

## Meeting of the Hawke's Bay Regional Council

**Date:** Wednesday 26 March 2025  
**Time:** 1.30pm  
**Venue:** Council Chamber  
 Hawke's Bay Regional Council  
 159 Dalton Street  
 NAPIER

## Agenda

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**Subject: Public Forum**

**Reason for report**

1. This item provides the means for Council to give members of the public an opportunity to address the Council on matters of interest relating to the Council's functions.

**Background**

2. The Hawke's Bay Regional Council's Standing Orders (14.) provide for public forums which are run as follows.
  - 2.1. Public forums are a defined period of time of up to 30 minutes, usually at the start of a meeting, put aside for the purpose of public input. Public forums are designed to enable members of the public to bring matters to the attention of the local authority.
  - 2.2. Any issue, idea or matter raised in a public forum must fall within the terms of reference and ideally, relate to an agenda item for that meeting.
  - 2.3. Requests to speak at public forums are to be submitted to the HBRC Governance Team (06 8359200 or [governanceteam@hbrc.govt.nz](mailto:governanceteam@hbrc.govt.nz)) at least 2 working days prior to the meeting it relates to.
3. Some time limits and restrictions apply, including:
  - 3.1. A period of up to 30 minutes will be set aside for the Public Forum and each speaker allocated up to 5 minutes to speak. If the number of people wishing to speak in the public forum exceeds 6 in total, the meeting Chairperson has discretion to restrict the speaking time permitted for all presenters.
  - 3.2. The meeting Chairperson has the discretion to decline to hear a speaker or to terminate a presentation at any time if:
    - 3.2.1. the speaker's topic / issue is not within the terms of reference for the Committee or on the Agenda for the meeting
    - 3.2.2. the speaker is repeating views presented by a previous speaker
    - 3.2.3. the speaker is criticising elected members and/or staff
    - 3.2.4. the speaker is being repetitious, disrespectful or offensive
    - 3.2.5. the speaker has previously spoken on the same issue
    - 3.2.6. the matter is subject to legal proceedings
    - 3.2.7. the matter is subject to a hearing, including the hearing of submissions where the local authority or committee sits in a quasi-judicial capacity.
4. At the conclusion of a speaker's time, the Chairperson has the discretion to allow councillors to ask questions of speakers to obtain information or clarification on matters raised by the speaker.
5. Following the public forum no debate or decisions will be made at the meeting on issues raised during the forum unless related to decision items already on the agenda.

**Decision-making considerations**

6. 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 *Public Forum speakers' verbal presentations*.

**Authored by:**

**Leeanne Hooper**  
**Team Leader Governance**

**Approved by:**

**Desiree Cull**  
**Strategy & Governance Manager**

**Attachment/s**

There are no attachments for this report.

# Hawke's Bay Regional Council

26 March 2025

## Subject: Call for minor items not on the Agenda

### Reason for Report

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

### Recommendations

That Hawke's Bay Regional Council accepts the following *minor items not on the agenda* for discussion as item 11.

Topic	Raised by



**Subject: Annual Plan 2025-2026 consultation**

**Reason for report**

1. This report asks the Regional Council to adopt the following for consultation:
  - 1.1. supporting information – being amended policies and the Draft HB Regional Public Transport Plan 2025-2035 which are being consulted on concurrently
  - 1.2. the Annual Plan 2025-26 consultation document entitled *Our resilience-focused Annual Plan 2025-26*.

**Staff recommendations**

2. Staff recommend that Council reviews and adopts the documents to move into the consultation phase for its Annual Plan 2025-26.

**Background**

3. Annual plans are prepared and adopted under section 95 of the Local Government Act 2002 (LGA). Council is required to produce an annual plan in the years between long-term plans. Long-term plans are reviewed and adopted every three years. The Annual Plan 2025-26 is Year 2 of the Three-Year Plan 2024-2027 (our long-term plan equivalent post Cyclone Gabrielle).
4. An annual plan provides an opportunity for small adjustments or variances from the long-term plan to reflect changes since the plan was adopted.
5. If the proposed annual plan includes significant or material differences from the content of the long-term plan for that financial year, Council must consult under the principles of consultation under section 82 of the LGA.
6. Under the Land Transport Management Act 2003 (LTMA), every Regional Council must adopt a Regional Public Transport Plan unless it does not intend to enter into any contracts for the supply of public transport services or provide any financial assistance to any operator or user of a Total Mobility taxi or shuttle service.
7. The plan is developed with a 10-year view, focusing on three-yearly operational cycles. The LTMA states that a Regional Public Transport Plan must be reviewed, and if necessary, renewed or varied at the same time as, or as soon as practicable after, the public transport components of a Regional Land Transport Plan are approved or varied. The Regional Land Transport Plan 2024-2034 was reviewed, and a varied plan was adopted in July 2024, so it is timely for a review of the Regional Public Transport Plan.
8. The current Regional Public Transport Plan (2022-2032) proposed a new network to be implemented in 2025, along with increases in both frequency and operating hours. Mainly due to budget constraints since the 2022 consultation, the Regional Council is no longer in a position to implement the network in 2025 as proposed. This consultation provides another opportunity to consult the public on the proposed route changes.
9. The Regional Transport Committee (RTC) prepares both the Regional Land Transport Plan and the Regional Public Transport Plan. The Regional Public Transport Plan guides the design, policies, and delivery of public bus and Total Mobility services.

## **Development of Annual Plan 2025-26**

10. The consultation document (CD) and supporting information is the culmination of many months of work by councillors and staff. The Council provided iterative feedback on priorities, direction, budgets and the content of the CD at 9 dedicated workshops starting in September 2024.
11. At its meeting on 26 February 2025, Council formally resolved to consult on the Annual Plan 2025-26 as the proposed annual plan includes material differences from the content for Year 2 of the Three-Year Plan 2024-2027.
12. At that meeting, Council also agreed to consult concurrently on the Draft Hawke's Bay Regional Public Transport Plan 2025-2035, Rates Remission and Postponement Policies and Revenue and Financing Policy.
13. Staff provided updates to the Māori Committee on the development of the Annual Plan 2025-26 in November 2024 and March 2025.

## **Development of the Draft Hawke's Bay Regional Public Transport Plan 2025-2035**

14. Regional Council staff and the Regional Transport Committee have been working on the review of the current Regional Public Transport Plan since September 2024. The Committee provided iterative feedback through five meetings and workshops.
15. We are proposing minor changes to the Regional Public Transport Plan, along with re-confirming our intent to implement a new bus network, but later than initially planned and at a reduced frequency than originally hoped for. This is due mainly to budget constraints. Feedback is also being sought on the planned new bus routes to ensure they work for users and communities.
16. The Regional Transport Committee endorsed the draft plan for consultation in conjunction with Regional Council's Annual Plan 2025-26 in February 2025, subject to final amendments to be approved by the Regional Transport Committee Chair.

## **Discussion**

17. Our Three-Year Plan 2024-2027, adopted on 10 July 2024, forecast an average rates increase of 18.3% for 2025-26 (Year 2 of the plan). Ratepayers are impacted differently based on the mix of general and targeted rates they pay.
18. Councillors asked staff to explore potential areas for cost savings and alternative funding options to reduce the average rates increase down from 18.3% and identify associated level of service impacts. Additional costs have also been identified now we have better information on new work that needs doing and on costs for existing work.
19. Council is proposing to cut operational costs and fund some work differently to reduce the average rate increase to 9.9%. This excludes a new targeted rate for some Hastings district ratepayers for resilience work to Mangarau Stream, in Havelock North.
20. As outlined in the CD, the main drivers pushing our budget and rates up more than forecast are:
  - 20.1. New flood resilience work including implementation of recommendations from independent flood reviews and engagement on our two major flood resilience schemes – Heretaunga Plains and Upper Tukituki.
  - 20.2. Increased costs to do planned work including elections (and a one-off binding poll on Māori constituencies), CDEM (Civil Defence Emergency Management) transformation, and our NIWE (North Island Weather Events) Flood Resilience Programme.
  - 20.3. Insurance and depreciation costs following the revaluation of our infrastructure assets.
21. To bring rates down Council is proposing:
  - 21.1. \$4.0 million of savings through cutting operational costs and staff numbers.



- 21.2. \$2.5 million of rate savings by using non-rate sources of funding. This includes selling some low-risk carbon credits gained through our forestry plantings to help mitigate the impact of climate change. This also includes using the remainder of the special dividend from our investment company HBRIC to fund one-off additional costs.

## Financials

22. The table below summarises the key financial movements for total expenditure (all revenue sources).

Group of Activities	2024/25 Budget	2025/26 per 3YP Year 2	Proposed 2025/26 Budget
<b>Operating Expenditure</b>			
Governance and Partnerships	7,487,430	5,140,850	6,459,051
Policy & Regulation	12,269,061	12,826,559	12,334,292
Integrated Catchment Management	28,564,431	30,195,043	26,893,057
Asset Management	27,985,911	25,588,620	27,434,823
Emergency Management	6,101,050	5,436,217	5,823,555
Transport	10,978,770	12,656,078	11,450,088
Corporate/Other	4,831,080	4,887,482	4,669,241
<b>Total Opex</b>	<b>98,217,732</b>	<b>96,730,849</b>	<b>95,064,108</b>
<b>Capital Expenditure</b>			
Integrated Catchment Management	436,881	441,263	441,263
Asset Management	80,415,418	87,796,683	59,736,242
Corporate/Other	1,224,388	1,228,147	1,531,147
<b>Total Capex</b>	<b>82,076,687</b>	<b>89,466,093</b>	<b>61,708,652</b>

### Operating Expenditure (Opex)

23. Opex has seen a total decrease of \$3.2m from the 2024-25 budget to the proposed budget for 2025-26. \$1.5m of this decrease was approved as part of the Three-Year Plan and included additional funding for Public Transport \$1.7m and \$1.6m added back into ICM for several activities along with a number of other areas where savings made for 2024-25 were phased back into budgets. These were more than offset by the removal of \$1.5m funding for HB Tourism, the end of the UTT gravel extraction opex funding of \$2.7m and one off funding of \$1.7m for NIWE scheme reviews.
24. The operating spend budgets have then been further decreased by \$1.7m to get to our proposed 2025-26 annual plan budgets. The main areas where cuts have been made are: Public Transport \$1.2m to align to the reduced approved funding from Waka Kotahi; \$3.3m of reduced expenditure across ICM (resulting in \$1.8m of rating savings); and savings made across other areas. The opex budgets for three GOAs has increased – Governance and Partnerships due to higher than expected final applications in the wind up of sustainable homes (loan funded); Asset Management for the one off work required on scheme reviews and reimagining rivers (carbon credit and special dividend funded); and Emergency Management for transformation costs.

### Capital Expenditure (Capex)

25. Capex has decreased by \$20.4m between the years. \$18.5m of this is in relation to improved understanding of the capital requirements for the Flood Protection schemes as the preliminary work is completed. Other reductions in Asset Management for Open Spaces \$0.5m and Regional Water Security \$1.6m were approved as part of the Three Year Plan. The only other significant change is \$300k added to corporate for the replacement of the failing air conditioning system.

This is funded from depreciation reserves set aside over previous years.

### **Consultation topics**

26. Under the Local Government Act 2002, Councils must prepare a consultation document when proposing significant or material differences from the long-term plan for the financial year covered by the proposed annual plan.
27. The Council agreed that consultation is warranted, because the proposed rates increase of 9.9% plus a new targeted rate to fund Mangarau Stream flood resilience is materially different to the 18.3% average rates increase forecast for 2025-26 (Year 2) of the Three-Year Plan 2024-2027.
28. Although the cumulative impact of the \$4.0 million of rate savings is material, the resulting level of service impact on any one activity is not significant enough to trigger the need to consult. However, all aspects that make up the proposed Annual Plan 2025-26 can be submitted on.
29. In addition, the council must consult on setting a new targeted rate for flood resilience work for Mangarau Stream, with the funds being passed to Hastings District Council who own and manage the asset and who will undertake the work. Options for consultation are the length of time for the rate to be collected.
30. The following are proposed changes to policies and plans that are being consulted on concurrently:
  - 30.1. Hawke's Bay Regional Public Transport Plan 2025-2035, specifically:
    - 30.1.1. later than planned changes to public bus services
    - 30.1.2. methods for paying for bus tickets
    - 30.1.3. minor changes to our Total Mobility Scheme.
  - 30.2. Rates Remission and Postponement Policies.
  - 30.3. Revenue and Financing Policy – the new Mangarau Stream targeted rate, amendments to two targeted rates, being Passenger Transport and the Upper Tukituki Flood Control Scheme, and other minor changes.
31. The options (including Council's preferred option) to address each of the topics and the implications in terms of impacts on rates and debt are set out in detail in the consultation document.

### **Supporting information**

32. Before adopting the consultation document, the Council is asked to adopt the supporting information on which the content of the consultation document relies. These documents will be available to the public during the consultation process and can be submitted on.
33. At the request of Councillors, a legal review of the proposed changes to the Revenue and Financing Policy has been sought. Feedback from the review is incorporated in the attached version of the marked-up policy and associated Statement of Proposal.
34. It is proposed that the Council adopts the following documents as supporting information:
  - 34.1. Statement of proposal to amend the Draft Hawke's Bay Regional Public Transport Plan 2025-2035 and plan showing our proposed changes
  - 34.2. Statement of proposal to amend the Rates Remission and Postponement Policies and policy showing our proposed changes
  - 34.3. Statement of proposal to amend the Revenue and Financing Policy and policy showing our proposed changes
  - 34.4. Explanation of rating methods.

### Consultation and engagement plan

35. This consultation is part of Regional Council's broader cross-council engagement plan for 2025. Consultation will be fit-for-purpose. We are trying to keep space for the bigger conversations, such as reimagining flood resilience.
36. Section 82 of the Local Government Act 2004 (LGA) provides the principles of consultation. To meet LGA requirements and good consultation practice, we will make the consultation document, draft policies and Draft Hawke's Bay Regional Public Transport Plan available to the public online on our new Engagement Hub and in hardcopy at our Regional Council offices and libraries on or before public consultation opens on 31 March 2025.
37. Ratepayers will be able to look up their indicative rates for the coming year on a rates calculator. Actual rates will not be known until the Annual Plan is adopted in June 2025.
38. We are sending targeted letters to ratepayers most affected by changes to the Passenger Transport targeted rate, Upper Tukituki Flood Resilience Scheme targeted rate, and the new rate for flood resilience work to Mangarau Stream.
39. Consultation for the Regional Public Transport Plan also includes targeted consultation with communities and organisations more impacted by proposed route changes and/or the minor changes to our Total Mobility Scheme.
40. Key dates include:

Date	Milestone
26 March 2026 (today)	Council adopts for consultation
31 March to 2 May 2025	Public consultation
20-21 May 2025	Annual Plan hearings
16 May 2025	Regional Transport Committee hearings
28 May & 4 June 2025 (reserve day)	Annual Plan deliberations
6 June 2025	Regional Transport Committee deliberations
25 June 2025	Council adopts the Annual Plan 2025-26 and the Regional Public Transport Plan.

### Financial and resource implications

41. The engagement for this process is estimated to cost \$9,550 excluding GST. Consultation expenses for the draft RPTP are \$3,840 excluding GST.

### Decision-making process

42. Council and its committees are required to make every decision in accordance with the requirements of the Local Government Act 2002 (the Act). Staff have assessed the requirements in relation to this item and have concluded:
  - 42.1. The decision to adopt for consultation is not significant under the criteria contained in Council's adopted Significance and Engagement Policy, however adopting the annual plan and amending policies and the Regional Public Transport Plan is significant therefore consultation to seek community views is required.
  - 42.2. The decision does not significantly alter the service provision or affect a strategic asset.
  - 42.3. The decision to consult is not inconsistent with an existing policy or plan. If Council decides to adopt the changes proposed in the draft policy, it will replace the existing policy.
  - 42.4. The persons directly affected by this decision are all communities in Hawke's Bay.

## Recommendations

That Hawke's Bay Regional Council:

1. Receives and notes the *Annual Plan 2025-26 Consultation* staff report.
2. Adopts the following documents for public consultation, for nearly five weeks from 31 March to 2 May 2025:
  - 2.1. The suite of supporting information relied on for the content of the consultation document, being:
    - 2.1.1. Statement of proposal to amend the Draft Hawke's Bay Regional Public Transport Plan 2025-2035 and plan showing our proposed changes
    - 2.1.2. Statement of proposal to amend the Rates Remission and Postponement Policies and policy showing our proposed changes
    - 2.1.3. Statement of proposal to amend the Revenue and Financing Policy and policy showing our proposed changes
    - 2.1.4. Explanation of rating methods.
  - 2.2. Consultation document, entitled *Our resilience-focused Annual Plan 2025-26*
3. Delegates final approval of any further minor editorial changes to the supporting information, amended policies, draft HB Regional Public Transport Plan 2025-2035 and consultation document prior to being made available for public consultation to the Chief Executive.

### Authored by:

**Mandy Sharpe**  
Senior Corporate Planner

**Desiree Cull**  
Strategy & Governance Manager

**Chris Comber**  
Chief Financial Officer

### Approved by:

**Nic Peet**  
Chief Executive

### Attachment/s *online only*

- |   |                      |
|---|----------------------|
| <b>1</b> ➡ AP2526 Statement of Proposal - Regional Public Transport Plan            | Under Separate Cover |
| <b>2</b> ➡ AP2526 Regional Public Transport Plan 202-2035                           | Under Separate Cover |
| <b>3</b> ➡ AP2526 Statement of Proposal - Rates Remission and Postponement Policies | Under Separate Cover |
| <b>4</b> ➡ AP2526 mendments to HBRC Rates Remission and Postponement Policies       | Under Separate Cover |
| <b>5</b> ➡ AP2526 Statement of Proposal - Revenue and Financing Policy              | Under Separate Cover |
| <b>6</b> ➡ AP2526 amendments to HBRC Revenue and Financing Policy                   | Under Separate Cover |
| <b>7</b> ➡ AP2526 Explanation of rating method 2025-2026                            | Under Separate Cover |
| <b>8</b> ➡ AP2526 Annual Plan 2025-26 Consultation Document                         | Under Separate Cover |

**Subject: Annual Freshwater Science Charges 2024-2025**

**Reason for report**

1. This report seeks a decision from Council on the approach to take for the Low Flow component of our Annual Freshwater Science Charges for the 2024-2025 financial year, given the monitoring activities that HBRC performs.

**Staff recommendations**

2. Council staff recommend a 66% remission to the 2024-25 low flow monitoring fee for this financial year, based on reduced costs of monitoring low flows and limited expenditure for this activity so far this year.

**Executive Summary**

3. The annual fees are established in the first year of the Long-Term Plan (2024-2025). They are based on a user pays system, by which the fees are only charged to cover the costs of the monitoring activities carried out by HBRC.
4. The costs for monitoring low river flows this year have been lower than expected, so less money has been spent on monitoring these events.

**Background /Discussion**

5. HBRC has spent less money this year because it has worked on improving automated monitoring, which helps lower costs. As a result, HBRC plans to spend less on monitoring in the 2024-25 year. Therefore, we suggest lowering the Low Flows Monitoring fee for 2024-25 to only cover the expected costs for that year.
6. Water science-related consent charges are set by Section 36 of the Resource Management Act. While fee reductions can be made under Section 36AAB(1), any lost revenue (beyond the planned reductions) would need to be balanced by cutting back on water science monitoring costs or using general funds.
7. Based on today's decisions, staff will prepare invoices for consent holders to be issued during the month of April, with a due date of 20 May 2025.

**Options assessment**

8. Two options for changes to this year's Low Flow monitoring fees are being proposed for the Council to consider. These changes will impact the total income for the year. The proposed fee reductions will align with our current policy, which aims to cover only the costs directly related to water quality consents.
9. The estimate of the forfeit revenue from each option is shown in Table 1. The estimate for the fee reductions is based on the total number of low flow consents affected.

**Table 1 – Estimated forfeit revenue from fee changes.**

Option	Estimate of forfeit revenue
1 Annual Charges issued as scheduled, no fee remission	\$0
2 Annual Charges issued reduced by 66% for low flows monitoring fees and accept fee remissions by exception from consent holders who are experiencing ongoing financial hardship due to the cyclone.	\$62,700 for low flows monitoring

*Option 1: Annual Charge as scheduled, no fee remissions*

10. All eligible consent holders are invoiced in line with the first year of the Long-Term Plan (2024-2025) Fees and Charges schedule, with no fee remissions considered. This option acknowledges the financial pressure HBRC is experiencing.
11. In addition to this, consent holders would be advised that we will consider applications for a fees remission for circumstances where they have experienced significant financial hardship due to damage caused by Cyclone Gabrielle (e.g. they are physically unable to exercise their consent and therefore cannot generate revenue).

*Option 2: Annual Charge reduced by 66% for low flows monitoring, and remit fees by exception*

12. All eligible water take and discharge consent holders are invoiced in line with the annual plan fees and charges schedule of the 2024-27 Three Year Plan.
13. Low flows monitoring is invoiced at \$85 instead of \$250 as per the first year of the Long-Term Plan (2024-2025). This proposed reduction to the annual low flows monitoring charge would forfeit ~\$62,700 in revenue, though the income generated is still expected to fully recover the current forecast costs incurred for the programme this financial year.
14. In addition to this, consent holders would be advised that we will consider applications for a fees remission for circumstances where they have experienced significant financial hardship due to damage caused by Cyclone Gabrielle (e.g. they are physically unable to exercise their consent and therefore cannot generate revenue).
15. The advantage of this option is that significantly affected consent holders will receive financial relief, and the collection of fees and charges for low flow monitoring is in line with the principles of user pays.

**Financial and resource implications**

16. Hawke's Bay Regional Council is experiencing significant financial pressures as a result of Cyclone Gabrielle. Any decision to reduce income from fees and charges will add to this financial pressure.
17. Any agreed reduction in fees from section 36 low flow charges would first be covered by cutting back on spending for low flow monitoring activities. Any remaining balance would be covered by general funds. Right now, there's been some underspending on low flow monitoring because of more efficient internal processes and a reduced need for compliance monitoring.

**Decision-making considerations**

18. Council and its committees are required to make every decision in accordance with the requirements of the Local Government Act 2002 (the Act). Staff have assessed the requirements in relation to this item and have concluded:
  - 18.1. The decision does not significantly alter the service provision or affect a strategic asset, nor is it inconsistent with an existing policy or plan.
  - 18.2. The use of the special consultative procedure is not prescribed by legislation.
  - 18.3. The decision is not significant under the criteria contained in Council's adopted Significance and Engagement Policy.
  - 18.4. The persons affected by this decision are those resource consent holders who pay freshwater science charges.
  - 18.5. Given the nature and significance of the issue to be considered and decided, and also the persons likely to be affected by it, Council can exercise its discretion and make a decision without consulting with the community.

## Recommendations

That Hawke's Bay Regional Council:

1. Receives and considers the *Annual Freshwater Science Charges 2024-2025* staff report.
2. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted Significance and Engagement Policy, and that Council can exercise its discretion and make decisions on this issue without conferring directly with the community or persons likely to have an interest in the decision.
3. Agrees that all consent holders liable for Annual Freshwater Science Charges are invoiced in accordance with the *first year of the Long-Term Plan (2024-2025) Fees and Charges* schedule and accepts requests only for annual freshwater science charges remission from consent holders experiencing ongoing financial hardship due to Cyclone Gabrielle.

### OR

4. Approves the amendment of the Annual Freshwater Science Charges approach for the 2024-2025 financial year, to:
  - 4.1. reduce the Low Flows Monitoring annual fee for the 2024-2025 financial year to \$85 plus GST.
  - 4.2. Charge water take and discharge consent holders in line with the 2024-27 Three Year Plan.
  - 4.3. accept requests for annual freshwater science charges remission from consent holders experiencing ongoing financial hardship due to Cyclone Gabrielle.

### Authored by:

**James Park**  
Management Accountant

**Megan McKenzie**  
Senior Business Partner

### Approved by:

**Susie Young**  
Group Manager Corporate Services

### Attachment/s

There are no attachments for this report.





**Subject: Reimagining flood resilience projects for Upper Tukituki and Heretaunga Plains**

**Reason for report**

1. This paper seeks a decision from Council to confirm and adopt the updated project approach, timeframes and structure for the Reimagining Flood Resilience project.

**Background /Discussion**

2. Flooding is a significant and increasing climate risk facing our region. Flooding could be caused by river flooding, surface (rainfall) flooding, or coastal erosion and inundation. Exposure and vulnerability to flooding varies depending on a range of factors.
3. The Regional Council plays an important role in communities feeling safer and being more resilient to flooding. HBRC owns and manages 27 flood control, drainage schemes and river maintenance schemes including river bar openings. Local councils also play an important role through the provision of infrastructure, such as stormwater networks.
4. The Regional Council is working on a range of flood resilience projects at different locations and at different project phases. For example, some of the ~\$250 million NIWE-funded projects are in the execution phase. The Re-imagining project, which is the topic of this item, is in the initiation phase.
5. To communicate the complexity of the Regional Council's flood resilience work we have grouped them under three headings:
  - 5.1. North Island Weather Events (NIWE) Flood Resilience Programme
  - 5.2. Fundamentals
  - 5.3. Planning for our future.
6. The Reimagining Flood Resilience project sits within the third heading. The project was established in direct response to the recommendations of the Hawke's Bay Independent Flood Review (HBIFR). It is intended to take a long-term view to determine what flood resilience in Hawke's Bay might look like in generations to come, with a focus on the Upper Tukituki and Heretaunga Plains Flood Control Schemes.
7. Through a series of workshops with Council and discussions with partners and key stakeholders held from September to December 2024, a proposed approach for the Reimagining Flood Resilience project was developed.
8. This approach was presented to Council on 18 December 2024, in the report *Reimagining flood Resilience for the Upper Tukituki and Heretaunga*.
9. At the 18 December meeting, Council accepted the report and directed the Chief Executive to work with Councillors to establish an effective project structure in collaboration with staff and project partners.
10. Through further discussions with Councillors and a workshop held on 26 February 2025, further detail was developed for the project approach, structure and timeframes. This report presents the outcome of this work.

**Revisions to project approach**

11. The following key revisions to the project approach emerged through work undertaken since the 18 December 2024 meeting:

- 11.1. As a significant project for HBRC, Councillors as decision-makers need to be effectively embedded in the project
- 11.2. Councillor Project Champions (based on constituencies) are to be appointed
- 11.3. There is a practical need to move from co-design with project partners (as originally envisioned) to a collaborative approach in order to increase efficiency and progress
- 11.4. The Heretaunga Plains and Upper Tukituki Flood Control Schemes are managed through the project in separate workstreams to reflect the differences in communities of interest, scale and complexity
- 11.5. Stakeholder Reference Groups are to be formed for each scheme, to provide values-based advice and guidance on options
- 11.6. A matrix approach of high-level options is required to consider options, benefits and costs, and that this should be utilised to ensure that cost and affordability considerations are introduced early
- 11.7. Project timeframes need to be condensed as much as possible in recognition of the significance and urgency of this work
- 11.8. The Reimagining Project sits within a significant programme of interrelated resilience work being led by Council. The overall resilience programme and how each package of work fits needs to be clearly communicated to project partners, stakeholders and communities.

### Revised timeframes

12. An update to project phasing and timeframes has also been developed, as presented in **Table 1**.

**Table 1: Updated Project Phasing and Timeline**

<b>Project Phase</b>	<b>Timeframe</b>
<b>Phase 1: Project Design (current phase)</b>	September 2024 – June 2025
<b>Phase 2a: Community socialisation</b>	February 2025 – June 2026
<b>Phase 2b: Stakeholder Reference Groups</b>	July 2025 – December 2025
<b>Phase 3: Long-term Plan preparation and consultation</b>	June 2026 – June 2027 (HBRC LTP)
<b>Phase 4: Implementation Programme</b>	July 2027 onwards

### Revised project structure

13. Tamatea Pōkai Whenua (TPW), Central Hawke’s Bay District Council (CHBDC), Hastings District Council (HDC), Mana Ahuriri (MA), Napier City Council (NCC) and Ngāti Kahungunu Iwi Incorporated (NKII) have been identified by Council as partners in the Reimagining Project.
14. Two options for project structure (that is, how project partners are involved and how decision making, oversight, community input and technical support function together) were considered at the 18 December 2024 meeting.
15. In accordance with the resolution passed at that meeting, the Chief Executive, councillors and staff have worked to further develop the project structure. The outcome of this work is presented in **Figure 1**.
16. Discussions on project structure have also been held with some project partners, are remain ongoing.

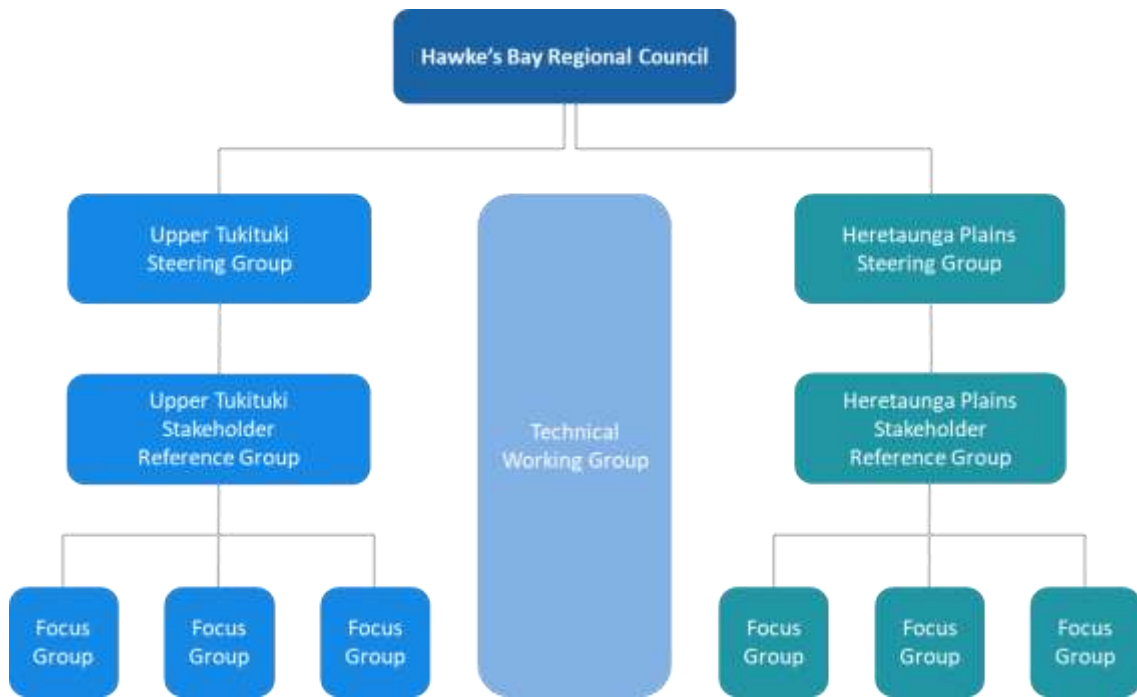


Figure 1: Reimagining Flood Resilience Project Structure

17. The membership and functions of each element of the revised project structure are described in Table 2.

Table 2: Project Structure Elements

	Membership	Role description
<b>HBRC</b>	HBRC elected representatives	<ul style="list-style-type: none"> <li>Overall project governance and decision making</li> </ul>
<b>Upper Tukituki Steering Group</b>	2 governors appointed from HBRC, TPW, CHBDC	<ul style="list-style-type: none"> <li>Provide direct project governance, specific to each scheme</li> </ul>
<b>Heretaunga Plains Steering Group</b>	2 - 3 governors appointed from HBRC, 2 from TPW, MA, HDC, NCC	<ul style="list-style-type: none"> <li>Facilitate clear community and partner-derived advice and guidance to HBRC</li> <li>Coordination of Focus Group outputs</li> <li>Present recommendations to HBRC</li> </ul>
<b>Stakeholder Reference Group</b>	One formed for each scheme Mana whenua and community member based. Membership by invitation to form a broad representation of skillsets and knowledge	<ul style="list-style-type: none"> <li>Provide values-based advice, specific to each scheme to the relevant Steering Group</li> <li>Supported by technical expertise to consider options (matrix approach)</li> <li>Review and consider options including costs</li> </ul>
<b>Focus Groups</b>	Number and membership to be confirmed through further discussion with Steering Group and Stakeholder Reference Group.	<ul style="list-style-type: none"> <li>A forum for detailed discussions with a particular community, place, landowner, sector etc.</li> <li>Provide advice to Stakeholder Reference Group</li> </ul>
<b>Technical Working Group</b>	Senior staff (1-3) appointed from HBRC, TPW, NKII, MA, NCC, HDC, CHBDC Organisational Lead identified from each member organisation	<ul style="list-style-type: none"> <li>Provide technical guidance and support for SGs, SRGs and FGs</li> <li>Support reporting and advice to HBRC</li> <li>Support reporting and advice to TAs + PSGEs</li> </ul>
<b>Project Control Group (PCG)</b>	<i>Not shown in diagram. Internal HBRC staff group</i>	<ul style="list-style-type: none"> <li><i>Primary project oversight and project management function</i></li> </ul>

### **Strategic fit**

18. This project directly contributes to the achievement of Regional Council's infrastructure and services focus area, specifically sustainable and climate-resilient services and infrastructure.
19. This project is also a direct response to recommendations from the HBIFR.

### **Climate change considerations**

20. The Reimagining Project is intended to take a long-term view, to determine what flood resilience in Hawke's Bay might look like in generations to come.
21. Any future options for flood resilience in the region must take into account the impact of climate change and mitigate against its effects on the economic, social and cultural wellbeing of the Hawke's Bay community wherever possible.

### **Considerations of tangata whenua**

22. Initial discussions have been held with Tamatea Pōkai Whenua, Mana Ahuriri and Ngāti Kahungunu Iwi Incorporated as the three PSGEs identified as project partners. Further discussion is required to confirm preferences for project involvement.
23. On 6 March 2025 a presentation and workshop was held with the Māori Committee, who have requested a wananga on the project as a follow up action.
24. The Reimagining Project has also been selected as a pilot for HBRC's Mātauranga Framework.
25. Through these discussions, and as highlighted by the HBIFR, effective engagement with tangata whenua will be critical to project success. This is likely to involve engagement at multiple levels, including Whenua Māori, marae, hapu, PSGE, etc.
26. HBRC's Māori Partnerships team are embedded in and supporting the project.

### **Financial and resource implications**

27. Project financial requirements were presented and considered at the 19 December 2024 meeting.
28. There are no additional financial or budget implications from the decisions sought by this agenda item.

### **Consultation**

29. Further engagement is required with all project partners to confirm their willingness and capacity to participate as proposed in the revised project structure.

### **Decision-making considerations**

30. Council and its committees are required to make every decision in accordance with the requirements of the Local Government Act 2002 (the Act). Staff have assessed the requirements in relation to this item and have concluded:
  - 30.1. The decision does not significantly alter the service provision or affect a strategic asset, nor is it inconsistent with an existing policy or plan.
  - 30.2. The use of the special consultative procedure is not prescribed by legislation.
  - 30.3. The decision is not significant under the criteria contained in Council's adopted Significance and Engagement Policy.
  - 30.4. The persons affected by this decision are the wider Hawke's Bay Community and rate payers.
  - 30.5. Given the nature and significance of the issue to be considered and decided, and also the

persons likely to be affected by, or have an interest in the decisions made, Council can exercise its discretion and make a decision without consulting directly with the community or others having an interest in the decision.

### Recommendations

That Hawke's Bay Regional Council:

1. Receives and considers the *Reimagining flood resilience projects for Upper Tukituki and Heretaunga Plains* staff report.
2. Agrees that the decisions to be made today are not significant under the criteria contained in Council's adopted Significance and Engagement Policy, and that Council can exercise its discretion and make the relevant decisions knowing that consultation and engagement with the public will be undertaken throughout the course of the *Upper Tukituki and Heretaunga Plains flood resilience* projects.
3. Confirms and adopts the revised project approach, timeframes and structure as outlined in the *Reimagining flood resilience projects for Upper Tukituki and Heretaunga Plains* staff report.
4. Appoints councillors \_\_\_\_\_ and \_\_\_\_\_ to the Upper Tukituki Steering Group
5. Appoints councillors \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ to the Heretaunga Plains Steering Group.

### Authored by:

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### Approved by:

**Chris Dolley**  
Group Manager Asset Management

### Attachment/s

There are no attachments for this report.



**Subject: Draft HBRIC Statement of Intent 2025-2026**

**Reason for report**

1. Under the Local Government Act 2002 (LGA), Section 64(1) and Schedule 8, every Council-Controlled Trading Organisation (CCTO) is required to prepare and adopt an annual Statement of Intent (SOI). The legislative timeframe for submission and approval is as follows:
  - 1.1. By 1 March 2025 – HBRIC submits a draft SOI to HBRC for review
  - 1.2. By 1 May 2025 – HBRC provides feedback and proposed changes to HBRIC
  - 1.3. By 30 June 2025 – HBRIC submits the final SOI for HBRC's approval.
2. The purpose of the SOI is to outline HBRIC's strategic objectives, financial and non-financial performance targets, governance framework, and reporting obligations for the 2025/26 financial year.

**Staff recommendation**

3. HBRIC invites HBRC Councillors to review the draft Statement of Intent 2025/26 and provide any feedback or suggested changes to HBRIC Directors.

**Discussion**

**2025/26 Statement of Intent.**

4. To meet Local Government Act 2002 (LGA) legislative timeframes, the Hawke's Bay Regional Investment Company (HBRIC Ltd) is required to submit its Draft Statement of Intent (Sol) to Council (as shareholder) by 1 March each year for feedback.

**Key Changes in the Draft 2025/26 SOI**

5. A comparison of the current (2024/25) and proposed (2025/26) SOI's highlights several material changes:

**Expression of more defined and specific Financial Performance Targets**

- 5.1. A 7% total investment return target for managed funds, with a 2.5% capital protection requirement to preserve the real value of assets.
- 5.2. Dividend expectations for FY26 set at \$13.3 million, with a provisional contribution to the Dividend Resilience Reserve [\$1m.], subject to full year performance.

**Expansion of HBRIC's Investment Oversight Role**

- 5.3. The SOI extends beyond HBRIC's own investments to provide a 'Group' view of Council's investment assets.
- 5.4. This reflects the recently-expanded investment mandate, which now includes HBRIC's oversight of Council-owned investment assets (e.g., financial and property assets).
- 5.5. The Group Investment Portfolio approach is designed to improve strategic asset management and financial reporting across Council's investments.

**Strengthened Governance & Reporting Framework**

- 5.6. Formal annual investment performance reviews are now required for managed funds, real assets, and other investment assets.

## **Napier Port Oversight & Reporting**

- 5.7. HBRIC's majority shareholding (approx. 55%) remains unchanged
- 5.8. A requirement for 2 investor presentations annually by Napier Port representatives to HBRIC or HBRC has been introduced.

## **Legislative Compliance**

6. The proposed SOI is compliant with the Local Government Act 2002, meeting all requirements under Section 64(1) and Schedule 8, including:
  - 6.1. Statement of strategic objectives and governance approach
  - 6.2. Performance measures and financial targets
  - 6.3. Distributions and dividend expectations
  - 6.4. Reporting obligations and shareholder engagement processes
7. Per above, the SOI extends beyond the strict statutory requirements by incorporating a Group-wide perspective on investment management.

## **Suitability of Performance Measures from a Commercial/Investment Perspective**

### **Dividend and distribution expectations**

8. The \$13.3m dividend target for FY26 provides a clear cash return expectation for Council
9. The 'Dividend Resilience Reserve' (\$1m minimum annual growth) provides Council with greater resilience in the face of investment income volatility and sub-optimal portfolio diversification due to the requirement to maintain majority ownership of Napier Port.

### **Stronger risk management & diversification approach**

10. The requirement for annual investment reviews ensures regular assessment of portfolio risk and performance.
11. The SOI acknowledges the need to diversify the portfolio over time, aligning with long-term financial resilience goals.

### **Alignment with Strategic Objectives**

12. The commitment to responsible investment principles aligns with HBRC's strategic vision.

### **Next steps**

13. HBRIC invites HBRC councillors to review the draft Statement of Intent 2025/26 and provide any feedback, guidance or suggested changes to HBRIC Directors.
14. This feedback will be incorporated into the final SOI, which will be submitted to Council for approval before 30 June 2025.

### **Strategic fit**

15. The SOI looks to deliver Council's investment strategy under their investment policy as outlined in the 2024-27 Long Term Plan.

### **Financial and resource implications**

16. The SOI seeks to outline the expected performance of the Group Investment assets as outlined in Council's Statement of Expectation and 2024-27 Long Term Plan. Failure to deliver the proposed returns will impact on Council's ability to provide its BAU operations.
17. Should assets under-perform it may be necessary to consider utilising capital to fund Council



operations.

### Decision-making considerations

18. Council and its committees are required to make every decision in accordance with the requirements of the Local Government Act 2002 (the Act). Staff have assessed the requirements in relation to this item and have concluded:
  - 18.1. The decision does not significantly alter the service provision or affect a strategic asset, nor is it inconsistent with an existing policy or plan.
  - 18.2. The use of the special consultative procedure is not prescribed by legislation.
  - 18.3. The decision is not significant under the criteria contained in Council's adopted Significance and Engagement Policy.
  - 18.4. There are no persons affected by this decision.
  - 18.5. Given the nature and significance of the issue to be considered and decided, and also the persons likely to be affected by, or have an interest in the decisions made, Council can exercise its discretion and make a decision without consulting directly with the community or others having an interest in the decision.

### Recommendations

That Hawke's Bay Regional Council:

1. Receives and considers the *draft HBRIC Statement of Intent 2025-2026* staff report.
2. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted Significance and Engagement Policy, and that Council can exercise its discretion and make decisions on this issue without conferring directly with the community or persons likely to have an interest in the decision.
3. Provides feedback on the draft 2025-26 HBRIC Statement of Intent in accordance with requirements in the Local Government Act (2002).

### Authored by:

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Treasury & Investments Accountant

### Approved by:

**Susie Young**  
Group Manager Corporate Services

### Attachment/s

- 1  Draft HBRIC Sol 2025-26 for HBRC feedback      Under Separate Cover



**Subject: Wairoa NIWE project next steps**

**Reason for report**

1. This item provides the Council with:
  - 1.1. an update (as was requested at the Council meeting on 13 February 2025) on the original proposed solution of Option 1C for the flood mitigation in Wairoa, including a recommendation to revise the adopted alignment solution for the proposed spillway to Option 1C Plus (Option 1C+).
  - 1.2. a request for approval to proceed with a Project Delivery Plan submission to the Crown for approval and granting the \$70m funding reserved for the Wairoa Flood Protection Scheme.
  - 1.3. Identification of the critical next steps for the project, particularly regarding working with landowners.
2. Given the project's scale and its potential to significantly enhance the safety and resilience of Wairoa community, including the need to progress with the Crown funding agreement with urgency to meet Ministerial funding timeframes, this decision is of paramount importance to both the local community and the broader region.

**Staff recommendations**

3. Staff recommend that councillors consider the information presented in this agenda item to inform the Council decisions necessary for the project to proceed.
4. Further, staff recommend that Council adopts the refined Option 1C Plus as the updated and preferred option for flood mitigation works for the area of the Wairoa township in Category 2C. Noting this is a change to the adopted 1C solution adopted by Council at their meeting on 13 February 2025.
5. The Council is also asked to acknowledge that the preferred option will only proceed upon completion of:
  - 5.1. The approval of a Project Delivery Plan that satisfies the requirements of the Crown and relevant Ministers.
  - 5.2. Land access being secured to enable the delivery of the preferred option.
6. Staff will report to Council on the progress of key project milestones.

**Executive summary**

7. On 13 February 2025, Councillors resolved:

RC12/25

**Resolutions**

That Hawke's Bay Regional Council:

1. Receives and considers the *North Island Weather Events- Wairoa Flood Mitigation* staff report.
2. Agrees that given the nature and significance of the issues to be considered and decided, and reflecting on the community engagement to date, Council has sufficient understanding of the views and preferences of interested parties and affected persons to enable it to make the relevant decisions without consulting

further with the community at this time.

3. Notes that investigation of options for flood mitigation for North Clyde (Category 2C) have been completed to a stage where a preferred option has been identified.
4. Notes that work has been guided by the Tripartite Group, and the Crown Manager supported by the Wairoa Flood Mitigation Project Stakeholder Group.
5. Adopts Option 1C as the preferred option for flood mitigation for the Category 2C area of Wairoa as it provides the best possible mitigation within budget.
6. Directs the project team to complete a Project Development Plan for submission to the Crown based on Option 1C with sufficient scope for option refinement to minimise the impacts on whenua Māori.
7. Agrees that the next step in the project, working with the Crown Manager and the Tripartite Partners, is to continue to refine the spillway profile and alignment to minimise the impact of option 1C on impacted landowners so as to maximise the probability of securing land access necessary to allow the project to proceed, and then to engage with impacted landowners in the 1C Option area to determine the probability of securing land access necessary to allow the project to proceed.
8. Notes that land access will be secured in accordance with the Public Works Act 1981.
9. Notes that land access over Māori Freehold land will be secured in accordance the Te Ture Whenua Māori Act 1993, and that the Māori Land Court and Te Tumu Paeroa are already engaged in this process.
10. Thanks mana whenua, the Wairoa community, landowners and homeowners, the Stakeholder Group, the Tripartite Group and the Crown Manager for their work in reaching this step in the project.
11. Instructs the Chief Executive, and requests that the Crown Manager, to regularly update Council and other Tripartite Partners on the progress being made to minimise the impact of option 1C on impacted landowners.
12. Instructs the Chief Executive that any material changes to option 1C are to be further considered by Council after consideration by the Tripartite Partners.

**Roadley/Lambert**  
**CARRIED**

8. Over the last four weeks, the project team and the Crown Manager have been working at pace to explore a refinement to the spillway profile and alignment, to minimise the impact of option 1C on impacted landowners so as to maximise the probability of securing land access necessary to allow the project to proceed. Through this refinement process, a refined option – being called Option 1C+ - has been identified.
9. Option 1C+ has now been supported by Wairoa District Council in a letter of endorsement from Mayor, Craig Little, dated 19 March 2025, and a letter from the Crown Manager dated 18 March 2025 (attached).
10. The project team is now seeking approval to proceed with a refined Option 1C+ as the preferred solution for Wairoa’s flood mitigation based on the following reasons.
  - 10.1. **Hydraulic efficiency:** Like Option 1C, Option 1C+ follows a similar direct overland path, aligning with historical flood patterns and providing an efficient hydraulic solution.
  - 10.2. **Reduced impacts to whenua Māori:** Option 1C+ impacts two hectares of whenua Māori, which is a third of the total area of whenua Māori impacted by Option 1C, and only 7 parcels as opposed to 20.

- 10.3. **Reduced number of impacted homes:** Option 1C+ impacts eight individual homes, which is half the number of homes impacted by Option 1C.
- 10.4. **Land Area:** Option 1C+ currently incorporates approximately 31ha of land as opposed to 24ha in Option 1C, but most is rural farmland as opposed to smaller land blocks.
- 10.5. **Cultural impact:** Like Option 1C, Option 1C+ aims to avoid sites of cultural significance. There are two impacted urupā in 1C+ and ongoing engagement is occurring as design plans progress. Further cultural assessment activity is underway to ensure Option 1C+ continues to appropriately protect marae, urupā and cultural taonga.
11. As such the project team suggests that Council makes new resolutions to replace 5 and 6 of the original resolutions as follows:
- 11.1. Adopts Option 1C+ as the preferred option for flood mitigation for the Category 2C area of Wairoa as it provides the best possible mitigation within budget and minimises impacts on whenua Māori, whānau, home and landowners where possible.
- 11.2. Directs the project team to complete a Project Development Plan for submission to the Crown based on Option 1C+ with sufficient scope for option refinement to minimise the impacts on whenua Māori and other landowners.
12. The project team is continuing to engage with all potentially impacted whānau, home and landowners, and in particular engagement with whenua Māori with the support of the Māori Land Court

**Figure 1: Refined Option 1C+ alignment against Option 1C**



13. A comparison of key changes from Option 1C to Option 1C+ is outlined **Table 1**.

### **Background /Discussion**

14. As part of the Flood Mitigation programme of works with the Crown, the Wairoa Flood Mitigation project was allocated \$70 million, which is 100% Crown funded, with Council taking

the funding risk for actual project costs exceeding the Crown's capped contribution.

15. The main purpose of the funding allocation is to mitigate flood risk for Category 2C residential properties, however, noting that 626 (residential, commercial, industrial and rural) properties in North Clyde and Frasertown areas of Wairoa will receive the benefit of the flood infrastructure.
16. The total property numbers in the Category 2C Areas can be summarised as follows:
  - 16.1. Number of properties = 626 (380 residential with dwellings, 120 residential with no dwelling, remaining commercial, industrial and rural)
  - 16.2. Number of residential properties = 500 (approximately)
  - 16.3. Number of residential properties with dwellings = 380
  - 16.4. Number of residential properties with no dwelling = 120
  - 16.5. Number of properties with \$0 improvement value = 140
  - 16.6. Total Land Value = \$65,638,400
  - 16.7. Total Capital Value = \$188,345,300
  - 16.8. Total Improvement Value = \$122,706,900.
17. Since 2023, 18 long-list options were identified, and then considered and assessed via a multi-criteria analysis led by Council's contracted engineering service providers. Of these options, 6 were recommended from the long list, plus 4 additional floodway options or combinations.
18. This has included seeking input from subject matter experts and a peer review of short-listed options. Subsequently the Crown is conducting its own independent peer review of the Wairoa Flood Mitigation process also.
19. At the 15 August 2024 Stakeholder Group Meeting, the members considered the shortlist options, with support from technical experts, resulting in their support for the 2 options of Option 1C and a refined version of Option 1D where secondary inundation impacts are minimised. It was agreed that these be forwarded to the Tripartite partners for their consideration.
20. Option 1C has been subsequently considered since the 13 February meeting primarily seeking to mitigate further land-owner impacts. Thus, a refined option 1C which is now called Option 1C+ and is the subject of this paper.
21. A summary of changes as a full comparison of Option 1C to Option 1C+ is outlined below for Council awareness of the proposed differences to the assessment criteria, such as cost, constructability, effectiveness, overdesign events and climate change, cultural impacts and consenting.
22. At the Council meeting on 13 February, the representative of the Board of Tātau Tātau o te Wairoa advised that for reasons of tikanga (principally that landowners need to speak for themselves about their whenua) that they did not support an option at this stage but would continue to support Māori landowners through this process. A change from Option 1C to Option 1C+ is not expected to change their position.

### **Key Changes from Option 1C and 1C+ Comparison**

23. Note: this analysis is as at the time of this report being written. Staff continue fine tuning estimated costs, designs and other project components.
24. It is also important to note that the Ski Club stop bank/protective structures will be required for both options and have been incorporated in the 6 key criteria.
25. Refer to Table 1:1 for analysis.

Table 1 – Change Comparison 1C to 1C+.

Criteria	Option 1C (as noted 13 February 2025)	Option 1C+ (now proposed)
<b>Cost comparison</b> <b>Slight Change</b>	Total project cost estimate of \$69.7m, inclusive of contingencies of 35% for construction and 25% for land access	Total project cost estimate of \$70m inclusive of contingencies of 35% for construction and 25% for land access
<b>Constructability</b>  <b>Positive Change</b>	Geotechnical investigations and material testing has been conducted across the footprint and has been used to assess the availability of suitable material, ground conditions, including water table depth. Based on these reports there is sufficient suitable material for this option. Due to the depth of excavation and high-water table, additional time and cost is required. A cost-effective method has been found for the disposal of the surplus cut to waste material.	Geotechnical investigations and material testing completed for previous options across the footprint and has been used to assess the availability of suitable material, ground conditions including water table depth are expected to be comparable for this option. A cost-effective method has been found for the disposal of the surplus cut to waste material which is less than Option 1C and has a decrease in the depth of cut of the spillway improving constructability and drainage concerns.
<b>Effectiveness</b> The assessment considers the impacts of a 1 in 100 year event on not only the area that receives the benefit of the flood infrastructure but the remaining surrounding area. <b>No change</b>	This option will result in 10ha of land negatively (worse off) affected by flooding compared to doing nothing, 513ha of land positively affected (better off) by flooding compared to doing nothing. It is noted that the spillway in Option 1C is the closest to the natural course the river is taking in flooding events.	Early Modelling shows similar results to 1C however more detailed assessment is required to quantify results.
<b>Overdesign and Climate Change</b> Cyclone Gabrielle was assessed as a 1 in 70 year flood event in Wairoa, while other areas in Hawke's Bay experienced much more significant events. When modelling the options, we have allowed for a larger event than what occurred during Cyclone Gabrielle, being a 1 in 100 year (current climate, base on post cyclone) <b>Yet to be confirmed</b>	This option, in a 1% AEP +12% climate change river flow situation will result in a building flood hazard increase of 2 buildings in North Clyde and 27 in Wairoa, whereas the number of buildings where the flood hazard has decreased is 520 in North Clyde and 22 in Wairoa.	Early Modelling shows similar results to 1C, however, more detailed assessment is required to quantify results.
<b>Cultural impacts</b>  <b>Positive Change</b>	Cultural Impact Assessment (CIA) highlights the impacts of excavation and building work at or near the site of Pā Koutu (Kautu), work occurring around the residence of Te Kautu and the exit of the spillway occurring in the same area, and work in close vicinity to Tawhiti a Maru Marae.	This option aims to avoid parts of the Takitimu Marae complex and provide protection to 2 x urupā.

Criteria	Option 1C (as noted 13 February 2025)	Option 1C+ (now proposed)
<p><b>Consenting</b></p> <p><b>Negative Change</b></p>	The current Order in Council (OIC) allows for most of the area required for this option. An -application to increase the boundary may be required if the boundaries of the spillway cannot be adjusted to fall within the OIC area.	This option is largely outside the OIC footprint requiring a new OIC or alternative consenting pathway.
<p><b>Land Access</b></p> <p><b>Positive Change</b></p>	<p>Total impacted properties: 73</p> <p>Māori Freehold parcels: 20</p> <p>General Title parcels: 49</p> <p>WDC parcels: 5</p> <p>Other parcels: 4</p> <p>No. of impacted houses: 16</p> <p>Area of whenua Māori impacted: 6ha</p> <p>Area of Gen. title land impacted: 18ha</p> <p>Area of land impacted: 24ha</p> <p>Area of whenua Māori protected: 46ha</p> <p>Area of Gen. title land protected: 298ha</p> <p>Area of land protected: 344ha</p>	<p>Total impacted properties: 56</p> <p>Māori Freehold parcels: 7</p> <p>General Title parcels: 41</p> <p>WDC parcels: 5</p> <p>Other parcels: 4</p> <p>No. of impacted houses: 8</p> <p>Area of whenua Māori impacted: 2ha</p> <p>Area of Gen. title land impacted: 29ha</p> <p>Area of land impacted: 31ha</p> <p>Area of whenua Māori protected: 49ha</p> <p>Area of Gen. title land protected: 302ha</p> <p>Area of land protected: 351ha</p>

### Strategic fit

26. The Wairoa Flood Mitigation project aligns with the Strategic Plan 2020-2025 Outcomes, Goals, and Actions (pages 12-15). This project contributes towards achieving the strategic goal of sustainable and climate-resilient services and infrastructure, through increasing flood protection levels to provide practical and affordable protection to our communities.
27. This project contributes to Council's community outcomes of
  - 27.1. **Resilient Community** – Our communities are prepared for natural hazards, supported by planning and infrastructure, partnerships and knowledge sharing on the increasing effects of climate change.
  - 27.2. **Prosperous Community** – Our communities thrive from high-performing regional infrastructure that enables the region's natural and human resources to deliver goods and services that underpin prosperity and wellbeing.
28. In addition to the Strategic Plan 2020-2025, this project contributes towards achieving a resilient and prosperous community as part of the Infrastructure Strategy in our Three-Year Plan 2024-2027.

### Significance and Engagement Policy assessment

29. The Wairoa Flood Mitigation project holds a high level of significance as it directly impacts the safety, well-being, and economic stability of the Wairoa region. According to Council's Significance and Engagement Policy (SEP) contained in the Long Term Plan (pg. 208), the significance of this project is assessed as high.
30. This high level of significance necessitates extensive community engagement to ensure that the views and concerns of all stakeholders are adequately considered.
31. The project has involved extensive engagement and collaboration with various community groups, including the Stakeholder Group, which provides a platform for representative views



from different sections of the community.

32. The Crown Manager's team has made substantial progress in this area with the full knowledge, support and agreement of Council.
33. The project team and the Crown Manager's team acknowledge there is ongoing engagement required to ensure full compliance with our policy and other statutory obligations, including those under the Local Government Act 2002 (LGA), Public Works Act 1981 (PWA), Te Ture Whenua Māori Act 1993 and the Order in Council (OIC), specifically in relation to land access and satisfy the conditions of the OIC.

#### Other considerations

34. The Crown Manager is recommending to Council that it proceed, with a refined Option 1C+ as the preferred solution for Wairoa's flood mitigation based on the following reasons:
  - 34.1. Hydraulic efficiency: Like Option 1C, Option 1C+ follows the most direct overland path, aligning with historical flood patterns and providing an efficient hydraulic solution.
  - 34.2. Reduced impacts to whenua Māori: Option 1C+ impacts two hectares of whenua Māori, which is only a third of the total area of whenua Māori impacted by Option 1C.
  - 34.3. Reduced number of impacted homes: Option 1C+ impacts eight individual homes, which is half the number of homes impacted by Option 1C.
  - 34.4. Cultural impact: Like Option 1C, Option 1C+ avoids sites of cultural significance, such as the Makeakea urupā, as identified in the Cultural Impact Assessment (CIA). It is worth noting that further cultural assessment activity is underway to ensure Option 1C+ continues to protect marae, and take full account of urupā and cultural taonga.
35. The Crown Manager also wishes to acknowledge that the direct engagement with potentially impacted whānau, home and landowners is ongoing. This includes engagement with owners of whenua Māori, with the support of the Māori Land Court.
36. Furthermore, the Crown Manager recommends, while this engagement continues, that Council proceed with Option 1C+ and:
  - 36.1. finalise a Project Delivery Plan (PDP) based on this option,
  - 36.2. submit the plan to the Crown for approval, and
  - 36.3. secure the \$70 million of funding allocated for flood mitigation in Wairoa.

#### Decision-making considerations

- 36.4. Council and its committees are required to make every decision in accordance with the requirements of the Local Government Act 2002 (the Act). Staff have assessed the requirements in relation to the decisions for this item and have concluded: The decision does not relate to a strategic asset, as listed in the Council's Significance and Engagement Policy.
- 36.5. The decision will involve the commencement of a new significant activity, being flood protection works for Wairoa. This type of decision needs to be provided for in the Council's Long-Term Plan (LTP), and for that reason – while the Council had not yet determined its preferred option – it included provision for this project, and others, in the 3-year LTP 2024-2027. As a result, this decision is not inconsistent with any existing Council policy or plan.
- 36.6. The use of the special consultative procedure is not required in this situation, as provision for the decision has been included in the existing LTP.
- 36.7. The decision is significant under the criteria contained in Council's adopted Significance and Engagement Policy.

- 36.8. The persons affected by this decision are the Wairoa residents, mana whenua, property and business owners, whenua Māori owners and visitors to Wairoa.
- 36.9. Given the nature and significance of the issue to be considered and decided, and reflecting on the community engagement to date. It can be concluded that Council has sufficient understanding of the views and preferences of interested parties/affected persons so that it can make the decision without any further consultation.

### **Recommendations**

That Hawke's Bay Regional Council:

1. Receives and considers the *Wairoa NIWE project next steps* staff report.
2. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted Significance and Engagement Policy, and that Council can exercise its discretion and make decisions on this issue without conferring directly with the community or persons likely to have an interest in the decision.
3. Rescinds the 13 February 2025 resolutions 5 and 6, and:
  - 3.1. Adopts Option 1C+ as the preferred option for flood mitigation for the Category 2C area of Wairoa as it provides the best possible mitigation within budget and minimising impacts on whenua Māori, whānau, home and landowners where possible.
  - 3.2. Directs the project team to complete a Project Development Plan for submission to the Crown based on Option 1C+ with sufficient scope for option refinement to minimise the impacts on whenua Māori.

### **Authored by:**

**Andrew Caseley**  
Manager Regional Projects / Programme  
Director IPMO

**Jess Bennett**  
Programme Finance & Controls Manager

### **Approved by:**

**Chris Dolley**  
Group Manager Asset Management

### **Attachment/s**

- 1 [↓](#) 19 March 2025 Wairoa District Council letter of support for option 1C+
- 2 [↓](#) 18 March 2025 Crown Manager letter of recommendation - Option 1C+



19 March 2025

Hawke's Bay Regional Council  
Chair Hinewai Ormsby

Re: Flood Mitigation Project

Dear Hinewai,

On behalf of the Wairoa District Council, I write to support the 1C+ flood mitigation option in relation to the Wairoa Flood Mitigation Project.

At the February Tripartite meeting, the Wairoa District Council supported the Crown Manager's recommendation to further progress the 1C flood mitigation option, while also looking to refine the profile and alignment 1C, with a specific focus on further minimising the potential impacts to owners of whenua Māori, whānau, home and landowners where possible.

Our Council is heartened that the refinement work that has been completed, resulting in 1C+, looks to significantly reduce impacts to whenua Māori and the number of houses whilst still maintaining the hydraulic integrity of the proposed flood mitigation solution.

Our Council has confidence in the process the Crown Manager has carried out. We support the continuation of his position in leading this project and the holistic approach to Wairoa's response and resilience to future flooding including the Wairoa River mouth.

We also fully support that the Crown is conducting its own independent peer review of the Wairoa flood mitigation process.

Our Council has been clear that while we act on behalf of our community, the final decision regarding land access rests with mana whenua/land owners. We acknowledge this has been, and will continue to be, a difficult journey, particularly for those impacted whānau, and our hearts go out to you all.

This project is about doing the best we can now to try to protect Wairoa in the future. Wairoa is our home, and we need to do everything we can so we never have to go through flooding disasters again.

Our Council looks forward to HBRC endorsing the further progression of Option 1C+. We know Wairoa is vulnerable to flooding and historically, Wairoa has never had any flood protection. Supporting the progression of 1C+ will help protect our community for future generations.

Yours sincerely,

Craig Little  
**MAYOR, WAIROA DISTRICT COUNCIL**

Office of the Mayor, Coronation Square, PO Box 54, Wairoa 4160  
Telephone +64 6 838-7309 – Email [craig.little@wairoadc.govt.nz](mailto:craig.little@wairoadc.govt.nz)



18 March 2025

Hinewai Ormsby  
 Chair, Hawke's Bay Regional Council  
 c/- Steve Fabish, Senior Project  
 Manager *By email to [Steve Fabish](#)*



### **Wairoa Flood Mitigation – Option 1C+**

Dear Hinewai,

Last month, Hawke's Bay Regional Council (HBRC) made the decision to progress Option 1C as the preferred flood mitigation solution for North Clyde, subject to land accessibility.

At the time, it was agreed that further refinement to the profile and alignment of Option 1C+ was required, with a specific focus on further minimising potential impacts to owners of whenua Māori, whānau, home and landowners.

Over the last four weeks, the project team and I have been working at pace, and as a result of this refinement process, we have identified a refined Option 1C – an Option we are calling Option 1C+.

As Crown Manager, I am now recommending that HBRC proceed with a refined Option 1C+ as the preferred solution for Wairoa's flood mitigation based on the following reasons:

- **Hydraulic efficiency:** Like Option 1C, Option 1C+ follows the most direct overland path, aligning with historical flood patterns and providing an efficient hydraulic solution.
- **Reduced impacts to whenua Māori:** Option 1C+ impacts two hectares of whenua Māori, which is only a third of the total area of whenua Māori impacted by Option 1C.
- **Reduced number of impacted homes:** Option 1C+ impacts eight individual homes, which is half the number of homes impacted by Option 1C.
- **Cultural impact:** Like Option 1C, Option 1C+ avoids sites of cultural significance, such as the Makeakea urupā, as identified in the Cultural Impact Assessment (CIA). It is worth noting that further cultural assessment activity is underway to ensure Option 1C+ continues to protect marae, urupā and cultural taonga.

It is important to acknowledge that direct engagement with potentially impacted whānau, home and landowners is ongoing. This includes engagement with owners of whenua Māori, with the support of the Māori Land Court where appropriate.

While this engagement continues, I recommend that HBRC proceed with Option 1C+ and:

- Finalise a Project Delivery Plan (PDP) based on this option,
- Submit the plan to the Crown for approval, and
- Secure the \$70 million of funding allocated for flood mitigation in Wairoa.

Nāku noa, nā,



**Lawrence Yule**  
Crown Manager

**Subject: Whirinaki NIWE project next steps**

1. That Hawke's Bay Regional Council excludes the public from this section of the meeting, being Agenda Item 12 Whirinaki NIWE project next steps with the general subject of the item to be considered while the public is excluded. The reasons for passing the resolution and the specific grounds under Section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are:

General subject of the item to be considered	Grounds under section 48(1) for the passing of the resolution	Reason for passing this resolution
Whirinaki NIWE project next steps	s7(2)(c)(ii) Excluding the public is necessary to prevent disclosure of information which is subject to an obligation of confidence (or which any person has been or could be compelled to provide) and would <b>damage the public interest.</b>	The public interest is served by continuing negotiations. This process is confidential between the parties and the information being made public would significantly prejudice those negotiations and could lead to a poor outcome for ratepayers
	s7(2)(j) Excluding the public is necessary to prevent the disclosure or use of official information for <b>improper gain or improper advantage.</b>	The information could be exploited by various parties for financial or other advantages, such as property speculation on property values in the affected areas and market manipulation by commercial interests in contracts arising in associated industries.
	s7(2)(i) Excluding the public is necessary to enable the local authority holding the information to <b>carry out, without prejudice or disadvantage, negotiations</b> (including commercial and industrial negotiations).	Ongoing negotiations to achieve favourable outcomes for HBRC ratepayers and communities could be jeopardised or unfairly influenced.

2. That the outcomes of negotiations are made public as soon as practicable once negotiations have concluded.

**Authored by:**

**Andrew Caseley**  
**Manager Regional Projects / Programme**  
**Director IPMO**

**Jess Bennett**  
**Programme Finance & Controls Manager**

**Susie Young**  
**Group Manager Corporate Services**

**Approved by:**

**Chris Dolley**  
**Group Manager Asset Management**





## Hawke's Bay Regional Council

Wednesday 26 March 2025

Item 13

### Subject: Confirmation of Public Excluded Minutes

That Hawke's Bay Regional Council excludes the public from this section of the meeting being Confirmation of Public Excluded Minutes Agenda Item 13 with the general subject of the item to be considered while the public is excluded. The reasons for passing the resolution and the specific grounds under Section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are:

<b>General subject of the item to be considered</b>	<b>Reason for passing this resolution</b>	<b>Grounds under section 48(1) for the passing of the resolution</b>
HBRIC Chair succession	In considering the appointment of the HBRIC Chair's successor, the experience and qualifications of the candidate will be discussed.	s7(2)(a) Excluding the public is necessary to protect the privacy of natural persons
Regional Water Security	<p>Sensitive commercial and pricing information in the report has the potential to adversely impact commercial negotiations and, at this preliminary stage, may be misrepresented publicly and negatively impact the project's ongoing commercial negotiations.</p> <p>Further, deliberations have the potential to impact the privacy of landowners, and commercial arrangements between the Council and the Crown under current, amended or future funding proposals.</p>	<p>s7(2)(f)(ii) Excluding the public is necessary to maintain the effective conduct of public affairs by protecting councillors and/or council employees and contractors/ consultants from improper pressure or harassment</p> <p>s7(2)(i) Excluding the public is necessary to enable the local authority holding the information to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p> <p>s7(2)(j) Excluding the public is necessary to prevent the disclosure or use of official information for improper gain or improper advantage</p>
Regional Deals - Expression of Interest for Hawke's Bay	<p>The Department of Internal Affairs acknowledges that all parties are expected to treat proposals in confidence as they may contain confidential and commercially sensitive information. All parties will keep the information confidential, unless obliged to disclose it (such as by law under the Official Information Act 1982 (OIA) or the Local Government Official Information and Meetings Act 1987 (LGOIMA)), or until it no longer remains confidential (such as being agreed to in a Memorandum of Understanding). Where a relevant OIA or LGOIMA request is received, each party must consult with each other.</p> <p>The information is still the subject of further negotiations both regionally and with the Crown.</p>	<p>s7(2)(c)(ii) Excluding the public is necessary to prevent disclosure of information which is subject to an obligation of confidence (or which any person has been or could be compelled to provide) and would damage the public interest</p> <p>s7(2)(i) Excluding the public is necessary to enable the local authority holding the information to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>