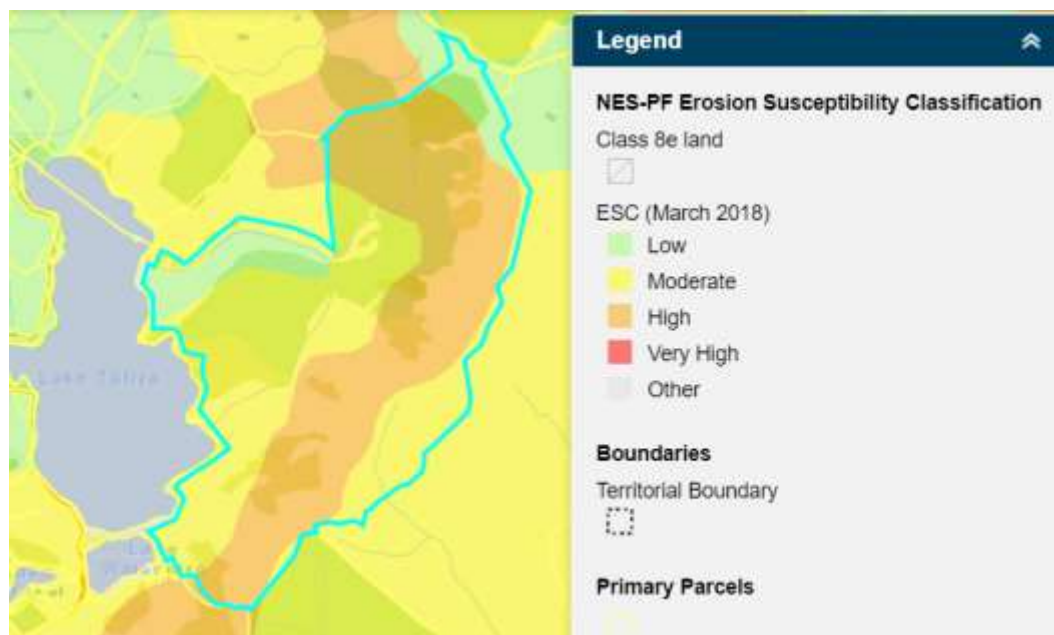


Figure 1: NES-PF Erosion Susceptibility Classification, Tūtira Regional Park

- 9.7. The pine forest comprises approximately 25% of the overall 464ha Tūtira Regional Park property. Attachment 3 is taken from the draft Tūtira Regional Park Management Plan and shows the proposed long-term vegetation plan for the entire property. It envisages that over time much of the Park will regenerate to native forest, with grassed areas maintained on the flats as existing and future campground area and a firebreak around these, as well as on hill tops and other sites to enable views over the Lake and the coast.

Options Assessment

Options Ruled Out

Full native reversion

10. Permanent native forest was deemed by the Working Group to be the most appropriate option for the forest in the long term on the basis of the obvious soil conservation benefits of unharvested forest, and cultural, aesthetic, and biodiversity values (Attachment 5).
11. However, total reversion of the pine forest to native following the coming harvest has been ruled out due to the reasons below.
 - 11.1. Native species are inherently slower growing than radiata pine and take longer to re-establish protective forest canopy and root occupancy following harvest, thereby extending the window of vulnerability to erosion during high rainfall events (Figure 2).
 - 11.2. Slow growth rates also make planted native vulnerable to being overwhelmed by plant pests. The difficulty of maintaining weed control in large areas of planted native entails significant risk of establishment and biosecurity failure and cost blowouts.
 - 11.3. Staff also consider wholesale conversion to native forest after the significant investment in harvest infrastructure (Table 1) is unlikely to be acceptable to ratepayers and a further commercial rotation is required to ensure a reasonable return on investment. In addition, easement terms commit HBRC to contribute to the ongoing maintenance of the access road and bridge on the northern landowner's property and retaining some commercial forest will help meet this cost.
12. It is recommended any retirement to native forest needs to proceed in a staged and manageable manner in order to manage the above risks.

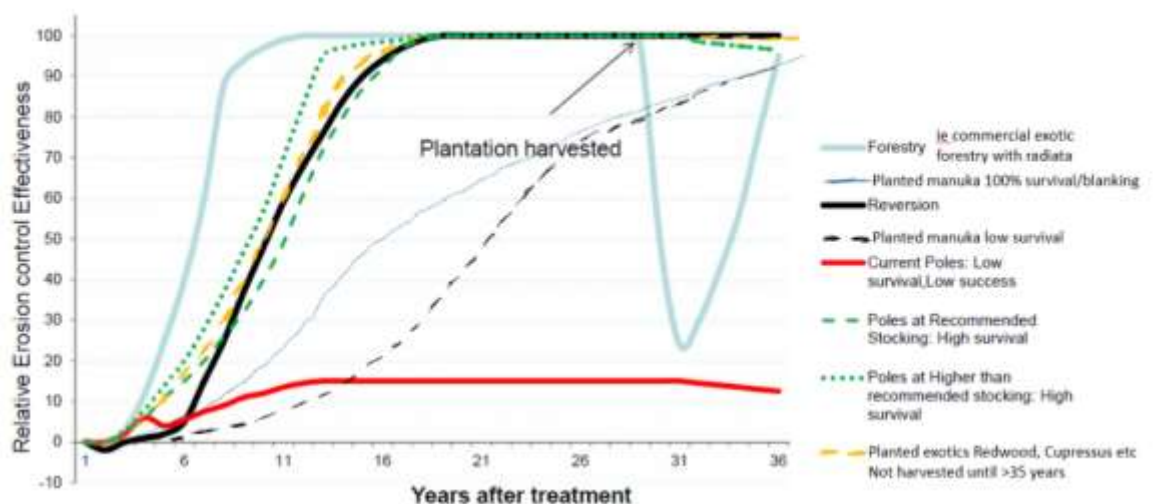


Figure 2: Relative Effectiveness of Afforestation Options (Marden, 2019)

Commercial Native Forest

13. Commercial native forest was ruled out as a replanting option due to the significant cost of establishment and maintenance, poor financial returns (Table 2), the unlikelihood of harvest being socially acceptable and able to proceed on a regional park in 60-80 years' time when the trees would be ready, and most importantly the slow establishment and therefore increased window of vulnerability to erosion (Figure 2). General consensus from the working group was that while commercial native crops may be suitable for other HBRC properties, native forest established on the Park should be done so permanently for the purpose of non-financial values.

Alternative commercial species

14. The replanting working group considered redwood, cypress, and dryland eucalyptus as commercial alternatives to radiata pine for the Tūtira replanting (Attachment 5). These species offer various benefits in terms of soil conservation and timber properties, including producing naturally durable timber that doesn't require chemical treatment and, in the case of redwoods and eucalyptus species, root systems that continue living and coppice after harvest, thereby maintaining a greater level of post-harvest erosion protection than radiata pine.
15. Alternative commercial species were ruled out for the following reasons:
 - 15.1. If the objective in the Park was to maintain commercial forestry in the long term, planting alternative commercial species, particularly those with coppicing ability, would warrant closer consideration, however, staff, tangata whenua and the Tūtira Community favour commercial forestry on the Park being phased out over time in favour of permanent native forest, and in that respect the rapid site reestablishment and native understorey and seedbank development provided by radiata pine is of more importance than the long term coppicing ability of eucalyptus and redwoods. Radiata pine is considered the best available tool for minimising erosion and plant pest risks while converting the forest to native in a staggered fashion over time.
 - 15.2. The recommended composite replanting option would see a significant reduction in the productive area of forest on the Park and staff consider it important to retain what remains in a species with a high certainty of financial returns. No alternative species can currently match radiata pine in that regard.

Mānuka plantation

16. Mānuka can serve as an effective nurse crop for further native regeneration while providing financial returns from honey production, but was ruled out as a large-scale replanting option for the following reasons:
 - 16.1. Establishing mānuka on cutover (logged) sites requires desiccating with a broad-spectrum herbicide to control any competing vegetation then planting the mānuka and maintaining weed control until establishment. The preferred option for restoring native forest in Tūtira cutover is targeting southern aspects near existing seed sources where regeneration potential is high, avoiding desiccation so the native seedbank built up over the 30-year rotation of pines is retained, and managing weeds as selectively as possible as they germinate with the native. This has been achieved successfully in other nearby HBRC properties in the past (Attachment 4) and is expected to provide for quicker and more effective establishment, a greater diversity of species, and lower establishment costs with a shorter window of vulnerability than directly planting mānuka or other native species (Figure 2).
 - 16.2. From a commercial view, in comparison to radiata pine, mānuka provides inferior financial returns (Table 2) and much slower establishment and therefore a greater window of vulnerability to erosion.

Table 2: Indicative NPV per ha of Different Species Options Calculated Using Right Tree Right Place Model (no carbon or planting subsidies)

Species and Regime	NPV per ha (60yrs)
Prad; unpruned, thinned	\$3337
Prad; unpruned, unthinned	\$2959
Prad; pruned, thinned	\$1939
Redwood	\$714
Dryland Eucs	\$242
Cypress (C.macrocarpa, C.lusitanica)	\$-266
No planting, reversion	\$-856
Dfir; unthinned	\$-1750
Manuka	\$-3055
Dfir; thinned	\$-3305
Native timber species (Rimu, Totara, Kauri)	\$-4191

Replanting Options for Council Consideration

17. Two options are presented for Council consideration.

Option 1: Full Radiata Pine Replant (status quo option)

18. Radiata pine is a rapid growing species with a wide site tolerance that quickly forms protective canopy cover and root mass to reduce erosion, while providing healthy financial returns through quick rotations of timber with well-established markets, and rapid carbon sequestration. It currently has no serious pest or disease problems in Hawkes Bay.
19. Disadvantages of radiata pine in terms of soil conservation are the quick (~3 years) loss of root strength following harvest, relative to other (especially coppicing) species, and also the relatively short rotations (~30 years) of forest growth between the 'windows of vulnerability' associated with harvest. Other disadvantages often cited are the aesthetic impact and the market and pest and disease risks associated with the overwhelming dominance of radiata pine in the New Zealand forest estate.

20. Especially recently, radiata pine has been associated with severe slash damage following extreme weather events. However, this is a result of probability due to the species comprising more than 90% of commercial forest area in the country rather than it being a casual factor itself. All commercial species are subject to slash management risks.
21. Staff consider a full replant of radiata pine in the Tūtira Regional Park is not appropriate for the following reasons:
 - 21.1. The recommended option more appropriately provides for the various Park values and the aspirations of tangata whenua and the Tūtira Community.
 - 21.2. Radiata pine was a good choice when established and has done an extremely effective job of controlling erosion on the Tūtira Regional Park for close to 30 years. The landscape has changed since the time of establishment, and there are now good native seed sources around the forest and in the forest understorey. Post-harvest conversion to native provides an opportunity to convert to permanent native forest at a fraction of the cost of planting 'greenfield' or new sites.

Option 2: Composite Option (Recommended Option)

22. Staff consider the composite option recommended by the Working Group most effectively caters for the various values of the Park and demonstrates smart sustainable land use, by utilising the strengths of different replanting options as appropriate. Features of the recommendation are:
 - 22.1. Radiata pine is retained as the commercial species of choice. Radiata is the species most able to establish erosion control quickly and effectively on a range of sites and pruned stands provide good conditions for native understorey species and further development of a native seedbank to assist further native retirement in future rotations. No other species currently delivers the level or certainty of financial returns of radiata pine, and well-established local processors (Pan Pac, Napier Pine) are available, contributing to the regional economy and minimising the carbon footprint of log transport. Markets exist for even small grades of radiata pine (export grades down to 10cm small end diameter (SED), thereby maximising the volume of wood that can be removed from slopes, a factor of particular importance given the Regional Park status of the land.
 - 22.2. Conversion to native forest has been targeted for southern slopes near existing native seed sources and will occur through natural regeneration of the existing native seedbank and targeted weed control rather than direct planting. Experience in similar sites in the nearby Tangoio Soil Conservation Reserve and advice from experts suggests these sites will regenerate more rapidly and effectively and at much lower cost than is possible by planting.
 - 22.3. The area of forest closest to the Lake front will be retired to native forest due to its prominent visibility in the Park landscape, and a large riparian buffer around the Kahikanui Stream will be retired in order to maximise the health of the stream.
 - 22.4. Replanting areas are aligned to harvest setting boundaries ensuring future logging does not compromise regenerating native and vice versa. It is important to note, these boundaries may vary from what is currently planned as logging operators reassess and adjust the plan according to conditions on the ground at the time of logging.

Financial Analysis

23. Financial analysis of the two replanting options is summarised in Table 3 below. 7.5% was chosen as the most appropriate discount rate based on advice in HBRC's 2019-2020 Forest Estate Valuations. NPVs at a range of other discount rates demonstrate sensitivity.

Table 3: Summary of Financial Analysis (NPVs)

Discount rate	Option 1 (Status Quo) NPV	Option 2 (Composite Option) NPV
0%	\$ 4,846,887	\$ 2,906,124
3%	\$ 1,526,870	\$ 949,493
4%	\$ 995,961	\$ 623,578
5%	\$ 620,057	\$ 388,408
6%	\$ 354,104	\$ 218,672
7%	\$ 167,031	\$ 96,272
7.5%	\$ 95,080	\$ 48,608
8%	\$ 34,323	\$ 8,219

24. Undiscounted cashflows are significantly greater in the full radiata pine replant than the mixed native option. Though this difference decreases as a total value with increasing discount rates, as a proportion it remains around double at the selected discount rate of 7.5%.
25. It is important to note that carbon sequestration has been accounted for in the financial analysis on the basis that 'safe carbon' (ie NZU that can be sold with no future harvest liability) generated by each option will be sold as it is earned (Figure 4). Failing to do so would alter the NPVs to those shown in Table 4 below. The Option 1 values have barely changed as a second rotation of radiata pine wouldn't generate safe carbon until around 2051 and this would be only a small volume. The NPV of Option 2 however is very dependent on the slow but steady generation of 'safe' NZU that can be sold early in the rotation (from 2031) and NPVs drop significantly when this doesn't happen. Figure 4 shows the NZU profile of each option.

Table 4: Summary of Financial Analysis (NPVs)- No Carbon Sales

Discount rate	Option 1 (Status Quo) NPV	Option 2 (Composite Option) NPV
0%	\$ 4,840,926	\$ 2,347,980
3%	\$ 1,526,870	\$ 656,937
4%	\$ 995,961	\$ 384,649
5%	\$ 620,057	\$ 192,100
6%	\$ 354,104	\$ 56,451
7%	\$ 166,347	-\$ 38,520
7.5%	\$ 94,491	-\$ 74,505
8%	\$ 34,323	-\$ 04,372

26. It is sometimes suggested that NZU earned from permanent native forest may fetch greater prices in the carbon market than those earned in plantation forest, but this has not occurred consistently to date and this analysis has used the same carbon price for both options.

Strategic Fit

27. By balancing the primary legislated objective of soil conservation with financial considerations and tangata whenua and community desires, the recommended option provides Council with an opportunity to demonstrate the Strategic Plan Goal of smart, sustainable land use.
28. The decision also relates to water quality, safety and certainty in that effective planning and implementation will ensure minimal disruption to ongoing erosion protection, whereas ineffective planning and implementation has the potential to increase sediment losses to waterways.

29. Effective planning and implementation will also contribute to the Strategic Plan Goal of healthy and functioning biodiversity through the restoration of the natural landscape and indigenous forest ecosystem.

Significance and Engagement Policy Assessment

30. The Tūtira Regional Park is an important strategic asset of great significance to tangata whenua and the Tūtira Community. Both these groups have had significant input into the decision-making process and will have a high degree of interest in the outcome. Adoption of the recommended option will promote community outcomes and Council strategic priorities.
31. In effectively halving the production forestry element of the forest, the decision does have financial implications to ratepayers. In saying that, the level of these impacts is less than might be expected (Table 3) due to an interplay of the rapid carbon sequestration of the pines and the slow but permanent sequestration of the native, and the decision will not materially impact rate or debt levels or the levels of service identified in the current long-term plan. In summary, the significance of the decision is assessed as medium.

Climate Change Considerations

32. As climate change patterns continue, dry conditions will increase the difficulty of successfully establishing forests. Particularly in erosion-prone sites such as Tūtira, it is important to establish species that will 'thrive' rather than just 'survive' as poor site establishment will increase the post-harvest window of vulnerability to erosion in increasingly frequent extreme weather events. This replanting plan has accounted for this.
33. As a large-scale and high-profile native reversion project, implementation of the recommended replanting option would provide a valuable demonstration for forest owners in similar situations around the region.
34. Because the Tūtira Pine Forest was already 10 – 17 years old when it was registered in the Emissions Trading Scheme in 2008, it has accumulated very little 'safe' carbon and virtually all NZU earned in the forest will be lost at harvest (Figure 4). This will not impose a cost liability on HBRC as the NZU remaining in other forests will absorb the loss.
35. Though a full radiata pine replant would restore carbon stocks most rapidly, in the long term, as it will not be harvested, permanent native forest will store greater volumes (Figure 3, Figure 4).

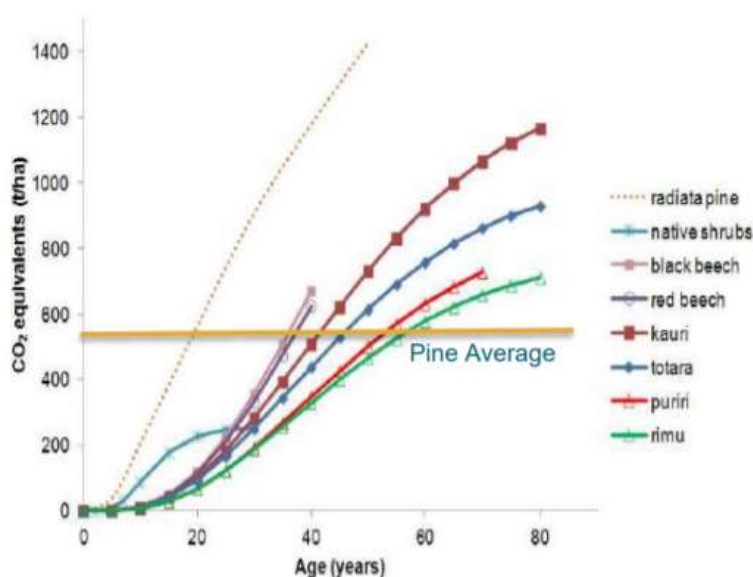


Figure 3: Predicted Carbon Sequestration Rates on Average Sites for Selected Native Tree Species and Radiata Pine (Te Uru Rākau, 2018)

36. Figure 4 below shows the two replanting options alongside a baseline (dashed line) that excludes the Tūtira NZU balance altogether, and demonstrates how the full radiata pine replant option would build to an extra 5,500NZU around 2049, whereas sequestration in the recommended option would exceed it from that point.



Figure 4: HBRC Forest Estate Carbon Analysis- Influence of Tūtira Replant Options

Considerations of Tangata Whenua

37. Tangata whenua have made the cultural history and values of the Tūtira area clear in a Statement of Association provided during Treat settlement negotiations and during regular discussion in regard to general Tūtira Regional Park and Tangoio Soil Conservation Reserve planning.
38. Regarding the pine forest replanting specifically, staff have consulted extensively with the Trust over recent years, both in the replanting working group and separately. The Trust has clearly expressed the desire of tangata whenua to see the Tūtira Regional Park landscape restored to native forest, as a land use that provides for greater biodiversity and cultural value, a more appropriate framing of the Lake and the pā sites on the Park, and in the long term is likely to reduce the risks of soil erosion and loss of sediment to Lake Tūtira.

Financial and Resource Implications

39. The budget for replanting and managing the harvested forest was created in the 2018-2028 long term plan period on the basis of a full radiata pine replant. Costs of the recommended option presented to Council will create year to year variation from what has been budgeted, particularly given harvest and therefore replanting will occur later than originally planned, but the total establishment costs are not materially different. \$60,000 was allocated to replanting capital expenditure in the 2018 LTP, and as none of this will be spent it will need to be made available in the 2021 LTP.
40. Though budgeting in the last LTP period was based on an unpruned radiata pine regime, given the recreational and aesthetic value of the forest, this paper recommends a pruned regime. This would require \$30,000 additional operational funding in the 2027 financial year. All of these costs have been included in 2021-2031 LTP budgets.
41. Approval of the recommended replanting option will see approximately 50% of the forest retired from productive use and financial returns from the next (2052-2060) harvest reduced accordingly (Table 3).

Consultation

42. The consultative process for the Tūtira pine forest replanting is described in detail in Environment and Services Meeting 5 September 2018. In brief, a Working Group comprised of HBRC staff, tangata whenua (Maungaharuru Tangitū Trust) and Tūtira Community representatives, and soil conservation and open spaces consultants agreed

the values of the Regional Park, ascribed a weighting to each value in terms of its relative importance, then ranked a series of replanting options in terms of how they best provided for those values (Attachment 5).

43. Native forest was the replanting option determined by this process to best provide for the various park values. This remains the case after the weighting given economic values was increased and other values decreased pro rata as requested by Council in Environment and Services 5 September.
44. Recently, Pan Pac harvest planners have confirmed harvest planning for the forest, thereby allowing the replanting plan to be confirmed also. The two plans need to be complementary so boundaries of areas to be retired in native align with logging 'setting' boundaries and future logging does not therefore damage or become restricted by regenerating native forest.
45. A final meeting of the Working Group on 3 September 2020 confirmed the replanting plan to be proposed to Council. This plan is shown as Attachment 2.
46. Working Group Terms of Reference have been clear from the outset that the recommendation put to Council is not binding and Council has discretion to make the final decision.

Decision Making Process

47. Council and its committees are required to make every decision in accordance with the requirements of the Local Government Act 2002 (the Act). Staff have assessed the requirements in relation to this item and have concluded:
 - 47.1. The decision does not significantly alter the service provision or affect a strategic asset, nor is it inconsistent with an existing policy or plan.
 - 47.2. The use of the special consultative procedure is not prescribed by legislation.
 - 47.3. The decision is not significant under the criteria contained in Council's adopted Significance and Engagement Policy.
 - 47.4. The persons affected by this decision are all persons with an interest in the region's management of natural and physical resources under the RMA and in particular hapū represented by the Maungaharuru Tangitū Trust and the Tūtira Community

directly with the community or others having an interest in the decision.

Recommendations

1. That the Environment and Integrated Catchments Committee receives and considers the *"Tūtira Regional Park Pine Forest Replanting Plan"* staff report
2. The Environment and Integrated Catchments Committee recommends that Hawke's Bay Regional Council:
 - 2.1. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted Significance and Engagement Policy, and that Council can exercise its discretion and make decisions on this issue without conferring directly with the community or persons likely to have an interest in the decision.
 - 2.2. Approves the Replanting Plan for the Tūtira Forest as proposed and presented as Option 2, consisting of approximately 57 hectares of radiata pine and 51 hectares of native regeneration.

Authored by:

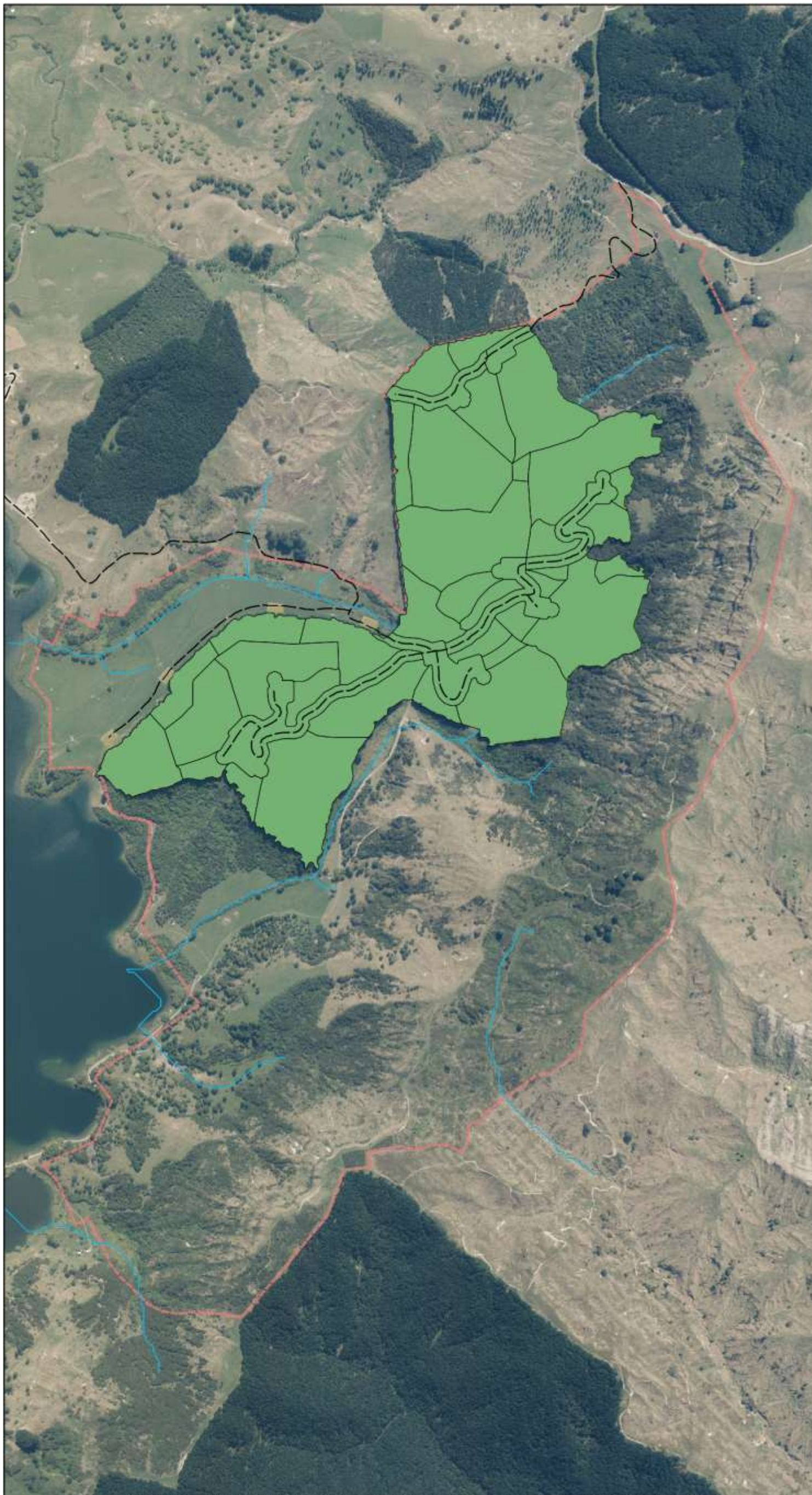
Ben Douglas
FOREST MANAGEMENT ADVISOR

Approved by:

Chris Dolley
GROUP MANAGER ASSET MANAGEMENT

Attachment/s

- [↓1](#) Tūtira Regional Park Replanting Plan Option 1 Status Quo Full Radiata Pine Replant
- [↓2](#) Tūtira Regional Park Replanting Plan Option 2 Composite Option
- [↓3](#) Tūtira Regional Park Draft Long Term Vegetation Plan
- [↓4](#) Native Reversion in HBRC Managed Properties in the Tūtira Tangoio District
- [↓5](#) Multi Criteria Analysis



- Legend**
- Harvest Roads
 - Harvest Settings
 - Rivers
 - - - Tūtira Park
 - Pinus Radiata

**Tutira Regional Park
Pine Forest Status Quo
Replanting Option**



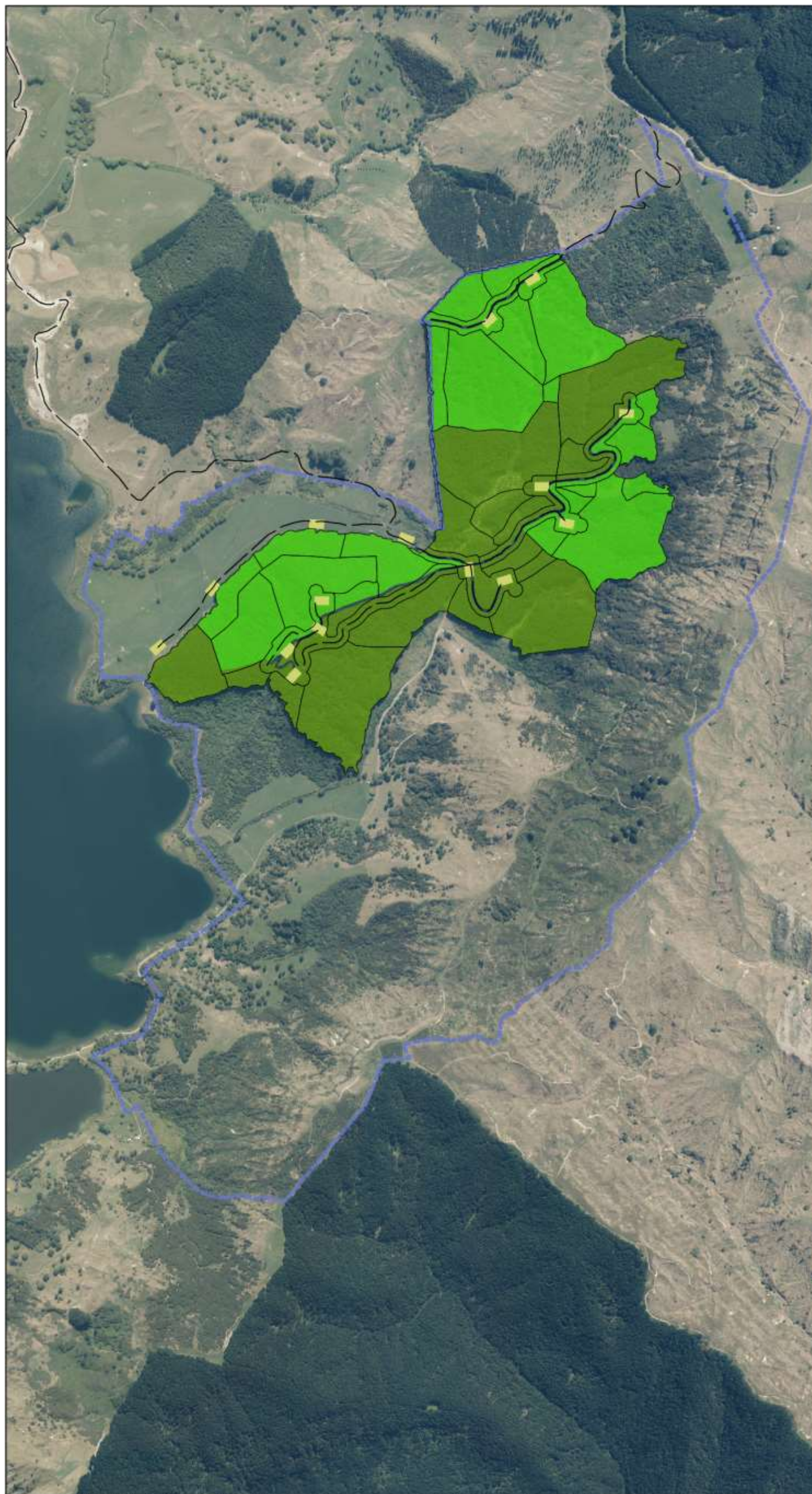
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Legend

- Harvest Roads
- Harvest Settings
- ▭ Tutira Regional Park Boundary
- Composite Option Replant**
 - Native vegetation
 - Pinus Radiata

Tutira Regional Park Pine Forest Composite Replanting Option

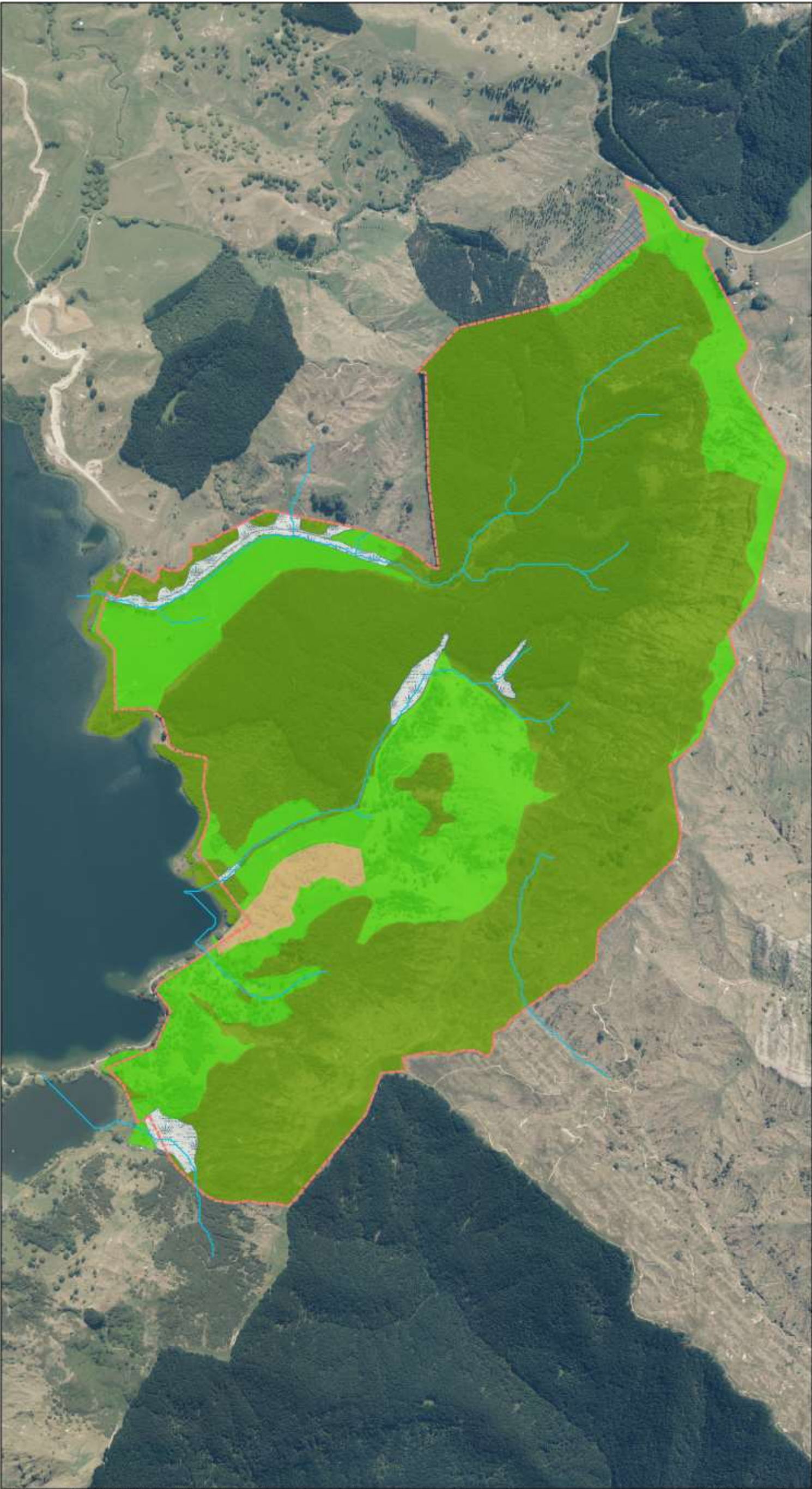


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Date Printed: 17/01/2021



Legend

- Rivers
- Tutira Regional Park Boundary
- Simplified_Descr**
- Arboretum
- Native Vegetation
- Pasture
- Land Acquisition
- Wetland

**Tutira Regional Park
Draft Long Term Landuse Plan**



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Native Reversion in HBRC Managed Properties in the Tūtira / Tangoio District



Native understorey on southern face, Tūtira Pine Forest



Te Pā o Toi. Pā site in the Tangoio Soil Conservation Reserve, logged 1993 and left to regenerate with no planting. Photo taken 2020.



Compartment 2.04 Tangoio Soil Conservation Reserve. Native regeneration amongst pine planted in 2014 following logging in 2013. Photo taken 2019.

Item 7

Attachment 4



Tutira Regional Park Management Plan - Multi-Criteria Analysis (MCA) Aug 2017

Value	Description	Responsibility	Weighting	Control Scenario	1	2	3	4	5	6	7	8	9	10
				Pine Forest	Redwood	Dryland Forest	Native Forest	Manuka	Managed Native Regen	Native Regen via Nurse Crop	Arboretum/Park	Unmanaged Native Regen	Grazing	Composite Option
				Commercial radiata pine forest established to industry best practice	Commercial redwood forest established to industry best practice	Commercial eucalyptus forest established to industry best practice	Commercial native forest with 50 year selective harvesting with up to four pruning events	Planting of manuka similar to other areas of the park, allow for honey production	Encourage native revegetation of the site with ongoing pest and weed control as required	Establish space-planted nurse crop (eg tree lucerne) allowing native to regenerate naturally with pest and weed control	Mixed species, both native and exotic, planted in park like manner, tree protected and area grazed	Leave logged area untouched and allow to regenerate naturally with no pest or weed control; No harvesting	Fence and grass area for grazing of stock (sheep and/or cattle)	Composite option, a mixture of pine forest and managed native regeneration
Soil Conservation	Protection of the soil from sediment loss, nutrient loss and supports / promotes water quality improvement within Lakes Tutira / Waikopiro and tributaries.	HBRC Scientists	35%	Same 3	Slightly Better 4	Slightly Better 4	Slightly Better 4	Moderately Worse 1	Slightly Worse 2	Slightly Better 4	Slightly Worse 2	Slightly Worse 2	Significantly Worse 0	Moderately Better 5
Economic	Overall financial return, considering costs to establish and maintain, net present value of potential returns, Potential for returns to support / maintain water quality improvement initiatives.	HBRC Forestry Assets	30%	Same 3	Slightly Worse 2	Slightly Worse 2	Significantly Worse 0	Moderately Worse 1	Significantly Worse 0	Significantly Worse 0	Significantly Worse 0	Significantly Worse 0	Significantly Worse 0	Moderately Worse 1
Cultural	Encompasses Hapu values for the Lakes and Taikiwa. Considers contribution to and / or impacts on sites of significance within or neighbouring the Tutira Regional Park.	Maungaharuru Tangitō Trust	8.75%	Same 3	Slightly Better 4	Slightly Worse 2	Significantly Better 6	Significantly Better 6	Significantly Better 6	Significantly Better 6	Slightly Better 4	Significantly Better 6	Significantly Worse 0	Significantly Better 6
Biodiversity	Contribution to enhancement of biodiversity values, including flora and fauna (excluding effects of water quality).	Working Group	8.75%	Same 3	Moderately Worse 1	Slightly Worse 2	Significantly Better 6	Moderately Better 5	Significantly Better 6	Significantly Better 6	Slightly Better 4	Slightly Better 4	Significantly Worse 0	Significantly Better 6
Landscape Amenity	Perceptual value to the wider community and park users on the landscape value and aesthetic quality.	Working Group	8.75%	Same 3	Same 3	Same 3	Significantly Better 6	Slightly Better 4	Significantly Better 6	Significantly Better 6	Significantly Better 6	Same 3	Same 3	Significantly Better 6
Education / Recreation	Opportunity or effects on education and / or recreation.	Working Group	8.75%	Same 3	Same 3	Same 3	Moderately Better 5	Moderately Better 5	Moderately Better 5	Moderately Better 5	Significantly Better 6	Same 3	Same 3	Moderately Better 5
100%														
Total Score				18	17	16	27	22	25	27	22	18	6	29
Weighted Score				3.0	3.0	2.9	3.4	2.4	2.7	3.4	2.5	2.1	0.5	4.1
General comments	Capture any comments, observations, concerns or ideas	All	0	Rapid establishment and occupancy of site. Lowest cost option Highest financial return option. Best weed control and erosion control Public perception More frequent harvest	Longer rotation than pine Higher recreational / aesthetics value long term Potential coppicing/soil protection Relatively frequent harvest No local market established	Potential for niche markets Relatively frequent harvest Potential fire risks Genetic development still in early stages Unproven species. Pest and insect risks.	Longer rotation Native/public perception Potential cash return Enhanced biodiversity value Unknown returns Slow establishment Poor early erosion protection. Weed control and pest costs	Economic potential - contribute to honey production elsewhere in Park Enhance biodiversity / ecological value Educational value Culturally acceptable Untested financial return Slower provision of erosion protection Moderate cost Genetic development at early stage Weed control costs	No further harvest disruption Native/public perception Potential biodiversity value Slow establishment Slower provision of erosion protection Weed control and pest costs	No further harvest disruption Native/public perception Potential cash return Potential biodiversity value Slow establishment Slower provision of erosion protection Weed control and pest costs	Vista enhanced. Recreational values enhanced Ongoing maintenance. Arboriculture costs. Pests and weeds. Competing with Guthrie Smith	Low cost reestablishment. Poor quality result likely. Natives will succumb to grass and weeds. Erosion exacerbated from slow return to tree cover.	Fire risk reduced. Fences will need upgrading/investment. Weeds will require control in early years. Erosion exacerbated. Erosion exacerbated.	Less future harvest disruption Native/public perception Balances financial and non-financial values and risk Allows targeted planting as appropriate Lower financial returns than status quo Higher weed control costs than status quo

Scoring System

Question: How does the scenario being considered compare to the control scenario?

Description	Points
Significantly Worse	0
Moderately Worse	1
Slightly Worse	2
Same	3
Slightly Better	4
Moderately Better	5
Significantly Better	6

HAWKE'S BAY REGIONAL COUNCIL
ENVIRONMENT AND INTEGRATED CATCHMENTS COMMITTEE

Wednesday 03 February 2021

Subject: FUNDING THE EROSION CONTROL SCHEME

Item 8

Reason for Report

1. This item seeks support and a recommendation from the Committee to Council to fund Erosion Control Scheme projects committed to for the 2020-21 financial year through bringing planned funding / borrowing from the 2027-28 financial year forward into the current financial year's budgets.

Officers' Recommendation

2. Council officers recommend that the Committee notes the success in engaging landowner interest in the Erosion Control Scheme and waterway and ecosystem restoration activities, and agrees to bring forward borrowing and funding from future years to meet the budget requirements of committed projects in FY 20-21.

Executive Summary

3. Catchment Delivery staff engagement with landowners has gained real traction this financial year, with demand for funding exceeding available budget as a result of significant landowner interest and leveraged Jobs for Nature co-funding for Council's Erosion Control Scheme (ECS). As a result, significant uptake over and above planned expectations for the ECS, and commitments from landowners now exceed available budget for this financial year.
4. Furthermore, this oversubscription is exacerbated by the conditions of leveraged Jobs for Nature funding from Central Government for riparian fencing to protect our waterways (Public Waterways & Ecosystem Restoration Fund).
5. A number of options are available, as discussed in the Options Assessment section of this item, however staff recommend an acceleration of planned funding (in later years) into the current financial year to maintain interest in the programme, meet demand and achieve outcomes sooner.
6. A discussion with Council around the total programme budget and funding requirements will form part of the ongoing development of the 2021-31 LTP.

Erosion Control Scheme

7. The ECS was approved by Council in the 2018-28 LTP, with \$30 million expenditure over the 10 years of the LTP. The ECS is a key tool for Catchment Management staff to engage with and support landowners with land at high risk of erosion.
8. The ECS is operational expenditure (not capital) because the investment doesn't create a Council asset or sit on our balance sheet. The ECS was budgeted with the intent that the \$30 million would be funded 75% by HBRC by way of public funded borrowing, and 25% by the farmers. The programme spans 10 years, with the cost of loan repayments and interest being spread over 20 years.
9. A key assumption within the financial budgeting was that landowners would prefer to contribute their 25% via a Voluntary Targeted Rate (VTR) rather than pay up-front. This meant Council would borrow the full \$30M over the 10-year life of the LTP and landowner contributions would be fully recovered over 20 years. (i.e. VTRs taken up in year 10 of the LTP would be repaid in full by 2037-38).
10. This financial assumption has not been realised and as the programme has been operationalised landowners have not taken up the VTR option, preferring to pay up front.

11. Based on what we now know, this means Council's spend over the 10 years would actually only be \$22.5M as solely comprising the Council contribution.
12. The ECS uptake has been steadily gaining momentum:
 - 12.1. Updated - additional area of highly erodible land planted in trees
 - 12.1.1. 2018-19 – 94 ha
 - 12.1.2. 2019-20 – 667 ha
 - 12.1.3. 2020-21 – 916 ha, first half of the year
 - 12.2. Updated - additional kilometers of riparian margin protected annually (both sides of a waterway)
 - 12.2.1. 2018-19 – 8 km
 - 12.2.2. 2019-20 – 27 km
 - 12.2.3. 2020-21 – 24 km, first half of the year
13. The scheme is currently budgeted to run through until 2027-28 so consideration should be given to Council's appetite to fund the programme beyond this time. Staff anticipate, based on the success of this programme and similar programmes from around New Zealand, that demand would be sustained or possibly increased as further regulatory drivers see a change in farming practice.

Jobs for Nature (shovel ready projects)

14. In June/July this year staff worked with the Provincial Growth Unit (PDU) on a large riparian project that proposed leveraging existing ECS budgets. Staff spent time approaching landowners to identify properties which could be worked on and what the total costs would be. Staff at the PDU were very supportive and sent strong signals that the work would be funded. Unfortunately, very late in the process a ministerial decision resulted in this proposal being rejected and instead passed across to the MfE to consider.
15. The MfE project that we have contracted is significantly smaller in size than originally anticipated and is required to be spent over a condensed timeframe. It has taken some months to get clarity on the scope of the project and confidence in funding being secured. In the meantime, with uncertainty about funding for this new programme, catchment staff continued to work with landowners to secure ECS projects for delivery.
16. In November 2020, leveraging \$2.1 million from our existing ECS programme, we contracted with MfE's Public Waterways and Ecosystem Restoration Fund for \$2.1 million over 2 years.

	2020-21	2021-22	Total
Contribution from HBRC (via Erosion Control Scheme Budget)	\$1.575m	\$0.525m	\$2.1m
Contribution from Public Waterways & Ecosystem Restoration Fund	\$1.575m	\$0.525m	\$2.1m

17. The expected outputs from this funding is to spend it across 50 farms, 50 fencing jobs (400 weeks of work for fencers), resulting in 200 km of new fencing, and 1,200 ha of new area retired and available for planting or regeneration.

Budget deficit FY20-21

18. Due to positive engagement with landowners, we are now in a position where demand for the Erosion Control Scheme programme this financial year (FY2020-21) is exceeding the available annual budget. The success of the programme is a good news story, but is now creating some financial challenges.
19. The budget requirement is exacerbated further by the late addition of the MfE Public Waterways & Ecosystem Restoration Fund projects (Jobs for Nature) and the need to provide match funding for this.

20. The forecast budget deficit for FY2020-21 is \$2.45m.

	Forecast	Budget	Deficit
Indicative commitments – Erosion Control Scheme 20-21	\$3.1m	\$2.25m	(\$0.85m)
Public Waterways & Ecosystem Restoration Fund projects 20-21	\$1.6m	-	(\$1.6m)
Total	\$4.7m	\$2.25m	(\$2.45m)

21. Catchment staff, when building the programme and associated budgets in 2017-18 had based operational activity on a proposed total spend of \$30m over the 10 years of the LTP, and will request that the planned Council contribution funding/borrowing is increased to \$30m in the 2021-31 LTP to meet the anticipated demand and removal of the VTR option. This change will be discussed as part of the LTP budget discussions.

Options Assessment

22. The options considered to address the FY20/21 deficit are:
- 22.1. Bring forward funding from outyears to cover deficit in FY20/21 and continue committed ECS projects and new Jobs for nature projects.
 - 22.2. Utilise some of the HBRC Recovery Fund and defer projects for both the Erosion Control Scheme and Jobs for nature.
 - 22.3. Defer Jobs for Nature and ECS projects to fit within existing budget profile.

Option 1: Preferred option – bring forward funding to FY20-21

23. The original ECS programme as outlined in the 2018-28 LTP allowed for \$22.5M public funded borrowing over 10 years. The preferred option to meet the interest and demand for the ECS, and to accommodate the new Jobs for Nature projects, is to bring forward \$2.45M funding to 2020-21, from the last year of the programme (2027-28).

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	Total
Erosion control scheme	\$1.05m	\$1.85m	\$3.1m	\$1.97m	\$2.47m	\$2.47m	\$2.55m	\$2.55m	\$2.37m	-	\$20.4m
Jobs for nature projects			\$1.6m	\$0.5m							\$2.1m
Total proposed	\$1.05m	\$1.85m	\$4.7m	\$2.47m	\$2.47m	\$2.47m	\$2.55m	\$2.55m	\$2.37m	-	\$22.5m
Original programme	\$1.12m	\$1.5m	\$2.25m	\$2.47m	\$2.47m	\$2.47m	\$2.55m	\$2.55m	\$2.55m	\$2.55m	\$22.5m

24. This option allows the commitments made to landowners for ECS projects to be honoured, and allows the momentum gained from discussions with landowners on the Jobs for Nature opportunities to be capitalised.

Option 2: Utilise Recovery Fund and defer projects

25. To date, \$300k of the \$1m Recovery Fund has been committed to support the Porangahau Catchment Group Freshwater Improvement Fund funded (FIF) project. This project is into the final round of assessment before contracting. There is \$700k remaining, of which \$400k was earmarked for our Ahuriri FIF application, which was since been declined. The final \$300k has been earmarked for Asset Management to utilise as leverage for future funding (e.g. MfE's second round of FIF funding in February). This means there is \$700K of funding that at this point does not have a clear project to utilise it.
26. If we were to utilise the \$700k of the Recovery Fund, we would need to defer \$1.25m of committed ECS projects, and \$0.5m of the Jobs for nature projects, into 2021-22. This would also reduce the total amount of new projects that could be taken up in the 2021-22 financial year to only \$225k. Currently there is \$3m worth of projects 'on the books' that could be contracted next financial year.

	20-21	21-22
Defer Erosion Control Scheme 20-21 (via contract variations)	\$1.85m	\$1.25m
Defer Public Waterways & Ecosystem Restoration Fund projects 20-21	\$1.1m	\$0.5m
Remaining Public Waterways & Ecosystem Restoration fund projects 21-22	0	\$0.5m
Remaining budget for new Erosion Control Scheme projects 21-22	0	\$0.225m
Total expenditure	\$2.95m	\$2.475m

Funded by:

	20-21	21-22
Erosion control scheme rates funded borrowing (budget)	\$2.25m	\$2.475m
HBRC Recovery fund borrowing	\$0.7m	0
Total funding	\$2.95m	\$2.475m

27. Assessment of which projects to defer would be based on a prioritization of the most erodible land, and the majority of the deferrals would require contract variations to be drawn up. This option is less preferred due to the potential impacts on HBRC reputation and credibility with landowners and Ministries.

Option 3: Defer projects to fit existing budget profile

28. To fit the budget profile, \$850k of ECS committed projects would need to be deferred from 20/21 to next financial year via contract variations.
29. The Jobs 4 Nature projects would need to be deferred to the following 2 financial years. This would severely limit the amount of new ECS projects that could be taken up next financial year.
30. As with option 2, deferring projects would risk potential impacts on HBRC's reputation and credibility with landowners and Ministries.

	20-21	21-22	22-23
Defer Erosion Control Scheme 20-21 (via contract variations)	\$2.25m	\$0.85m	0
Defer Public Waterways & Ecosystem Restoration Fund projects 20-21	0	\$1.6m	\$0.5m
Remaining budget for <u>new</u> Erosion Control Scheme projects	0	\$0.025m	\$1.975m
Total expenditure	\$2.25m	\$2.475m	\$2.475m

Funded by:

	20-21	21-22	22-23
Erosion control scheme rates funded borrowing (budget)	\$2.25m	\$2.475m	\$2.475m
Total funding	\$2.25m	\$2.475m	\$2.475m

Strategic Fit

31. The ECS seeks to help address three of the four focus areas of the HBRC Strategic Plan 2020-2025, being:
- 31.1. Water quality, safety and climate-resilient security
 - 31.2. Healthy, functioning and climate-resilient biodiversity
 - 31.3. Climate-smart and sustainable land use.

Significance and Engagement Policy Assessment

32. The decision being sought is considered to be of low significance, due to the financial impact on rates from the preferred option being built into the 2021-31 LTP and therefore the public will be informed of the decision rather than consulted ahead of the decision being made.

Climate Change Considerations

33. As highlighted under Strategic Fit the ECS has a major role to play in helping to improve climate change resilience for farms across the Hawkes Bay region. Main areas of impact include, shade, shelter, habitat, biodiversity, land stability, effective land use and productivity.

Considerations of Tangata Whenua

34. Tangata Whenua will benefit from the decision to bring borrowing forward, as several projects for this current financial year are planned for Māori land and include a significant amount of leveraged funding from Central Government.

Financial and Resource Implications

35. The financial implications of the preferred option to bring forward ECS funding into 2020-21, is an additional \$142k per annum to the general rate funding requirements, from 2021-22 when repayments would begin.

Consultation

36. Ongoing consultation with MFE to ensure project and reporting clarity, and with landowners around eligibility of projects, grant amounts and project timing.

Managing Oversubscription

37. As noted above, engagement with central government funders on the riparian project was problematic and caused delays, resulting in staff continuing to work with landowners to secure ECS projects while uncertainty remained about government funding.
38. Catchment management staff are currently reviewing other aspects of the Erosion Control Scheme, to ensure the best value can be gained from the Council Funding. A review of the ECS grant policy is underway, with an option to reduce the grant rate from 75% to 50% of total project costs for new applications to make Council funding go further.
39. As the programme has ramped up in size and scale, Catchment staff are working with ICT to scope improvements for our technical set-up, a Customer Relationship Management (CRM) database, to improve clarity on financial implications of the pipeline of proposed works including alternative funding included by funding by type and percentage. This work will now be prioritised and completed this financial year to ensure comprehensive management of budgets and the supply 'pipeline' of work committed.

Decision Making Process

40. Council and its committees are required to make every decision in accordance with the requirements of the Local Government Act 2002 (the Act). Staff have assessed the requirements in relation to this item and have concluded:
 - 40.1. The decision does not significantly alter the service provision or affect a strategic asset, nor is it inconsistent with an existing policy or plan.
 - 40.2. The use of the special consultative procedure is not prescribed by legislation.
 - 40.3. The decision is not significant under the criteria contained in Council's adopted Significance and Engagement Policy.

- 40.4. The persons affected by this decision are the current landowners who have applied for funding from the ECS for 2020-21 as well as future applicants to the scheme.
- 40.5. Given the nature and significance of the issue to be considered and decided, and also the persons likely to be affected by, or have an interest in the decisions made, Council can exercise its discretion and make a decision without consulting directly with the community or others having an interest in the decision.

Recommendations

1. That the Environment and Integrated Catchments Committee receives and considers the “Funding for Erosion Control Scheme” staff report.
2. The Environment and Integrated Catchments Committee recommends that Hawke’s Bay Regional Council:
 - 2.1. Agrees that the decisions to be made are not significant under the criteria contained in Council’s adopted Significance and Engagement Policy, and that Council can exercise its discretion and make decisions on this issue without conferring directly with the community or persons likely to have an interest in the decision.
 - 2.2. Approves the bringing forward of \$2.45M loan funding for the Erosion Control Scheme, budget code 379-001, from the 2027-28 financial year to the 2020-21 financial year, for a total expenditure for ECS and *Jobs for Nature* projects in 2020-21 of \$4.7M; and undertakes analysis of future funding requirements through to 2031 through the Long Term Plan process currently under way.

Authored by:

Amy Allan
MANAGEMENT ACCOUNTANT

Dean Evans
MANAGER CATCHMENTS DELIVERY

Jolene Townshend
SENIOR ADVISOR INTEGRATED
CATCHMENT MANAGEMENT

Approved by:

Iain Maxwell
GROUP MANAGER INTEGRATED
CATCHMENT MANAGEMENT

Attachment/s

There are no attachments for this report.

**Subject: INTEGRATED CATCHMENT MANAGEMENT - CATCHMENT DELIVERY
SECTION UPDATE**

Reason for Report

1. This item provides an update on the activities and achievements of the Catchment Management team, specifically in relation to the delivery and outcomes of the Erosion Control Scheme (ECS) and the Protection and Enhancement Projects (PEP).

Strategic Fit

2. The ECS and PEP programmes address three of the four focus areas of the HBRC Strategic Plan 2020-2025, being:
 - 2.1. Water quality, safety and climate-resilient security
 - 2.2. Healthy, functioning and climate-resilient biodiversity
 - 2.3. Climate-smart and sustainable land use.
3. The Catchment Management staff and their ECS and PEP programmes of work are closely aligned to support other internal programmes of work across Council, such as; Ecosystem Prioritisation, Right Tree Right Place, Catchment Policy Implementation and Farm Planning.

Background

4. Approximately 252,000 hectares of Hawke's Bay hill country has been identified through modelling as being at high risk of erosion. It is estimated that this land produces on average 3.3 million tonnes of sediment into the region's waterways every year.
5. In addition to the economic impacts of soil loss to the landholder, this high-level of sedimentation impacts upon water quality within the region and the biodiversity (both aquatic and terrestrial) that depends upon it.
6. In 2018, Council established the Erosion Control Scheme. Its purpose is to enable tree planting and other erosion control work to occur on highly erodible land and enables this by providing significant financial support for these erosion control works.
7. In summary, the Erosion Control Scheme aims to:
 - 7.1. Reduce soil erosion
 - 7.2. Improve water quality through the reduction of sedimentation into waterways
 - 7.3. Improve terrestrial and aquatic biodiversity through habitat protection and creation
 - 7.4. Provide community and cultural benefits through forest ecosystem services.
8. The ECS will enable targeted tree planting and other erosion control tools to be delivered on highly erodible land that is agreed in partnership with landowners. The ECS is a key tool for the Catchment Management team to engage with and support landholders with land at high risk of erosion. The 2018 - 2028 LTP provided for \$30 million over the 10-year term of the LTP to support this programme of work.
9. Catchment Management staff work with landowners, catchment groups, iwi, primary industry, and related stakeholders. The relationships that Catchment Management staff establish and maintain play a significant role delivering positive outcomes for our communities.

Programme Update

10. Since our last update to this committee 19 June 2019, the Hawke's Bay region has been affected by two major emergencies: Covid-19 pandemic and a severe drought. Some Catchment Management staff, alongside other Council staff, were actively involved in assisting the region's drought response for approximately 6 to 8 months. During this time staff have engaged with and supported, where possible, some very stressed landowners.
11. Furthermore, Catchment Management staff have helped complete multiple funding applications for environmental projects across the region, as Central Government responds to the impacts of Covid-19 through releasing funds to provide employment opportunities and benefits to our environment.
12. To better prepare staff for future adverse events, staff have undertaken targeted 'effective advisor' training. Through this training staff now have a better understanding of how to have more effective and structured conversations with landowners.
13. Although our 20/21 financial year started under trying circumstances, the ECS programme, through hard work by the staff and positive engagement from landowners, has surpassed expectations and continues to gain momentum. This momentum and drive to get environmental actions happening on the ground and supporting Central Government Covid-19 initiatives, has meant the budget has been exceeded for this financial year. This was discussed at the December 2020 Council workshop where management options were put forward by staff and a recommendation was made.
14. The Council's poplar and willow nursery has a new nursery overseer, and its day-to-day management is now through our Works Group. With the current maintenance programme, and future planning underway, the nursery is expected to increase productivity back to its historic norms of producing approx. 30,000 poles+ per annum.
15. Updated summary of ECS results since programme launch mid-2018 include.
 - 15.1. Updated - additional area of highly erodible land planted in trees (current LOS target 2000ha)
 - 15.1.1. 2018-19 – 94 ha
 - 15.1.2. 2019-20 – 667 ha
 - 15.1.3. 2020-21 – 916 ha, first half of the year.
 - 15.2. Updated - additional kilometres of riparian margin protected annually (both sides of a waterway – current LOS target 100km)
 - 15.2.1. 2018-19 – 8 km
 - 15.2.2. 2019-20 – 27 km
 - 15.2.3. 2020-21 – 24 km, first half of the year.

Current ECS leveraged funding programmes

16. **MPI – Hill Country Erosion Fund**, duration - 01 July 19 to 29 September 23.
 - 16.1. \$5,035,000 of MPI funding targeting the support of ECS outcomes and providing related targeted events/training for regional council staff, primary industry reps and stakeholders, landowners, and Maori.
17. **MFE - Public Waterways and Ecosystem Restoration Fund**, duration – 06 November 20 to 30 June 22.
 - 17.1. \$2,100,000 of MFE funding targeting riparian fencing projects and local employment.
 - 17.1.1. 195km of fencing completed, resulting in 133km of stream/waterway protected.
 - 17.1.2. 100ha of additional riparian margin is available for planting.
 - 17.1.3. 100% of participating landowners have contracts.

Challenges

Work Force Capacity and Capability

18. The region's limited skilled workforce is becoming problematic. Already landowners are having to book their fencers well in advance to ensure the work will get done as required. Timeframes around project completion and contractor availability will be becoming a significant issue for the ECS.
19. This issue will become more prevalent as we get closer to 2025, when farm plans that are required by the NPSFM become regulated.
20. Nationally there has been work undertaken to explore available/viable options along with Central Government, but progress has been slow to date.
21. Staff are already sharing their knowledge and experience with some tangata whenua, existing contractors and other interested parties who are looking to, or working on, building capacity and capability to meet this demand.
22. Staff will continue to explore current and potential options in this space at a local level, and better understand whether HBRC should have a role in this space, and if so in what capacity.

Farm Planning Integration and Implementation

23. The ECS is one of the Councils non-regulatory programmes of work, that is now being implemented in an environment of an increasing number of rules and regulation.
24. Compulsory farm plans and the actions prescribed within them, including deadlines and consequences, will change the way we are able to engage with landowners going forward.
25. When and how Catchment Management integrates positively into that future is a discussion for early this year and understanding how any agreed approach will support future plan changes.

Protection and Enhancement Projects

Te Whanganui-ā-Orotu (Ahuriri Estuary)

26. Annual fund of \$160,000 for the protection and enhancement of Ahuriri Estuary. Focused on improving the overall health and water quality of Ahuriri Estuary by working with landowners to reduce the high sediment and nutrient loads entering the estuary from the wider catchment and increase indigenous habitat.
27. Our engagement with rural landowners within the Ahuriri Estuary catchment to address these issues has been successful. The table below outlines the catchment works that have been completed through the protection and enhancement fund.

	Fencing	Native Planting	Poplar Planting
Works Completed From January 2018 – Present			
Waterways	10.5km	14355	
Wetlands	1.5km	9978	
Retirement areas	4.5km	19815	
Slope stability (pastoral)			1190
Total	16.5km	44148	1190 (poles)
Works Planned for 20-21 Season			
Waterways	1.2km	8500	
Wetlands		4300	
Retirement area		4600	
Slope stability (pastoral)			250
Total	1.2km	17400	250 (poles)

28. Inland hill country across 5.9ha has been reinstated back to swamp forest wetland system to help improve the quality of the surface water leaving the wetland and entering Wharerangi stream and increase indigenous habitat.
29. A 12.7ha area has been retired and fenced. This area has been identified as an Ecosystem Prioritisation site as it contains the only remnant area of indigenous forest within the Ahuriri catchment and is a highly important seed source. It is now being managed for pest plant/animal control and expanded with further native planting.
30. The largest areas of the invasive tubeworm *Ficopomatus enigmaticus* that had created bunds across the estuary restricting waterflow have now been removed. These areas will now be monitored to understand the rate of recolonisation before any additional removal is undertaken.

Lake Whatumā

31. The Whatumā Management Group (WMG) has been appointed by the respective trusts to lead the management of Lake Whatumā and are looking to develop a long-term management plan for the lake.
32. Discussions have been progressed with the WMG on how HBRC can assist with the development of the management plan, with a baseline report outlining the current environmental health of the lake to be completed this year that will aid this process.

Freshwater Improvement Fund Leveraged Projects

Lake Tūtira (*Te Waiū o Tūtira, The Milk of Tūtira*), HBRC partnership with Maungaharuru-Tangitū Trust, 2018 -2022

33. The total project cost is \$3.35m over 4 years, co-funded by HBRC and the Ministry for the Environment.
34. Delivery of the Te Waiū o Tūtira project has experienced several delays over the past 12 months as staff navigated through some challenging issues relating to stakeholder engagement and relationship management. However, this process has resulted in generally positive outcomes that will now facilitate the delivery of key project milestones.
35. 12 Farm Environmental Management Plans (FEMP) have now been completed covering 1934ha (68%) of the Lake Tūtira catchment. The final 3 FEMPs will be completed this year covering an additional 480ha.
36. The table below outlines the work that has been completed through the subsidy scheme as a result of the FEMPs.

	Fencing	Native Planting	Poplar Planting
Works Completed From January 2018 – Present			
Waterways	2.1km	12035	
Wetlands		1500	
Retirement areas	1.2km	3650	
Slope stability (pastoral)			1060
Total	3.3km	17185	1060
Works Planned for 20-21 Season			
Waterways	1.1km	6500	
Wetlands		7500	
Slope stability (pastoral)			430
Total	1.1km	14000	430

37. Additionally, five sediment ponds, a rock drop structure and three fish passages have been installed on the tributaries that enter the lake.
38. Resource consent has been granted for the construction of the Kahikanui sediment detention bunds which are key deliverable of the Te Waiū o Tūtira Project. Delivery of this work has now been passed on to the Asset Management Team and will be completed this year.

39. The air curtain trial is still running in Lake Waikopiro and will be concluded at the end of the current summer. Following this the results will be reviewed and presented to the project governance group to facilitate a decision on whether the system is upgraded for Lake Tūtira.

Whakakī Lake (*Sunshine, wetlands and bees will revitalise the taonga of Whakaki*), HBRC partnership with Whakaki Lake Trust, 2019 – 2024

40. The total project cost is \$3.08m over 5 years, co-funded by HBRC and the Ministry for the Environment.
41. Delivery of the Whakakī Lake project has experienced several delays over the past 12 months as staff navigated through some challenging issues relating to stakeholder engagement and relationship management. This process is ongoing and being managed carefully with the view that positive outcomes will facilitate the delivery of key project milestones.
42. The Whakakī website has been revised to include a water quality dashboard and will provide a source of reliable information on various issues including the Freshwater Improvement Fund workstream for direct access by the Whakakī community. This is in the final stages of review and go live shortly.
43. A Memorandum of Understanding has been signed between the Māroa Tamati Hook Whānau Trust and the Whakakī Lake Trust outlining how they will work together for the delivery of the Whakakī school development. A subcommittee has now been formed and planning of the work is underway.
44. Two cultural impact surveys have been completed relating to proposed recirculating wetland trial. Consultants will be undertaking a feasibility study to identify potential locations and design options for the trial.

Decision Making Process

45. Staff have assessed the requirements of the Local Government Act 2002 in relation to this item and have concluded that, as this report is for information only, the decision making provisions do not apply.

Recommendation

That the Environment and Integrated Catchments Committee receives and notes the “*Integrated Catchment Management - Catchment Delivery Section Update*” staff report.

Authored by:

Dean Evans
MANAGER CATCHMENTS DELIVERY

Thomas Petrie
PROJECT MANAGER ENVIRONMENTAL
HOTSPOTS

Jolene Townshend
SENIOR ADVISOR INTEGRATED
CATCHMENT MANAGEMENT

Approved by:

Iain Maxwell
GROUP MANAGER INTEGRATED
CATCHMENT MANAGEMENT

Attachment/s

There are no attachments for this report.

HAWKE'S BAY REGIONAL COUNCIL
ENVIRONMENT AND INTEGRATED CATCHMENTS COMMITTEE

Wednesday 03 February 2021

Subject: FARM ENVIRONMENTAL MANAGEMENT PLANS UPDATE

Item 12

Reason for Report

1. This item updates the Committee on Farm Environmental Management Plans (FEMPs) in the Tukituki catchment. An update was last given in July 2020.

Executive Summary

2. Farm Environment Management Plans (FEMPs) have been mandatory in the Tukituki catchment since 31 May 2018, for all properties over 4ha in size (with some low intensity exclusions up to 10 ha). The Plan also requires these FEMPs to be updated on a 3-yearly basis, with the first round of updates due on 31 May 2021.
3. The management approach for the Tukituki Catchment Plan focuses on reducing contaminants entering surface and ground water. The nutrient budget completed alongside the FEMP is an important tool to determine a property's Nitrogen and Phosphorus loss.

Strategic Fit

4. FEMPs are strategically aligned with the top three priorities (2017-2021) and the adopted 2020-2025 strategic plan. Firstly, water Quality, Safety and Certainty; driving on farm change and sustainability to deliver catchment water quality targets and objectives.
5. Secondly, FEMP encompasses all 7 attributes of the Smart Sustainable Land Use desired outcomes. The Tukituki FEMP delivery has 250,000ha managed by a FEMP.
6. In July 2020 Part 9A of the Resource Management Act (RMA) was enacted and over the next 12 months the government will be engaging with sector representatives, iwi, regional councils and environmental organisations to develop new regulations for Fresh Water Farm Plans FW-FPs. From 2025 farm plans will be mandatory for horticulture properties over 5 ha and pastoral land operations over 20 ha.

Background

7. Of the current 1070 Tukituki FEMPs, approximately 200 require a production land use consent either for Nitrogen leaching on an individual basis or on a sub catchment basis. Applications for these consents are required to be lodged by 26 February 2021. As part of the consent application an updated FEMP will be required.
8. The interim process established in March 2020 to delay consent application timelines because of Covid-19 and the drought was reviewed in July 2020 and a new application date of 26 February 2021 set. A communication plan including individual letters, radio and newspaper adverts was rolled out August to December 2020.
9. The remainder of the current FEMPs (870) are required to submit a summary of their FEMP to Council. The summary must be provided through an accredited farm plan provider.
10. There are currently 14 FEMP accredited providers working in the Tukituki Catchment, preparing both consent applications and FEMP updates. This number has remained relatively static for some time.
11. In late 2020, the decision was made to remove the Papanui as a DIN exceeding sub-catchment. Current data is trending downwards and scientists are confident the 5 year rolling average for DIN level will be below the 0.8 mg/L by 26 February 2021. This has

decreased the number of sub catchment Nitrogen exceeding consent applications that are required by 75 to 200 rather than approximately 275 quoted in the last update.

Update

12. The two FEMP team members left Council in November 2020 and early January 2021. Recruitment for the Environment Data Analyst role is complete, with the new person starting on 8 March. The FEMP project manager role was advertised in January and closes on 2 February 2021.
13. The Policy Implementation Regulation team is caretaking the project in the interim period.
14. A letter was sent in August 2020, to all landowners requiring production land use consent, informing them of the new 26 February 2021 consent application lodgment date.
15. FEMP holders who do not require resource consent were sent a letter in October 2020 reminding them of the FEMP deadline.
16. The FEMP update submission form went live with guidance for accredited providers to use on 13 January 2021. Thirteen updated FEMPs that had already been re-submitted through the previous form were manually migrated across to the 2021 form.
17. Since the last report to Council in July 2020, the FEMP audit pilot project has audited one farm.
18. Compliance staff have taken on the role of FEMP auditors until such time a permanent audit role can be created.
19. Auditing is the greatest value-added component in FEMP delivery. Auditing will ensure FEMPs meet the required standards and landowners are implementing plans. It is intended that the audit role will provide communication throughout agricultural communities about required changes in practice and waterway management to achieve the Councils catchment targets and engage landowners in this process.
20. In November 2020, the FEMP audit manual was sent to Environment Canterbury for peer review. It is anticipated this will be completed in the first quarter of 2021.
21. Council billboards south of Waipukurau and north of Waipawa have been updated with a reminder of the FEMP renewal date.
22. It is not likely that all updated FEMPs will be submitted to Council on time due in part to limited provider capacity with the timeframe left.
23. Compliance staff have a staged approach planned for regulatory follow up after the FEMP renewal due date.

Next Steps

24. A follow up letter will be sent to all landowners not requiring a production land use consent in February, reminding them of the FEMP deadline.
25. Weekly advertisements in the CHB mail, and time slots on Central FM will be advertising the FEMP renewal date between mid-January and the end of May
26. Council staff are keeping in touch with FEMP providers to encourage submission of updated FEMPS and receiving updates of how many landowners have engaged in the process.
27. Once the audit manual and process is finalized, compliance staff will begin auditing farms in the Tukituki.
28. The appointment of a new FEMP project team in the first quarter of 2021 to replace staff who have left.
29. Development of a FEMP template to be used for some of the next round of FEMP renewals. A first draft of this was started in November 2020.

30. Continued active participation in national farm planning groups in development of templates, certification schemes and implementation strategies.

National Freshwater Farm Plans Update

31. Part 9A of the RMA created new roles for Regional Councils in:
- 31.1. Appointing certifiers and auditors (according to criteria to be specified in regulation)
 - 31.2. Keeping records of certified FW-FPs and audits of FW-FPs undertaken
 - 31.3. Enforcing that a farm operator has a FW-FP
 - 31.4. Enforcing that a farm operator updates their FW-FP (when required)
 - 31.5. Enforcing observance of a FW-FP by the farm operator.
32. A farm plan working group involving members from various councils including HBRC has developed discussion documents on a national farm planning system, a proposal for a national farm data platform and a draft high-level implementation strategy and provided this work to MfE to inform the regulations development.
33. The FW-FP regulations are not being gazetted until the end of 2021, an indication of the likely content of the regulations is due in June 2021.
34. Pre implementation planning is underway nationwide with assessment of number of FW-FPs required, adequacy of existing farm plan programmes and the expected contribution of industry. The roles Councils and independents will have is still to be determined.

Decision Making Process

35. Staff have assessed the requirements of the Local Government Act 2002 in relation to this item and have concluded that, as this report is for information only, the decision making provisions do not apply.

Recommendation

That the Environment and Integrated Catchments Committee receives and notes the “*Farm Environment Management Plans Update*” staff report.

Authored by:

Brendan Powell
MANAGER CATCHMENTS POLICY
IMPLEMENTATION

Kate Proctor
SENIOR REGULATORY ADVISOR

Approved by:

Katrina Brunton
GROUP MANAGER POLICY &
REGULATION

Iain Maxwell
GROUP MANAGER INTEGRATED
CATCHMENT MANAGEMENT

Attachment/s

There are no attachments for this report.

HAWKE'S BAY REGIONAL COUNCIL
ENVIRONMENT AND INTEGRATED CATCHMENTS COMMITTEE

Wednesday 03 February 2021

Subject: REGIONAL WATER SECURITY PROGRAMME - 2021 ENGAGEMENT

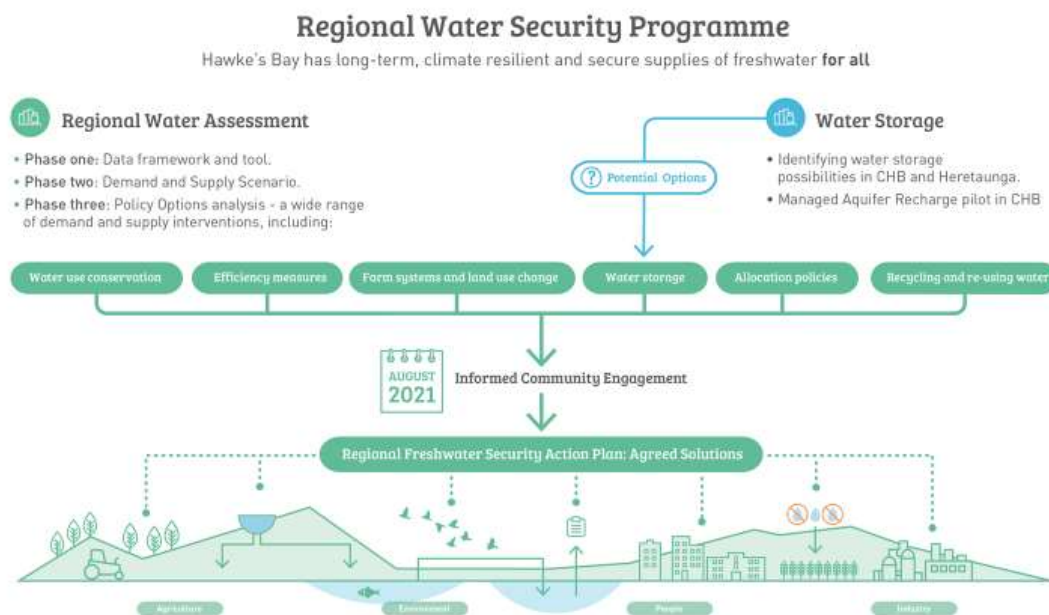
Item 13

Reason for Report

1. This item updates the Committee on progress with the Regional Water Security Programme and the associated Treaty partner, targeted stakeholder and wider community engagement for 2021.

Executive Summary

2. In 2020 the project team presented to Council a sequence of nine project update presentations and decision papers. This first section of this report briefly outlines the proposed 2021 work programmes for each of the three projects. The second section provides an overview of the corresponding internal (governance) and external engagement plan for the whole Regional Water Security Programme.
3. Committee members will recall that the PGF co-funded Regional Water Security Programme comprises three projects – the Regional Water Assessment, CHB Storage and Heretaunga Storage. The following graphic provides a summary.



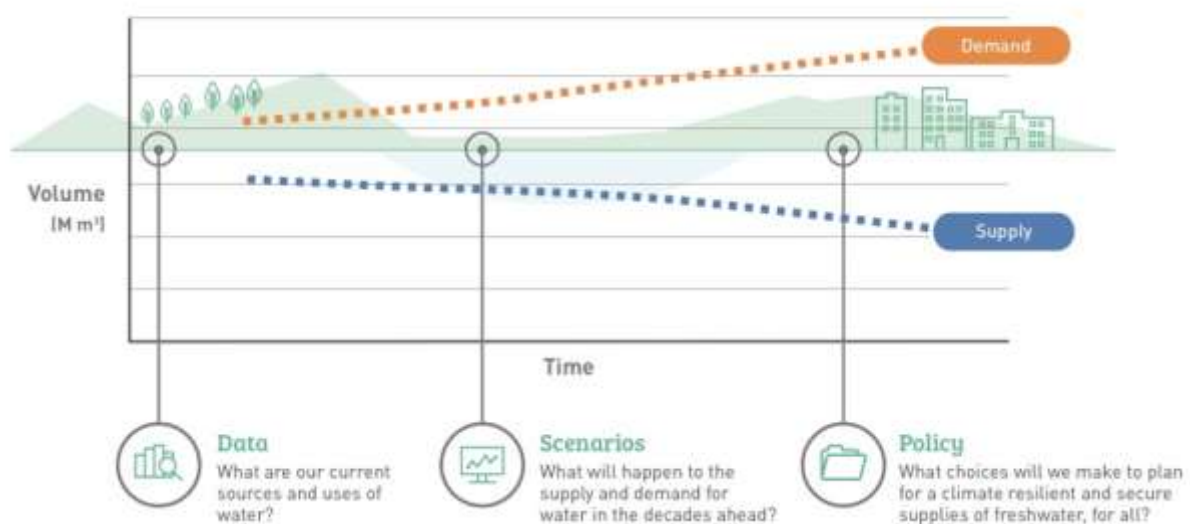
4. Correct positioning of the Regional Water Assessment within the Council's wider water security programme of work is essential. This is because while the Council is concurrently investigating a range of water security options (including Managed Aquifer Recharge and storage options for the Heretaunga Plains), this Regional Water Assessment will enable these options to be assessed within a wider context which considers a range of possible future water supply and demand scenarios and in comparison with a wider range of management interventions.

Section One - Project Updates

Regional Water Assessment (RWA)

Re-Cap	<p>5. The RWA seeks to quantify the region's long-term freshwater supply and demand. Key to this project is the attempt to quantify this using the System of Environmental-Economic Accounts for Water (SEEA-Water) natural capital methodology. This is an integrated approach to water monitoring, bringing together a wide range of water-related statistics across sectors into one coherent information system (see graphic below)</p> <p>6. This accounting framework then forms the basis for long-term supply and demand projections, against a set of scenarios, that will provide decision makers with the context to formulate a prioritised set of policy interventions for the region's long-term water security (see graphic below).</p> <p>7. On 2 September 2020 the C&S Committee directed staff to propose a targeted engagement strategy for the RWA. The proposal subsequently presented to EICC on 16 September was not adopted by that committee.</p>
Update	<p>8. Work has continued through the summer building the first set of "accounts". Information deadlines on the territorial authorities for Three Waters reform and other covid-related factors have caused delays. The project team is developing the projections (scenarios) and potential interventions (policy phase of the project) in anticipation of the first draft of the accounts now being available at the end of February.</p>
2021 Plan	<p>9. Based on feedback provided by the EICC Committee (refer above), the project team has adjusted its plan to attempt to provide Council with an interim internal report in April/May of this year, together with an updated proposal for a targeted stakeholder engagement phase (May-August) to progress the interim report to a final draft for Council followed by wider community discussion ahead of any formal decisions on the preferred Regional Water Security Action Plan.</p> <p>10. The project team will shortly be working with HBRC's Māori Partnership's team with a view to commissioning and procuring a "Cultural Case" for the RWA from Treaty partners. In addition, staff will seek feedback and input into the interim report from key stakeholder groups – as identified in the programme's Communication Strategy presented to Council in August and September last year.</p>

Freshwater Demand and Supply



CHB Water Storage

Re-Cap	<p>11. Against the backdrop of drought and COVID-19, on 11 March 2020 the C&S Committee confirmed its commitment to continue to resource a comprehensive work programme focused on regional water security and tasked the project team with “increasing the pace and scale” of the programme.</p> <p>12. In anticipation of finalising PGF funding agreements (which were subsequently signed at the end of April 2020) Tonkin and Taylor (T&T) were engaged to review above-ground storage options in the CHB region for presentation to Council. In parallel, HBRC and CHBDC jointly appointed an independent facilitator to workshop water storage options with a community stakeholder group – The Tukituki Leader’s forum.</p> <p>13. Ultimately – based on a combination of T&T’s findings and operating constraints within PGF funding policy – the project team was unable to make an outright recommendation for further investigation of above ground storage options. Accordingly, the resolution of the 2 September C&S committee focused on continuing progress with the Managed Aquifer Recharge (MAR) Trial project and broader engagement and water management solutions development via the RWA.</p> <p>14. The engagement of a lead contractor for the MAR pilot was approved through the Tender’s Committee in June 2020.</p>
Update	<p>15. The MAR lead contractor, Wallbridge, Gilbert, Aztec (WGA) has undertaken an extensive analysis of the Ruataniwha Plains with the objective of providing HBRC with a shortlist of three preferred sites for a two to three year MAR trial. WGA’s report is anticipated by the end of this month and is the result of extensive hydrological and geological analysis as well as site and landowner visits.</p>
2021 Plan	<p>16. Three key objectives for 2021:</p> <p>16.1. to secure landowner support and co-operation on the preferred site</p> <p>16.2. secure appropriate resource consent for the trial by the middle of the year</p> <p>16.3. Have the site established and operational by October/November.</p> <p>17. In addition to separate consultation and engagement with mana whenua, once a site is confirmed and landowner support secured, the project team will undertake both more targeted and wider community engagement to ensure the public is fully informed about the scope and objectives of the MAR trial. As it stands, early engagements have already been held through rural media and with the CHBDC to introduce MAR and its potential for the region.</p>

Heretaunga Water Storage

Re-Cap	<p>18. Following the same direction from the 11 March C&S meeting (see CHB Water Storage above), Tonkin and Taylor (T&T) was also engaged to revisit and review its 2011 work on above-ground storage options in the Ngaruroro Catchment.</p> <p>19. At its 1 July meeting, based on T&T’s scoping work, EICC tasked the project team with preparing a business case for pre-feasibility for a site or sites that provide a storage volume sufficient to maintain environmental outcomes for future climatic conditions, and provide additional supply to meet the foreseeable needs of future generations.</p> <p>20. In late September, Council subsequently supported a business case that met the criteria established at the July 1 meeting and the project team immediately initiated a RFP process for technical services to drive the pre-feasibility work.</p>
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	21. The project team has undertaken extensive and ongoing engagement with landowners directly impacted by the investigations – including nascent commercial discussions and arrangements with a view to having binding arrangements in play in the event that council commits to pursuing storage investigations further as a part of the RWA's overall action plan.
Update	<p>22. Landowner engagement has focused on three potential sites for small to medium-scale storage. Landowners for two of the three sites have entered into formal but non-binding agreements (terms sheets) and discussions for the remaining site are advanced and positive.</p> <p>23. The technical services RFP was concluded immediately prior to the Christmas break with the final evaluation panel concluding its recommendations on 14 January. The outcome and recommendations are before the Tenders Committee on 27 January.</p>
2021 Plan	<p>24. Key objectives for 2021 – subject to ongoing approvals</p> <p>24.1. Technical Prefeasibility completed June/July</p> <p>24.2. Landowner commercial arrangements confirmed June/July.</p> <p>24.3. Business case for Feasibility for preferred site (if any) to Council August.</p>

3D Aquifer Mapping

25. Update provided for completeness as this was originally packaged as a part of the Water Security suite of applications to the PGF – this project forms a part of HBRC's ongoing science investigations into freshwater resources.

Re-Cap	<p>26. The 3D Aquifer Mapping project is the fourth PGF co-funded project that was packaged together under the Regional Water Security Programme and is a science led project that uses advanced airborne electromagnetic survey technology (SkyTEM) to gain a better understanding of the regions region's key aquifers and groundwater systems of Poukawa / Otane Basin, Heretaunga and Ruataniwha Plains.</p> <p>27. The project is planned to be delivered over four years starting with the aerial survey to collect and record scientific data successfully completed in January 2020. This is now followed by a 3.5 year data processing and interpretation work programme. partnering with GNS to support the processing and interpretation of the data and to further develop tools and models that advance our understanding and support freshwater management decisions.</p>
Update	<p>28. During the COVID lockdown and period following GNS conducted post processing of the Poukawa dataset. GNS then worked remotely with a Danish sub-contractor, Aarhus University, who are the leading experts in the data processing methodologies for SkyTEM technology to conduct an intensive 6 week post processing quality assurance/checking process. This was completed in August and will be repeated for the two larger datasets, Heretaunga and Ruataniwha.</p> <p>29. GNS are in the final stages of completing the resistivity model and interpretation for the Poukawa dataset due in March 21.</p> <p>30. Council staff and GNS have prepared an additional data collection plan with a drilling programme that aims to ground truth and improve the interpretation of the Heretaunga and Ruataniwha datasets. Three sites for drilling in Ruataniwha and Heretaunga have been confirmed and a drilling programme contracted to commence in early 2021.</p>

2021 Plan	<p>31. Key objectives for 2021:</p> <p>31.1. Complete drilling programme by Jun 21</p> <p>31.2. Complete resistivity model and interpretation for first dataset; Otane / Poukawa and release of initial findings to the public</p> <p>31.3. Complete data processing, resistivity model and interpretation for the Heretaunga dataset by Dec 21</p> <p>31.4. Commence data processing and resistivity for the Ruataniwha dataset</p> <p>31.5. Confirm and develop the plan for the longer term public access and user interface to the data and its deliverables.</p>
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Section Two – Overall RWSP Engagement plan for 2021

32. Over 2021 each of the three projects comprising the Regional Water Security Programme are scheduled to materially advance in public:
- 32.1. the Regional Water Assessment will be completed, published and Council decisions on policy interventions taken
 - 32.2. the MAR pilot will (based on planning assumptions) be consented, constructed and operational
 - 32.3. the potential Heretaunga storage sites will be published with the RWA and Council will then be in a position to consider policy decisions.
33. HBRC has been transparent on each of these elements with stakeholders and the local community and has made multiple public statements on this programme of work. However, 2021 is the year in which much more specific, direct and intensive stakeholder and engagement will be required across each of the three projects.
34. The project team has developed a draft over-arching engagement programme which describes the proposed engagement over the course of 2021, including around when specific actions and decisions will be required of councillors.
35. The programme of work remains anchored in the following commitment: *‘Hawke’s Bay has long-term, climate-resilient and secure supplies of freshwater, for all.’* It will continue to be linked to improving water security in the context of a changing climate with increasing volatility and community concern around freshwater supply.
36. All of the engagement and positioning around the Regional Water Security Programme will reflect the essence of Te Mana o te Wai – that freshwater security primarily benefits our natural environment and the mauri of the water, then the needs of people, then our economy.
37. Engagement will also work to reflect the HBRC’s ongoing commitment to water security. In stakeholder engagement and in proactive and reactive communication the point can be made that while the RWSP involves progressing three particular projects with Government support, HBRC has never stopped actively working on potential water security initiatives across Hawke’s Bay.
38. Very generally, the first half of this year will involve increasing frequency of targeted stakeholder engagement on the whole of the Regional Water Security Programme, focusing on particular areas of interest – for example MAR for CHB stakeholders.
39. At the same time a comprehensive HBRC website resource will continue to be developed and water security will be a common feature in public and media engagement.
40. With the release of the RWA it is expected that Council will be in a position to more specifically discuss the potential options for Heretaunga water storage.

41. The MAR pilot investigations will have front-run the completion of the RWA and will be the first of the projects to materially advance publicly – targeted stakeholder engagement in CHB has started with a briefing of the CHBDC and will move into a broader conversation with interested stakeholders and the public over the coming three months.
42. Across the RWSP a range of communications / engagements approaches will be used: written updates, meetings, staff briefings, marae-based hui, a targeted media programme of activity, marketing, social media and online engagement will be used to ensure effective engagement.
43. A survey of Hawke's Bay residents is under consideration. A survey would seek to actively understand how ratepayers think about water across the region, with this feedback feeding in to the RWA.
44. Respectful engagement with neighbours of potential development sites will be undertaken early and the project team will actively and plan for effective management of risk to the projects and HBRC's reputation.

Strategic Fit

45. Council has already confirmed the strategic alignment of the Water Security Programme with HBRC's broader freshwater focus.
46. HBRC carries the highest level of responsibility for sustainable freshwater management in this region. This responsibility is reflected in the significance of its resourcing dedicated to improving freshwater quality and quantity, which is in turn driven by its statutory obligations under legislation, national direction and regulation. A qualitative analysis of the Strategic Plan demonstrates that over 50% of the organisation's 23 Strategic Goals are directly linked to freshwater objectives. A similar exercise for the current Long Term Plan identifies approximately 35% of HBRC's 48 core function Level of Service Measures as contributing to and resourcing improved freshwater outcomes.
47. In particular, the process of engagements and investigations that help build the identification and validation of freshwater management solutions will support and inform HBRC's statutory obligations under the NPS-FM 2020. From the outset the programme has been firmly couched in the context of the anticipated impacts of climate change and the need for freshwater management to align with the principles of Te Mana o te Wai.

Programme Delivery Risks

48. The following factors are identified in the Programme's risk registers.
 - 48.1. The Regional Water Assessment is highly dependent on the finalization of the draft water accounts which has experienced some delays due to factors beyond the project teams' control. Further delays could cause the timelines to slip.
 - 48.2. The post-COVID 19 market for technical and specialist contractors is proving to be challenging in terms of both capacity and price. This is placing pressure on delivery timelines and budgets.
 - 48.3. Any Government policy changes for the Provincial Growth Fund, the Provincial Development Unit, water storage, and freshwater generally may necessitate adjustments to the programme.
 - 48.4. MAR Consent Risk – the programme timelines assume that a short duration MAR pilot will require a non or limited notified consent. In the event that is not the case then the establishment of the pilot would be delayed by upwards of a year.
 - 48.5. The views and expectations of HBRC's Treaty Partners will remain critical to the ultimate success and direction of each project. There are a vast range of freshwater workstreams and issues both locally and nationally that could impact on programme delivery and will need to be navigated appropriately and respectfully.

Considerations of Tangata Whenua

49. In relation to the recommendations Tangata whenua involvement in all aspects of the water security programme, including the Regional Water Assessment is expected and management and governance frameworks account for this. The criteria for the community engagement panel that is the subject of this paper specifically seeks that awareness and appreciation of Māori interests and membership of the panel.
50. In relation to the broader project, the project makes provision for the RWA to include a specific and separate section on the views and interests of tangata whenua on water security. Staff have received specific feedback on the strength and value of the cultural case that formed a part of the recent Three Water's review and will be looking to follow a similar approach for this project. The National Climate Change Risk Assessment also provides an excellent example of how an assessment can seek to factor in diverse Māori views and values, or identify and acknowledge gaps in the methodology and options for rectifying the same.

Financial and Resource Implications

51. The establishment of a community panel is provided for by existing Regional Water Assessment project budgets and the wider Water Security Programme.

Climate Change Considerations

52. MfE's National Climate Change Risk Assessment for New Zealand (NCCRA), (<https://www.mfe.govt.nz/publications/climate-change/national-climate-change-risk-assessment-new-zealand-main-report>) published in August of this year, identifies the risk to freshwater water supplies as being central to the most extreme risk – "*Risk to potable water supplies (availability and quality) due to changes in rainfall, temperature, drought, extreme weather events and ongoing sea-level rise*". Specific reference is made that "[r]ural water supplies are also sensitive to climate change hazards, particularly where reticulated systems are limited or absent."
53. The NCCRA categorised the following as priority risks for the Natural Environment domain:
 - 53.1. N3 - Risks to riverine ecosystems and species from alterations in the volume and variability of water flow, increased water temperatures, and more dynamic morphology (erosion and deposition), due to changes in rainfall and temperature
 - 53.2. N4 - Risks to wetland ecosystems and species, particularly in eastern and northern parts of New Zealand from reduced moisture status, due to reduced rainfall
 - 53.3. N7 - Risks to terrestrial, freshwater and marine ecosystems, due to increased extreme weather events, drought and fire weather.
54. The NCCRA records, among others, the following Human Domain risks:
 - 54.1. H2 - Risks of exacerbating existing inequities and creating new and additional inequities, due to differential distribution of climate change impacts
 - 54.2. H3 - Risks to physical health from exposure to storm events, heatwaves, vector-borne and zoonotic diseases, water availability and resource quality and accessibility, due to changes in temperature, rainfall and extreme weather events
 - 54.3. H4 - Risks of conflict, disruption and loss of trust in government from changing patterns in the value of assets and competition for access to scarce resources, primarily due to extreme weather events and ongoing sea-level rise
 - 54.4. H6 - Risks to Māori social, cultural, spiritual and economic wellbeing from loss of species and biodiversity, due to greater climate variability and ongoing sea-level rise
 - 54.5. H6 - Risks to Māori social, cultural, spiritual and economic wellbeing from loss of species.

55. The NCCRA records, among others, the following Economy Domain risks:
- 55.1. E3 - Risks to land-based primary sector productivity and output due to changing precipitation and water availability, temperature, seasonality, climate extremes and the distribution of invasive species.
56. Climate change will impact our freshwater systems in many ways and a transition to more extreme drought-flooding hydrological patterns could have profound consequences for freshwater ecosystems, and severe social and economic impacts. The effects of higher temperatures, declining precipitation and more frequent extremes will have implications not only for land and water management, but also community resilience and well-being.
57. It is safe to say that we expect more extremes, which includes becoming more drought prone and more severe rainfall events leading to flooding, and this impacts the reliability and quality of the region's water resources. We expect temperatures to increase in our lakes, rivers and streams which will affect the freshwater ecology.

Decision Making Process

58. Staff assessed the requirements of the Local Government Act 2002 in relation to this item and have concluded that, as this report is for information only, the decision making provisions do not apply.

Recommendations

That the Environment and Integrated Catchments Committee receives and notes the "*Regional Water Security Programme - 2021 Engagement*" staff report.

Authored by:

Tom Skerman
REGIONAL WATER SECURITY
PROGRAMME DIRECTOR

Approved by:

Chris Dolley
GROUP MANAGER ASSET
MANAGEMENT

Attachment/s

There are no attachments for this report.

HAWKE'S BAY REGIONAL COUNCIL
ENVIRONMENT AND INTEGRATED CATCHMENTS COMMITTEE
Wednesday 03 February 2021

Subject: DISCUSSION OF MINOR MATTERS NOT ON THE AGENDA

Item 14

Reason for Report

1. This document has been prepared to assist Committee members note the Minor Items to be discussed as determined earlier in Agenda Item 5.

Topic	Raised by