



## Regional Council Workshop

**Date:** 10 April 2024  
**Time:** 12.30pm  
**Venue:** Council Chamber  
Hawke's Bay Regional Council  
159 Dalton Street  
NAPIER

## Attachments excluded from Agenda

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| 2.            | <b>Clifton to Tangoio Coastal Hazards Strategy finalisation and adoption</b>     |      |
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## Coastal Hazards

### MEMORANDUM OF TRANSITION

Between

**HASTINGS DISTRICT COUNCIL**

**NAPIER CITY COUNCIL**

**HAWKE'S BAY REGIONAL COUNCIL**

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## 1. PARTIES

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1.1 Hastings District Council ("HDC")

1.2 Napier City Council ("NCC")

1.3 Hawke's Bay Regional Council ("HBRC")

(each a "**Party**" and together the "**Parties**")

## 2. BACKGROUND

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2.1 The Clifton to Tangoio Coastal Hazards Strategy 2120 ("**Strategy**") has been in development since late 2014. It has been advanced as a collaborative project between the Parties, the Maungaharuru-Tangitu Trust, Mana Ahuriri Incorporated and the Heretaunga Tamatea Settlement Trust. To date, Strategy development has been jointly and equally funded by the Parties.

2.2 Work under the Strategy has developed recommended projects to adapt to coastal hazards risks within the project area. In the short to medium term the recommended projects generally involve beach renourishment to offset erosion losses and to build-up the beach crest to mitigate risks of overtopping and inundation, and the construction of coastal structures to reduce erosion losses. In the longer term, managed retreat has been recommended in some areas. Significant capital and operational expenditure is required to implement the proposed works.

2.3 The Parties commissioned Raynor Asher QC to prepare a report ("**Report**") delivering non-binding recommendations on the issue of which of the Parties should lead and fund these projects. Following the recommendations in the Report, the Parties have agreed in principle that HBRC takes charge of all aspects of adapting to coastal hazards risks on the Clifton to Tangoio coast. This involves HBRC undertaking a significant new activity, and necessitates HBRC amending its long-term plan in accordance with the special consultative procedure, as required by section 16 LGA.

2.4 The Triennial Agreement provides for expanded consultation requirements in addition to the section 16 LGA process. HBRC has complied with these requirements, including having informed Central Hawke's Bay District Council and Wairoa District Council of the Proposal, provided them with an opportunity to respond, and fully considered their submissions and representations.

2.5 This Memorandum provides an agreement in principle between the Parties to facilitate the transition of functions and transfer of asset with respect to coastal hazards adaptation in the Clifton to Tangoio Coastal area. The Parties enter into this Memorandum to:

- (a) clarify and agree the roles and responsibilities of the Parties for adapting to the impacts of coastal hazards affecting Napier City and the Hastings District, and implementing the Clifton to Tangoio Coastal Hazards Strategy;

- (b) identify the assets proposed to be transferred between the Parties, and the process for transferring those assets, to give effect to the agreed roles and responsibilities;
- (c) satisfy the requirements of the Triennial Agreement; and
- (d) Support HBRC in its long-term plan amendment to give effect to the Proposal without the matter being submitted to mediation or determination by the Minister under section 16 LGA.

### 3. DEFINITIONS AND INTERPRETATION

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#### 3.1 Definitions: In this Memorandum, unless the context indicates otherwise:

**Business Day** means any day excluding Saturdays, Sundays and statutory public holidays in Wellington and excluding any day in the period beginning on 25 December in any year and ending on 5 January in the following year.

**Clifton to Tangoio Coastal Area** means the coastal area from Clifton to Tangoio, encompassing the Bay View and Haumoana Littoral Cells and associated coastal settlements.

**Clifton to Tangoio Coastal Hazards Strategy or Strategy** means the Clifton to Tangoio Coastal Hazards Strategy 2120, as modified novated, supplemented, varied or replaced.

**Coastal Hazards Assets** means all existing coastal hazard mitigation and adaptation assets and renourishment programmes (including any associated resource consents) held or managed by NCC and HDC and as particularised in clauses 7.3 and 7.4.

**LGA** means the Local Government Act 2002.

**Minister** means the Minister of Local Government.

**Proposal** is as defined in clause 4.1.

**Significance and Engagement Policy** means each of the Parties' significance and engagement policies adopted under section 76AA LGA.

**Triennial Agreement** means the Hawke's Bay Region's Triennial Agreement for the Triennium October 2019 – 2022.

#### 3.2 Interpretation: In this agreement, unless the context indicates otherwise:

- (a) clause and other headings are for ease of reference only and will not affect this agreement's interpretation;
- (b) references to the singular include the plural and vice versa; and

- (c) the term includes or including (or any similar expression) is deemed to be followed by the words without limitation.

#### 4. PROPOSAL

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4.1 Subject to HBRC's adoption of an amendment to its long-term plan in accordance with section 16 LGA, the Parties record their agreement that:

- (a) HBRC will take charge of adapting to coastal hazards risks on the Clifton to Tangoio coast, including adopting and implementing the Clifton to Tangoio Coastal Hazards Strategy, as outlined in clause 6.
- (b) HDC and NCC will transfer their assets relevant to mitigating and adapting to the impacts of coastal hazards affecting Napier City and the Hastings District to HBRC, as outlined in clause 7.
- (c) An advisory committee formed by elected representatives of the Parties and Tangata Whenua will be established, as outlined in clause 9.

4.2 The Parties further agree to:

- (a) Use best endeavours to resolve objections in accordance with clause 10.
- (b) Jointly and equally fund the continued development and implementation of the Strategy until 1 July 2024, when funding has been implemented for physical works under the Strategy in HBRC's long-term plan.

#### 5. REASONS FOR THE PROPOSAL

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5.1 The framework under the LGA allows each of the Parties to conduct natural hazard adaptation activities. The Parties have a general obligation to collaborate and cooperate, and the legislation leaves it open to local authorities, both territorial and regional, to cooperate and allow one council to have the controlling role in an area of common jurisdiction.

5.2 There is a recognition by the Hawke's Bay public of a need for coastal hazards adaptation action on an integrated basis. An integrated approach to the whole Clifton to Tangoio coastline is needed rather than an approach focussed on territorial authority boundaries.

5.3 HBRC has experience in managing river flooding hazards in the Hawke's Bay region, and is best suited to respond to coastal hazards and the setting of rates for these activities. This is best undertaken by an authority with pan-jurisdictional reach and a regional frame of reference.

5.4 The establishment of the Advisory Committee with representatives from each of the Parties and including Iwi representation would strengthen HBRC's performance of the coastal

hazard adaptation activities, through HDC and NCC's understanding of the ratepayers on their coastlines, their history of dealing with their coastal areas, and their knowledge of the infrastructure.

## 6. SCOPE OF HBRC COASTAL HAZARDS ADAPTATION ACTIVITIES

6.1 HBRC will, in accordance with section 16 LGA, propose an amendment to its long-term plan to take charge of all aspects of the adapting to coastal hazards in the Clifton to Tangoio Coastal Area, including:

- (a) the adoption of the Clifton to Tangoio Coastal Hazards Strategy and the implementation of the Strategy once adopted;
- (b) in accordance with the Clifton to Tangoio Coastal Hazards Strategy, deciding on projects and works to be undertaken and maintained to build resilience to the effects of coastal hazards;
- (c) making all decisions about rating for these works and collecting those rates, including deciding which ratepayers should pay and in what amounts and proportions; and
- (d) the control of all maintenance of Coastal Hazards Assets.

6.2 For the avoidance of doubt:

- (a) The Proposal does not change the consenting, planning and related responsibilities of the Parties under the Resource Management Act 1991.
- (b) The Proposal does not alter responsibilities or encompass works or activities under the Civil Defence and Emergency Management Act 2002.

## 7. ASSET TRANSFER

7.1 The Parties agree in principle that the Coastal Hazard Assets shall be transferred to HBRC, to facilitate the integrated and coordinated management of coastal hazards risks.

7.2 This transfer shall only become effective upon the parties agreeing to suitable terms, which will thereafter become known as the Coastal Hazard Asset Transfer Agreement ("**Coastal Hazard Asset Transfer Agreement**"). The date of transfer will align with HBRC's adoption of its 2024 - 2034 long-term plan ("**Transfer Date**").

7.3 The following NCC Coastal Hazard Assets shall be included in the transfer to HBRC under the Coastal Hazard Asset Transfer Agreement:



| Asset                           | Current Funding Mechanism | Capital Cost | Operational Cost | Outstanding Debt | Notes                  |
|---------------------------------|---------------------------|--------------|------------------|------------------|------------------------|
| Westshore beach erosion         | HB land endowment reserve | Nil          | \$275,000        | 0                | Annual opex cost       |
| Westshore nearshore restoration | HB land endowment reserve | Nil          | \$275,000        | 0                | Tri-annual opex cost   |
| Hardinge Road erosion           | HB land endowment reserve | \$325,290    |                  | 0                | Bi-annual capital cost |
| Hardinge Road structure         | HB land endowment reserve | \$498,053    |                  | 0                | Existing asset         |

- 7.4 The following HDC Coastal Hazard Assets shall be included in the transfer to HBRC under the Coastal Hazard Transfer Agreement:

| Asset              | Rate                | Capital Cost | Outstanding Debt | Annual Interest and Debt Repayment | Total Budgeted Opex |
|--------------------|---------------------|--------------|------------------|------------------------------------|---------------------|
| Clifton Revetment  | General rate        | \$1,408,987  | \$1,116,000      | \$70,200                           | \$50,000            |
| Cape View Corner   | General rate        | \$644,067    | \$600,000        | \$37,800                           |                     |
| Waimārama Sea Wall | Targeted Rate (90%) | \$197,262    | \$175,481        | \$25,000                           |                     |

- 7.5 NCC and HDC agree that, up until the transfer of the Coastal Hazard Assets, they will consult with HBRC before making any commitments to new coastal hazard mitigation assets or renourishment programmes which are not included in clauses 7.3 and 7.4 above. The purpose of this consultation shall be to determine whether, and on what conditions, HBRC will support the new coastal hazard mitigation asset or renourishment programme being transferred in accordance with clause 7.6.
- 7.6 Any coastal hazard mitigation assets and renourishment programmes, including any associated resource consents, that are owned by HDC and NCC before the Transfer Date and which are not included in clauses 7.3 and 7.4 above, may also be transferred to HBRC in accordance with the terms in clause 7.8 below and as agreed by the Parties.
- 7.7 The Parties agree that, to the extent possible, the terms of the Coastal Hazard Transfer Agreement will ensure rate neutrality: The Parties will endeavour to ensure that there will be no additional cost to any ratepayer arising solely from the transfer of the Coastal Hazard Assets.



- 7.8 The Coastal Hazard Transfer Agreement shall provide:
- (a) that the transfer shall be at no cost to HBRC, but will include any outstanding debt on the assets as at the Transfer Date;
  - (b) for the assumption by HBRC of responsibility for funding arrangements for the Coastal Hazard Assets necessary to meet the objective of rate neutrality, as agreed between the Parties; and
  - (c) that the assets and liabilities to be transferred must include all amounts and items that properly ought to be treated as being of the same character, irrespective of how they may be described in the accounts or records of NCC and HDC.
- 7.9 NCC and HDC agree to maintain the Coastal Hazard Assets and pay any annual interest and debt repayments up to the Transfer Date in full accordance with the operational budgets and asset management plans confirmed and in effect as of the date of this Memorandum.
- 7.10 Prior to the Transfer Date, NCC and HDC must each provide a written undertaking confirming that the assets being transferred from their respective ownership have been constructed, maintained and monitored in accordance with any and all resource consents issued under the Resource Management Act 1991 and the requirements of any relevant Long Term Plan and/or Asset Management Plan. The assets will not be transferred to HBRC until such time that the required undertakings are received.
- 7.11 The Coastal Hazard Transfer Agreement may provide such warranties as to the Coastal Hazard Assets, including any liability arising in connection with those assets, as is agreed between the Parties.

## 8. SIGNIFICANCE AND ENGAGEMENT POLICIES

- 8.1 **HBRC:** The Proposal involves HBRC undertaking a “significant new activity” as that term is defined in section 16 of the LGA. In accordance with the requirements of its Significance and Engagement Policy and the LGA, HBRC will use the special consultative procedure to propose an amendment to its long-term plan.
- 8.2 **HDC:** The transfer of HDC’s current coastal hazard assets, associated debt and operating costs have been considered against its Significance and Engagement Policy and are considered to be of low significance and no engagement with the community is required. HDC has confirmed that a special consultative process will not be required to enable the transfer of these assets. The maintenance and financing costs of the Waimarama Sea Wall are collected by way of a targeted rate (90%) and consultation with that community will be required in conjunction with the HBRC consultative process.
- 8.3 **NCC:** As NCC’s coastal hazard assets are not specifically identified as a ‘Strategic Asset’ within its Significance and Engagement Policy, NCC has confirmed that a Special Consultative Procedure is not required to enable the transfer of these assets to HBRC. The transfer of the

assets, associated debt and operating costs are considered as a matter of moderate interest to a portion of the community and of general interest to the wider community. NCC intends to inform the wider community of the matter through its Annual Plan 2022/23 process. Affected parties, including Whakarire Ave Residents will be consulted with in conjunction with the HBRC consultative process. The maintenance costs of the Whakarire revetment will be collected by way of a targeted rate (2.5%) and consultation with that community will be required in conjunction with the HBRC consultative process.

## 9. ESTABLISHMENT OF ADVISORY COMMITTEE

- 9.1 The Parties agree to establish a Coastal Hazards Advisory Committee ("**Advisory Committee**"), formed by elected representatives of the Parties and Tangata Whenua.
- 9.2 The primary function of the Advisory Committee is to provide advice to and support for HBRC in undertaking its coastal hazards adaptation functions.
- 9.3 The Terms of Reference for the Advisory Committee is provided in **Schedule One** to this Memorandum. Any amendments to the Terms of Reference may be agreed between the Parties up until the establishment of the Advisory Committee.

## 10. PROCESS FOR RESOLVING OBJECTIONS

- 10.1 The Parties have agreed in principle to the Proposal, but acknowledge that disagreements may arise regarding aspects of the Proposal.
- 10.2 **Best Endeavours:** Parties agree to use best endeavours to achieve agreement on the Proposal without it being submitted to mediation or Minister determination under section 16 LGA.
- 10.3 **Spirit of Co-operation:** The Parties must at all times act in a spirit of co-operation and collaborative working. Each Party will use its best endeavours to act under the principle of no surprises with each other in relation to their respective interests and the matters covered by this memorandum.
- 10.4 **First Dispute Resolution Meeting:** A Party may, at any time when there is a disagreement relating to the Proposal, give written notice to the other Parties specifying the subject matter of the disagreement and requiring that the Parties meet within 10 Business Days after delivery of the written notice, to attempt to resolve the disagreement.
- 10.5 **Second Dispute Resolution Meeting:** If a disagreement is not resolved in the First Dispute Resolution Meeting, the Parties must agree to meet within 10 Business Days of the First Dispute Resolution Meeting, to continue to resolve the matters in dispute.
- 10.6 **Mediation:** If the parties to the Dispute fail to resolve the Dispute in accordance with clause 10.4 or 10.5, or if a party to the Dispute fails or refuses to attend the Dispute Resolution Meeting or Second Dispute Resolution Meeting, any Party may submit the matter to Mediation in accordance with section 16(4) LGA. In the event of any submission to Mediation:

- (a) **Status:** the mediator will not be acting as an expert or as an arbitrator;
  - (b) **Procedure:** the mediator will determine the procedure and timetable for the Mediation; and
  - (c) **Costs:** the parties involved in the Dispute will share equally the cost of the Mediation.
- 10.7 If the Mediation is unsuccessful, any of the Parties may ask the Minister to make a binding decision on the proposal in accordance with section 16(6) of the LGA.

## 11. REVIEW

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- 11.1 This Memorandum may be altered with the written consent of the Parties.
- 11.2 The Parties agree to review this document at the conclusion of HBRC's consultation process, with the intention that any agreement reached between the Parties at the conclusion of the section 16 LGA process is recorded in an updated agreement executed by the Parties.

## EXECUTED AS AN AGREEMENT

SIGNED for and on behalf of Hawke's Bay  
Regional Council under delegated authority  
by:

  
Signature

James Palmer  
Name

Chief Executive  
Title

SIGNED for and on behalf of Hastings District  
Council under delegated authority by:

  
Signature

Nigel Buckle  
Name

Chief Executive  
Title

SIGNED for and on behalf of Napier City  
Council under delegated authority by:

  
Signature

Adele Henderson  
Name

Acting Chief Executive  
Title

## SCHEDULE ONE: ADVISORY COMMITTEE TERMS OF REFERENCE

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### Terms of Reference for the Coastal Hazards Advisory Committee

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#### 1. Definitions

For the purpose of these Terms of Reference:

**"Act"** means the Local Government Act 2002.

**"Administering Authority"** means Hawke's Bay Regional Council.

**"Coastal Hazards Strategy"** means the Coastal Hazards Strategy for the Hawke Bay coast between Clifton and Tangoio. For the avoidance of doubt the Strategy is in development as of the date of this Terms of Reference.

**"Council Member"** means a representative appointed by a Partner Council.

**"Hazards"** means natural hazards with the potential to affect the coast, coastal communities and infrastructure over the next 100 years, including, but not limited to, coastal erosion, storm surge, flooding or inundation of land from the sea, and tsunami; and includes any change in these hazards as a result of sea level rise.

**"Advisory Committee"** means the group known as the Coastal Hazards Advisory Committee set up to support the Hawke's Bay Regional Council to undertake its agreed functions with respect to coastal hazards avoidance and adaptation.

**"Member"** in relation to the Advisory Committee means each Council Member and each Tangata Whenua Member.

**"Partner Council"** means one of the following local authorities: Hastings District Council, Napier City Council and Hawke's Bay Regional Council.

**"Tangata Whenua Appointer"** means:

The trustees of the Maungaharuru-Tangitū Trust, on behalf of the Maungaharuru-Tangitū Hapū;

Mana Ahuriri Incorporated, on behalf of Mana Ahuriri Hapū;

Heretaunga Tamatea Settlement Trust, on behalf of the hapū of Heretaunga and Tamatea.

**"Tangata Whenua Member"** means a member of the Advisory Committee appointed by a Tangata Whenua Appointer



**2. Name and status of Committee**

- 2.1 The Advisory Committee shall be known as the Coastal Hazards Advisory Committee.
- 2.2 The Advisory Committee is a joint committee under clause 30(1)(b) of Schedule 7 of the Act.

**3. Partner Council Members**

- 3.1 Each Partner Council shall appoint two Council Members and one alternate to the Advisory Committee.
- 3.2 Each Partner Council must appoint at least 1 elected member to the Advisory Committee.
- 3.3 Each Partner Council must make any appointment and notify all Tangata Whenua Appointers and Partner Councils in writing of the appointment.

**4. Tangata Whenua Members**

- 4.1 Each Tangata Whenua Appointer may appoint up to two members to the Advisory Committee.
- 4.2 Each Tangata Whenua Appointer must make any appointment and notify all Tangata Whenua Appointers and Partner Councils in writing of the appointment.

**5. Purpose of Terms of Reference**

- 5.1 The purpose of these Terms of Reference is to:
  - i. Define the role and functions of the Advisory Committee; and
  - ii. Provide for the administrative arrangements of the Advisory Committee as detailed in Appendix 1.

**6. Functions**

- 6.1 The Advisory Committee shall support the Hawke's Bay Regional Council to undertake its agreed functions with respect to coastal hazards avoidance and adaptation by fulfilling the following functions:
  - i. Providing a forum for constructive dialogue between Tangata Whenua and the Partner Councils on coastal hazards avoidance and adaptation.
  - ii. Responding to requests from the Hawkes Bay Regional Council for advice and commentary on specific topics relevant to coastal hazards avoidance and adaptation, which may include:
    - a. Effective engagement with Tangata Whenua;
    - b. Effective engagement with ratepayers and communities;
    - c. Funding arrangements;
    - d. Rate payer equity and affordability;
    - e. Socio-economic considerations;

- f. Environmental considerations;
  - g. Central Government interaction; and
  - h. Engaging in the development of and interpreting any relevant policies, plans and legislation.
- 6.2 For the avoidance of doubt the Advisory Committee has no delegated authority to make decisions for or on behalf of any other entity.
- 7. Remuneration**
  - 7.1 Each Partner Council shall be responsible for remunerating its representatives on the Advisory Committee and for the cost of those persons' participation in the Advisory Committee.
  - 7.2 The Administering Authority shall be responsible for remunerating the Tangata Whenua Members.
- 8. Meetings**
  - 8.1 The Hawke's Bay Regional Council standing orders will be used to conduct meetings as if the Advisory Committee were a local authority and the principal administrative officer of the Hawke's Bay Regional Council or his or her nominated representative were its principal administrative officer.
  - 8.2 The Advisory Committee shall hold all meetings at such frequency, times and place(s) as agreed for the effective performance of its functions.
  - 8.3 Notice of meetings will be given well in advance in writing to all Advisory Committee Members, and not later than one month prior to the meeting.
  - 8.4 The quorum shall be 6 Members, provided that at least one Partner Council Member is present from each Partner Council.
- 9. Voting**
  - 9.1 Where voting is required to confirm a position or advice of the Advisory Committee, all Members of the Advisory Committee have full speaking rights.
  - 9.2 Each Member has one vote.
  - 9.3 Best endeavours will be made to achieve decisions on a consensus basis.
  - 9.4 The Chairperson at any meeting does not have a deliberative vote and, in the case of equality of votes, has no casting vote.
  - 9.5 Where consensus is not reached on a position or advice of the Advisory Committee, the outcome of voting and the reasons for the lack of consensus shall be reported to the Hawke's Bay Regional Council.



**10. Election of Chairperson and Deputy Chairperson**

- 10.1 On the formation of the Advisory Committee the members shall elect an Advisory Committee Chairperson and may elect up to two Deputy Chairpersons. The Chairperson is to be selected from the group of Council Members.
- 10.2 The mandate of the appointed Chairperson or Deputy Chairperson ends if that person through resignation or otherwise ceases to be a member of the Advisory Committee.

**11. Independent Facilitation**

- 11.1 Any matter or matters being considered by the Advisory Committee may be referred by the Chair for independent facilitation.
- 11.2 Where a matter is referred for independent facilitation:
  - i. A sub-committee of the Advisory Committee shall be established, with at least one Tangata Whenua Member and at least one member from each Partner Council.
  - ii. The subcommittee shall identify and assess candidates to undertake the facilitation and develop recommendations to the Advisory Committee to appoint a preferred candidate.
  - iii. The Advisory Committee shall receive and consider the subcommittee's recommendation and confirm an appointment.
  - iv. The appointment may be made for a set duration (e.g. for 12 months) or on a task specific basis.
- 11.3 The role of independent facilitator is to assist the Advisory Committee to consider, debate and reach resolution on specified matters.
- 11.4 The independent facilitator shall act in every respect as an independent and neutral third party and shall have no voting or decision-making functions.

**12. Reporting**

- 12.1 All reports to the Committee shall be presented via the Technical Advisory Group<sup>1</sup> or from the Committee Chairperson.
- 12.2 Following each meeting of the Advisory Committee, the Project Manager appointed by the Administering Authority shall prepare a brief summary report of the business of the meeting and circulate that report, for information to each Member following each meeting. Such reports will be in addition to any formal minutes prepared by the Administering Authority which will be circulated to Advisory Committee representatives.
- 12.3 The Technical Advisory Group shall ensure that the summary report required by 12.2 is also provided to each Partner Council for inclusion in the agenda for the next available Council meeting. A Technical Advisory Group Member shall attend the relevant Council meeting to speak to the summary report if requested and respond to any questions.

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<sup>1</sup> A description of the Technical Advisory Group and its role is included as Appendix 1 to these Terms of Reference.

**13. Good faith**

- 13.1 In the event of any circumstances arising that were unforeseen by the Partner Councils, the Tangata Whenua Appointers, or their respective representatives at the time of adopting this Terms of Reference, the Partner Councils and the Tangata Whenua Appointers and their respective representatives hereby record their intention that they will negotiate in good faith to add to or vary this Terms of Reference so to resolve the impact of those circumstances in the best interests of the Partner Councils and the Tangata Whenua Appointers collectively.

**14. Variations to these Terms of Reference**

- 14.1 Any Member may propose a variation, deletion, or addition to the Terms of Reference by putting the wording of the proposed variation, deletion or addition to a meeting of the Advisory Committee.
- 14.2 Amendments to the Terms of Reference may only be made with the approval of all Members.

**15. Recommended for Adoption by**

- 15.1 The Coastal Hazards Strategy Advisory Committee made up of the following members recommends this Terms of Reference for adoption to the three Partner Councils:

**Napier City Council represented by:**  
*Appointed by NCC resolution [date]*

**Hastings District Council represented by:**  
*Appointed by HDC resolution [date]*

**Hawke's Bay Regional Council represented by:**  
*Appointed by HBRC resolution [date]*

**Maungaharuru-Tangitū Trust represented by:**

**Mana Ahuriri Trust represented by:**

**Heretaunga Tamatea Settlement Trust represented by:**

**Appendix 1 - Administering Authority and Servicing**

The administering authority for the Advisory Committee is Hawke's Bay Regional Council.

Until otherwise agreed, Hawke's Bay Regional Council will cover the full administrative costs of servicing the Advisory Committee.

A technical advisory group ("TAG") will service the Advisory Committee.

The TAG will provide for the management of the project mainly through a Project Manager. TAG will be chaired by the Project Manager and will comprise senior staff representatives from each of the participating councils and other parties as TAG deems appropriate from time to time. TAG will rely significantly on input from coastal consultants and experts.

The Project Manager and appropriate members of the TAG shall work with stakeholders. Stakeholders may also present to or discuss issues directly with the Advisory Committee.

Functions of the TAG include:

- Contributing technical expertise
- Providing technical oversight.
- Coordinating agency inputs particularly in the context of the forward work programmes of the respective councils.
- Ensuring council inputs are integrated.

## SCHEDULE TWO: INDICATIVE TIMELINE

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- 11.1 The Parties agree the following indicative timeline for implementing the matters set out in this Memorandum:
- (a) HDC will undertake targeted consultation in relation to the proposed transfer of responsibilities for the Waimarama Sea Wall to HBRC. The outcome of consultation shall be reported back to the Parties by **31 May 2022**.
  - (b) HBRC will initiate a public consultation process in accordance with section 82A of the LGA to seek feedback on the Proposal. HBRC shall seek to conclude this consultative process by **30 September 2022**.
  - (c) The Clifton to Tangoio Coastal Hazards Strategy Joint Committee shall recommend a final proposed Clifton to Tangoio Coastal Hazards Strategy to HBRC by **31 March 2023**.
  - (d) The Parties shall prepare and execute the Asset Transfer Agreement by **31 July 2023**.
  - (e) HBRC shall to give effect to the Proposal in accordance with sections 16 (including requirements to notify the Minister of Local Government) and 93B to 93G of the LGA and the requirements of HBRC's Significance and Engagement Policy, and confirm funding arrangement for implementing physical works under the Strategy through its 2024 – 2034 Long Term Plan.
  - (f) The Clifton to Tangoio Coastal Hazards Strategy Joint Committee shall be disestablished on **30 June 2024**.
  - (g) The Advisory Committee shall be established from **1 July 2024**.
  - (h) The transfer of assets in accordance with the Asset Transfer Agreement shall occur by **1 July 2024**.



## Meeting of the Hawke's Bay Regional Council

### LATE ITEMS

**Date:** 23 February 2022  
**Time:** 1.30pm  
**Venue:** Council Chamber  
Hawke's Bay Regional Council  
159 Dalton Street, NAPIER

### Agenda

| Item   | Title  | Page |
|--|--|------|
| <b>Information or Performance Monitoring</b> |  |      |
| 13.  | HBRC Internal Review – Coastal Hazards Strategy Implementation | 3    |

## HAWKE'S BAY REGIONAL COUNCIL

23 February 2022

Item 13

**Subject: HBRC internal review – Coastal Hazards Strategy implementation****Reason for Report**

1. This paper provides a response to the 8 topics of internal review (Internal Review) requested by Hawke's Bay Regional Council (Council) at their meeting on 28 July 2021.

**Background /Discussion**

2. On 28 July 2021 a paper was presented to Council seeking agreement to the Coastal Hazards Strategy Implementation and Execution Funding Model report which had been through the Clifton to Tangoio Coastal Hazards Joint Committee on 4 June 2021 and Council's Environment and Integrated Catchments Committee on 23 June 2021.
3. On 28 July Council resolved:

*"That Hawke's Bay Regional Council:*

- 3.1. *Receives and considers the "Coastal Hazards Strategy Implementation & Execution Funding Model" staff report.*
- 3.2. *Agrees in principle to the outcome of the Funding Review and recommendations of the Clifton to Tangoio Coastal Hazards Strategy Joint Committee; being:*
  - 3.2.1. *Endorses the findings of the review undertaken by Mr Raynor Asher QC titled "Review and Recommendations for the Clifton to Tangoio Coastal Hazards Strategy Joint Committee", including the following key recommendations, for the purposes of commencing consultation under s.16 of the Local Government Act 2002:*
  - 3.2.2. *That the Hawke's Bay Regional Council takes charge of all aspects of adapting to and mitigating coastal hazards risks on the Clifton to Tangoio Coast*
  - 3.2.3. *That the Napier City Council, Hastings District Council and Hawke's Bay Regional Council enter into a memorandum of understanding setting out agreed positions on this arrangement*
  - 3.2.4. *That an advisory committee is formed by elected representatives from Napier City Council, Maungaharuru-Tangitū Trust, Hastings District Council, Mana Ahuriri, Hawke's Bay Regional Council and Heretaunga Tamatea Settlement Trust to support forward work*
  - 3.2.5. *That a Transition Plan is prepared to set out the timing and orderly process of transitioning functions to the Hawke's Bay Regional Council in accordance with the terms set out in the memorandum of understanding.*
- 3.3. *Directs staff to prepare a draft Memorandum of Transition between the Hawke's Bay Regional Council, Napier City Council and Hastings District Council that details the proposed operational regime for implementing coastal hazards mitigation projects under the Clifton to Tangoio Coastal Hazards Strategy, including but not limited to:*
  - 3.3.1. *Recognition and acknowledgement of legal responsibilities*
  - 3.3.2. *Assessment of risk and liabilities associated with the transfer to HBRC of the management of existing coastal hazards mitigation assets held by Napier City Council and Hastings District Council and the transfer of existing rock revetments at Waimarama, Clifton, Cape View Corner and Ahuriri*



- 3.4. *Directs staff to report back to Council on a pathway for an internal review of the following areas of HBRC in relation to the implementation of the Coastal Hazards Strategy:*
- 3.4.1. *Organisation wide impacts*
  - 3.4.2. *The most effective organisational model for implementation*
  - 3.4.3. *Suitability of policy and regulatory framework*
  - 3.4.4. *Science output requirements*
  - 3.4.5. *Obligations to tangata whenua*
  - 3.4.6. *Ratepayer equity, including an assessment of the full financial cost to all ratepayers in delivering the strategy*
  - 3.4.7. *The impacts of climate change on the adaptive pathways in light of the most recent projections*
  - 3.4.8. *An assessment of the carbon footprint arising from implementing the strategy."*
4. Further workshops were subsequently held with Councillors to confirm the scope of the Internal Review (topics outlined under 3.4 above).
5. This report presents each Internal Review topic, the confirmed scope (bold italicised text) and information collated in response.

#### Topic 1: Organisation Wide Impacts

***Provide an assessment of staffing requirements and structural changes required to successfully deliver projects under the Strategy.***

- 6. Should Council decide that it should be responsible for delivery of the Clifton to Tangoio Coastal Hazard Strategy then the following delivery model is proposed.
- 7. The delivery model is identical to the way flood control and drainage schemes are provided across Hawke's Bay under a targeted rate model.
- 8. HBRC currently manages \$206 million of flood control and drainage assets which includes civil, mechanical and electrical assets. The upper bound of the estimate for new works proposed under the Strategy is \$26.4 million (see discussion under Topic 6 of this report) for civil works which represents an 11% increase in asset base over a 10-year time horizon.
- 9. **Table 1** below presents the proposed delivery model and anticipated costs.

**Table 1 Proposed delivery model and anticipated costs.**

| Group | Regional Assets: Strategic Asset Management  | Regional Assets: Operational Asset Management   | Regional Projects   | Science<br>(Refer to discussion under Topic 4)   |
|-------|--|---|---|--|
| Tasks | <ul style="list-style-type: none"> <li>▣ Progress and update the Strategy as required</li> <li>▣ Develop business cases for new works</li> <li>▣ Develop an Asset Management Plan including maintenance and renewal strategy as input to the Infrastructure Strategy and Long Term Plan</li> </ul> | <ul style="list-style-type: none"> <li>▣ Monitor and inspect existing and new structures</li> <li>▣ Detailed engineering inspections</li> <li>▣ Monitoring signals and triggers</li> <li>▣ Managing operational renourishment programmes</li> </ul> | <ul style="list-style-type: none"> <li>▣ Consenting and capital project delivery</li> </ul> | <ul style="list-style-type: none"> <li>▣ Strategic assessment</li> <li>▣ Preferred option analysis</li> <li>▣ Consent application review (regulatory function)</li> <li>▣ Data collection, monitoring, analysis</li> </ul> |



| Group                                   | Regional Assets: Strategic Asset Management            | Regional Assets: Operational Asset Management  | Regional Projects  | Science<br>(Refer to discussion under Topic 4)   |
|---|--|--|--|--|
| New Staffing                            | 1 additional FTE (\$150k p.a.)                         | Managed within existing team (7 FTEs)  | 1 additional FTE (\$150k p.a.)   | Some elements partially managed within existing team<br>Determination will be made on whether to outsource remaining elements or increase capacity |
| External / specialist technical support | Procurement of additional specialist advice \$200k p.a | Procurement of additional specialist advice \$300k p.a (\$100k for specialist advice plus \$200k provision for consent conditions) | Procurement of additional specialist advice funded through cost recovery mechanism | Engaged where independence from consenting functions required - Funded through cost recovery mechanism   |

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10. It is noted that cost of consenting has been built into the project estimates (Topic 6) as a key project activity.
11. Works Group have in the past undertaken maintenance of coastal structures for HBRC and other Councils. It is anticipated that they can undertake some of the maintenance work required as and when required. It is not envisaged that Works Group would scale up for the provision of maintenance renourishment as envisioned by the current pathways. This work typically requires large volumes of shingle over relatively short time periods and is most efficiently delivered by the contracting industry.
12. The estimated additional funding described here has been included in the financial assessment tables. Financial information will be updated as the strategy processes through consenting, design and construction phases.

***Identify the number of new Full Time Equivalent (FTE) roles considered necessary, based on FTE requirements to deliver capital works programmes under HBRC's flood control schemes.***

13. The estimate for FTE staff required to deliver the Clifton to Tangoio Strategy is 2 (refer **Table 1**) in addition to specialist consultant and contracted resources the costs of which have been accounted for in strategy estimates.
14. This resource is based on an assumption that the program is optimised for a smooth delivery profile. Should significant construction be required over a short period of time (for example IRG deliver) then additional project managers will be required.

***Discuss assumption that resourcing levels will be designed to address project delivery, operations & maintenance and monitoring.***

15. Detailed design and consenting work to be mostly outsourced as this is short duration and specialist in nature and there are benefits to maintaining independence from Council's regularly functions.

**Topic 2: The most effective organisational model for implementation**

*Describe how physical works programmes would be effectively implemented in practice.*

16. The physical work programs would be delivered through the following generic asset management process.
  - 16.1. The asset management plan will be based on the work of the Strategy and clearly outline an investment pathway, the primary option(s) to be delivered in an approximate timeline, with triggers identified for initiation of each project. This investment profile will be reflected in the Infrastructure Strategy, the Financial Strategy and the approved LTP. The Infrastructure Strategy is required to outline a minimum of 30 year investment plan for each activity.
  - 16.2. Staff will monitor the project triggers and when triggers are met will initiate the capital works project by defining the key attributes, activities and outcomes required. Where background data collection may be required for consenting purposes this will be commenced as an early deliverable without committing to the full project at that time.
  - 16.3. The project will be assigned to a Regional Projects project manager who will develop a detailed work plan, schedule, procurement plan, cashflow and review the project estimate using current pricing information.
  - 16.4. The project manager with high level support from the asset manager and detailed support from specialist consultants and contractors will deliver the work packages required for delivery of the asset. This would typically include:
    - 16.4.1. **Definition** - document precisely what is required and what are the key steps of delivery
    - 16.4.2. **Procurement strategy** - describing how the various work packages will be procured and the approximate value of each work package
    - 16.4.3. **Design** - which would consist of concept, engineering design and detailed design
    - 16.4.4. **External approvals** - including any land matters and consents
    - 16.4.5. **Construction** - likely seasonal
    - 16.4.6. **Handover** - to operations including as built drawings, operational and maintenance plans and any warranties
    - 16.4.7. **Project Closeout** - financial closeout of the project.

*Discuss delivery model, which is to be based on HBRC flood control works; key components include that the works will be led out of HBRC's Asset Management Group, funding is confirmed through usual Long Term Plan processes, with triggers and thresholds driving the actual work programme in any given year.*

17. It is recommend that Asset Management Group would deliver the coastal strategy through minor amendments to its existing structure using the same core asset management framework that the delivers flood control and drainage activities.
18. All funding requirements for the new activity will be described in a new Coastal Asset Management Plan which will feed into the Infrastructure Strategy, Financial Strategy and Long Term Plan. All decisions on the final shape of Coastal Strategy will be agreed by Council through adopting the Long Term Plan every 3 years, with ability to adjust through the annual plan cycle.
19. Although the major investments for the coastal strategy will be outlined in Infrastructure and LTP based on the best information at the time, projects will only be commenced when they meet their trigger conditions. This is best practice Asset Management to only invest in new infrastructure when it is required. This means that adjustments will be made to the investment profile and thus project delivery based on the monitoring of the coastal environment and sea level rise. Because the strategy is adaptive, adjustment, particularly in the 10-30 year view should be expected.

**Topic 3: Suitability of policy and regulatory framework**

***Summarise findings of reports by Mitchell Daysh Limited looking at the suitability of the existing policy framework and consentability issues for works proposed under the Strategy.***

20. The Strategy's Stage 4 Regulatory Workstream reports by Mitchell Daysh Limited in 2020 focused on two principal tasks:
    - 20.1. Summarising key planning and regulatory documents that could impede or support implementation of the preferred pathways including a consideration of 'moral hazard' risks; and
    - 20.2. Summarising actions to ensure short-term adaptation responses can be implemented, including use of several case studies.
  21. **Attachment One** provides a summary of those two reports and their recommendations/conclusions. This same summary was presented to the 19 November 2021 meeting of the Clifton to Tangoio Coastal Hazards Strategy Joint Committee.
- Present scope for next phase of work under the Regulatory Workstream which will respond to recommendations made in the Mitchell Daysh reports.***
22. The Mitchell Daysh Limited reports make recommendations focussing on opportunities for amendments to existing planning documents under the RMA, i.e.:
    - 22.1. Hastings District Plan
    - 22.2. Napier District Plan
    - 22.3. Hawke's Bay Regional Resource Management Plan (including the Regional Policy Statement) and
    - 22.4. Hawke's Bay Regional Coastal Environment Plan.
  23. In particular, the Policy and Regulatory Review Report included the following recommendation:
    - 23.1. *"Amendments will be required to the Regional Coastal Environment Plan, the Hastings District Plan and City of Napier District Plan to ensure the objectives, policies and methods within these documents enable the outcomes sought by the Strategy. This is twofold –*  
*[a] greater recognition of the implementation of short-term hazard adaptation responses (including benefits) and*  
*[b] the avoidance of future land use intensification that will hinder long term delivery of the Strategy and increase moral hazard."*
  24. There are two key current or emerging opportunities for incorporating elements of the Stage 4 workstream recommendations into statutory planning documents.

**Review of Napier District Plan**

25. An opportunity to embed provisions proposed Napier District Plan to:
  - 25.1. Give greater recognition of the Strategy's short term adaptation responses, including benefits
  - 25.2. Avoid further land use intensification in locations that will hinder long-term delivery of the Strategy.
  - 25.3. Provisions could be inserted during the drafting phase (now to mid-2022) and/or via formal submissions after the new proposed district plan is publicly notified.



**Review of HBRC's RMA plans (Kotahi)**

26. An opportunity to embed provisions in the Regional Policy Statement (RPS), Regional Coastal Environment Plan and the remaining parts of the Regional Resource Management Plan to:
  - 26.1. Provide policy recognition and support of implementing outcomes as per Strategy
  - 26.2. Give greater recognition of the Strategy's short term adaptation responses, including benefits
  - 26.3. Avoid further land use intensification in locations that will hinder long-term delivery of the Strategy
  - 26.4. To ensure the Strategy is afforded greater weight in resource consent decision-making processes, embed Strategy's key features into the Regional Policy Statement (and regional plans) as relevant, alternatively run a Local Government Act 'special consultative process' on the Strategy to provide further structured opportunity for public participation in Strategy development
  - 26.5. Timing wise, Kotahi programme is aiming for public notification as a proposed plan in late 2024.
27. Recommendations from the Strategy's Stage 4 Regulatory Workstream have been added to the Kotahi project's 'to-do-list' for the appropriate policy options evaluation, drafting and public consultation. But the Kotahi Plan alone cannot deliver all of the relevant policy interventions due to allocation of roles and functions under the RMA to territorial authorities and the regional council.
28. Council's 2021-31 Long Term Plan does not provide capacity for preparation of a stand-alone RPS/regional plan change embedding the Strategy earlier than the extensive Kotahi plan.
29. There is some interest amongst Hawke's Bay Council leaders in the preparation of a high-level regional spatial plan, but no firm commitment nor resourcing of that initiative exists at present across the five HB councils. Preparation of a regional spatial plan is very likely to be further influenced by timing and content of the Resource Management system reforms (discussed below).
30. In terms of immediate next steps arising from the Regulatory Workstream, the Napier District Plan and the Kotahi Plan should remain the focus.
31. Each of these are current and emerging opportunities to further embed relevant elements of the Strategy into statutory RMA planning documents. That drafting can occur somewhat simultaneously with ongoing work on the remaining Stage 4 workstreams (e.g. design, funding, managed retreat and triggers in particular), plus the three Councils' joint work on the Memorandum of Transition (MOT) and other associated transitional arrangements.
32. Beyond the local planning framework, the Government has signalled its intention to repeal the RMA and replace it with three new pieces of legislation:
  - 32.1. a Natural and Built Environments Act (NBEA)
  - 32.2. a Spatial Planning Act (SPA), and
  - 32.3. a Climate Change Adaptation Act (CCAA).
33. The Government has also proposed the creation of a National Planning Framework ('NPF') that would be a package of national policy directives and national regulations under the new system. Proposals have included a significant reduction in regional and district plans to just fourteen plans (one combined plan per region). This presents opportunities for greater integration of regional and district planning provisions, but will also carry challenges and uncertainties, particularly regarding timeframes.
34. Timeframes for introduction of Bills for the NBEA and SPA have slipped. These are now earmarked to be introduced in the third quarter of 2022 as Bills for Select Committee process.

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Meanwhile, a Bill for the CCAA is now mooted to be introduced in 2023. Transitional arrangements from the RMA-system to the new resource management system are currently unknown. These transitional arrangements will be critical if:

- 34.1. the new system is to be an improvement over the current system and attain the goals of the reform, and
  - 34.2. the new system may offer timely cost-effective opportunities to further implement the Strategy.
35. The Government has also established a Review Panel which is currently undertaking a review of local government arrangements. The Review Panel is expected to finalise its report and recommendations by April 2023. It is too premature to speculate what (if any) of the Panel's findings may then be progressed in any reshaping of local government.
36. For now, roles and responsibilities for oversight and preparation/review of RMA planning documents are assumed to remain as they are at present. It is noted that the draft Memorandum of Transition includes a specific clause to confirm that nothing is proposed to change with respect to these functions.

#### Topic 4: Science output recommendations

***Summarise expected science requirements to support implementation of the Strategy – e.g. environmental baseline monitoring, effects assessments to support consenting (applicant and effective regulatory functions), consent condition and triggers monitoring requirements, etc.***

- 37. While the addition of coastal hazard protection to the Hawke's Bay coastline undoubtedly creates positive benefits for assets and communities protected by these mitigations, consequences on the coastline ecology and natural character also need to be assessed to determine where true cost/benefit lies in terms of the choice of mitigation options.
- 38. This has been considered more recently under the Coastal Ecology Workstream of the Strategy, with a report commissioned to assess the potential ecological consequences of mitigation in a staged approach. Initial work has been completed to assess the amount of current information in the project area, undertake a high-level assessment of what the key considerations on coastal ecology may be, and assess the information gaps.
- 39. While this work sets a start point for the assessment of ecological considerations that may be required to support an assessment of environmental effects, there are several areas that Hawke's Bay Regional Council need to consider relating to science required to support the Strategy, and the best options for the procurement of this science.

#### ***Strategic assessment***

- 40. Physical interventions proposed for the current workstream in the Strategy potentially affect approximately 52% (21km) of the exposed sand/gravel beaches in the project area (Clifton-Tangoio). The effects of these interventions on natural character and Policy 13 (d) of the New Zealand Coastal Policy Statement (2010) need to be considered.
- 41. The Kotahi Plan Change presents an opportunity to implement this national direction and provide strategic oversight in setting the policy framework for the Strategy to ensure that activities are afforded the appropriate status, and that matters for consideration are outlined.
- 42. While this is predominantly a planning/policy output, science input will be required to support the technical basis for this work. This has been resourced through internal science time to support the Kotahi Plan Change process.
- 43. This is within existing resource budget.

***Preferred option analysis***

- 44. While ecological effects were considered in the multicriteria decision making tool looking at specific preferred mitigation option, no technical specialist was involved in this process. The 'cost' of interventions on coastal ecology is an area that needs to be considered in more detail when confirming a preferred option.
- 45. There has been no resource to date budgeted for this activity in the Strategy. Therefore, no internal science time is available at this stage, although this is a task that would benefit from being internally filled as it likely that similar information will be required for other areas or at other times.
- 46. Further resource is required if this activity is to be undertaken using internal science resources.

***Support for consenting***

- 47. Once a preferred option has been confirmed, an assessment of environmental effects needs to accompany any application for resource consent. This will require a detailed technical review of how any proposed activity may affect coastal ecology – species, habitats, processes and patterns. This assessment includes the scale or magnitude of any effect, whether the effect is temporary or permanent, and what the future state of the area in the proposed activity may look like.
- 48. To maintain independence from the consent applicant and consenting authority (which would be required if the proposal outlined in the Memorandum of Transition is adopted), this activity should be undertaken by outsourcing to a suitability qualified and experienced consultant.
- 49. No internal science resource is required to complete this work.

***Assessment of consent once received***

- 50. Once the resource consent applications have been received by the consents team, an audit of the information provided in the AEE relating to coastal ecology is required to verify that the appropriate information has been considered, and that the conclusions reached are supported by the data provided.
- 51. To maintain independence from the consent applicant and consenting, this activity is best undertaken by outsourcing to a suitability qualified and experienced consultant.
- 52. No internal science resource is required if this is to be outsourced.

***Monitoring of consents***

- 53. Monitoring conditions will be added to ensure that actual effects do not exceed those predicted in the AEE. These are undertaken by the consent holder (typically on behalf); however, a Council-based review of the monitoring information once returned is required. This can be undertaken externally, however internalising this activity can promote a better linkage between observed impacts and the intent of the policy.
- 54. Further resource required if this activity is to be undertaken using internal science resources.
- 55. No internal science resource is required if this is to be outsourced.



*Discuss coastal ecology workstream underway and findings of draft gap analysis*

56. **Table 2** outlines the structure of the Coastal Ecology workstream.

**Table 2: Coastal Ecology Workstream structure and key tasks**

| Phase                       | Description  |
|-----------------------------|--|
| 1. Gap Analysis             | Desktop analysis to identify what information is currently available and/or in the process of being collected, what gaps exist, and what additional information is needed to inform a robust assessment of actual and potential effects on coastal ecology associated with the proposed pathways |
| 2. Engagement               | Building on and enhancing Step 1, engage with mana whenua and the broader community to determine values and aspirations related to coastal ecology – identify any additional gaps in knowledge / data  |
| 3. Monitoring Proposal      | Development of a monitoring proposal (what to monitor, where, frequency) to address information gaps or deficiencies identified in Steps 1 and 2   |
| 4. Monitoring Programme     | Implementation of monitoring programme (multi-year and ongoing)  |
| 5. First Pass AEE           | First pass assessment of environmental effects for works proposed under the Strategy to determine any critical failure points for coastal ecology impacts  |
| 6. AEE for Resource Consent | Detailed assessment of environmental effects, preparatory to and in support of resource consent applications for works proposed under the Strategy   |

57. Dr Shane Kelly from Coast & Catchment were engaged to undertake the gap analysis which is the first phase of this work.
58. Dr Kelly's report notes that there is a significant body of existing data and knowledge about coastal ecology in the Strategy area, however there are gaps, and for consenting purposes site and activity specific information will be required.
59. The following potential effects / key issues / values areas are described and the state of knowledge and knowledge gaps for each noted:
- 59.1. Smothering by deposited or redistributed sand and gravel
  - 59.2. Accelerating the spread and proliferation of marine pests
  - 59.3. Sediment suspension
  - 59.4. Burying benthic communities beneath structure
  - 59.5. Hardening of the shoreline
  - 59.6. Effects caused by changes in coastal processes
  - 59.7. Physical disturbance of the Coastal Marine Area (CMA) during construction
  - 59.8. Dune planting
  - 59.9. General effects on Ahuriri Estuary
  - 59.10. General effects on coastal vegetation
  - 59.11. General effects on birds
  - 59.12. General effects on fish.
60. The report notes that it will also be of critical importance to evaluate the cumulative impacts of the proposed interventions.



61. With the completion of the gap analysis, TAG will now seek to commence the second phase of work (engagement) under the Coastal Ecology Workstream. This will enable a full suite of knowledge gaps to be identified, and a monitoring programme to be designed and implemented.

#### Topic 5: Obligations to Tāngata Whenua

*Identify key processes and elements relevant to Strategy development and implementation – e.g. Treaty obligations, Treaty settlement outcomes (e.g. statutory acknowledgements) Marine and Coastal Area (Takutai Moana) Act, Māori Standing Committee, Regional Planning Committee, etc.*

62. Council has general obligations to establish and maintain processes to provide for opportunities for Māori to contribute to decision-making processes.
63. There are no specific statutory obligations to involve tāngata whenua in the Joint Committee. However, from 'day 1' the Joint Committee's terms of reference established roles for three entities (Maungaharuru-Tangitū Trust, Mana Ahuriri Trust and Heretaunga Tamatea Settlement Trust).
64. Tāngata whenua interests and entities within the Strategy area are many, layered and varied. In no particular order, existing interests include those set out in **Table 3**.

**Table 3 Existing interests of Māori and mana whenua groups in the Strategy area**

|   |   |
|---|---|
| Governance  | <ul style="list-style-type: none"> <li>▣ Membership appointees to the Clifton to Tangoio Coastal Hazards Strategy 2120 Joint Committee</li> <li>▣ Membership appointees of the Regional Planning Committee</li> <li>▣ Appointees to Māori Committees at each of the three partner councils</li> <li>▣ Passing of the Ahuriri Hapū Claims Settlement Act 2021 formalises arrangements for <i>Te Komiti Muriwai o Te Whanga</i> (NB 'Te Komiti' has been operating on interim settings for past few years).</li> </ul>                  |
| Treaty settlement legislation (and Post- Settlement Governance Entities) <sup>8</sup> | <ul style="list-style-type: none"> <li>▣ Ahuriri Hapū Claims Settlement Act 2021 (PSGE is Mana Ahuriri Trust)</li> <li>▣ Heretaunga Tamatea Claims Settlement Act 2018 (PSGE is Heretaunga Tamatea Settlement Trust)</li> <li>▣ Maungaharuru-Tangitū Claims Settlement Act 2014 (PSGE is Maungaharuru-Tangitū Trust)</li> <li>▣ Hawke's Bay Regional Planning Committee Act 2015.</li> </ul>  |
| Taiwhenua   | <p>Two of the six Ngāti Kahungunu Taiwhenua:</p> <ul style="list-style-type: none"> <li>▣ Te Taiwhenua o Te Whanganui ā Orotu and</li> <li>▣ Te Taiwhenua o Heretaunga.</li> </ul>  |
| Marae   | <ul style="list-style-type: none"> <li>▣ Seven marae directly or indirectly affected by coastal hazards in the Strategy area are Kohupatiki, Matahiwi, Petane, Ruahapia, Tangoio, Waiohiki and Waipatu</li> </ul>   |
| Marine and Coastal Area (Takutai Moana) Act   | <ul style="list-style-type: none"> <li>▣ No orders granted for Customary Marine Title (CMT).</li> <li>▣ No orders granted for Protected Customary Rights (PCR).</li> <li>▣ High Court decision issued December 2021 finding in favour of several applicants for PCRs and CMTs. Details of those orders are subject to a second High Court hearing in mid-2022.</li> <li>▣ Several other applications for PCRs and CMTs are yet to be heard by the High Court spanning the Strategy area near Awatoto and south to Clifton.</li> </ul> |
| Resource Management Act   | <ul style="list-style-type: none"> <li>▣ No <i>Mana Whakahoā a Rohe</i> arrangements with Council are in effect.</li> <li>▣ Te Whanganui ā Orotu have initiated preliminary negotiations for a <i>Mana Whakahoā a Rohe</i> arrangement with Council which would cover part of the Strategy area.</li> </ul>   |

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|  |   |
|--|---|
|  | <ul style="list-style-type: none"> <li>▣ Statutory Acknowledgements arising from the following Treaty Settlement legislation: <ul style="list-style-type: none"> <li>○ Ahuriri Hapū Claims Settlement Act 2021</li> <li>○ Heretaunga Tamatea Claims Settlement Act 2018</li> <li>○ Maungaharuru-Tangitū Claims Settlement Act 2014</li> </ul> </li> <li>▣ Iwi authorities for RMA purposes (according to <a href="#">Te Kahui Mangai website</a>) in addition to the PSGEs and Taiwhenua above are: <ul style="list-style-type: none"> <li>○ Ngāti Kahungunu Iwi Incorporated</li> <li>○ Ngāti Pārau Hapū Trust</li> </ul> </li> <li>▣ Iwi management plans received by Council to be considered in RMA decision-making within the Strategy Area are: <ul style="list-style-type: none"> <li>○ Ngāti Kahungunu Iwi Incorporated Marine and Freshwater Fisheries Strategic Plan</li> <li>○ Ngaruroro Values to Attributes (2016)</li> <li>○ Tutaekuri Awa Management and Enhancement Plan (2015)</li> <li>○ Ngāti Kahungunu Taonga Tuku Iho (1992)</li> <li>○ Mana Ake – Nga Hapu o Heretaunga (2015)</li> </ul> </li> </ul> |
|--|---|

65. Naturally, there will be some commonalities or synergies in some of these interests (e.g. Heretaunga Tamatea Settlement Trust as having role in governance; is an iwi authority for RMA purposes, an applicant under Marine and Coastal Area (Takutai Moana) Act and also has Statutory Acknowledgements from Treaty settlement legislation). However, some interests and entities are more unique.

***Re-confirm marae / PSGE / Taiwhenua / Iwi organisations with interests in the Strategy area***

66. As noted above, the interests are many, layered and varied.
67. **Table 3** summarises the marae, post-Settlement Governance Entities, Taiwhenua and other iwi organisations with key interests in the Strategy area. There is also land that falls within the jurisdiction of the Māori Land Court under Te Ture Whenua Māori Act 1993 within the Strategy Area.
68. **Attachment Two** provides an indicative snapshot further breaking down the parties and their principal interests.

***Summarise mana whenua involvement in Strategy development to date***

69. Mana whenua engagement has occurred through four key approaches:
- 69.1. Post Settlement Governance Entity appointments to the Joint Committee since inception in 2014
  - 69.2. Assessment Panel representation through 2017-2018
  - 69.3. Regional Planning Committee / Māori Committee reporting
  - 69.4. Direct engagement approaches throughout the Strategy development process, noting this has not resulted in substantive discussions.
70. Through 2021 and into early 2022 a series of community workshops were also held to test further work developed under the Strategy. Mana whenua participation was invited, and some initial attendance occurred, however this has dropped away.

***Highlight issues that have been raised by mana whenua to date***

71. A Cultural Values Assessment was undertaken for the Strategy in 2017, with that outcome directly informing the consideration of options through the Assessment Panel process. The report's author (Aramanu Ropiha) was also part of and contributed to the Assessment Panel process.
72. Substantive feedback from mana whenua was largely given during the Assessment Panel work in 2017-2018.

73. Mana whenua Representatives recorded the following overriding factors that informed their approach to considering options to respond to coastal hazards risks:
  - 73.1. Preferred that a beach be maintained where possible for coastal access / use purposes
  - 73.2. Accept that in general we should let nature take its course in preference to hard intervention
  - 73.3. Preferred that the coast is held in as natural a state as possible – the 'vista' is important
  - 73.4. Prefer not to split communities artificially (e.g. retreat the line which picks winners)
  - 73.5. In general, no sites of historic significance are considered to be affected by the pathways – therefore the focus of our scoring is on current use
  - 73.6. Do want to see historic values recognised / commemorated as part of any future coastal works
  - 73.7. Where habitat can be protected, enhanced or re-created that is a strong benefit
  - 73.8. The above factors are informed by the principles of whanaungatanga, kaitiakitanga, mauri, and the relationships between tangaroa, tawhirimatea, ruamoko.
74. Two specific further matters were also recorded:
  - 74.1. A key concern that beach nourishment activity did not cause impact on reef areas / sea life; and
  - 74.2. The presence of an urupa in Whirinaki that will be a threat from coastal erosion into the future.

***Summarise mana whenua engagement approach, current activities, next steps***

75. The most recent mana whenua engagement plan was developed in mid-2021 with input and endorsement from the Joint Committee, Regional Planning Committee and Māori Standing Committee.
76. The plan outlines how the Strategy proposes to engage with mana whenua in the lead up to the formal Strategy consultation process.
77. This pre-consultation step was considered important to ensure that mana whenua are informed about the proposal, and able to provide feedback into the process before formal consultation commences. The engagement plan recognises that there are multiple parties to engage with ahead of formal LGA consultation, including those set out under Topic 5 of this report.
78. Mana whenua engagement commenced in accordance with the engagement plan last year, however COVID-19 restrictions in August-September (and ongoing) impacted the Project Team's ability to engage face to face. As an interim measure, a pre-recorded presentation was circulated and feedback was sought via email.
79. The engagement has followed an extensive process with multiple approaches made (marae, taiwhenua, PSGEs), however only two hui have been confirmed and held (Te Taiwhenua o Heretaunga at their Te Runanganui o Heretaunga hui and Matahiwi Marae). The impacts of COVID and a busy schedule for mana whenua have contributed to the limited uptake.



**Topic 6: Ratepayer equity, including an assessment of the full financial cost to all ratepayers in delivering the strategy**

***State working principles (as informed by LGA s.101) around beneficiary pays approach – moderated as necessary for affordability***

**Item 13**

80. Funding for the Coastal Hazards Strategy is determined by Council through its Revenue and Financing Policy and its associated Rating Policy.
81. The Revenue and Financing Policy sets out, at a high level, the funding tools that will be used to fund a given activity. Then the funding tools are applied through Council's rating policy and the Funding Impact Statement.
82. Currently, the Coastal Strategy development process is funded jointly and equally by all three partner Councils (\$100,000 each per annum). Council funds its contribution through a uniform targeted rate (fixed amount) on all properties in the Napier City and Hastings District Council areas.
83. Council also contributes to the beach renourishment programme at Westshore, which is funded through the general rate applied across the region based on land value.
84. If Council agrees to take responsibility for managing and funding coastal hazards mitigation projects into the future, it will need to review and determine funding mechanisms. This means reviewing the Revenue and Financing Policy, which involves a two-step process. This is a political process that requires councillors to look at the activity and make their own collective determination on the factors set out in steps one and two below.
85. **Step One - s101(1)(a) of the LGA 2002**
  - 85.1. Determine the community outcomes to which the activity primarily contributes
  - 85.2. Distribution of benefits – determine who gets the benefit. The whole or part of the community or selected individuals?
  - 85.3. Determine the period over which the benefits are expected to occur
  - 85.4. Determine the extent that any actions or inactions contribute to the need to undertake the activity (exacerbators)
  - 85.5. Determine the costs and benefits of funding the activity separately from other Council activities.
86. **Step Two**
  - 86.1. After Council has completed step one (and not before step one is completed) Council then looks at the various funding tools such as fees & charges, loans, reserves, targeted rates and general rates to be used to fund the activity.
  - 86.2. Then, supported by modelling and analysis, Council considers the specifics of how much is charged to individuals and groups. How, for example, the proportion to be collected from a targeted rate is applied and who pays, which properties pay, and the basis for rating as allowed within the rating legislation based on area, land value, capital value.
87. Until Council completes step one of the Revenue and Policy review it is difficult to present any modelling of how cost will be distributed for works proposed under the Coastal Strategy. That is why the analysis presented to date has focussed on the total rates impact (impact on total rates requirement).

**Re-look at modelling on costs and rating impacts provided to date, test assumptions, test costs used, update if required**

88. The project team has developed high level costings for each of the first steps of the pathways, which involved identifying a number of potential design variants. Depending on the design variant selected, costs vary significantly. From these variants, recommended options for each coastal unit have been validated through further discussion with members of the community panels in workshops held through 2021.
89. For implementing the first action in all pathways, capital costs of the preferred design variants have been estimated at between \$9.4 million and \$26.4 million, and annual operating costs at between \$2.7 and \$4.6 million.
90. These costs estimates were developed through budget price quotations from industry, based on the concept plans provided for the groyne construction and gravel and sand nourishment projects proposed in the preferred design variants. Included in these costs are estimates for detailed design, resource consents, carbon emissions offsetting and other costs. This costing exercise is presented in the report *Short-term concept design and costing - Clifton to Tangoio 2120 Coastal hazards strategy - Stage 4 - Design workstream*<sup>1</sup>.
91. The cost estimates have been presented to Council previously, and the project team consider that the cost estimates and assumptions used are still appropriate at this time. More detailed and accurate costs could only be developed with more detailed design, which would occur in the leadup to the consenting phase of work.
92. Based on these cost estimates, previous financial analysis presented to Council took an approximate midpoint (un-inflated) of \$15 million in capital and \$3.6 million in annual operating costs. This analysis is presented again below based on the 2021-2031 LTP period, however compared to previous information presented to Council the timing of expenditure under the Strategy has been adjusted (pushed out) to reflect the indicative timeframe outlined in the draft Memorandum of Transition<sup>2</sup>. To present a fuller picture of potential costs, staff have also produced tables reflecting the upper end of the cost estimate, of \$26.4 million in capital and \$4.6 million annual operating costs.

**Table 4 - Mid Range Cost example - Uninflated Operating Costs over 2021-31 LTP**

| \$000s                           | 24-25      | 25-26      | 26-27      | 27-28      | 28-29        | 29-30        | 30-31        | Total        |
|----------------------------------|------------|------------|------------|------------|--------------|--------------|--------------|--------------|
| Operating Costs Uninflated       | Year 4     | Year 5     | Year 6     | Year 7     | Year 8       | Year 9       | Year 10      | Over LTP     |
| Operating Budget - Renourishment | -          | -          | -          | -          | 1,000        | 2,000        | 2,500        | 5,500        |
| Operating Budget - staff         | 300        | 300        | 300        | 300        | 300          | 300          | 300          | 2,100        |
| Strategy Review                  | -          | -          | -          | 300        | 300          | 300          | 300          | 1,200        |
| <b>Total</b>                     | <b>300</b> | <b>300</b> | <b>300</b> | <b>600</b> | <b>1,600</b> | <b>2,600</b> | <b>3,100</b> | <b>8,800</b> |

**Table 5 - Mid range Cost example - Uninflated Capital Expenditure over 2021-31 LTP**

| \$000s                           | 24-25  | 25-26  | 26-27  | 27-28  | 28-29  | 29-30  | 30-31   | Total    |
|----------------------------------|--------|--------|--------|--------|--------|--------|---------|----------|
| Capital Costs Uninflated         | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Over LTP |
| New Assets - 50 Year design life | 250    | 250    | 500    | 4,000  | 4,000  | 4,000  | 2,000   | 15,000   |

<sup>1</sup> January 2021 HBRC Report No. – 5537

<sup>2</sup> See Schedule Two: Indicative Timing of the proposed Coastal Hazards Memorandum of Transition between Hastings District Council, Napier City Council and Hawke's Bay Regional Council.

**Table 6 - High Cost example - Uninflated Operating Costs over 2021-31 LTP**

| \$000s                           | 24-25      | 25-26      | 26-27      | 27-28      | 28-29        | 29-30        | 30-31        | Total         |
|----------------------------------|------------|------------|------------|------------|--------------|--------------|--------------|---------------|
| Operating Costs Uninflated       | Year 4     | Year 5     | Year 6     | Year 7     | Year 8       | Year 9       | Year 10      | Over LTP      |
| Operating Budget - Renourishment | -          | -          | -          | -          | 1,278        | 2,556        | 3,194        | 7,028         |
| Operating Budget - staff         | 383        | 383        | 383        | 383        | 383          | 383          | 383          | 2,683         |
| Strategy Review                  | -          | -          | -          | 383        | 383          | 383          | 383          | 1,533         |
| <b>Total</b>                     | <b>383</b> | <b>383</b> | <b>383</b> | <b>767</b> | <b>2,044</b> | <b>3,322</b> | <b>3,961</b> | <b>11,244</b> |

**Table 7 - High Cost example - Uninflated Capital Expenditure over 2021-31 LTP**

| \$000s                           | 24-25  | 25-26  | 26-27  | 27-28  | 28-29  | 29-30  | 30-31   | Total    |
|----------------------------------|--------|--------|--------|--------|--------|--------|---------|----------|
| Capital Costs Uninflated         | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Over LTP |
| New Assets - 50 Year design life | 440    | 440    | 880    | 7,040  | 7,040  | 7,040  | 3,520   | 26,400   |

93. When considering the rating impact, forecast operating and capital expenditure has been inflated using the 2021-31 LTP assumptions. Capital expenditure is modelled for repayment over a 20-year term. **Table 8** (midpoint estimate) and **Table 9** (upper estimate) below shows the rate requirement based on the illustrative expenditure above, including debt servicing.

**Table 8 - Mid Range Cost example - Cost (as a result of Tables 4 & 5) to be collected from rates over 2021-31 LTP**

| \$000s                         | 24-25      | 25-26      | 26-27      | 27-28      | 28-29        | 29-30        | 30-31        | Total         |
|--------------------------------|------------|------------|------------|------------|--------------|--------------|--------------|---------------|
| Coastal Hazards Impacts on LTP | Year 4     | Year 5     | Year 6     | Year 7     | Year 8       | Year 9       | Year 10      | Over LTP      |
| Rates Cost (inflated)          | 329        | 338        | 346        | 710        | 1,946        | 3,247        | 3,972        | 10,888        |
| Interest Cost                  | -          | 7          | 14         | 28         | 145          | 261          | 375          | 828           |
| Debt Repayment                 | -          | 11         | 22         | 45         | 232          | 428          | 634          | 1,372         |
| <b>Total</b>                   | <b>329</b> | <b>355</b> | <b>382</b> | <b>783</b> | <b>2,322</b> | <b>3,935</b> | <b>4,981</b> | <b>13,088</b> |

**Table 9 - High Cost example - Cost (as a result of Tables 2 and 3) to be collected from rates over 2021-31 LTP**

| \$000s                         | 24-25      | 25-26      | 26-27      | 27-28        | 28-29        | 29-30        | 30-31        | Total         |
|--------------------------------|------------|------------|------------|--------------|--------------|--------------|--------------|---------------|
| Coastal Hazards Impacts on LTP | Year 4     | Year 5     | Year 6     | Year 7       | Year 8       | Year 9       | Year 10      | Over LTP      |
| Rates Cost (Inflated)          | 421        | 432        | 442        | 908          | 2,486        | 4,149        | 5,075        | 13,912        |
| Interest Cost                  | -          | 12         | 24         | 48           | 255          | 459          | 660          | 1,457         |
| Debt Repayment                 | -          | 19         | 39         | 79           | 408          | 753          | 1,116        | 2,414         |
| <b>Total</b>                   | <b>421</b> | <b>463</b> | <b>505</b> | <b>1,036</b> | <b>3,149</b> | <b>5,361</b> | <b>6,851</b> | <b>17,784</b> |

94. The impact on rates is represented in **Table 10** (midpoint estimate) and **Table 11** (upper estimate) following, which shows the impact of the expenditure detailed above on Council's planned total rate increases (general and targeted rates combined). The main impacts are in 2026-27 and 2028-29 where the renourishment budget is progressively introduced. The appropriate funding mechanism has not yet been determined, so these increases are indicative only as averages. The actual rating impact on particular ratepayers will vary significantly i.e. possible that ratepayers in CHB and Wairoa will not contribute.



Table 10 - Mid Range Cost example - Impact to (Total) Rates over 2021-31 LTP

| Rate Impact – Change in Total Rate | 24-25  | 25-26  | 26-27  | 27-28  | 28-29  | 29-30  | 30-31   |
|------------------------------------|--------|--------|--------|--------|--------|--------|---------|
|                                    | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
| Current LTP increases              | 10.0%  | 10.7%  | 9.8%   | 7.2%   | 5.8%   | 4.9%   | 4.9%    |
| Impact of Coastal Hazard Example   | 0.8%   | 0.0%   | -0.1%  | 0.7%   | 2.6%   | 2.5%   | 1.3%    |
| Current LTP + Coastal example      | 10.9%  | 10.7%  | 9.7%   | 8.0%   | 8.5%   | 7.4%   | 6.2%    |

Table 11 - High Cost example - Impact to (Total) Rates over 2021-31 LTP

| Rate Impact – Change in Total Rate | 24-25  | 25-26  | 26-27  | 27-28  | 28-29  | 29-30  | 30-31   |
|------------------------------------|--------|--------|--------|--------|--------|--------|---------|
|                                    | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
| Current LTP increases              | 10.0%  | 10.7%  | 9.8%   | 7.2%   | 5.8%   | 4.9%   | 4.9%    |
| Impact of Coastal Hazard Example   | 1.1%   | 0.0%   | 0.0%   | 0.9%   | 3.6%   | 3.3%   | 1.8%    |
| Current LTP + Coastal example      | 11.1%  | 10.7%  | 9.8%   | 8.2%   | 9.5%   | 8.3%   | 6.8%    |

95. The impact on Council's debt levels and on the debt to revenue ratio is demonstrated below at **Table 12** (midpoint estimate) and **Table 13** (upper estimate).
96. The proposed borrowing does not adversely affect the Council's peak of 158% in 2023-24 as the proposed borrowing occurs in later years where, based on the planned LTP expenditure, there is more capacity.

Table 12 - Mid range Cost example - Impact on Debt to Revenue Ratio

| \$000's                                  | 24-25       | 25-26       | 26-27       | 27-28       | 28-29       | 29-30       | 30-31       |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|  | Year 4      | Year 5      | Year 6      | Year 7      | Year 8      | Year 9      | Year 10     |
| Additional Borrowing (net of repayments) | 274         | 545         | 1,100       | 5,791       | 10,423      | 14,990      | 16,919      |
| <b>Revised Debt to revenue Ratio</b>     | <b>151%</b> | <b>143%</b> | <b>132%</b> | <b>130%</b> | <b>121%</b> | <b>116%</b> | <b>110%</b> |
| <b>LTP Debt to Revenue Ratio</b>         | <b>152%</b> | <b>143%</b> | <b>131%</b> | <b>125%</b> | <b>114%</b> | <b>107%</b> | <b>99%</b>  |

Table 13 - High Cost example - Impact on Debt to Revenue Ratio

| \$000's                                  | 24-25       | 25-26       | 26-27       | 27-28       | 28-29       | 29-30       | 30-31       |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|  | Year 4      | Year 5      | Year 6      | Year 7      | Year 8      | Year 9      | Year 10     |
| Additional Borrowing (net of repayments) | 483         | 959         | 1,936       | 10,192      | 18,345      | 26,383      | 29,777      |
| <b>Revised Debt to revenue Ratio</b>     | <b>152%</b> | <b>143%</b> | <b>132%</b> | <b>134%</b> | <b>128%</b> | <b>125%</b> | <b>119%</b> |
| <b>LTP Debt to Revenue Ratio</b>         | <b>152%</b> | <b>143%</b> | <b>131%</b> | <b>125%</b> | <b>114%</b> | <b>107%</b> | <b>99%</b>  |

*Consider whether a beneficiary pays approach could be presented at a very high level using current information to provide indications of rate payer impacts at different public / public apportionments – need further advice from HBRC finance to determine validity of this approach given high number of assumptions and variables involved.*

97. This work was considered by Council's finance team to include too many variables and assumptions to be useful to undertake at this time, noting the two steps (outlined above) that need to be worked through by Councillors.



**Out of Scope:**

Assessment will not be undertaken on an individual ratepayer-basis at this time. Significant task with many variables to account for + HBRC Finance capacity constraints and timing issues mean that this cannot be completed as part of this review process. This work will be required as part of any Long Term Plan review / amendment process, and will be workshopped with Councillors at that time

**Topic 7: The impacts of climate change on the adaptive pathways in light of the most recent projections**

**Provide a brief summary of outcomes of latest IPCC report and how latest projections compare with those used in Strategy and any implications**

98. The full new IPCC Assessment Report 6 ('AR6') is still work in progress with promised deadlines set at September 2022. The "AR6 Climate Change 2021: The Physical Science Basis" section of the report was published in August 2021, and provides updated future scenarios which are now called Shared Socioeconomic Pathways ('SSP') instead of Representative Concentration pathways used in the previous Assessment Report 5 ('AR5') from 2013 (Figure 1).

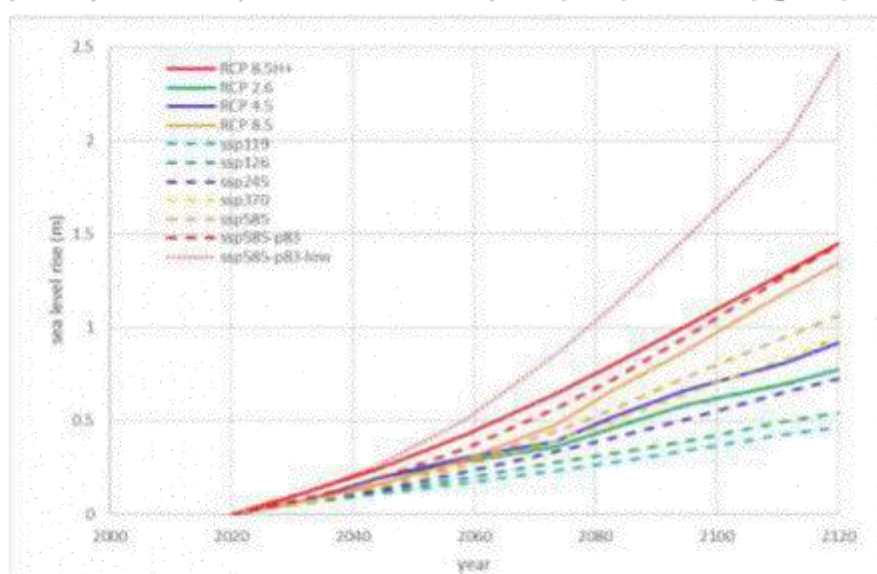


Figure 1: Comparison between older sea level rise used for the concept design (IPPC AR5 adapted for New Zealand in MFE guidelines for local government +2 mm/y subsidence, solid lines) and the new data (dashed lines). Similar colours indicate comparable old versus new scenarios. Dotted red line shows low confidence (representative of potential impact of deeply uncertain ice sheet processes) AR6 SSP5 p83

99. The information available at a regional scale is in at least 2 web platforms:
- 99.1. NASA sea level projection tool (<https://sealevel.nasa.gov/ipcc-ar6-sea-level-projection-tool/>)
  - 99.2. TAKIWA sea level rise (<https://searise.takiwa.co/>, Under development by NZ SeaRise, <https://www.searise.nz/> )
100. These latest projections include much more detail than what was used for the short-term concept design (obtained from the MFE 2017, guidance for local government), as these were nationwide and not region or site specific. The new AR6 data considers the new SSP scenarios and local land vertical movement.
101. A comparison made using the data in the NASA tool for the data point available for Hawke's Bay (Figure 2), shows that the sea level rise considered in the development of concept design is conservative with respect to the new data. This is because the concept design included a 2 mm/y subsidence rate, added to the MFE (2017) sea level rise data in contrast to the much lower rate considered in the new data from the NASA tool which is 0.56mm/y.

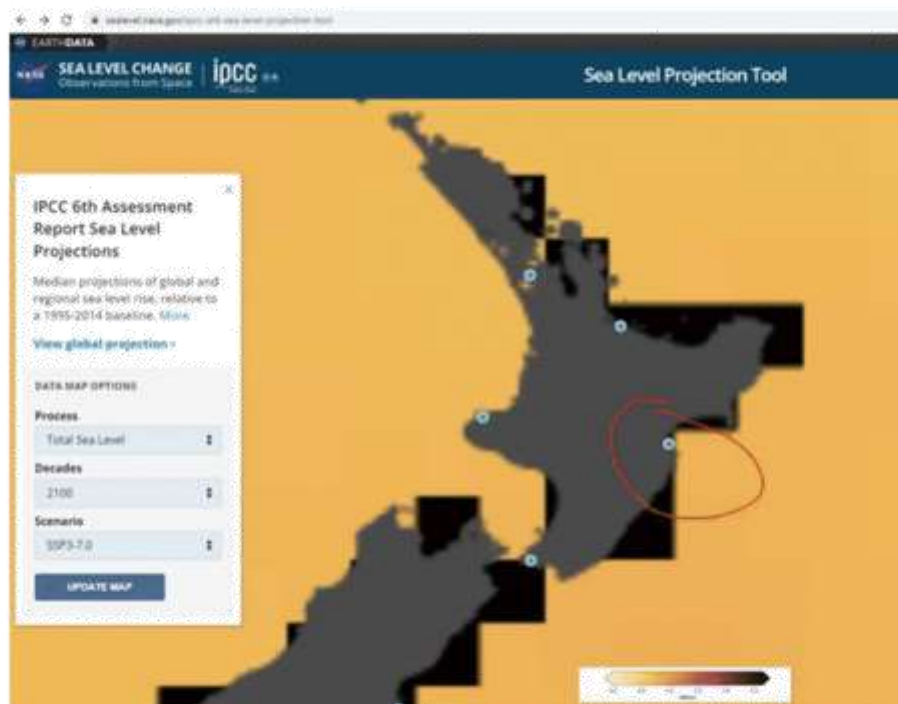


Figure 2: Location of point available for Hawke's Bay in the NASA sea level projection tool.

102. Larger vertical land movements at a much higher spatial resolution, are indicated in the TAKIWA sea level rise tool where values north of Awatoto are larger than the 2 mm/y design consideration, reaching a maximum of 4.7mm/y in Westshore and Bayview (Figure 3). The impact of this increase over 20 years is 5.4 cm of additional sea level rise by 2040. While this is not large and will not compromise the effectiveness of the short-term design, this is a concern for the longer time horizon.
103. Changes in storm surge and wave climate have still not been assessed (or at least made public) at a regional scale for the new AR6 data.

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Figure 3: Vertical land motion in Clifton to Tangoio from the TAKIWA Sea level rise tool.

104. The short-term design concepts developed for the Strategy to date consider a conservative sea level rise (0.24 m by year 2040) based on the RCP 8.5H+ data in MFE guidelines for local government (2017). This level was used for the following reasons:
  - 104.1. Consideration for the likelihood that future science may indicate more pessimistic predictions.
  - 104.2. Allowance for a longer lifetime if the sea level rise in the next 20 years is lower than this consideration. This provides a high degree of confidence that the designs will be effective for the duration of the short-term time horizon (until 2040) even if sea level rise is in the high range of the predictions.
  - 104.3. The magnitude of the sea level rise is still relatively small for the short term, even for the more pessimistic scenario recommended for stress testing by the MFE (2017) guidance for local government. Allowing this sea level rise as conservative assumption did not significantly increase the cost of the short-term design.
  - 104.4. Likelihood of the implementation of the strategy getting delayed and the short-term time horizon being postponed beyond 2040. The consideration will provide an allowance for this design to be still effective for a lifetime beyond 2040, in the most likely scenario that the sea level rise does not follow the considered carbon emissions scenario.
105. The recent AR6 data shows that the sea level rise predictions are similar with the design sea level being slightly more conservative. However, the newly included SSP5 8.5 p83 low confidence scenario indicates a higher increase (55 mm greater than the design level). This is not a huge value so it's likely that the design will still be effective by 2040 if this scenario becomes the future reality. Nevertheless, the adaptation of the design may be required earlier in this case.



**Clarify dynamic adaptive planning approach – designed to accommodate constantly changing knowledge and modelled future outcomes**

106. Councils are required (by the New Zealand Coastal Policy Statement 2010) to plan for coastal hazards and the effects of sea level rise at least 100 years into the future.
107. A key challenge with this timeframe is the high degree of uncertainty; the further ahead we try to plan, the less certain things become, and there will be a continually evolving landscape of new knowledge and new information.
108. The dynamic adaptive planning approach adopted by the Strategy (from 2017 MfE guidance) is a direct response to these challenges.
109. In simplified terms, the following summarises a dynamic adaptive planning approach for sea level rise and coastal hazards:
  - 109.1. Determine what you want to achieve (objectives)
  - 109.2. Work out what hazard effects you want to avoid (adaptation thresholds)
  - 109.3. Decide what the options are to respond to hazards risks
  - 109.4. Compare, test, select preferred option(s)
  - 109.5. Act based on what you know now
  - 109.6. Remain flexible for what you don't know
  - 109.7. Monitor: Signals – triggers – thresholds
  - 109.8. Revisit and adjust your options / response as conditions change (act before threshold reached).
110. The pathways developed by the Strategy have been established to allow flexibility into the future. The timing between actions being implemented (short / medium / long) and the actions themselves, will (and must) be adjusted overtime in response to real world conditions.

**Summarise stress testing work undertaken by HBRC to date to test designs against different IPCC scenarios (note: this is qualitative only at this stage, further investment required to make it quantitative and benefit assessment required at TAG to determine future course).**

111. The stress testing work undertaken to date contains the long-term adaptation strategy summarised in **Table 14**.
112. It also includes a simple quantitative analysis showing the potential change in the adaptation timeframes, which may be required under different greenhouse emissions scenarios including the RCP 8.5 H+ scenario recommended for this purpose in the MfE (2017) guidance for local government. It does not indicate the cost nor design details of the adaptation required in each case.

**Table 14 Summary of long-term adaptation measures for the structures and measures considered in the concept design for coastal units with current short-term preferred pathway action.**

| Unit                 | Short-term structure/ measure | Long-term adaptation strategy  |
|----------------------|-------------------------------|--|
| Clifton              | Revetment                     | Strengthen design (increase height, rock size, and toe depth, decrease slope, add berm). Managed retreat is long-term preferred pathway and may be implemented when cost becomes prohibitive.  |
| Te Awanga - Haumoana | Groynes                       | Strengthen design (increase length, crest height, rock size, decrease slope batters, add berm, add intermediate groynes). For Haumoana, Managed retreat is long-term preferred pathway and may be implemented when cost becomes prohibitive. |

| Unit                           | Short-term structure/ measure | Long-term adaptation strategy  |
|--------------------------------|-------------------------------|--|
|                                | Nourishment                   | Modify nourishment rates and location. For Haumoana, Managed retreat is long-term preferred pathway and may be implemented when cost becomes prohibitive   |
|                                | Gravel barrier                | Increase crest height and width. Higher maintenance may be required. For Haumoana, Managed retreat is long-term preferred pathway and may be implemented when cost becomes prohibitive   |
| Westshore, Bay view, Whirinaki | Nourishment                   | Modify nourishment rates and location, include control structures as per mid-term preferred pathway. Managed retreat is still a possibility although has not been included as a preferred long-term pathway in this first cycle of the Coastal Strategy. |

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### Topic 8: An assessment of the carbon footprint arising from implementing the strategy

#### *Present work already undertaken by HBRC to build in carbon offsetting to cost estimates*

113. The carbon footprint for implementing the pathways as currently proposed has been considered in terms of costs to offset emissions.
114. The short-term (first action in proposed pathways) concept designs consider rough order costing for the operational and capital carbon emissions offsetting. These costs are included in the cost estimates outlined under Topic 6 above.
115. These costings are based on the price for New Zealand emission units (at the time of the design report) from the New Zealand Carbon Trading Emissions Scheme. The proportion of this cost with respect of the total project cost is very minor (around 0.16% of the construction cost for most alternatives and between 0.2% and 0.4% of the maintenance cost).
116. Since the design report was written in 2020, the price for New Zealand emission units has risen considerably, from the value of \$25 used in the design report, to a spot price of \$85 per unit in February 2022 (Figure 4)

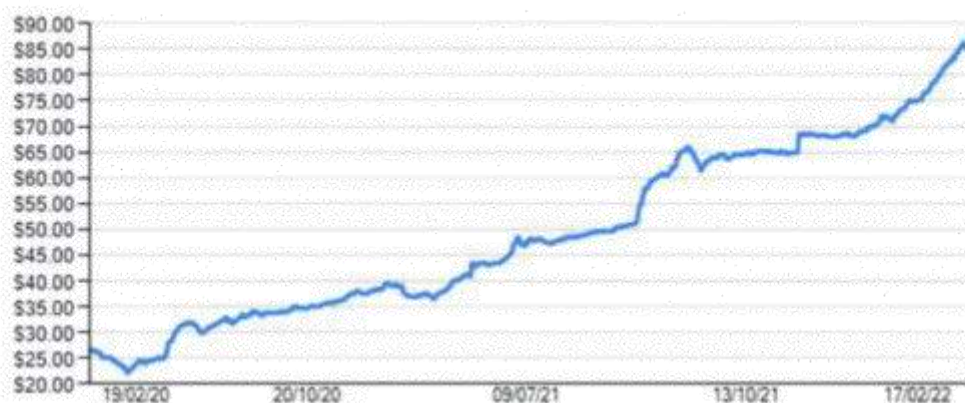


Figure 4: Cost of carbon emissions NZ trading scheme (Commtrade, 2022).

117. While these prices will continue to fluctuate, for comparison purposes this would increase the total estimated carbon offsetting amount (across all short-term actions in the pathways) from \$25,000 to \$85,000 in capital cost and from \$6,100/y to \$20,740/y in operational costs.

#### Decision Making Process

118. 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 Hawke's Bay Regional Council receives and notes the *HBRC Internal Review – Coastal Hazards Strategy Implementation* staff report.

**Authored by:**

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Coastal Hazards Strategy  
Project Manager

Jessica Ellerm  
Group Manager Corporate Services

**Approved by:**

Chris Dolley  
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**Attachment/s**

- 1 Summary Table: Regulatory Workstream reports by Mitchell Daysh Limited, 2020
- 2 Snapshot of key Tāngata Whenua interests and entities in the Strategy area

Summary Table: Regulatory Workstream reports by Mitchell Daysh Limited, 2020

Attachment 1

## ATTACHMENT 1 – Brief summary of the Clifton to Tangoio Coastal Hazards Strategy 2120 Stage 4 Regulatory Workstream reports

| Policy and Regulation Report   | Consent-ability report  |
|--|---|
| <p><b>Purpose</b></p> <ul style="list-style-type: none"> <li>Summarise key national, regional and local level planning and regulatory documents that could impede or support implementation of the adaptation pathways identified during Strategy Stage 3;</li> <li>Provide recommendations on changes that may be required to existing planning and policy documents, (esp. regional and local plans);</li> <li>Summarise actions to be taken to ensure short-term adaptation responses can be implemented.</li> <li>Looked at several case studies, including several outside of Hawke's Bay region.</li> </ul> <p><b>Recommendations (pages 53-58)</b></p> <ol style="list-style-type: none"> <li>Establish extra workstream in Stage 4 to coordinate various tāngata whenua interests in Strategy. ●</li> <li>Advocate for changes to the NZ Coastal Policy Statement to better provide for hard coastal protection structures in appropriate circumstances. ●</li> <li>Amend Regional Policy Statement to provide policy recognition and support of implementing outcomes as per Strategy. ●</li> <li>Amend Regional Coastal Environment Plan, Napier District Plan and Hastings District Plan to:             <ol style="list-style-type: none"> <li>give greater recognition of Strategy's short term adaptation responses, including benefits</li> <li>avoid further land use intensification in locations that will hinder long-term delivery of Strategy. ●</li> </ol> </li> <li>To ensure Strategy is afforded greater weight in resource consent decision-making processes, embed Strategy's key features into the Regional Policy Statement (and regional plans/district plans) as relevant, alternatively run a Local Government Act 'special consultative process' on the Strategy to provide further structured opportunity for public participation in Strategy development. ●</li> <li>Take actions to ensure three councils are applying a consistent set of coastal hazard parameters to their various decisions (e.g. in context of Building Act, LIMs, resource consents, asset management and procurement etc. ●</li> <li>Ensure array of council officers (wider than just the Technical Advisory Group personnel) are informed and engaged about progress of the Strategy. ●</li> </ol> <p>NB: further detailed recommendations are set out in Tables 4 to 7 of the Report.</p> | <p><b>Purpose</b></p> <ul style="list-style-type: none"> <li>Identify local planning context and key environmental values ascribed to each priority unit;</li> <li>Provide a high-level overview of the planning framework and key provisions that are likely to be determinative to the resource consent process(es);</li> <li>Identify the high-level resource consent requirements, the key consenting challenges based on the environmental values and the planning framework and identify methodologies for mitigating those challenges.</li> <li>Looked at three case studies for implementing coastal protection structures.</li> </ul> <p><b>Conclusions (pages 76-79)</b></p> <ol style="list-style-type: none"> <li>NZ Coastal Policy Statement creates highly challenging policy for many applications. ○</li> <li>Regional and district plans are drafted in broad terms – not place-based with specific solutions or tailored restrictions. ○</li> <li>Adaptation responses likely to find a consent-able pathway in most cases, subject to granular assessments of effects not identifying significant adverse effects. ○</li> <li>Impoundment of Ahuriri Estuary is a prohibited activity. Recommend seeking legal advice on interpretation of 'impoundment' if this would prohibit elements of the Pandora Priority Unit's inundation protection response. ● [on-hold]</li> <li>For each priority unit: ●             <ol style="list-style-type: none"> <li>evaluate indigenous biodiversity value, natural character and natural features to confirm pathway through NZCPS's 'avoidance' policy framework.</li> <li>undertake baselines studies pre-works, (e.g. ecology and water quality states).</li> <li>undertake further project-specific engagement with mana whenua [see Recommendation #1].</li> <li>develop an approach to ensure Reserves Act classifications do not hinder implementation of Coastal Strategy adaptation pathways. This may involve altering status of reserves and/or amending reserve management plans.</li> </ol> </li> <li>For proposed renourishment activities, consider future sediment sources &amp; impacts of transport routes/methods. ○</li> <li>Develop community engagement plan to structure community consultation around detailed options and associated environmental effects. ○</li> <li>Tactical choices still to be made about 'bundling' consent applications c.f. separated for each project/priority unit. ○</li> </ol> |

## Key

- Ongoing
- Yet to start/stalled.
- Commenced – in progress
- Completed
- For consideration/being noted in relevant workstreams

## Snapshot of key Tāngata Whenua interests and entities in the Strategy area

Attachment 2

DRAFT v0.2

