

Meeting of the Hawke's Bay Regional Council

Date: 25 June 2025
Time: 11.00am
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 88359200 or 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:

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Team Leader Governance

Approved by:

Desiree Cull
Strategy & Governance Manager

Attachment/s

There are no attachments for this report.

Hawke's Bay Regional Council

25 June 2025

Item 5

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 21..

Topic	Raised by

Subject: Adoption of the Annual Plan 2025-26

Reason for report

1. This item seeks a resolution of Council to adopt the *Annual Plan 2025-26*. Council needs to adopt the Annual Plan in accordance with the Local Government Act 2002 before it can set the rates for the 2025-26 financial year.
2. This item also seeks a resolution of Council to adopt:
 - 2.1. the Fees and User Charges Schedule
 - 2.2. policies consulted on concurrently with the *Annual Plan 2026-26*, being the Rates Remission and Postponement Policies and Revenue and Financing Policy.

Staff recommendation

3. Staff recommend that Council adopts the Fees and User Charges, the Rates Remission and Postponement Policies, the Revenue and Financing Policy, and the *Annual Plan 2025-26* as presented.

Background

4. 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).
5. An annual plan provides an opportunity for small adjustments or variances from the long-term plan to reflect changes since the plan was adopted.
6. 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.

Development of Annual Plan 2025-26

7. Our Three-Year Plan 2024-2027, adopted on 10 July 2024, forecast an average rate 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.
8. 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 were also identified because the organisation had better information on new work that needs doing and on costs for existing work.
9. The Council provided iterative feedback on priorities, direction, and budgets at dedicated workshops starting in September 2024.
10. At its meeting on 26 February 2025, Council formally resolved to consult on the Annual Plan 2025-26 because the proposed plan included material differences from the content for Year 2 of the Three-Year Plan 2024-2027.
11. For efficiencies, staff recommended that the Draft Regional Public Transport Plan 2025-2035 be consulted on concurrently with the Annual Plan 2025-26. On 21 February 2025, the Regional Transport Committee endorsed the Draft Regional Public Transport Plan for inclusion in the Annual Plan consultation, subject to final amendments to be approved by the Regional Transport Committee Chair.

12. The final Regional Public Transport Plan 2025-2035 for Council adoption is presented in a separate agenda item.
13. At its meeting on 26 March 2025, Council adopted all the associated material for consultation including:
 - 13.1. Annual Plan 2025-26 Consultation Document
 - 13.2. Statement of Proposal and amended Rates Remission and Postponement Policies
 - 13.3. Statement of Proposal and amended Revenue and Financing Policy
 - 13.4. Explanation of Rating Method
 - 13.5. Statement of Proposal to adopt the Regional Public Transport Plan
 - 13.6. Draft Regional Public Transport Plan 2025-2035.

Financial pressures and Council's response

14. Around \$2.5 million of additional and increased costs were identified since our Three-Year Plan was adopted. This would have pushed average rates higher than the forecast average rates increase of 18.3%.
15. Councillors and staff were involved in several workshops and discussions to identify how to get costs down to lessen the impact on our ratepayers, while prioritising flood resilience, regional water security, and sustainable land management.
16. Councillors made some tough decisions and trade-offs to be able to reduce average rates increases to 9.9%. This excludes the new targeted rate for the Mangarau Stream which impacts around 27,000 Hastings district ratepayers.
17. The graphic below was used in our Annual Plan consultation document and explains what was pushing our costs up, and what Council has done to bring rates down (on the following page).





18. There was also a table in the consultation document that provides a further breakdown of the \$4m operational cost reductions by activity.

Community consultation

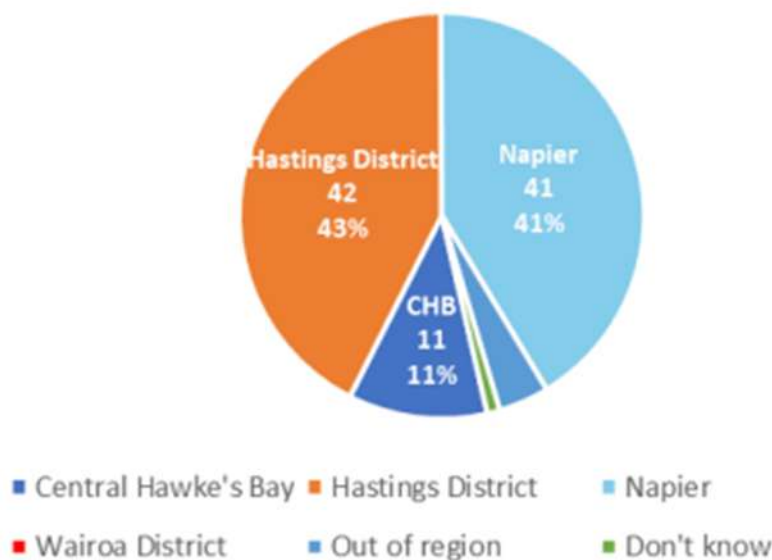
19. The public consultation process ran for five weeks, from 31 March to 2 May 2025. This included:
- 19.1. consultation material available to the public online on our new Engagement Hub and available at our main office on Dalton Street, Napier, Wairoa office and community libraries. People could either fill out a submission form online or print out a copy to fill in.
 - 19.2. targeted letters sent to about 1,150 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.
20. The consultation was advertised through print and digital advertising, and social media channels, including an advertisement on Facebook and a Facebook Live session.
21. The Transport team engaged directly with public transport users and interest groups.

Feedback received

22. 99 submission were received on the combined consultation. Of those, 64 provided feedback on the Annual Plan-specific questions and 86 provided feedback on the Regional Public Transport Plan questions.

23. The pie graph below shows what areas submitters were from.

Distribution of submitters



24. No Annual Plan submitters presented their submission at the hearing and Council undertook deliberations on 28 May 2025. The Regional Transport Committee held its own hearing (on 16 May 2025) and deliberations (on 6 June 2025).
25. While all aspects that made up the proposed Annual Plan 2025-26 were able to be submitted on. Council sought specific feedback on the following topics:
- 25.1. **Setting a targeted rate for flood resilience work for Mangarau Stream** – of the submissions received on this topic, 59% supported the preferred option as consulted on, which was to collect the rate over three years. Paying the debt over three years means less interest would need to be paid in total. At deliberations, Councillors noted its debt profile was growing, and it would be good to clear this debt quicker enabling Council to focus on other work in the community. Three years was also seen as an appropriate length of time because it was viewed as more of a grant to Hastings District Council for the delivery of the project, compared to the option of 20 years which better reflected a loan.
- 25.2. **Amending how we rate for Passenger Transport** – of the submissions received, 67% supported the preferred option as consulted on, which was to use a new rating method. This new method is in response to community feedback during consultation on our Three-year Plan 2024-2027. The revised method has three components:
- 25.2.1. Splitting the rate to include a new, indirect targeted rate of 10% for the Total Mobility Service, recognising that this service is available for eligible people living in Napier, Hastings, and Central Hawke's Bay.
- 25.2.2. Changing how we allocate the rest – 90%, the direct rate – to standardise the proportion of the amount paid by households.
- 25.2.3. Removing five rating areas (valuation rolls) from paying the direct rate. Areas would be reviewed regularly and would be rated when they reached 50% urbanisation.
- 25.3. **Amending how we rate for the Upper Tukituki Flood Resilience Scheme** – of the submissions received, 76% supported the preferred option as consulted on, which was to use a new rating method. This new method is in response to community feedback during previous consultations, and the overall impact of the changes would enable a more equitable distribution of costs among those who benefit from the scheme's protection.

The two components of the new rate include:

- 25.3.1. Splitting the rate to include an indirect rate of 10% to be charged to all ratepayers in Central Hawke's Bay, and parts of the Hastings district within the scheme's footprint.
- 25.3.2. Adjusting how we collect the rest – 90%, the direct rate – through increasing the proportion we collect from properties in the low band and adjusting the proportion for the Hastings district to match Central Hawke's Bay district for the same banding levels.
- 25.4. Amendments to our **Rates Remission and Postponement Policies** – of the five submitters that commented on this topic, three supported the proposed changes being made.
- 25.5. Amendments to our **Revenue and Financing Policy** – of the six submitters that commented on this topic, the majority supported the proposed changes being made.
- 25.6. The proposed budget cuts particularly in biodiversity, and rates affordability were raised in some submissions. Of the 99 submissions received, seven commented on biodiversity or affordability/equity. During deliberations, Council noted the biodiversity cuts were partially offset by the Council decision to sell some low-risk carbon credits.
- 26. The specific questions asked during consultation on the Draft Regional Public Transport Plan are outlined in a separate agenda item.

Annual Plan 2025-26 budget

- 27. The key differences in the Annual Plan 2025-26 budgets when compared to Year 2 of the Three-Year Plan 2024-2027 include:
 - 27.1. A decrease in operating revenue of \$27.3m reflecting the decrease in rates revenue of \$3.1m due to the reduction in annual increase from 18.3% to 9.9% (excluding Mangarau Streams), and a large decrease in expected subsidies and grants as the timing of the NIWE flood resilience programme firms up.
 - 27.2. A decrease in operating expenditure of \$2.4m reflecting the savings that have been made, partially offset by the increases in costs as mentioned earlier.
 - 27.3. In the Funding Impact Statement the key differences are an increase in the expected capital expenditure related to the NIWE programme, a decrease in subsidies and grants reflecting improved knowledge of when Crown funding is expected, and a resultant increase in loan funding due to the previous two points. Our borrowing levels still remain within required limits.
- 28. Within the Statement of Financial Position the largest changes reflect the revaluation of infrastructure assets in the 2023-24 Annual Report as well as capital spend in the current year and an increase in trade debtors reflecting the timing between spending on NIWE and Crown reimbursements.

Fees and charges

- 29. For each annual plan, fees and charges are updated to meet the required revenue budget for the new year. The fees and charges for 2025-26 are contained in a single schedule separate to the Annual Plan document but referred to within. This is made available on the HBRC website. The draft *Fees and Charges Schedule 2025-26* is attached to this paper.
- 30. The policy for fees and charges is unchanged from what was set in the Three-Year Plan 2024-2027.
- 31. The majority of fees and charges in the schedule are either unchanged from 2024-25, or have increased by 4% in line with increased staff costs, with the exception of annual freshwater science charges (tables 5 and 6 of the schedule) which are recalculated each year based on the proposed budget.

32. Freshwater science charges have decreased in total by \$0.4m as a result of the budget savings identified in Integrated Catchment Management for this Annual Plan. There has been a return of focus to water quality in the underlying activities which has meant an increase of ~14% in discharge consents and a ~30% decrease in charges related to water take consents.

Uniform Annual General Charge (UAGC)

33. The Uniform Annual General Charge (UAGC) is the last rate looked at during setting of rates for a year. It is the fixed charge to every separately used or inhabited part (SUIP) of a rating unit that forms part of the General Rate (the remainder of the General Rate is allocated based on capital value). The UAGC is used as a way to balance rates across the region so that all ratepayers contribute at least a set amount toward general rate funded activities.
34. The Local Government (Rating) Act 2002 sets a maximum limit of 30% of total rates for the UAGC plus any targeted rates that are set on a uniform basis. HBRC's uniform targeted rates (UTR) are:

\$000 incl. GST	Three-Year	
	Plan 2024/25	Proposed 2025/26
Uniform Targeted Rates		
Coastal Hazards	255	258
CDEM Emergency Management	4,020	4,215
Subsidised Public Transport	-	4,107
Regional Economic Development	494	233
Opoho Drainage Scheme	57	38
	4,825	8,851

35. The UAGC portion of the general rate has then been set at \$7,277k to bring the uniform and fixed rates to 26.4% of total rates, the same percentage as used in the Three-Year Plan 2024-2027.
36. The current number of 77,111 SUIPs across the region means that the charge per SUIP for 2025-26 would be \$94.36 (incl. GST). This is compared to \$125.95 last year. The decrease is a result of the new fixed portion of the Public Transport rate requiring the UAGC to be lowered so as to retain the overall percentage of uniform and fixed rates in line with the Three Year Plan.

Next Steps

37. Once Council has adopted the Annual Plan 2025-26, it is able to set the rates for the year. A separate agenda item addresses this.
38. Under the Local Government Act 2002 Section 95(7), the final annual plan must be made publicly available within one month after Council's formal approval. Staff will publish the *Annual Plan 2025-26* on our website as soon as practicable. Staff will also print and bind hard copies in house, making copies available for the public to read at our main office on Dalton Street, Napier.
39. Staff will reply to submitters advising them of Council's final decisions. Submitters will receive a standardised response covering all key decisions made, although tailored responses will be sent to specific submitters as required.

Decision-making considerations

40. Council and its committees are required to make every decision in accordance with the requirements of the Local Government Act 2002 (the Act). Staff have assessed the requirements in relation to this item and have concluded:
- 40.1. Council undertook consultation on the Annual Plan 2025-26 in accordance with section 82 of the Local Government Act 2002.

40.2. The persons affected by this decision are all ratepayers in the region.

Recommendations

That Hawke's Bay Regional Council:

1. Receives and notes the *Adoption of the HBRC Annual Plan 2025-26* staff report.
2. Adopts the policies consulted on concurrently with the *Annual Plan 2026-26*, being the:
 - 2.1. Rates Remission and Postponement Policies
 - 2.2. Revenue and Financing Policy.
3. Adopts the Fees and User Charges Schedule 2025-26.
4. Adopts Hawke's Bay Regional Council's *Annual Plan 2025-2026* as presented, with any minor amendments or edits as necessary.
5. Instructs staff to publish Hawke's Bay Regional Council's *Annual Plan 2025-26* in its final form, within one month of adoption in accordance with section 95(7) of the Local Government Act 2002.

Authored by:

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Strategy & Governance Manager

Approved by:

Nic Peet
Chief Executive

Attachment/s

- | | | |
|----------|---|--|
| 1 | HBRC Rates Remission and Postponement Policies 2025 | Under Separate Cover online only |
| 2 | HBRC Revenue and Financing Policy 2025 | Under Separate Cover online only |
| 3 | Schedule of fees and charges 2025-26 | Under Separate Cover online only |
| 4 | 2025-26 Annual Plan | Under Separate Cover online only |

Subject: Setting of the 2025-2026 Rates

Reason for report

1. This item provides the means for the Regional Council to collect its budgeted rates revenue for the 2025-26 financial year. It follows the legal process, under the Local Government (Rating) Act 2002, for Council to set the rates for the period 1 July 2025 to 30 June 2026.

Executive summary

2. In the previous agenda item, Council adopted the Annual Plan 2025-26.
3. The next step after adopting the Annual Plan (which sets the budget for the year) is to set the rates to enable Council to collect rates for the year. The budget must be set before the rates are set, which explains the order of items on the agenda.
4. After Council has passed the resolutions setting the rates, staff can start preparing to send out rate assessments to all ratepayers. The 2025-2026 rates will be due for payment on 20 September 2025.
5. This Setting of the Rates agenda item has had a legal review ahead of this Council meeting.

Background

6. The Local Government (Rating) Act 2002, Section 23 sets out the procedure for setting rates, with the main considerations being that rates must:
 - 6.1. be set by a resolution of the local authority
 - 6.2. relate to a financial year
 - 6.3. be set in accordance with relevant provisions of the local authority's Long-term Plan and the Funding Impact Statement for the relevant financial year.
7. The Local Government (Rating) Act 2002, sections 13 and 14 (General Rate) section 15 (Uniform Annual General Charge) and sections 16, 17 and 18 (Targeted Rates) explains how each such rate is to be set.
8. Council has approved the 2025-26 level of rates to be collected, along with the calculation factors in the Funding Impact Statement, as included in the Annual Plan 2025-26 which has been adopted at this meeting.

Decision-making considerations

9. Council is required to make a decision to set rates in accordance with the requirements of the Local Government (Rating) Act 2002 (the Act) including Section 23.
10. Under the LGA the council must consider options (s77) and community views (s78) when making decisions. In relation to this decision for setting or not setting the rates, staff consider that not setting the rates is not a viable option as this would mean the Council will not have the cashflow required to fund the activities set out in the Annual Plan 2025-26. However, community feedback on options in relation to the Annual Plan were sought via consultation from 31 March through 2 May 2025. More information on the options that the Council considered in deliberations can be found in the Agenda and Minutes of the Council meeting held 28 May 2025. The rates set out in this report reflect the Council's decisions on 28 May 2025 and the contents of the Annual Plan.

Recommendations

That Hawke's Bay Regional Council:

1. Confirms that the decisions to be made on the setting and assessing of rates cover information in the Funding Impact Statement for the 2025-26 year, as included in the Annual Plan 2025-26 as required by Section 95 of the Local Government Act 2002.
2. Sets the following rates under the Local Government (Rating) Act 2002, on rating units in the region for the financial year commencing on 1 July 2025 and ending on 30 June 2026. These rates are set in accordance with the relevant provisions of the 2025-26 Funding Impact Statement and are inclusive of GST.
 - 2.1. A **general rate** is set under sections 13, and 131 of the Local Government (Rating) Act 2002 on an estimate of projected equalised capital value as in the following table.

Rate type	Districts	Rates set on	Units of charge	Calculation factor	Estimated rates revenue 2025-26
General Rate				Cents in \$	
	Napier City	Capital Value		0.03332	8,090,878
	Hastings District	Capital Value		0.03148	13,728,742
	Central HB District	Capital Value		0.03410	2,989,799
	Wairoa District	Capital Value		0.03453	1,225,460
	Taupō District	Capital Value		0.02914	36,206
	Rangitīkei District	Capital Value		0.03177	7,833
					26,078,918

- 2.2. A **uniform annual general charge** is set at \$94.36 per separately used or inhabited part of a rating unit (SUIP) under section 15(1)(b) of the Local Government (Rating) Act 2002 as in the following table.

Rate type	Districts	Rates set on	Units of charge	Calculation factor	Estimated rates revenue 2025-26
Uniform Annual General Charge			SUIPs	Per SUIP \$	
	Napier City	Fixed Amount	29,132	94.36	2,748,988
	Hastings District	Fixed Amount	35,537	94.36	3,353,465
	Central HB District	Fixed Amount	7,319	94.36	690,609
	Wairoa District	Fixed Amount	5,069	94.36	478,303
	Taupō District	Fixed Amount	54	94.36	5,096
	Rangitīkei District	Fixed Amount	1	94.36	94
			77,111		7,276,554

- 2.3. The following **targeted rates**, as described in the Funding Impact Statement, are set under sections 16, 17 & 18 of the Local Government (Rating) Act 2002 as in the following tables.

- 2.3.1. Subsidised Public Transport Direct – all commercial/industrial rating units in Napier and Hastings within a designated valuation roll footprint on an equalised capital value.

Rate type	Districts	Rates set on	Units of charge	Calculation factor	Estimated rates revenue 2025-26
Subsidised Public Transport - Direct				Cents in \$	
Commercial / Industrial	Napier City	Capital Value		0.01239	462,553
	Hastings District	Capital Value		0.01171	528,900
					991,454

- 2.3.2. Subsidised Public Transport Indirect– all rating units in Napier, Hastings, and Central Hawke’s Bay Districts on equalised capital value.

Rate type	Districts	Rates set on	Units of charge	Calculation factor	Estimated rates revenue 2025-26
Subsidised Public Transport - Indirect				Cents in \$	
Indirect Charge	Napier City	Capital Value		0.00076	184,756
	Hastings District	Capital Value		0.00072	313,517
	Central HB District	Capital Value		0.00078	68,272
					566,545

- 2.3.3. Healthy Homes/Clean Heat – based on rating units in Napier and Hastings within a designated valuation roll footprint on an equalised land value.

Rate type	Districts	Rates set on	Units of charge	Calculation factor	Estimated rates revenue 2025-26
Sustainable Homes - Clean Heat				Cents in \$	
	Napier City	Land Value		0.00281	303,601
	Hastings District	Land Value		0.00259	395,024
					698,625

2.3.4. Economic Development – all non-residential, non-lifestyle, or non-utilities rating units based on equalised capital value.

Rate type	Districts	Rates set on	Units of charge	Calculation factor	Estimated rates revenue 2025-26	Rates revenue 2024-25
Regional Economic Development				Cents in \$		
Commercial / Industrial Properties	Napier City	Capital Value		0.00459	173,506	365,006
	Hastings District	Capital Value		0.00434	217,666	464,801
	Wairoa District	Capital Value		0.00476	4,085	9,001
	Central HB District	Capital Value		0.00470	11,988	25,348
	Taupō District	Capital Value		0.00468	30	61
	Rangitīkei District	Capital Value		0.00000	-	-
					407,274	864,217
All Other Properties - excluding utilities	Napier City	Capital Value		0.00077	3,829	7,760
	Hastings District	Capital Value		0.00073	80,828	161,966
	Wairoa District	Capital Value		0.00080	13,885	34,344
	Central HB District	Capital Value		0.00079	36,168	82,016
	Taupō District	Capital Value		0.00079	855	1,618
	Rangitīkei District	Capital Value		0.00079	194	369
					135,758	288,072

2.3.5. Primary Production Pests – based on non-urban rating units on an equalised land value.

Rate type	Districts	Rates set on	Units of charge	Calculation factor	Estimated rates revenue 2025-26
Primary Production Pests				Cents in \$	
	Napier City	Land Value		0.00453	29,244
	Hastings District	Land Value		0.00418	525,540
	Wairoa District	Land Value		0.00481	100,605
	Central HB District	Land Value		0.00471	223,666
	Taupō District	Land Value		0.00475	4,027
	Rangitīkei District	Land Value		0.00475	974
					884,056

2.3.6. Sustainable Land Management – based on non-urban rating units on an equalised land value.

Rate type	Districts	Rates set on	Units of charge	Calculation factor	Estimated rates revenue 2025-26
Sustainable Land Management Strategy				Cents in \$	
	Napier City	Land Value		0.00653	42,204
	Hastings District	Land Value		0.00603	758,431
	Wairoa District	Land Value		0.00694	145,188
	Central HB District	Land Value		0.00680	322,784
	Taupō District	Land Value		0.00685	5,811
	Rangitīkei District	Land Value		0.00685	1,405
					1,275,823

2.3.7. Water Quality – based on non-urban rating units on an equalised land value.

Rate type	Districts	Rates set on	Units of charge	Calculation factor	Estimated rates revenue 2025-26
Water Quality				Cents in \$	
	Napier City	Land Value		0.00344	22,213
	Hastings District	Land Value		0.00317	399,187
	Wairoa District	Land Value		0.00365	76,417
	Central HB District	Land Value		0.00358	169,891
	Taupō District	Land Value		0.00361	3,059
	Rangitīkei District	Land Value		0.00361	740
					671,506

2.3.8. Land Monitoring, Research, and Investigations Science – based on non-urban rating units on an equalised land value.

Rate type	Districts	Rates set on	Units of charge	Calculation factor	Estimated rates revenue 2025-26
Land Monitoring, Research, and Investigations Science				Cents in \$	
	Napier City	Land Value		0.00219	14,129
	Hastings District	Land Value		0.00202	253,906
	Wairoa District	Land Value		0.00232	48,606
	Central HB District	Land Value		0.00228	108,061
	Taupō District	Land Value		0.00229	1,945
	Rangitīkei District	Land Value		0.00229	470
					427,117

2.3.9. Heretaunga Plains Flood Control Scheme - based on rating units within Napier City and Hastings District on an equalised capital value.

Rate type	Districts	Rates set on	Units of charge	Calculation factor	Estimated rates revenue 2025-26
Heretaunga Plains Flood Control Scheme				Cents in \$	
	Napier City	Capital Value	Direct	0.00973	1,609,242
	Napier City	Capital Value	Indirect	0.00238	577,668
	Hastings District	Capital Value	Direct	0.00919	2,025,244
	Hastings District	Capital Value	Indirect	0.00225	979,969
					5,192,122

2.3.10. Maraetotara Flood Control – based on rating units in Hastings District within the Maraetotara Flood scheme footprint on a capital value.

Rate type	Districts	Rates set on	Units of charge	Calculation factor	Estimated rates revenue 2025-26
Maraetotara Flood Maintenance Scheme				Cents in \$	
	Hastings District	Capital Value		0.00495	19,557

- 2.3.11. Mangarau Stream – based on rating units in Hastings District within a designated valuation roll footprint on land value.

Rate type	Districts	Rates set on	Units of charge	Calculation factor	Estimated rates revenue 2025-26
Mangarau Stream				Cents in \$	
	Hastings District	Land Value	Residential	0.00577	533,268
	Hastings District	Land Value	Residential Clive	0.00467	13,080
	Hastings District	Land Value	Res Non Urban	0.00438	71,444
	Hastings District	Land Value	Hort/Farming	0.00392	147,489
	Hastings District	Land Value	Comm CBD	0.01730	120,302
	Hastings District	Land Value	Comm Other	0.01586	98,529
	Hastings District	Land Value	Comm Non Urban	0.01355	75,636
					1,059,749

- 2.3.12. Upper Makara – based on rating units in Central Hawke’s Bay and Hastings District within the Upper Makara Flood scheme footprint on an equalised capital value.

Rate type	Districts	Rates set on	Units of charge	Calculation factor	Estimated rates revenue 2025-26
Upper Makara Stream Catchment Scheme				Cents in \$	
	Central HB District	Capital Value	High	0.63511	90,878
	Central HB District	Capital Value	Medium	0.10369	24,035
	Central HB District	Capital Value	Low	0.00518	5,379
	Hastings	Capital Value	Medium	0.09575	7,901
	Hastings	Capital Value	Low	0.00479	142
					128,335

- 2.3.13. Upper Tukituki Flood Control Scheme Direct – based on rating units in Central Hawke’s Bay and Hastings District within the Upper Tukituki Flood scheme footprint on an equalised capital value.

Rate type	Districts	Rates set on	Units of charge	Calculation factor	Estimated rates revenue 2025-26
Upper Tukituki Flood Control Scheme - Direct				Cents in \$	
Direct	Central HB District	Capital Value	High	0.09747	247,261
	Central HB District	Capital Value	Medium	0.03682	400,513
	Central HB District	Capital Value	Low	0.01083	589,607
	Hastings District	Capital Value	Medium	0.03400	2,040
	Hastings District	Capital Value	Low	0.01000	16,749
					1,256,169

- 2.3.14. Upper Tukituki Flood Control Scheme Indirect - Based on all rating units in Central Hawke's Bay and those rating units in Hastings District within the Upper Tukituki Flood scheme footprint on an equalised capital value

Rate type	Districts	Rates set on	Units of charge	Calculation factor	Estimated rates revenue 2025-26
Upper Tukituki Flood Control Scheme - Indirect				Cents in \$	
Indirect	Central HB District	Capital Value		0.00154	135,002
	Hastings District	Capital Value		0.00142	4,573
					139,574

- 2.3.15. Whirinaki Industrial – based on rating units in Hastings District within the Whirinaki Industrial Flood scheme footprint on a capital value.

Rate type	Districts	Rates set on	Units of charge	Calculation factor	Estimated rates revenue 2025-26
Whirinaki Industrial				Cents in \$	
	Hastings District	Capital Value		0.22542	125,851

- 2.3.16. Various Streams and Drainage Schemes

- 2.3.16.1. Brookfields & Awatoto – based on rating units in Napier City within the Brookfields Awatoto drainage area on a capital value.

Rate type	Districts	Rates set on	Units of charge	Calculation factor	Estimated rates revenue 2025-26
Brookfields Awatoto				Cents in \$	
	Napier City	Capital Value		0.08583	236,432

- 2.3.16.2. Clive & Muddy Creek – based on rating units in Hastings District within the Clive Muddy Creek drainage area on a capital value.

Rate type	Districts	Rates set on	Units of charge	Calculation factor	Estimated rates revenue 2025-26
Clive & Muddy Creek				Cents in \$	
	Hastings District	Capital Value		0.02512	356,712

- 2.3.16.3. Haumoana Te Awanga – based on rating units in Hastings District within the Haumoana drainage area on a capital value.

Rate type	Districts	Rates set on	Units of charge	Calculation factor	Estimated rates revenue 2025-26
Haumoana				Cents in \$	
	Hastings District	Capital Value		0.02894	186,031

- 2.3.16.4. Karamū & Tributaries – based on rating units in Hastings District within Karamu Catchment area on a capital value.

Rate type	Districts	Rates set on	Units of charge	Calculation factor	Estimated rates revenue 2025-26
Karamū Drainage & Enhancement				Cents in \$	
	Hastings District	Capital Value		0.00654	1,592,939

- 2.3.16.5. Napier, Meeanee, Puketapu – based on rating units in Hastings District and Napier City within the Napier, Meeanee, Puketapu drainage area on an equalised capital value.

Rate type	Districts	Rates set on	Units of charge	Calculation factor	Estimated rates revenue 2025-26
Napier, Meeanee, Puketapu				Cents in \$	
	Napier City	Capital Value	Urban	0.00794	1,152,568
	Napier City	Capital Value	Industrial	0.03177	305,223
	Hastings District	Capital Value	Rural	0.00750	18,470
					1,476,261

- 2.3.16.6. Ohuia, Whakaki – based on rating units in Wairoa District within the Ohuia drainage area on a capital value.

Rate type	Districts	Rates set on	Units of charge	Calculation factor	Estimated rates revenue 2025-26
Ohuia Whakaki Drainage Scheme				Cents in \$	
	Wairoa District	Capital Value	A	0.98303	125,967
	Wairoa District	Capital Value	B	0.31695	3,896
					129,862

- 2.3.16.7. Pākōwhai Brookfields – based on rating units in Hastings District within the Pākōwhai drainage area on a capital value.

Rate type	Districts	Rates set on	Units of charge	Calculation factor	Estimated rates revenue 2025-26
Pākōwhai				Cents in \$	
	Hastings District	Capital Value		0.06212	216,457

- 2.3.16.8. Paeroa Drainage – based on rating units in Wairoa District within the Paeroa drainage area on a capital value.

Rate type	Districts	Rates set on	Units of charge	Calculation factor	Estimated rates revenue 2025-26
Paeroa Drainage Scheme Special Rating Area				Cents in \$	
	Wairoa District	Capital Value	A	0.07143	25,940
	Wairoa District	Capital Value	B	0.01361	4,757
					30,697

- 2.3.16.9. Poukawa Drainage – based on rating units in Hastings District within the Poukawa drainage area on a capital value.

Rate type	Districts	Rates set on	Units of charge	Calculation factor	Estimated rates revenue 2025-26
Poukawa Drainage Special				Cents in \$	
	Hastings District	Capital Value		0.06295	26,238

- 2.3.16.10. Puninga – based on rating units in Hastings District within the Puninga drainage area on a capital value.

Rate type	Districts	Rates set on	Units of charge	Calculation factor	Estimated rates revenue 2025-26
Punga				Cents in \$	
	Hastings District	Capital Value		0.10878	180,175

- 2.3.16.11. Raupare Enhancement – based on rating units in Hastings District within the Raupare Enhancement area and calculated on area.

Rate type	Districts	Rates set on	Units of charge	Calculation factor	Estimated rates revenue 2025-26
Raupare Enhancement				Cents per Hectares	
	Hastings District	Area	1,239	1118.58818	13,856

- 2.3.16.12. Raupare Twyford – based on rating units in Hastings District within the Raupare Twyford drainage area on a capital value.

Rate type	Districts	Rates set on	Units of charge	Calculation factor	Estimated rates revenue 2025-26
Raupare Twyford				Cents in \$	
	Hastings District	Capital Value		0.00964	181,406

- 2.3.16.13. Tūtaekurī-Waimate & Moteo – based on rating units in Hastings District within the Tūtaekurī Waimate Moteo drainage area on a capital value.

Rate type	Districts	Rates set on	Units of charge	Calculation factor	Estimated rates revenue 2025-26
Tūtaekurī Waimate Moteo				Cents in \$	
	Hastings District	Capital Value		0.04181	276,325

- 2.3.17. Sustainable Homes – financial assistance (includes Clean Heat Assistance) based on value of service provided to specific properties as requested.

Sustainable Homes Financial Assistance					
Voluntary targeted rate to repay financial assistance to insulate homes and provide clean heat, solar heating, Photovoltaic cells, HRV, domestic water storage and septic tank replacement					
		\$10 per \$100 loan		\$10 10.00 per \$100 loan	

- 2.3.18. Erosion Control – financial assistance based on value of service provided to specific properties as requested.

Rate type	Districts	Rates set on	Units of charge	Calculation factor	Estimated rates revenue 2025-26
Erosion control financial assistance					
Voluntary targeted rate to repay financial assistance to fund erosion control		\$10 per \$100 loan		\$10 10.00 per \$100 loan	

- 2.4. The following **uniform targeted rates**, as described in the Funding Impact Statement, are set under sections 16 and 17 of the Local Government (Rating) Act 2002 as per the following tables.

- 2.4.1. Coastal Hazards – fixed amount per separately used or inhabited part, based on location.

Rate type	Districts	Rates set on	Units of charge	Calculation factor	Estimated rates revenue 2025-26
Coastal Hazards			SUIPs	Per SUIP \$	
	Napier City	Fixed Amount	29,132	3.99	116,199
	Hastings District	Fixed Amount	35,537	3.99	141,750
			64,669		257,949

- 2.4.2. CDEM- Emergency Management – fixed amount per separately used or inhabited part, based on location.

Rate type	Districts	Rates set on	Units of charge	Calculation factor	Estimated rates revenue 2025-26
CDEM Emergency Management			SUIPs	Per SUIP \$	
	Napier City	Fixed Amount	29,132	54.71	1,593,650
	Hastings District	Fixed Amount	35,537	54.71	1,944,079
	Wairoa District	Fixed Amount	5,069	54.71	277,283
	Central HB District	Fixed Amount	7,319	54.71	400,361
			77,056		4,215,373

- 2.4.3. Subsidised Public Transport Direct– all non-commercial / non-industrial / non-utilities properties within Napier and Hastings in a designated valuation roll footprint based on a fixed amount per separately used or inhabited part of a rating unit.

Rate type	Districts	Rates set on	Units of charge	Calculation factor	Estimated rates revenue 2025-26
Subsidised Public Transport - Direct			SUIPs	Per SUIP \$	
All Others - excluding utilities	Napier City	Fixed Amount	25,318	82.69	2,093,500
	Hastings District	Fixed Amount	24,356	82.69	2,013,952
			49,673		4,107,452

- 2.4.4. Regional Economic Development – residential and lifestyle properties as a fixed amount per separately used or inhabited part of a rating unit.

Rate type	Districts	Rates set on	Units of charge	Calculation factor	Estimated rates revenue 2025-26
Regional Economic Development			SUIPs	Per SUIP \$	
Residential / Lifestyle Properties	Napier City	Fixed Amount	25,826	3.59	92,724
	Hastings District	Fixed Amount	29,213	3.59	104,885
	Wairoa District	Fixed Amount	3,985	3.59	14,309
	Central HB District	Fixed Amount	5,792	3.59	20,795
	Taupō District	Fixed Amount	4	3.59	14
	Rangitikei District	Fixed Amount	0	3.59	-
			64,820		232,728

- 2.4.4.1. Opoho Drainage – based on rating units in Wairoa District within the Opoho drainage area on a fixed amount per separately used or inhabited part of a rating unit.

Rate type	Districts	Rates set on	Units of charge	Calculation factor	Estimated rates revenue 2025-26
Opoho Drainage Scheme				Per Suip \$	
	Wairoa District	Fixed Amount	A	24,686.45	24,686
	Wairoa District	Fixed Amount	B	9,205.75	9,206
	Wairoa District	Fixed Amount	C	3,682.30	3,682
					37,575

- Sets the due date for payment of rates set for the financial year commencing 1 July 2025 and ending on 30 June 2026 as 20 September 2025.
- Resolves, in accordance with sections 57 and 58(1)(b) of the Local Government (Rating) Act 2002, that a penalty of 10% be added to the amount of rates from previous financial years remaining unpaid on 2 July 2025. The penalty will be added on 3 July 2025.
- Resolves, in accordance with sections 57 and 58(1)(a) of the Local Government (Rating) Act 2002, that a penalty of 10% be added to the amount of rates for the 2025-2026 financial year that remain unpaid after the due date stated above. A penalty will be applied to any outstanding balance as at the 21 September 2025.
- Resolves that any Sustainable Homes loan is recoverable as a voluntary targeted rate. If a ratepayer is in compliance with the terms of the scheme, payments are due in instalments per a specified schedule; or by default, the full amount is due as a lump sum.

Authored by:

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Approved by:

Nic Peet
Chief Executive

Attachment/s

There are no attachments for this report.

Subject: Adoption of the Regional Public Transport Plan 2025 – 2035

Reason for report

1. This item seeks a resolution of Council to adopt the *Regional Public Transport Plan 2025 – 2035*.

Staff recommendation

2. Staff recommend that Council adopts the *Regional Public Transport Plan (RPTP) 2025-2035* as presented and recommended by the Regional Transport Committee.

Background

3. The *Regional Public Transport Plan* is prepared under section 125 of the Land Transport Management Act (LTMA) and adopted under section 119.
4. As set out in section 117 of the LTMA, the statutory purpose of an RPTP is to provide:
 - 4.1. a means for encouraging regional councils and public transport operators to work together in developing public transport services and infrastructure
 - 4.2. an instrument for engaging with the public in the region on the design and operation of the public transport network
 - 4.3. a statement of the public transport services that are integral to the public transport network; the policies and procedures that apply to those services; and the information and infrastructure that support those services.
5. When adopting a Regional Public Transport Plan a Regional Council must be satisfied the Plan complies with S.124 "Matters to take into account with adopting a Regional Public Transport Plan". For clarity, section 124 states:

A regional council must, before adopting a regional public transport plan, -

- 5.1. *Be satisfied that the plan*
 - 5.1.1. *Contributes to the purpose of this Act; and*
 - 5.1.2. *has been prepared in accordance with any relevant guidelines that the Agency has issued; and*
 - 5.1.3. *is, if it includes a matter that is not within scope of the regional land transport plan, otherwise consistent with that plan; and*
- 5.2. *be satisfied that it has applied the principles specified in section 115 (1); and*
- 5.3. *take into account -*
 - 5.3.1. *any national energy efficiency and conservation strategy; and*
 - 5.3.2. *any relevant regional policy statement, regional plan, district plan, or proposed regional plan or district plan under the Resource Management Act 1911; and*
 - 5.3.3. *the transport component of any plan or strategy that has been developed and publicly consulted on by*
 - 5.3.3.1. *a territorial authority within the region; or*
 - 5.3.3.2. *the regional council if it has transferred its public transport responsibilities to a territorial authority under section 17 of the Local Government Act 2002; and*

- 5.3.4. *the public transport funding likely to be available within the region; and*
 - 5.3.5. *the need to obtain best value for money; and*
 - 5.3.6. *the views of the territorial authorities in the region; and*
 - 5.3.7. *the views of public transport operators in the region; and*
 - 5.3.8. *the views of the public transport workforce and its representative unions registered under Part 4 of the Employment Relations Act 2000; and*
 - 5.4. *consider the needs of persons who are transport-disadvantaged.*
6. Staff have conducted a fulsome analysis of how the RPTP complies with the above sections of the LTMA, along with other legislative compliance matters. This is clearly set out in Appendix C of the RPTP, from page 74.
 7. The LTMA sets out a range of different instances when RPTPs must be reviewed, but it is generally accepted practice that they are reviewed at least every three years.

Development of the Regional Public Transport Plan

8. In 2022 the Hawke's Bay Regional Council (HBRC) consulted on a proposed new public transport network. The plan set out a step-change for public transport across Hastings and Napier featuring increased frequency, extended operating hours, and efficient bi-directional routes. Implementation was planned from mid-2025 to coincide with a new contract for the provision of bus services.
9. Following adoption in 2022 staff have been working towards the new network implementation. In the intervening years several changes and challenges have impacted funding levels, resulting in a reduction in available funding to implement the network, as planned in 2022.
10. Using the 2022 RPTP as a base, staff reviewed the Plan through the lens of recent changes within the region and current funding levels. A revised RPTP was developed that provides a new, more efficient network for our communities, and delivers value for money.
11. The 2025 – 2035 RPTP re-confirms the intent to implement the new bi-directional network, while realistically recognising that increases to levels of service will take longer to implement, due to current funding constraints. This means that the new network, supported by its foundational planning principles, will be able to be implemented, but will more than likely be at the current levels of service.
12. In this review, staff took the opportunity to comprehensively engage with the community to ground truth the planned network changes, ensuring they are fit for our communities. Engagement is ongoing and will ultimately morph into new network engagement, communication, and marketing, to create awareness and drive interest in the new network, converting awareness into patronage.
13. Along with the public transport network focus, the RPTP also proposed some changes to the Total Mobility scheme to ensure it is strengthened for the future. Most proposed changes focused on the transport operators and assessment agencies.

Community consultation

14. Consultation on the draft RPTP was conducted in conjunction with the HBRC Annual Plan, to enable an efficient use of consultation funding and time. The consultation period ran for five weeks from 31 March to 2 May 2025. In total, 99 submissions were received, with the RPTP attracting 86 submissions. Also 9 detailed submissions were received from entities, advocacy groups, or very interested people. Hearings for the submissions were held on Friday 16 May with 15 submitters speaking to the Regional Transport Committee.
15. In the lead up to and throughout the consultation period, transport staff conducted extensive community engagement, presenting to and engaging with over 30 groups, and having over 50

meetings to discuss the draft RPTP and gather feedback.

16. During the consultation on the draft RPTP the RTC asked five questions of users and communities with the primary intent of encouraging people to consider the impact of planned changes to their travel patterns / behaviours. The questions were -
 - 16.1. *Question 1: Do you have any comments on the planned changes to the public bus services now scheduled for implementation from early 2026? Tell us what you think.*
 - 16.2. *Question 2: Do the planned changes work for you and your community?*
 - 16.3. *Question 3: We are considering whether we keep cash as a form of payment when paying for bus tickets. Which option do you prefer*
 - 16.3.1. *Option a – we retain cash payments*
 - 16.3.2. *Option b – we move to a fully cashless system over time*
 - 16.4. *Question 4: We are proposing to make several changes to our Total Mobility scheme to ensure the scheme continues to meet users' needs and is financially sustainable. Do you support the proposed changes to our Total Mobility scheme?*
 - 16.5. *Question 5: Do you have any other comments on the draft RPTP? Tell us what you think.*
17. Each question had a free text field enabling submitters to provide further thoughts or detail.
18. Transport staff will continue to engage with users and communities, in line with the RPTP Significance Policy, to finalise some finer details of the new routes. A final network will be presented to the RTC at their 29 August meeting. The Committee will also be presented with a high-level network implementation plan, focusing on marketing, communications, and engagement.

Regional Transport Committee deliberations and recommendations

19. Given the scope of submissions and the feedback staff sought from the community, a theme coding approach was applied to the submissions, making analysis more straightforward. The main themes and a description are set out in the table below.

Key theme	Description
Accessibility, infrastructure, inclusion and safety	This theme captured feedback related to the physical and social accessibility of public transport, including stop infrastructure, vehicle design, personal safety, and equitable access for users with disabilities, older people, and other vulnerable groups. It reflected community expectations for a universally inclusive and safe network.
Levels of service	Responses under this theme referred to the frequency, coverage, and reliability of services. This included requests for more trips, longer operating hours, or improved punctuality. It also reflected public demand for a bus network that better supports daily travel needs and lifestyle patterns.
Information availability - ease of access - wayfinding	This related to how well people can find and understand public transport information, including timetables, route maps, live tracking, and signage. Feedback under this theme highlighted the importance of clear, accurate, and easily accessible information for users to confidently use the system.
School transport	This theme applied to comments focused on how the network serves school students. It included calls for dedicated services, safe routes, and timing alignment with school hours. This reflected parental and community concerns about student mobility and safety.

Key theme	Description
Timetable connection / alignment	This covered feedback on how well services connect with each other or other modes of transport. It included issues with wait times, missed connections, and poor synchronisation between routes. The theme reflected a desire for a more seamless and efficient journey experience. Delivering timetable alignment will help make public transport a genuine alternative.
Cost and funding concerns	Comments here related to fare levels, concession availability, value for money, and how the system is funded. This theme reflected public sensitivity to affordability and questions about how ratepayer or taxpayer funds are used.
Modal Integration and Connectivity - key destinations served - key nodes	This theme captured views on how well the public transport network connects with other transport modes (e.g. walking, cycling, regional travel) and whether it served key destinations such as hospitals, shopping centres, or employment hubs. It reflected a desire for a more connected and useful network.
Rural and small community access	This theme focused on equity of access for those living outside main urban centres. It included concerns about isolation, limited-service options, and transport disadvantage. Feedback under this theme reflected a call for greater investigation and potential inclusion of rural and remote areas in the transport network, along with Community Transport opportunities.

20. Staff analysed each submission, applying a primary and secondary theme. The deliberations report then set out the main themes, and some of the most common / frequent feedback, providing a response and / or recommendation as required.
21. From the submissions and the deliberations analysis, the responses and recommendations can be split into two broad areas:
 - 21.1. A desire from submitters for ongoing community and user engagement in the final location of routes, along with general engagement on public transport services, particularly in the lead up to the new network. These recommendations do not require any changes to the draft RPTP and are operational in nature.
 - 21.2. Several policy and operational changes are suggested to enhance both the opportunity the new network presents for our communities, and to help ensure the Total Mobility Scheme is fit for the future. As a result, a small number of proposed changes have been made to the draft RPTP. Other changes or recommendation are covered off in operational plans, such as a marketing and communications strategy.
22. As a result of the recommendations, there were a number of RPTP amendments to policy and/or inclusions into operational plans agreed by the RTC as resolved at their 6 June meeting, including that the Committee:
 - 22.1. Notes that the RPTP caters for school travel and any additional capacity considerations that may be required in Policy 6.
 - 22.2. Notes that staff will continue to engage with the communities, key stakeholders, and advocacy bodies to collaboratively refine and confirm the final routes and present a finalised network at the 29 August 2025 Regional Transport Committee meeting.
 - 22.3. Notes that staff will continue to work with Te Taiwhenua o Heretaunga around potential future fixed route opportunities for Omahu and other communities, along with potential Community Transport initiatives.

- 22.4. Agrees that cash fares will be removed as a form of payment across the network when cash fares reduce to less than 5% of total ticket transactions for a period of at least six months and having given no less than two months' notice to the community.
- 22.5. Agrees to amend RPTP Table 11 in response to *Community Transport* feedback received, to read *Identify existing initiatives and support the establishment of a Trust to run Community Transport services across the region, including Wairoa, Central Hawke's Bay and satellite communities around Napier & Hastings.*
- 22.6. Agrees to the amendment of the RPTP to include new Policy (#45) *Through the contract held between HBRC and Service Providers, require customer service training be completed by all bus drivers and support staff annually. Additionally, ensure any new drivers receive service / network specific customer service training as part of the on boarding process.*
- 22.7. Agrees to the amendment of the RPTP to include a new policy (#68) *Hawke's Bay Regional Council will work in partnership with ACC and approved assessment agencies to investigate where there may be gaps in the current Total Mobility and ACC transport schemes when providing for individuals requiring transport assistance and options to fill these gaps.*
- 22.8. Agrees to the amendment of the RPTP to modify the wording in Policy (#90) *Ensure driver training is provided annually around disabled and mobility impaired users with a view to ensuring they are assisted to utilise the service and have a positive customer experience.*
- 22.9. Agrees to the amendment of the RPTP to include Policy #95. *Hawke's Bay Regional Council will investigate alternative funding and operational models for undertaking eligibility assessments for the Total Mobility Scheme, with the aim of ensuring long term sustainability, improved accessibility, and consistency of service.*
- 22.10. In response to feedback provided in relation to Community Transport:
 - 22.10.1. Notes that staff will investigate and quantify potential resourcing requirements for an HBRC Community Transport Lead role ahead of the next Long Term Plan process.
 - 22.10.2. Notes that staff will propose, as part of the next LTP process, that Hawke's Bay Regional Council considers introducing general rate funding for the establishment of a regional Community Transport Fund for both operational funding and staff funding.
 - 22.10.3. Agrees to amend RPTP Table 11 in response to *Community Transport* feedback received, to read *Identify existing initiatives and support the establishment of a Trust to run Community Transport services across the region, including Wairoa, Central Hawke's Bay and satellite communities around Napier & Hastings.*
- 22.11. Notes that a comprehensive marketing, communications, and engagement plan will be developed for the implementation of the new network, and that this will be shared with the RTC at the 29 August 2025 meeting.
- 22.12. The RTC continues to lobby for funding for MyWay as a complement to fixed route services building on the learnings of the MyWay trial evaluation.
- 23. Further to the RPTP changes set out above, the Committee also developed and strongly supported a recommendation to accelerate the planning and implementation of the proposed Central Hawke's Bay Commuter Express Trial, with the recommendation:
 - 23.1. Recommends to both HBRC and CHBDC that appropriate funding is included in their 2026-27 Annual Plan to enable a trial service to commence in 2026-27, subject to suitable co-funding from NZTA.
- 24. A complete copy of the 2025 – 2035 Regional Public Transport Plan is supplied as Attachment 1 for the Council's information.

Next steps

25. Once the draft RPTP is adopted by the Regional Council the policies contained within the Plan will come into effect, along with any subsequent or new contracts / contract variations, as the case may be. Staff will also continue planning for network implementation and the procurement or development of any necessary collateral, resource, or expertise to enable implementation. For clarity, these are already catered for in existing budgets.
26. Staff will also reply to submitters advising them of the outcome of deliberations and provide a link to the adopted plan. Tailored responses will be sent to specific submitters as appropriate.

Decision-making considerations

27. 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:
 - 27.1. A public consultation process was undertaken between 31 March and 2 May 2025, and the resulting submissions considered by the Regional Transport Committee on 6 June 2025 in making the recommendation to Council to adopt the Regional Public Transport Plan.
 - 27.2. The persons affected by this decision are all those with an interest in the region's public transport systems.

Recommendations

That Hawke's Bay Regional Council:

1. Receives and notes the *Adoption of the Regional Public Transport Plan 2025 – 2035* staff report; including the following Regional Transport Committee resolutions:
 - 1.1. Notes that the RPTP caters for school travel and any additional capacity considerations that may be required in Policy 6.
 - 1.2. Notes that staff will continue to engage with the communities, key stakeholders, and advocacy bodies to collaboratively refine and confirm the final routes and present a finalised network at the 29 August 2025 Regional Transport Committee meeting.
 - 1.3. Notes that staff will continue to work with Te Taiwhenua o Heretaunga around potential future fixed route opportunities for Omahu and other communities, along with potential Community Transport initiatives.
 - 1.4. Agrees that cash fares will be removed as a form of payment across the network when cash fares reduce to less than 5% of total ticket transactions for a period of at least six months and having given no less than two months' notice to the community.
 - 1.5. Agrees to amend RPTP Table 11 in response to *Community Transport* feedback received, to read *Identify existing initiatives and support the establishment of a Trust to run Community Transport services across the region, including Wairoa, Central Hawke's Bay and satellite communities around Napier & Hastings*.
 - 1.6. Agrees to the amendment of the RPTP to include new Policy (#45) *Through the contract held between HBRC and Service Providers, require customer service training be completed by all bus drivers and support staff annually. Additionally, ensure any new drivers receive service / network specific customer service training as part of the on boarding process*.
 - 1.7. Agrees to the amendment of the RPTP to include a new policy (#68) *Hawke's Bay Regional Council will work in partnership with ACC and approved assessment agencies to investigate where there may be gaps in the current Total Mobility and ACC transport schemes when providing for individuals requiring transport assistance and options to fill these gaps*.

- 1.8. Agrees to the amendment of the RPTP to modify the wording in Policy (#90) Ensure driver training is provided annually around disabled and mobility impaired users with a view to ensuring they are assisted to utilise the service *and have a positive customer experience*.
- 1.9. Agrees to the amendment of the RPTP to include Policy #95. *Hawke's Bay Regional Council will investigate alternative funding and operational models for undertaking eligibility assessments for the Total Mobility Scheme, with the aim of ensuring long term sustainability, improved accessibility, and consistency of service.*
- 1.10. In response to feedback provided in relation to Community Transport:
 - 1.10.1. Notes that staff will investigate and quantify potential resourcing requirements for an HBRC Community Transport Lead role ahead of the next Long Term Plan process.
 - 1.10.2. Notes that staff will propose, as part of the next LTP process, that Hawke's Bay Regional Council considers introducing general rate funding for the establishment of a regional Community Transport Fund for both operational funding and staff funding.
 - 1.10.3. Agrees to amend RPTP Table 11 in response to *Community Transport* feedback received, to read *Identify existing initiatives and support the establishment of a Trust to run Community Transport services across the region, including Wairoa, Central Hawke's Bay and satellite communities around Napier & Hastings.*
- 1.11. Notes that a comprehensive marketing, communications, and engagement plan will be developed for the implementation of the new network, and that this will be shared with the RTC at the 29 August 2025 meeting.
- 1.12. The RTC continues to lobby for funding for MyWay as a complement to fixed route services building on the learnings of the MyWay trial evaluation.
- 1.13. Recommends to both HBRC and CHBDC that appropriate funding is included in their 2026-27 Annual Plan to enable a trial service to commence in 2026-27, subject to suitable co-funding from NZTA.
2. Adopts the Regional Public Transport Plan 2025-2035 which incorporates the amendments as agreed by the Regional Transport Committee meeting on 6 June 2025.

Authored by:

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Approved by:

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Attachment/s

- 1 2025-2035 Regional Public Transport Plan Under Separate Cover [online only](#)

Subject: Napier-Hastings Future Development Strategy adoption

Reason for report

1. This item informs the adoption of a joint Future Development Strategy (FDS) for the Napier-Hastings urban environment, which satisfies section 3.12 of the National Policy Statement on Urban Development (NPSUD).
2. A close replica of this item's content is also being presented to upcoming separate meetings of the Hastings District and Napier City councils, both scheduled for 26 June 2025.

Staff recommendations

3. Council staff recommend that councillors consider the information following and attached to inform their decisions on the adoption of the Napier-Hastings Future Development Strategy.

Executive summary

4. The background context to the development of the FDS is set out in this report, and other reports presented to the Future Development Strategy Joint Committee (FDSJC) established by the Partner Councils. Of note, the FDSJC approved the draft FDS for notification on 23 October 2024 and then appointed an Independent Hearings Panel (IHP) to hold hearings and consider submissions on the draft FDS. Following those hearings, the FDSJC met on 19 May 2025 to consider the recommendations made by the IHP (**Attachment 2**).
5. The FDSJC adopted the IHP's recommendations for all but one site (Riverbend Road – NC4b), with the draft FDS recommended for approval by the IHP attached as **Attachment 1**. For clarity, note that an amended version of the draft FDS was not provided following the FDSJC recommendations.
6. Subject to the consideration of this recommendation report by the Partner Councils, Officers consider that the draft FDS will satisfy the statutory requirements for a Future Development Strategy under the NPSUD.
7. This agenda item fulfils the requirement of Resolution D (Report for Partner Councils) of the FDSJC, which required that a recommendation report be prepared to inform decision-making by the Partner Councils. This Report sets out the background context, statutory requirements and considerations, and makes a recommendation on the final form of the FDS for the Napier-Hastings urban environment.

Statutory Context for FDS

8. The NPSUD requires all tier 1 and tier 2 local authorities (Council is a tier 2 authority) to review every 3 years and to make publicly available an FDS for the urban environment every 6 years and in time to inform or at the same time as preparation of the next Long-Term Plan of each relevant local authority. Where an urban environment involves more than one local authority, the NPSUD requires that a FDS is prepared jointly.
9. The NPS-UD states that the purpose of an FDS is to promote long term strategic planning by setting out how the Partner Councils (Hastings District Council, Napier City Council, Hawke's Bay Regional Council) intend to:
 - 9.1. Achieve well-functioning urban environments in existing and future urban areas,
 - 9.2. Provide at least sufficient development capacity over the next 30 years to meet expected demand, and

- 9.3. Assist with the integration of planning decisions under the Resource Management Act with infrastructure planning and funding decisions.
10. A FDS is a strategic document that is intended to assist the Partner Councils with integrating planning decisions under the Resource Management Act 1991 (RMA) with Council Long Term Plans, Infrastructure Strategies, and funding decisions under the Local Government Act 2002 (LGA).
11. Development of the FDS has been ongoing for several years and has included lengthy engagement with mana whenua, elected officials, the community, interested landowners and developers, to inform detailed technical analysis and evaluation.
12. The FDS has been jointly developed in partnership with Hastings District Council, Napier City Council, Hawke's Bay Regional Council, and has directly involved Maungaharuru Tangitū Trust, Mana Ahuriri Trust and Tamatea Pōkai Whenua, all of which had members on the FDSJC.
13. In addition, significant input has been received from council officers, consultants and interested individuals, groups and stakeholders. This included:
 - 13.1. Barker & Associates, which is a specialist planning consultancy
 - 13.2. staff from Maungaharuru Tangitū Trust
 - 13.3. staff from Mana Ahuriri Trust and
 - 13.4. staff from Tamatea Pōkai Whenua.
14. The draft FDS was adopted by the FDSJC for consultation and is intended (once adopted) to satisfy the statutory requirements for Future Development Strategies under the NPSUD.
15. Once adopted, the final FDS will replace the current Heretaunga Plains Urban Development Strategy 2017 (HPUDS).

Consultation and Engagement

16. Section 3.15 of the NPSUD requires local authorities when preparing or updating an FDS to use the special consultative procedure in Section 83 of the Local Government Act 2002.
17. On 23 October 2024, the FDSJC recommended to the partner councils, (Hastings District Council, Napier City Council and Hawke's Bay Regional Council,) that the Draft Napier Hastings FDS be adopted for public notification and submission. One variation to the draft was put forward by the FDSJC.

Middle Rd

The recommendation of the committee included one amendment to the strategy proposed by the consultants and technical advisory group. This was the exclusion of Middle Road sites Hn3a and Hn3b from the strategy. For the following reasons:

- *These areas are not required to provide sufficient development capacity to meet demand (including the 20 per cent competitiveness margin)*
- *Hn3a and Hn3b are Highly Productive land areas (including 'Land Use Capability' level 1 and 2)*
- *These areas are not included in the Heretaunga Plains Urban Development Strategy (except as a reserve area in the case of Hn3a)*
- *It would be contrary to the objectives of the FDS to include these areas.*

The draft recommendations were then considered by all Partner Councils in November. All Councils agreed to accept the Joint Committee's amendment to remove the Middle Rd sites Hn3a and Hn3b from the draft strategy. Those two sites have subsequently been removed from the draft.

18. An additional amendment to the draft was recommended by Hawke's Bay Regional Council being the removal of Riverbend Road NC4b. The Hastings District Council and Napier City Council voted to retain this area. To address this, the partner councils agreed that the strategy be notified for public input, with this divergence noted via this covering note, and that the

divergence will be considered by the independent panel to be appointed to hear submissions.

Riverbend Rd

The Hawke's Bay Regional Council additionally recommended that the Riverbend Road site Nc4b also be excluded from the strategy, for the following reason:

- *Area Nc4b is subject to severe flooding risk.*

19. The FDSJC also resolved at its meeting held on 23 October 2024 to:
'Appoint an Independent Panel to assist the Joint Committee by hearing all persons / parties who wish to submit on the draft FDS. The Independent Panel will prepare a summation of all submissions and provide recommendations to the Joint Committee, for consideration by the Joint Committee. The Joint Committee can then recommend a final FDS to the Partner Councils'
20. The draft FDS was adopted by the Partner Councils for consultation on 19 November 2024.
21. The Independent Hearings Panel (IHP) consisted of the following members:
 - 21.1. Gina Sweetman (Chair)
Field of Expertise - Resource management, local and regional planning, policy and plan development. Resource consents. Te Ao Māori, Freshwater and Chair of Hearing Panels.
 - 21.2. Shadrach Rolleston
Field of Expertise - Planning and Resource Management, Spatial and Growth Management Planning, Community and Māori Engagement, Te Ao Māori, Iwi Management Planning, Tikanga Māori, Treaty Settlements, Local Government Policy Planning.
 - 21.3. Julianne Chetham
Field of Expertise - Planning, environmental science, geography, coastal and marine ecology and management, Cultural Impact Assessment, Tikanga Māori, Mātauranga Māori.
 - 21.4. Michael Parsonson
Field of Expertise - District and regional consenting, plan changes, policy development. Resource use, construction, infrastructure, general land use activities, and associated effects. Council hearings, fast-track panels, boards of inquiry.
 - 21.5. Steven (Tipene) Wilson
Field of Expertise – Māori, Iwi
22. The notification period for the draft FDS ran from 23 November 2024 to 23 December 2024. This period was chosen to avoid the summer break and much of January when many workplaces are closed and staff are away for significant periods of time and therefore may not have had sufficient opportunity to prepare a submission.
23. A total of 139 submissions was received on the draft FDS. These included a combination of online survey submissions and general submissions. The submissions were evaluated by staff from the partner Councils and PSGEs. A Recommendations Report was prepared for the IHP in advance of the hearings commencing. The Officers' Recommendations Report is attached as **Attachment 3**.
24. At the invitation of the IHP, all submitters were also able to provide additional evidence to help accompany presentations at subsequent public hearings. The process adopted by the IHP provided submitters with the opportunity to critique, assess, support or otherwise any aspects of the draft FDS.
25. Submissions were heard by the IHP during 24 – 26 March 2025. 86 of the lodged submissions were spoken to at the hearings. Following the hearings the IHP requested that staff provide a Reply Report to consider additional evidence presented to the IHP during the hearings. The Officers' Reply Report is attached as **Attachment 4**.

26. The IHP was not required to accept the recommendations in the Reply Report.
27. In executing its role, the IHP was required to consider all information received from submitters (and their representatives), all supplementary information, officers' reports and verbal hearing information. This information informed the IHP Recommendations Report (**Attachment 2**).

IHP Findings and Recommendations

28. The IHP provided their Recommendation Report on 9 May 2025. The IHP Recommendation Report (Attachment 2) was prepared by the IHP and is independent from either officer or submitter input, albeit that the IHP was informed by information provided by officers, submitters and the various experts and other persons involved in the process.
29. The Executive Summary from the IHP Recommendation Report is noted below:
 1. *Having considered the submissions received, the Independent Hearings Panel (IHP or Hearings Panel) has recommended several changes to the draft FDS. Most of those changes were recommended to us by the professional experts and advisors representing Napier City Council, Hastings District Council and the Hawke's Bay Regional Council and Tamatea Pōkai Whenua (TPW), Mana Ahuriri Trust (MAT) and Maungaharuru-Tangitū Trust (MTT) (FDS Advisors).*
 2. *Our more substantive recommended changes to the draft FDS include:*
 - a. *A new section 4.3 on cross-boundary relationships*
 - b. *References to the Hawke's Bay Independent Flood Review Report recommendations in respect to natural hazard data collection and Regional Policy Statement and district plan reviews*
 - c. *Amendments to Section 6 to address redress land and papakāinga*
 - d. *Amendment to the strategic objectives to amend objective 10 and include a new objective relating to nationally and regionally significant infrastructure*
 - e. *Reference to latent demand and that there may be a shortfall in wet industry in the long term in section 8*
 - f. *Amend the constraints identified in Figure 13 to include areas for the safe operation and functional needs of nationally and regionally significant infrastructure*
 - g. *Amend section 10 to address that growth area boundaries shown in the FDS are indicative only and why small sites have not been included*
 - h. *Amend table 2 in section 10 to include the additional capacity identified for the Hastings District*
 - i. *Inclusion of Middle Road (HN3a and HN3b), Wall Road (HN3b) and FM9 Portsmouth Road, Flaxmere as new Residential Greenfield Development Areas in Table 3, and include the additional land at the Mission Estate*
 - j. *Include Irongate North as a new industrial area in section 10*
 - k. *Include reference in section 10 about a potential shortfall in development capacity for wet industry and the approach to be taken if this eventuates*
 - l. *Amend 10.6 to reference a carry-over of the strategic direction for coastal and rural settlements from HPUDS in an appendix, including maps, until such time as a Rural Residential Strategy is promulgated*
 - m. *New paragraph in section 10.11 to reference the importance of the operational and functional needs of nationally and regionally significant infrastructure,*
 - n. *Amend section 10.11 to say that stormwater solutions may occur out of identified growth areas and reference specific Māori education demands*
 - o. *Include new sections in 10.11 on solid waste and nationally and regionally significant infrastructure*
 - p. *Amend table 6 to reference additional greenfield capacity and remove reference to an*

“overs/unders” approach.

3. *Other than for the matters listed above, no substantial changes to any ‘spatial’ components of the FDS are recommended.*
 4. *Our recommendations are to be considered and decided on by the Future Development Strategy Joint Committee.*
30. In terms of spatial components, the key decisions and changes recommended to the draft FDS that was formally consulted on for submissions are as follows:

Residential

- 30.1. Inclusion of HN3a and HN3b (Middle Road) area. (Long Term Priority 11 – 30+ years)
- 30.2. Inclusion of H5b (Wall Rd) area. (Long Term Priority 11 – 30+ years)
- 30.3. Inclusion of FM9 (Portsmouth Rd) area. (Long Term Priority 11 – 30+ years)
- 30.4. Inclusion of additional land at NC6 (Mission Hills). (Medium to Long Term Priority (5 – 30 years)).

Industrial

- 30.5. Inclusion of IR4 (Irongate North) area (Long Term Priority 11 – 30+ years).
- 30.6. Recognition that wet industry capacity will be needed over the long term. Recommending short-term action to investigate policy changes aimed at protecting the remaining capacity within the existing urban area for wet industry use at Whakatu.

Rural Residential

- 30.7. Recommendation for councils to prioritise the development of a Rural Residential Strategy.

IHP Commentary regarding Riverbend Road

31. As part of their recommendations report, the IHP specifically addressed a number of the more contentious areas. Following the FDSJC recommendations with regard to Riverbend Road NC4b, it is relevant to include extracts of the IHP’s reasoning for their recommendations. The Riverbend Road discussion can be found from paragraphs 54 to 66 of the IHP Recommendations Report (Attachment 2).
32. The IHP recognised that there are significant constraints on the Riverbend site, acknowledging that it currently acts as a basin for stormwater detention area for surrounding land for the surrounding area.
 - 32.1. *Riverbend is a residential growth area in the Heretaunga Plains Urban Development Strategy (HPUDS) and meets the definition of being “identified for urban development.”¹⁰ The draft FDS identifies the area as a suitable specific growth area, acknowledging that the area is subject to complex and overlapping natural hazards constraints. While there are engineering solutions available to address these constraints, they may impact the feasibility and timing of development.*
33. The IHP also recognised that the existing condition of the land in question, and the relevant concerns of HBRC given the flooding of the site during significant rain events in 2020 and 2023, with the site providing significant storage adjacent to existing residential areas.
 - 33.1. *Stormwater engineering evidence was presented on behalf of the Joint Venture by Ms Landon of Development Nous Limited. Ms Landon acknowledged that the site currently functions as an “unofficial” stormwater detention area for the surrounding urban areas. She described the likely approach to flood mitigation for development of the site, which included flood storage and pumping, and conservatism in her assumptions. This is subject to ongoing analysis and design and will require detailed interrogation through a resource consent process.*
34. The IHP ultimately acknowledged that the suitability of development should be assessed through a more detailed plan change or resource consent process where the specific constraints

of the site and feasibility of development can be properly understood. The IHP ultimately recommend the inclusion of the site as a long-term priority:

- 34.1. *For the reasons outlined above, we accept and adopt the recommendation of the FDS Advisors' Hearing Report to include Riverbend site NC4b in the FDS, at the timing recommended by the FDS Advisors. Ultimately, its suitability for development will be managed through the more granular plan change and resource consent processes. Its planning history and the consequential investment in development planning weighs in favour of its inclusion.*
35. It is noted that to address these qualifications, a footnote was added to Table 3 of the recommended FDS (page 65) noting *'Additional land will be required to manage stormwater and flooding effects arising from development of Riverbend Road (NC4b), with the exact location to be determined through future planning processes.'*
36. The IHP recommendations report also specifically addresses submitters concerns with regards to natural hazards, with specific mention of flooding. This is addressed from paragraphs 48 to 53 of the report. Ultimately the IHP concluded (noting the exceptions discussed relate to Riverbend Road and Ahuriri Station):
 - 36.1. *"We accept there are site-specific opportunities to mitigate some risks but, consistent with the FDS Advisors' Hearing Report, we limit inclusion of sites with identified significant (before mitigation) natural hazard risk to the sites discussed below that are subject to other relevant factors that support their inclusion. We agree with the FDS Advisors' Hearing Report in its response to the Natural Hazards Commission and the Hawke's Bay District Health Board submissions, that site specific risk assessments for those future growth areas are most appropriately undertaken "at the structure planning and plan change [and resource consent] stage, where a detailed stormwater and flood modelling can be undertaken in the context of a specific proposal."*
37. The submitter information and evidence can be viewed on the FDS website <https://www.hastingsdc.govt.nz/hastingsnapierfuturedevelopment/> under the submissions documents tab, evidence and supplementary evidence tabs. The primary submissions related to Riverbend Road were:
 - 37.1. Sub 105 – Te Orokohanga Hou Joint Venture
 - 37.2. Sub 74 – Natural Hazards Commission
 - 37.3. Sub 90 – HBRC
 - 37.4. Sub 16 – John Reid
 - 37.5. Sub 26 – Myriam Parker
 - 37.6. Sub 34 – Gary Curtis
 - 37.7. Sub 47 – Andrew Lessels
 - 37.8. Sub 52 – Simon Nash
 - 37.9. Sub 8 – Samantha McPherson
 - 37.10. Sub 9 – Susan Gardner
 - 37.11. Sub 12 - Forest and Bird
 - 37.12. Sub 94 - MTT)
 - 37.13. however noting that there are also a number of submissions that related to natural hazards and flooding in general.

FDSJC Resolutions

38. The 'FDSJC Meeting Minutes' from the 19 May 2025 meeting are attached as **Attachment 5**.
39. Two motions were put forward for amendments by FDSJC members.
Exclude Middle Road (HN3a and HN3b) and Wall Road (H5b)

- 39.1. With the reasons for these exclusions being the sites in i) and ii) are on highly productive land and are not required to meet demand capacity under the Future Development Strategy.
- 39.2. This amendment was lost (3 votes for/5 votes against/3 abstained).
- 39.3. The Middle Road areas (HN3a and HN3b) added 640 dwellings and the Wall Road area (H5b) added 110 dwellings to overall development capacity.

Exclude Riverbend Road (NC4b)

- 39.4. With the reasons for this exclusion being the site presents as a significant flooding risk and is not conducive to a well-functioning urban environment and is not required to meet demand capacity under the Future Development Strategy.
- 39.5. This amendment was carried (8 votes for/3 votes against).
- 39.6. The Riverbend Road NC4b land provided an estimated 660 dwellings to the overall development capacity.
- 40. The FDSJC recommendations will be put to all Partner Councils to consider when determining the final FDS with the risks associated with each option discussed in the options assessment section following. Dates for the respective Partner Councils' meetings are:
 - 40.1. Hawke's Bay Regional Council – Wednesday 25 June 2025
 - 40.2. Hastings District Council – Thursday 26 June 2025
 - 40.3. Napier City Council – Thursday 26 June 2025.

Options assessment

Option One - Recommended Option

- 41. Adopt the Future Development Strategy as recommend by the FDSJC, except for in relation to the exclusion of Riverbend Road NC4b, by adopting a final FDS that includes Riverbend Road with associated additional wording included in the FDS relating to that land. The recommended additional wording is included in **Attachment 6** to this report.

Advantages

- 41.1. Allows Partner Councils to consider specific viewpoints of FDSJC when making decisions on the final FDS.
- 41.2. Ensures that a FDS that is consistent with IHP recommendations is adopted, with appropriate qualifying statements where development concerns remain (as expressed by the FDSJC minutes and in the IHP's commentary within its own report).
- 41.3. Qualifying statements can reflect many of the IHP's observations without undermining or being a substantive departure from the IHP's overall findings and recommendations.
- 41.4. Satisfies NPS-UD requirements.
- 41.5. Ensures that future plan change or resource consent processes are fully informed of the constraints that will need to be addressed around hazard mitigations.

Disadvantages

- 41.6. May lead to future contention in relation to proposals for the development of the land for residential growth.
- 41.7. Amendments to the recommendations that differ from the IHP's reporting could give rise to judicial review proceedings.
- 41.8. Amendments to the recommendations that differ from the FDSJC's resolutions could give rise to judicial review proceedings, albeit for different grounds than a departure from the

IHP's report and recommendations.

- 41.9. If heavily qualified statements are included and/or statements that are beyond factual ones, it may mean that Riverbend Road NC4b is out of step with other sites subject to constraints, noting that the recommended FDS includes qualifying language in regard to future growth areas requirements under future RMA processes.

Option Two

- 42. Adopt the Future Development Strategy as recommended by the IHP.

Advantages

- 42.1. Would be consistent with the evidence-based assessment undertaken by independent qualified experts who directly heard from submitters during the hearing process.
- 42.2. Meets the obligations of the Partner Councils under the National Policy Statement – Urban Development 2020 which requires that a Future Development Strategy is prepared for the Napier-Hastings urban environment.
- 42.3. If adopted by the Partner Councils, the Future Development Strategy will provide increased certainty for the future planned growth of the Napier/Hastings urban environment and assist to identify other opportunities for future growth in the longer-term.

Disadvantages

- 42.4. Does not align with the FDSJC recommendations regarding Riverbend Road.

Option Three

- 43. Adopt the Future Development Strategy as recommended by the FDSJC.

Advantages

- 43.1. Would be consistent with the evidence-based assessment undertaken by independent qualified experts who directly heard from submitters during the hearing process, with the exception of Riverbend Road.
- 43.2. Meets the obligations of the Partner Councils under the National Policy Statement on Urban Development 2020 which requires that a Future Development Strategy is prepared for the Napier/Hastings urban environment.
- 43.3. If adopted by the Partner Councils, the Future Development Strategy will provide increased certainty for the future planned growth of the Napier-Hastings urban environment and assist to identify other opportunities for future growth in the longer-term.

Disadvantages

- 43.4. May lead to risk of legal challenge, as decision would be based on recommendation from FDSJC which did not directly hear submissions.
- 43.5. Potential that decision with regard to Riverbend Road is not as well informed as the recommendation of the Independent Hearings Panel.
- 43.6. Removal of estimated 660 dwelling supply from FDS at Riverbend NC4b from overall capacity, meaning significantly more pressure on the ability to meet demand requirements, including reliance on other development options in the Napier area.

Next steps

44. Once the Partner Councils have made their decisions, the final FDS will become the adopted final strategy and replace the Heretaunga Plains Urban Development Strategy.
45. Following the adoption of the final FDS it is recommended that the FDSJC meets to consider the future implementation requirements of the FDS. Opportunities to do this will be time-limited given local body elections in October 2025.
46. The FDS is required to be reviewed at regular intervals so that it informs each long-term plan cycle (i.e. every 3 years). If a review determines that changes are required, a public consultation process will be involved for the review of the FDS itself.

Strategic fit

47. The FDS would contribute to achieving a number of the outcomes and goals identified in HBRC's Strategic Plan 2020-2025, in particular:
 - 47.1. By 2025, HBRC is carbon zero and plays a leadership role in the region's goal of net zero greenhouse gases by 2050.
 - 47.2. From 2020, unplanned urban development avoids highly productive land.
 - 47.3. By 2030, flood risk is being managed to foreseeable climate change risks out to 2100.
 - 47.4. By 2050, there are 50% less contaminants from urban and rural environments into receiving waterbodies.

Significance and Engagement Policy assessment

48. The NPSUD requires that the Partner Councils use the LGA's Special Consultative Process for preparing the FDS. Additionally, significant informal consultation has occurred, for example, through a 'call for opportunities'. Formal consultation was undertaken through the Special Consultative Procedure which included opportunities for public submissions and hearings.
49. Development of the FDS is now nearing the end of the preparation phase. Failure of the Partner Councils to agree to a consistent strategy however, could result in additional costs and/or further community engagement, depending on the degree of disagreement.

Climate change considerations

50. Climate change has been a consideration throughout preparation of the FDS. Furthermore, Objective 3 of the recommended FDS clearly relates to climate change:
 - 50.1. *Our communities and infrastructure are resilient to the effects of climate change and risks from natural hazards.*

Considerations of tāngata whenua

51. Māori communities have been consulted during preparation of the FDS. Papakāinga and Treaty settlement redress opportunities form a key part of the strategy. Input from Post Treaty Settlement Groups (PSGEs) has been central to the development of the FDS. PSGE representatives have been part of the FDSJC and staff have inputted into advice informing preparation of the FDS to this point.

Financial and resource implications

52. Financial considerations for preparation of the FDS have previously been considered. Development of the FDS is now nearing the end of the preparation phase. Failure of the Partner Councils to agree to a consistent strategy however would result in additional costs.

Decision-making considerations

53. 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:
- 53.1. The decision does not significantly alter the service provision or affect a strategic asset, nor is it inconsistent with an existing policy or plan.
 - 53.2. The use of the special consultative procedure in terms of the decision to adopt a final FDS is not prescribed by legislation. However, the NPSUD does require HBRC (and the two other FDS partner councils) to use the Special Consultative Procedure in section 83 of the Act when preparing (or updating) an FDS.
 - 53.3. This decision has been assessed under the Council's Significance and Engagement Policy (adopted 10 July 2024) as being of significance.
 - 53.4. The persons affected by this decision are any person with an interest in the planning for, and management of, future development in the wider Napier-Hastings urban area. There may be other interested persons. All persons have had a formal opportunity to comment on a draft version of the FDS and also informal opportunities during the 'call for opportunities' phase.
 - 53.5. 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 undertaking further consultation directly with the community or others having an interest in the decision. During preparation of the FDS, the partner councils have been required to use the Act's Special Consultative Procedure.

Recommendations

That Hawke's Bay Regional Council:

- 1. Receives and considers the *Napier-Hastings Future Development Strategy adoption* staff report.
- 2. Agrees that the decisions to be made are significant under the criteria contained in Council's adopted Significance and Engagement Policy, but given that the FDS has been prepared to date using the Special Consultative Procedure in section 83 of the Local Government Local Act 2002, Council can exercise its discretion and make decisions on this issue without conferring again with directly with the community or persons likely to have an interest in the decision.
- 3. Notes the resolutions of the Napier-Hastings Future Development Strategy Joint Committee (FDSJC) from its meeting on 19 May 2025 as shown in the meeting minutes. In particular:
 - 3.1. *Resolution B That the FDSJC receive and endorse the Independent Hearings Panel (IHP) Recommendations report attached as Attachment One and the IHP Recommended Draft Future Development Strategy attached as Attachment Two. With the following recommended exclusion*
 - i) *Riverbend Road NC4b*
With the reasons for this exclusion being the site presents as a significant flooding risk and is not conducive to a well-functioning urban environment and is not required to meet demand capacity under the Future Development Strategy.
- 4. Notes this agenda item fulfils the requirement of the Napier-Hastings Future Development Strategy Joint Committee that *D subject to resolution of resolutions B & C, the Chief Executive will prepare a 'Report for the Partner Councils', which reports on the recommendations of the FDSJC.*
- 5. Notes that the Napier-Hastings Future Development Strategy provided as Attachment 1 does not include the Napier-Hastings Future Development Strategy Joint Committee resolution to exclude NC4b Riverbend Road.

6. As a Partner Council in accordance with Section 3.12 of the National Policy Statement on Urban Development which relates to requirements for local authorities to prepare and publish a Napier-Hastings Future Development Strategy (FDS) accepts, in part, the recommendations of the Napier-Hastings Future Development Strategy Joint Committee, but with the inclusion of Riverbend Road NC4b, and adopts a final FDS which includes Riverbend Road NC4b
7. Adopts a final Napier-Hastings Future Development Strategy that includes Riverbend Road NC4b with the additional wording below relating to that specific site (to be added to page 59, after the wording describing Ahuriri Station).

Riverbend (NC4b)

Riverbend (NC4b) has long been identified as a potential location for future urban development, including through the Heretaunga Plains Urban Development Strategy 2010 and 2017 editions. Active planning work has been undertaken over recent years involving the landowner and Napier City Council.

HBRC has expressed concerns about the potential for development at Riverbend given the site's susceptibility to flooding risk and other natural hazards. There is well documented evidence of flooding affecting the site (for example, recent events in November 2020 and February 2023). The low-lying topography means the site is vulnerable to runoff and flooding, including from the existing neighbouring residential area.

Significant site-specific engineering works would be required to manage stormwater and flooding effects arising from development at Riverbend, including to maintain important environmental values to an acceptable level. Additional land will be required to manage these effects outside of the existing identified NC4b area if mitigation works cannot be achieved onsite. This is acknowledged in a footnote to Table 3 of the FDS.

The inclusion of Riverbend NC4b in the FDS does not predetermine the outcome of subsequent planning process, including structure planning, plan changes, and resource consent applications.

As part of any application for consent or rezoning proposal to develop the Riverbend NC4b site, further detailed work will need to be undertaken to ensure the site's suitability for development and necessary mitigation of stormwater and flooding impacts. This should include consideration of 'residual risks' (i.e. circumstances where events may exceed design and construction capacity of stormwater mitigation works) as has been recommended in the 2024 Hawke's Bay Independent Flood Review Panel's report.

8. Notes that if the adopted draft Napier-Hastings Future Development Strategy (FDS) aligns with resolution 7 above, then consequential amendments will be required to be made to the draft FDS to include the additional wording before publication.

Authored by:

Gavin Ide
Principal Advisor Strategic Planning

Approved by:

Katrina Brunton
Group Manager Policy & Regulation

Attachment/s

- | | | |
|----------|---|--|
| 1 | Independent Hearing Panel Recommended Future Development Strategy | Under Separate Cover
<i>online only</i> |
| 2 | Independent Hearing Panel Recommendations Report | Under Separate Cover
<i>online only</i> |
| 3 | Napier Hastings FDS Officers Hearing Report 14 March 2025 | Under Separate Cover
<i>online only</i> |
| 4 | Napier-Hastings FDS Officers Reply Report 4 April 2025 | Under Separate Cover
<i>online only</i> |
| 5 | NHFDS Joint Committee Meeting Minutes 19 May 2025 | Under Separate Cover
<i>online only</i> |
| 6 | Riverbend additions to be considered for FDS June 2025 | Under Separate Cover
<i>online only</i> |

Subject: Maritime assets acquisition recommendation from the Corporate & Strategic Committee

Reason for report

1. The following matter was considered by the Corporate and Strategic Committee (C&S) meeting on 21 May 2025 and the recommendations agreed are now presented for Council's consideration.

Agenda item for Council decision

2. The **Maritime assets acquisition** decision item discussions covered:
 - 2.1. On-water vessels are required so that HBRC can enforce maritime safety bylaws and respond to oil spill and other pollution events effectively.
 - 2.2. Revenue from Fees & Charges and Enforcement Revenue will be used to fund the purchases.
 - 2.3. Statistically, the deterrent of having vessels on the water will result in higher rates of compliance with the rules and, over time, a subsequent drop in enforcement revenue being collected.
 - 2.4. The vessels will be a shared resource available to be used by the other HB councils as well as other sections of Council.

Decision-making considerations

3. 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:
 - 3.1. Given the item was specifically considered by the Corporate and Strategic Committee, the Council can exercise its discretion and make the relevant decisions in accordance with the following recommendations.

Recommendations

That Hawke's Bay Regional Council:

1. Receives and considers the *Maritime assets acquisition recommendation from the Corporate & Strategic Committee* 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.
3. Approves the acquisition of on-water assets (a vessel and personal watercraft) in order to increase Hawke's Bay Regional Council's Maritime Safety capability and on-water response to and prevention of pollution and enforcement activities.
4. Approves the acquisition of on-water assets (a vessel and personal watercraft) being funded by Enforcement Revenue to the value of \$326,000 and the balance by loan funding.

Authored by:

Leeanne Hooper
Team Leader Governance

Adrian Wright
Harbourmaster

Approved by:

Katrina Brunton
Group Manager Policy & Regulation

Attachment/s

There are no attachments for this report.

Subject: Climate Change Risk Assessment - Recommendations from the Climate Action Joint Committee

Reason for report

1. This item provides recommendations to Hawke's Bay Regional Council from the Climate Action Joint Committee (CAJC or Joint Committee) relating to the release and findings of the *Hawke's Bay Climate Change Risk Assessment*.

Background

2. Climate change risk assessments have been recognised across the country as a key foundational piece for driving adaptation action and enabling communities to build resilience to a changing climate. Many regions and districts have already completed their first climate change risk assessments, following the publication of the first National Climate Change Risk Assessment (NCCRA) in 2020.
3. In August 2024, the Joint Committee requested work proceed at pace to produce the region's first climate change risk assessment, based on existing available data and information and noting it would be a starting point for future work.
4. The Technical Advisory Group (TAG) subsequently engaged independent risk experts Urban Intelligence to undertake this assessment. Data to inform the assessment was gathered from national and local sources, including information provided by the five councils. Significant collaborative effort across the five councils and CDEM was required to deliver this work at pace.
5. The output of this work is a public-facing technical report. For the first time, this report brings together available data and information with expert analysis to provide a snapshot in time of Hawke's Bay's climate risks at regional and district-levels. It is intended to serve as a shared resource and public evidence base about our known climate risk, and as a foundation for further climate risk and adaptation work across the region.
6. This report gives us our first regional picture of climate risks. It highlights risks that require further attention, identifies limitations and gaps in our evidence base and outlines opportunities for further regionally and locally led action.
7. The report has useful key findings at both regional and district-levels. The report also specifically notes climate-related hazard data limitations and opportunities. Undertaking this assessment has highlighted to staff the scale of this challenge and the need for a co-ordinated and collaborative approach to ongoing investment in climate data.

Strategic fit

8. This work is relevant to all four of the focus areas set out in Hawke's Bay Regional Council's Strategic Plan. In particular, it contributes to actions under the 'Sustainable and climate-resilient services and infrastructure' priority including to 'identify and manage risks arising from climate change'.

Joint Committee recommendations

9. On Friday 9 May 2025 meeting, the Joint Committee formally received the *Climate Change Risk Assessment* report and passed the following resolutions.

That the Climate Action Joint Committee:

- 9.1. *Receives and considers the Hawke's Bay Climate Change Risk Assessment staff report.*

- 9.2. *Receives the independent Hawke's Bay Climate Change Risk Assessment technical report produced by Urban Intelligence.*
- 9.3. *Recognises and acknowledges the collaborative effort to deliver a public-facing assessment that forms the first shared evidence base of climate risk for the region.*
- 9.4. *Shares the key findings and opportunities for further work set out in the Hawke's Bay Climate Change Risk Assessment technical report with the five partner councils, our regional PSGEs and Taiwhenua organisations, HB CDEM Group Joint Committee, HB Lifelines organisations, the Regional Planning Committee and Central Government partners.*
- 9.5. *Requests that the TAG reports back to the CAJC on options to progress a region-wide climate data investment strategy/roadmap and regional climate change collaboration governance models, considering the roles and responsibilities of Emergency Management and councils by 30 September 2025.*
- 9.6. *Recommends to the five partner councils that they:*
 - 9.6.1. *Note the publication of the Hawke's Bay Climate Change Risk Assessment technical report.*
 - 9.6.2. *Consider the findings and opportunities for further work outlined in the Hawke's Bay Climate Change Risk Assessment technical report, including how to integrate climate risk information into decision-making at all levels.*
 - 9.6.3. *Commit to providing staff resource and funding for ongoing collaboration on climate action, including allocating budget in the next Long Term Plan to enable a future iteration of the Hawke's Bay Climate Change Risk Assessment to be undertaken during the 2027-2037 period.*
 - 9.6.4. *Commit to regional collaboration on climate action to continue building resilience.*
 - 9.6.5. *Commit to processes of continuous improvement to address the impacts of climate change on vulnerable communities including tangata whenua.*
10. The *Hawke's Bay Climate Change Risk Assessment* technical report is provided as Attachment 1. All parties listed above in the CAJC resolutions were also emailed a copy of the report after its release in May, noting the relevant references to key findings and opportunities for further work.
11. Some of the Joint Committee's recommendations to the partner councils seek an ongoing or future council commitment, such as the provision of budget in future LTPs. Others seek in-principle commitments to working together collaboratively on climate action and continuous improvement.
12. These recommendations acknowledge that our understanding of climate change is always changing, and we can achieve more, faster, when we share data and information in a consistent way and work together to build on our collective learnings.
13. Given decisions to commit resourcing, including allocating budget in upcoming Long Term Plans (LTPs), are for a future Council, and the proximity to local government elections, staff recommend that the Council **acknowledges** the Joint Committee's recommendations that seek future commitments subject to future decisions. The Council at the time can then further consider those when appropriate (e.g. during future LTP deliberations).

Financial and resource implications

14. Council is receiving recommendations from the Joint Committee. The *Risk Assessment Report* itself does not contain recommendations for individual councils.
15. There are no financial and resourcing implications arising from receiving and noting the *Hawke's Bay Climate Change Risk Assessment* technical report, considering its findings, or acknowledging

the other recommendations made by the Joint Committee.

16. Future Council decisions on staff resourcing, work to embed climate risk considerations across the organisation and funding for regional collaboration on climate action may have financial and resource implications, which will need to be considered at that time.

Next steps

17. TAG staff are continuing to work collaboratively across partner councils on joint climate action. Staff within each organisation are considering the findings of the risk assessment, including options to ensure climate risk considerations are being embedded at all decision-making levels within their respective organisations.
18. As noted above, the Joint Committee has requested the TAG reports back to the Committee 'on options to progress a region-wide climate data investment strategy/roadmap and regional climate change collaboration governance models, considering the roles and responsibilities of Emergency Management and councils by 30 September 2025'. The TAG intends to provide options to the CAJC at a workshop on 1 September 2025.

Decision-making considerations

19. 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:
 - 19.1. The decision does not significantly alter the service provision or affect a strategic asset, nor is it inconsistent with an existing policy or plan.
 - 19.2. The use of the special consultative procedure is not prescribed by legislation.
 - 19.3. The decision is not significant under the criteria contained in Council's adopted Significance and Engagement Policy.
 - 19.4. There are no persons affected by the recommended decisions for councils.
 - 19.5. 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 notes the *Hawke's Bay Climate Change Risk Assessment* technical report, as recommended by the Climate Action Joint Committee.
2. Considers the findings and opportunities for further work outlined in the *Hawke's Bay Climate Change Risk Assessment* technical report, including how to integrate climate risk information into decision-making at all levels, as recommended by the Climate Action Joint Committee.
3. Acknowledges the recommendations from the Climate Action Joint Committee, that Hawke's Bay Regional Council:
 - 3.1. Commits to providing staff resource and funding for ongoing collaboration on climate action, including allocating budget in the next Long Term Plan to enable a future iteration of the *Hawke's Bay Climate Change Risk Assessment* to be undertaken during the 2027-2037 period.
 - 3.2. Commits to regional collaboration on climate action to continue progressing action to build resilience.

- 3.3. Commits to processes of continuous improvement to address the impacts of climate change on vulnerable communities including tangata whenua.

Authored by:

Amberley Gibson
Climate Change Lead Strategic Advisor

Gavin Ide
Principal Advisor Strategic Planning

Approved by:

Desiree Cull
Strategy & Governance Manager

Attachment/s

- 1** Hawke's Bay Climate Change Risk Assessment Under Separate Cover *online only*

Subject: Chief Executive Employment Review Committee

Reason for report

1. In response to a request from councillors, this item provides the means for Council to establish a Chief Executive Employment and Performance Review Committee and adopt its Terms of Reference.

Staff recommendations

2. Council staff recommend that the Council, after considering the information provided, establishes the Chief Executive Employment and Performance Review Committee with the Terms of Reference proposed.

Executive summary

3. The Terms of Reference for the Chief Executive Employment and Performance Review Committee set out the purpose, responsibilities, accountabilities, membership and meeting frequency for the committee.
4. The membership of the committee comprises up to five members of Council, appointed by Council being:
 - 4.1. the Regional Council Chair
 - 4.2. Deputy Chair
 - 4.3. and up to three other members.

Background

5. Schedule 7 clause 30 of the LGA gives local authorities the power to appoint committees, subcommittees, other subordinate decision-making bodies and joint committees.
6. A request from councillors was received to set up a Chief Executive Employment and Performance Review Committee in line with other councils. The Terms of Reference and structure of other councils' CE review committees have been used as a basis to establish the attached Terms of Reference.
7. Simply put, this committee takes responsibility for matters relating to the Chief Executive's employment and performance and makes recommendations to the Council.

Financial and resource implications

8. There are no financial or resource implications of establishing the committee.

Other considerations

9. In preparing the proposed Terms of Reference for the Committee consideration was given to the requirements of schedule 7, clauses 33 - 35 of the Local Government Act 2002.

Decision-making considerations

10. 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:
 - 10.1. Council may appoint (LGA sch.7 cl. 30(1)(a)) the committees, subcommittees, and other subordinate decision-making bodies that it considers appropriate.

- 10.2. Council's governance structure must give effect to the review of employment of the Chief Executive under clause 35 schedule 7 of the Local Government Act 2002.
- 10.3. Given the provisions above, Council can exercise its discretion and make these decisions 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 *Chief Executive Employment and Performance Review Committee* 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 these decisions without consulting directly with the community or others having an interest in the decision.
3. Establishes, pursuant to Schedule 7 clause 30(1) of the Local Government Act 2002, the Chief Executive Employment and Performance Review Committee and adopts the Terms of Reference as proposed.
4. Appoints the following members to the Chief Executive Employment and Performance Review Committee:
 - 4.1. Chair Hinewai Ormsby
 - 4.2. Deputy Chair Will Foley
 - 4.3. Councillor _____
 - 4.4. Councillor _____
 - 4.5. Councillor _____.
5. Appoints _____ Chair of the Chief Executive Employment Review Committee.

Authored by:

Donna Moorcock
Senior Governance Advisor

Approved by:

Desiree Cull
Strategy & Governance Manager

Attachment/s

- 1  Proposed CE Employment and Performance Review Committee ToR

Chief Executive Employment and Performance Review Committee



Terms of Reference

Adopted by Hawke's Bay Regional Council resolution 25 June 2025

1. Purpose

The purpose of the Chief Executive Employment and Performance Review Committee is act for and advise Council on matters relating to the employment, performance and remuneration of Council's Chief Executive.

2. Specific responsibilities

The Chief Executive Employment and Performance Review Committee will:

- 2.1. Negotiate and agree annually with the Chief Executive, performance targets and key result area weightings including measurement of those performance targets.
- 2.2. Undertake six monthly, or more frequent if required, performance reviews of progress against the performance targets.
- 2.3. Conduct an annual review of the Chief Executive's performance and remuneration in accordance with the agreed processes at such time as agreed with the Chief Executive.
- 2.4. Develop, following consultation with Council, the appropriate amendments or adjustments to the terms and conditions of employment and the remuneration of the Chief Executive arising from the annual review.
- 2.5. Represent Council on any issues which may arise in respect to the Chief Executive's job description, employment agreement, performance agreement or related matters.
- 2.6. Conduct and complete a review of employment under clause 35 schedule 7 of the Local Government Act 2002 and make a recommendation to Council as to the continued appointment or vacancy under clause 34 schedule 7 of the Local Government Act 2002.
- 2.7. Recommend to Council, for its approval, a recruitment, selection and appointment process for a Chief Executive.
- 2.8. Oversee the Council-approved recruitment, selection and appointment process for a Chief Executive (noting that a decision on appointment must by law be made by the Council).

3. Accountability

- 3.1. The Chief Executive Employment and Performance Review Committee is delegated to make recommendations to Council only.
- 3.2. For the avoidance of doubt, the Chief Executive Employment and Performance Review Committee does not have the delegated authority to decide:
 - 3.2.1 the Chief Executive's job description and associated job specifications
 - 3.2.2 the appointment process for the role of Chief Executive
 - 3.2.3 the appointment and remuneration package of the preferred candidate for the position of Chief Executive.

The Chief Executive Employment and Performance Review Committee may:

- 3.3. recommend matters to Council as it deems appropriate
- 3.4. Obtain external legal or independent professional advice within approved budgets in the undertaking of its responsibilities and duties.
- 3.5. Receive all the information and documentation needed or requested to fulfil its responsibilities and duties, subject to applicable legislation.
- 3.6. The Chair may refer urgent matters to the Council where this Committee would ordinarily have considered the matter.

4. Membership

- 4.1. The Committee is to comprise up to five members of Council being: the Regional Council Chair, Deputy Chair, and up to three other councillors to be agreed and appointed by the Council.
- 4.2. The Council will appoint one of the councillor members to the role of Chair.
- 4.3. The Council can appoint additional members for a period when their appointment is deemed necessary for the Committee to discharge its functions.

5. Meeting Frequency

- 5.1 Meetings may be called as required to fulfil the purpose and responsibilities of the Committee reporting to Council, at the discretion of the Chair or as required by Council.

6. Quorum

- 6.1 The quorum at any meeting of the Committee shall be the majority of members, including the Chair.

Subject: Local Government NZ Annual General Meeting

Reason for report

1. This item seeks resolutions of Council to:
 - 1.1. confirm Councillors attending the upcoming 2025 Local Government New Zealand (LGNZ) Annual General Meeting (AGM), and delegated to vote on Council's behalf
 - 1.2. agree Council's voting position on any remits (Attachment 1) relating to regional council statutory functions and/or responsibilities
 - 1.3. agree Council's voting position on LGNZ's rates capping paper (Attachment 2).

Delegates

2. All local authorities which are full financial members of LGNZ are entitled to be represented at the LGNZ AGM to be held on Wednesday, 16 July. Representatives may be elected members or staff.
3. Hawke's Bay Regional Council is entitled, as determined by the population of the region, to 3 votes and up to 3 delegates. The Council must appoint one presiding delegate to vote on its behalf in order to participate and may appoint two additional delegates to attend including an alternate for the presiding delegate.
4. The Chair, Hinewai Ormsby, is attending the conference and AGM, and councillors Will Foley and Sophie Siers are also attending the conference.
5. Staff recommend that the Chair is registered as the Council's Delegate to vote on the remits, and that Will Foley, Deputy Chair, alternate is sought from among the other councillors attending the conference.

Voting on remits

6. As part of the AGM, all councils were invited to submit proposed remits. Proposed remits relate to *issues of the moment*.
7. The remits (5) submitted to LGNZ are attached. Not all relate to activities of regional councils. Staff have not undertaken any analysis on the remits and it is for the Council to decide whether or not to resolve a particular position to be taken in voting at the AGM.
8. In the absence of a resolved Council position, the delegate is able to exercise their own judgement in voting.

Financial and resource implications

9. There are no financial or resource implications resulting from any of the decisions made in relation to the LGNZ remits and AGM.

Decision-making process

10. 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:
 - 10.1. The decision does not significantly alter the service provision or affect a strategic asset, nor is it inconsistent with an existing policy or plan.

- 10.2. The use of the special consultative procedure is not prescribed by legislation.
- 10.3. The decision is not significant under the criteria contained in Council's adopted Significance and Engagement Policy.
- 10.4. Given the nature and significance of the issue to be considered and decided, 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 *Local Government NZ Annual General Meeting - Voting on Remits* 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.
3. Confirms that HBRC Chair, Hinewai Ormsby, is registered to attend the LGNZ AGM as HBRC's delegate and exercise Council's votes as follows.
 - 3.1. *Remit 1 – Security System payments* – either **Support** or **Oppose**
 - 3.2. *Remit 2 – Improving joint management agreements* – either **Support** or **Oppose**
 - 3.3. *Remit 3 – Alcohol Licensing Fees* – either **Support** or **Oppose**
 - 3.4. *Remit 4 – Aligning public and school bus services* – either **Support** or **Oppose**
 - 3.5. *Remit 5 – Review of local government arrangements to achieve better balance* – either **Support** or **Oppose**.
 - 3.6. *LGNZ's Rates capping paper* – either **Support** or **Oppose**.
4. Confirms that Councillor Will Foley is registered to attend the LGNZ AGM as HBRC's alternate delegate and exercise Council's votes on the remits as above if required.

Authored by:

Leeanne Hooper
Team Leader Governance

Approved by:

Nic Peet
Chief Executive

Attachment/s

- | | | |
|---|------------------------------|--|
| 1 | LGNZ Remits 2025 | Under Separate Cover online only |
| 2 | Rates capping LGNZ AGM paper | Under Separate Cover online only |

Subject: Affixing of Common Seal**Reason for report**

1. The Common Seal of the Council has been affixed to the following documents and signed by the Chair or Deputy Chair and Chief Executive or a Group Manager.

		Seal No.	Date
1.1	1.1.1 A. Heays – Regional On Scene Commander	4609	4 June 2025
	M. Courtnell - Alternate Regional On Scene Commander <i>(Sub-delegation under section 444(5) of the Maritime Transport Act 1994)</i>	4610	4 June 2025
	1.1.2 D. Hicks <i>(Delegations under Resource Management Act 1991 (Sections 34A(1) and 38(1); Maritime Transport Act 1994 (Section 33G(a); Building Act 2004 (Section 317B); Biosecurity Act 1993 (Sections 103 and 105); Civil Defence Emergency Management Act 2002 (s.86-92) and Local Government Act 2002 (Section 177))</i>	4611	17 June 2025

2. The Common Seal is used twice during a Leasehold Land Sale, once on the Sale and Purchase Agreement and once on the Land Transfer document. More often than not, there is a delay between the second issue (Land Transfer document) of the Common Seal per property. This delay could result in the second issue of the Seal not appearing until the following month.
3. There were no sales. The current numbers of Leasehold properties owned by Council are:
 - 3.1 No cross lease properties were freeholded, with 60 remaining on Council's books
 - 3.2 No single leasehold properties were freeholded, with 70 remaining on Council's books.

Decision-making considerations

4. Council is required to make every decision in accordance with the provisions of Sections 77, 78, 80, 81 and 82 of the Local Government Act 2002 (the Act). Staff have assessed the requirements contained within these sections of the Act in relation to this item and have concluded the following:
 - 4.1 Sections 97 and 88 of the Act do not apply.
 - 4.2 Council can exercise its discretion under Section 79(1)(a) and 82(3) of the Act and make a decision on this issue without conferring directly with the community or others due to the nature and significance of the issue to be considered and decided.
 - 4.3 That the decision to apply the Common Seal reflects previous policy or other decisions of Council which (where applicable) will have been subject to the Act's required decision-making process.

Recommendations

That Hawke's Bay Regional Council:

1. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted Significance and Engagement Policy, and that Council can exercise its discretion and make decisions on this issue without conferring directly with the community or persons likely to have an interest in the decision.
2. Confirms the action to affix the Common Seal.

Authored by:

Vanessa Fauth
Finance Manager

Diane Wisely
Executive Assistant

Approved by:

Nic Peet
Chief Executive

Attachment/s

There are no attachments for this report.

Subject: HBRIC Ltd Statement of Intent 2025-2026

Reason for report

1. This item provides HBRIC's Statement of Intent for the 2025-2026 financial year for Council's approval.

Staff recommendation

2. HBRIC invites HBRC Councillors to approve the **Statement of Intent 2025/26**.

Background

3. 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:
 - 3.1. By 1 March 2025 – HBRIC submits a draft SOI to HBRC for review -**Completed**
 - 3.2. By 1 May 2025 – HBRC provides feedback and proposed changes to HBRIC – **Completed**
 - 3.3. Before 30 June 2025 – HBRIC submits the final SOI for HBRC's approval.

Changes from the Draft 2025-26 SOI presented to Council on 26 March 2025

4. HBRIC directors agreed that the issue raised by Council, namely that of overall HBRIC and Group portfolio risk arising from the requirement to maintain a majority stake in Napier Port, should be included in the SOI.
5. Accordingly, the following paragraph has been added to the "Our Operating Environment" section (page 4):
 - 5.1. "HBRIC's investment portfolio remains heavily concentrated in Napier Port, which represents the largest single asset by value and revenue contribution. As of the date of this Statement of Intent, Napier Port accounts for approximately 80 % of HBRIC's total portfolio value and a significant proportion of HBRIC's annual cash distributions to Council. While this investment has provided historically stable returns, its dominance within the portfolio creates **specific concentration risk** that could impact HBRIC's ability to meet Council's long-term financial objectives. Risks include exposure to sectoral and operational factors unique to the port industry, as well as external events such as natural disasters, supply chain disruptions, and evolving regulatory frameworks."
6. No other changes are proposed. 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. Distribution 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.**

Decision-making considerations

8. 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:
 - 8.1. The decision does not significantly alter the service provision or affect a strategic asset, nor is it inconsistent with an existing policy or plan.
 - 8.2. The use of the special consultative procedure is not prescribed by legislation.
 - 8.3. The decision is not significant under the criteria contained in Council's adopted Significance and Engagement Policy.
 - 8.4. There are no persons directly affected by the decision to approve the Statement of Intent.
 - 8.5. Given the nature and significance of the issue to be considered and decided, and also the persons likely to be affected by the decisions made, Council can exercise its discretion and make a decision without consulting directly with the community.

Recommendations

That Hawke's Bay Regional Council:

1. Receives and considers the *HBRIC Ltd 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.
3. Approves the HBRIC Ltd Statement of Intent 2025-26.

Authored by:

Tom Skerman
HBRIC Ltd Chief Executive

Approved by:

Tom Skerman
HBRIC Ltd Chief Executive

Attachment/s

- 1 HBRIC Statement of Intent 2025-2026 Under Separate Cover [online only](#)

Subject: Reducing flood risk in Hawke's Bay

Reason for report

1. This information item presents the plan and initial materials to start a sustained conversation with the community about the size and scale of the challenge to reduce flood risk in Hawke's Bay, in the lead-up to 2027 Long Term Plan decisions.
2. The suite of materials comprise the:
 - 2.1. Infographic showing how *Flood Risk* fits with council's other key strategic priorities (**Attachment 1**). Flood Risk is broken down into river, surface and coastal flooding.
 - 2.2. 3-page summary handout/poster intended to be a conversation starter providing high-level context for the important decisions ahead (**Attachment 2**). This is a summary of the discussion document.
 - 2.3. A strategic discussion document (**Attachment 3**) of ~20-page, that forms the basis for all comms collateral to support the community conversation. It has a designed front page and will be further designed before uploading onto the website.
 - 2.4. An animation of ~8 min (**to be presented on the day**) to bring to life the content for a broad audience. This is the long format version that covers a lot of ground. However, it can be sliced into shorter clips for marketing. It describes our flood resilience work in three stages:

Stage 1: **what we've done** to replace what we lost and learnt from Cyclone Gabrielle

Stage 2: **what we're doing** to make sure our current schemes are fit for purpose

Stage 3: **What's to come** "the really gnarly one - deciding what additional flood protection we want and can afford".
3. Below is the communications plan on how the materials will be shared with the community.
4. A refreshed engagement hub reframed around the strategic priorities will become the home for these and future materials providing a community-centric, easily accessible and readily updateable one source of truth for this work.

Background

5. This package of material is in response to a request from Council to explain the strategic approach that the Regional Council is taking to reducing flood risk. Staff were asked to produce a document to provide the up-front context for ongoing engagement between now and the 2027 Long Term Plan. Staff used this to build comms collateral such as the animation.
6. The materials are awareness-raising so the community:
 - 6.1. is assured that flood resilience work is underway post Cyclone Gabrielle
 - 6.2. understands the size and scale of the challenge; and
 - 6.3. ultimately is brought along the decision-making journey and able to provide informed feedback on what type of protection is preferred as part of the 2027 Long-Term Plan.
7. A catalyst for this request was a desire by Councillors to position The Re-Imagining Project – a review of our two major flood schemes, Heretaunga Plains and Upper Tukituki – within a broader strategic context of flood risk across all our region and all flooding types.

8. The Re-imagining Flood Resilience Project was established in direct response to the recommendations from the Hawke's Bay Independent Flood Review (HBIFR) which states that HBRC should harness the community and local understanding of what happens during an extreme flood resilience event as it works towards future flood resilience in Hawke's Bay.
9. The Re-Imagining Project will combine the technical input from the technical scheme reviews with the vision and values established through working with stakeholder groups to determine what future, intergenerational flood resilience might look like within the two major flood schemes in Hawke's Bay.
10. Reviews of the minor schemes across the region are also underway through a separate project that focuses more locally and are more focused on the technical performance of the individual smaller schemes.
11. The Re-Imagining Project is about to enter Phase 2: Stakeholder reference groups. This new material will be used as a scene-setter for these engagements as well as pushed out more widely (i.e. beyond the major scheme boundaries) as set out in the comms plan below.
12. Earlier versions of the long format document and the animation were previewed at the council workshop on 28 May 2025. Feedback from council has been incorporated into these versions, including making the base document shorter by linking to other documents and creating a summary.
13. The now 20-page strategic document has three parts:
 - 13.1. Part 1. Introduction
 - 13.2. Part 2. Regional view of flood risk management
 - 13.3. Part 3. Stocktake by district.
14. It covers, our region's flooding risks – river, surface and coastal – the work underway, and introduces The Reimagining Project at a high level. It includes a brief district by district breakdown of what we are doing now (current state) and what work we could do in the future to reduce flood risk (future state) or, in some cases, what work we are doing to determine what we could do in the future.
15. Part 3 in particular is designed to be "live", so it can be updated as the situation changes and new information comes to hand.

Discussion

16. Recent lived experience of Cyclone Gabrielle, and other recent severe weather events in our region, have brought into sharp focus the devastating impacts of flooding. With climate change the intensity and frequency of severe weather events will increase, and we know the levels of protection that have served us in the past won't be enough in the future.
17. Deciding what engineering solutions to invest in to reduce river, surface and coastal flooding (as well as other nature-based solutions) is the job that needs to be done between now and the next Long-Term Plan in June 2027. There's a lot of work to do between now and then to give the community real choices that balance reducing flood risk with affordability.
18. The big gnarly questions – what, where, when and who should pay – need to be worked through in detail with the most affected people and then as part of a wider package of activities to be paid for by all regional ratepayers.
19. To enable the right debate and quality conversations the council needs to provide fully-costed options with associated rating impacts alongside information on what protection level each option would provide. This will take time including local input, and the conversation needs to start before all such detail is known. The materials presented now are designed to bridge the gap until proposals are fully developed. The materials will be housed in a web-based

information hub, easily updated as more and new information comes to hand and as community engagement progresses towards June 2027.

20. The dynamic web hub will house the information using the key strategic priorities as the topline architecture. Users will be able to access information by drilling down, to get more information as they wish e.g. flood risk/rivers/NIWE Cat2 projects/Whirinaki. Interactive features can be turned on, e.g. comments, newsletters, surveys (when appropriate depending on the topic and timing). Other interactive tools similar to NIWA's *My Coastal Futures online game* and Risk Stories will be investigated for inclusion.
21. The outcomes this approach is designed to deliver are that by the 2027 LTP, the people of Hawke's Bay:
 - 21.1. are under no illusion about what flood risk impacts mean for their way of life (where they live, work and play).
 - 21.2. understand the flood risk mitigation choices that need to be made, their costs and benefits and the trade-offs involved.
 - 21.3. believe that HBRC has been open, honest and transparent in its conversations with communities about the options and their costs/benefits.
 - 21.4. feel involved and heard through the discussion, planning and decision-making for the 2027 LTP.
 - 21.5. understand why the council makes the 2027 LTP decisions it does, with respect to flood resilience investment.

Comms Plan

22. This initial communications plan is a way to kick start the community conversations. The plan will evolve, as more detailed cost information is gathered and decision-making draws nearer.

Objectives

23. Grow people's understanding of the impacts of flood risk on their way of life, and the scale of the challenge to improve our resilience to flooding across Te Matau a Māui Hawke's Bay.
24. Begin to engage with communities to grow understanding of the big decisions ahead if we want to be more resilient to flood risk and provide the information platforms to support conversations through to LTP 2027 decisions.
25. Build awareness of the size and scale of the challenge, the infrastructure engineering options and their costs; and the decisions and trade-offs HBRC will need to make, with the help of the community, by July 2027.

Key messages

26. **Planning for a flood-resilient future.** Flooding is one of the biggest climate challenges we face here in Hawke's Bay, and we know the levels of protection that we have now won't be enough in the future.
27. **We have options—but they come with choices.** There is a lot more we could do to reduce flooding across Hawke's Bay, and deciding what to do, where, when and who should pay are trade-off decisions that need everyone to get involved.
28. **A long-term approach is key.** To make it more affordable, and ensure we're able to deliver extra protection levels, we need to spread the work over 20 years.
29. **Cost and a staged approach.** If all known engineering solutions were built today, rates would roughly double. That's why we need a smart, staged approach that balances urgency, affordability, and fairness.

Risks & Mitigations

Risk	Mitigation
The public may question the timing of this	Make content neutral, focused on facts, ; with the 2027 LTP investment decisions the end goal (noting there are no firm proposals requiring decisions yet)
The public may question the integrity and accuracy of the scale of investment being presented	Ensure the analysis behind the numbers is available.
The public may want more detail and assurance around likely timing of investment/infrastructure works than is currently available	Emphasise in communications that more detail will be available as engagement progresses towards the 2027 LTP
The public may want more detail of the options HBRC is considering for minimising the cost to ratepayers of investment in further flood mitigation infrastructure	Emphasise in communications that more detail will be available as engagement progresses towards the 2027 LTP
The public may want assurance of details HBRC cannot yet commit to, for example, the likelihood and scale of central Government contribution	Emphasise in communications that more detail will be available as engagement progresses towards the 2027 LTP
Changes in council membership may lead to questions about the approach and its context	Frame this as part of a critical and larger, sustained process that will continue regardless of changes in elected members

Activity Timeline

30. This bundle of public-facing *Reducing Flood Risk* collateral will be made available on a Community Conversations Web Hub.

Activity	Timing
Reducing flood risk in Hawke's Bay 20-page report	25 June Council meeting
Three-pager community conversation starter	25 June Council meeting
Infographic of key strategic priorities on a page (to be included in Annual Plan)	25 June Council meeting
Long-form animation	25 June Council meeting
Media release	25 June

31. Following the Council meeting – this is the planned public campaign to raise awareness about the strategic priorities and start conversations about reducing flood risk:

A Community Conversations Web Hub, that is framed around flood risk, water security and land management with drop-down info on each	Mid-July onwards
Social campaign – 8 week paid and organic campaign. <ul style="list-style-type: none"> Organic: 2 posts per week (Facebook + LinkedIn) using animation sliced into short form to support key messages. Paid: ads 'always on' with four designed variations across the two months clicking through to the hub Peak push periods: week 1 launch, and wrapping up 	Campaign to run over two months from mid-July to mid-September

Promote through owned channels including social media, rates newsletter, Grounded newsletter, community meetings, stakeholder reference groups, e-sig and Dalton St poster box	Campaign to run over two months from mid-July to mid-September
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Next steps

32. The immediate next steps are to finalise content, design and to implement the Coms plan. The intention is to surface this information widely using a variety of owned and earned channels.

Decision-making considerations

33. 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 *Reducing flood risk in Hawke's Bay* staff report.

Authored by:

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Jenny Keown
Team Lead Communications

Approved by:

Nic Peet
Chief Executive

Attachment/s

- | | | |
|----------|---|--|
| 1 | Key Strategic Priorities 2025 infographic | Under Separate Cover online only |
| 2 | Reducing Flood Risk -3 page summary | Under Separate Cover online only |
| 3 | Reducing Flood Risk in Hawkes Bay discussion document | Under Separate Cover online only |

Subject: Heretaunga Water Security update

Reason for report

1. This item provides the Council with an update on the Stage 1 feasibility work programme and progress, and an overview of the preferred alternative delivery vehicle (ADV) structure including progress made, and the next steps necessary for transitioning the project to the preferred structure.

Background

2. In January 2025, HBRC re-affirmed its commitment to water storage development as a key initiative for water security in Heretaunga. During this meeting, HBRC:
 - 2.1. Confirmed the 27mm3 E2 Whanawhana site as the preferred option and directed staff to re-engage a project team to progress the project under a staged feasibility phase.
 - 2.2. Approved a budget of \$3.2 million to support the feasibility assessment, using funds from the existing Long Term Plan budget and Kānoa funding agreements.
 - 2.3. Confirmed its commitment and directed project staff to plan, design and make the arrangements to transfer project governance and delivery from HBRC to a new delivery vehicle to be governed by water users (irrigators and industrial, iwi mana whenua, and municipal water users (Napier and Hastings councils).
3. Since the January decisions, in March 2025 HBRC has publicly committed to the feasibility assessment of the project and clearly and consistently communicated its intention to transition governance from HBRC to a community model that represents water users.

Stage 1 Feasibility key point summary

4. The feasibility assessment is tracking to plan and in line with expectations.
5. Key investigations, including onsite terrestrial surveying, have been completed. Planned work remains on track, with essential supplier contracts established and ready for transition to the ADV.
6. The assessed risk of the project has not materially changed at the time of writing. Key risks being managed include the maintenance of momentum and confidence of potential shareholders during transition. Demand, technical and regulatory risks associated with the development and design of the scheme remain current risks under operational management.
7. Strategy – Advice has been sought to evaluate strategic options for project development, including consenting and procurement, in order to optimise the project and enable accelerated development.
8. Accelerated development timeline – A development strategy and accelerated work programme has the potential to be implemented pending the transition to the ADV.. These options do not change the current HBRC funded work programme. The possibility for an accelerated development approach builds on current project momentum, and involves various workstreams progressing simultaneously, achieving cost efficiencies and shortening traditionally lengthy timeline associated with such projects. An accelerated development approach would not require additional funding from HBRC, and would still seek to deliver the outcomes HBRC is seeking from the project.

9. Delivery – The first stage of feasibility has also involved forming a core delivery team tasked with planning, executing, integrating, and advancing all necessary actions to design, consent, build, and finance the project.

Accelerated delivery plan potential options

10. In Stage 1 of Feasibility, various options to expedite the programme's delivery timeline have been explored. Several potential pathways exist for consenting and construction procurement, within the strategy. These choices must be evaluated within the broader risk framework of the project. A decision is expected to be made by governance under the alternative delivery vehicle.
11. The accelerated delivery programme and timeline is based on a fast-track consenting pathway and some concurrent detailed design work. This timeline is guided by input from the project's technical designers and specialists however is dependent on future decisions made under the alternate delivery vehicle.
12. The development plan is organised into two main sections phases:

Pre-construction – accelerated development plan	
Feasibility (2025-26)	
Design, resource consenting, viability	<ul style="list-style-type: none"> Conduct full feasibility phase for the E2 Whanawhana site, addressing all critical technical, ecological, commercial, and stakeholder engagement risks. Confirm detailed project costs, commercial models, and regulatory strategies. Secure water user buy-in, engage with regional communities, iwi, and key commercial stakeholders. Complete resource consent process and secure approvals.
Pre-Feed/Project Commitment (2026-27)	
Procurement and commercialisation	<ul style="list-style-type: none"> Commence early-stage procurement and construction contracting. Detailed design and building consent. Secure financing and completed final business case.

Stage 1 Feasibility current status

13. In January 2025, a two-stage feasibility plan was proposed. This allowed adequate time to transition the project, further mobilise a delivery team, enhance public awareness, foster understanding and support, manage fiscal risk and advance critical delivery elements that establish the remaining pre-construction schedule. Below is a summary of the current priorities and progress of Stage 1.

Priority	Activity Planned	Activity - Status	Why?
Communications	<ul style="list-style-type: none"> Public Launch Stakeholder engagement ADV public launch 	<ul style="list-style-type: none"> Phase 1: Project publicly launched in March - complete Phase 2: Stakeholder engagement - ongoing Website presence complete ADV public launch – planning underway 	The project has shifted into an increasingly public facing stage and there is a strong need to communicate clearly and transparently with key stakeholders, manage relationships and set the narrative.

Priority	Activity Planned	Activity - Status	Why?
ADV design and implementation	<ul style="list-style-type: none"> • Pre-ADV design • Shareholder engagement / agreement • Entity formation 	<ul style="list-style-type: none"> • Preferred structured identified • Engagement with Shareholder groups progressing. • Key Legal agreements drafted / under review 	<p>HBRC has signalled clear commitment to devolution. We are quickly approaching points within the development of the project where independence is preferable.</p> <p>Expectations set and the ADV model is now expected by water users, Crown, landowners, iwi mana whenua and communities.</p>
Strategic options (delivery programme)	<p>Establish strategy for:</p> <ul style="list-style-type: none"> • Land access/tenure • RMA Consenting • Construction Procurement 	<ul style="list-style-type: none"> • Relationship building with landowners and identifying potential options that are aligned with landowners' future plans (while remaining commercially workable). • RMA consenting options – strategic advice sought, key risks identified/ assessed; • Procurement strategies assessed and considered in relation to the current market and this specific project. 	<p>Various pathways are available and the approach selected will drive strategic decisions, delivery programme and risk framework.</p> <p>Advice sought for ADV decisions during Stage 2 Feasibility.</p>
Investigations - key uncertainties/ assumptions	<p>Investigations relating to key uncertainties;</p> <ul style="list-style-type: none"> - Hydrological investigations (informs water resource requirements, operating regime and distribution system) - Demand analysis (informs development of water user commercial and financial model) 	<p>Studies have been scoped and contracted.</p> <p>Work is underway.</p> <p>Consenting planning analysis has assisted in reducing assessed risk.</p> <p>Work is underway on reducing demand related high risk items identified – we will report back in July as per schedule.</p>	<p>These investigations represent some of the key uncertainties that need to be understood better to assess and design how the scheme operates. Will drive and frame key economic matters necessary to reassess scheme viability (including affordability).</p>
Long lead items	<p>Terrestrial survey (seasonal requirements)</p>	<p>Autumn survey complete.</p> <p>Restricted access at the reservoir site / vicinity due to farm operations during Mar-Aug.</p> <p>Adjusted plans with a significant spring programme planned on site, including with stakeholder site visits.</p>	<p>Lodging resource consents package is the critical path and assessing the terrestrial ecology values and effects/management package is a long lead item.</p>

Stage 1 Feasibility budget update

14. Projected spending for Stage 1 Feasibility was estimated at \$1 million. Current expenditure is summarised below. The under expenditure is largely due to minimizing some survey and preparatory works at the reservoir site, which will be undertaken in Spring 2025 instead. Actual and planned expenditure remains in line at an activity level.

Heretaunga Water Security	24/25 LTP	25/26 LTP	26/27 LTP
Funding			
HBRC Loan Funding	624,803	1,915,000	427,850
HBRC Reserve Funding	508,200		
Kānoa Loan		300,000	
Total LTP Funding	1,133,003	2,215,000	427,850
Expenditure			
Pre-feasibility Expenditure (July - December 24)	151,629		
Feasibility Expenditure (Jan - May 25)	436,929		
Forecast additional expenditure till June 30	260,000		
Net Funding available	284,444	2,215,000	427,850
Total Net Funding available			2,927,294

15. The HBRC Finance Team is considering the transfer arrangements for HBRC Feasibility funding (\$3.2 million minus Stage 1 expenditure), assuming a target date of 30 July. Ongoing arrangements are catered for under the HBRC-ProjectCo Funding Agreement.
16. The HBRC Funding Agreement, will act as the Council's primary agreement with the Heretaunga Water Storage Project, utilising a transitioned model. This agreement will outline the funding, key mechanisms, and drawdown arrangements (including delivery requirements). Once the contract is executed between ProjectCo and HBRC, it will be managed operationally between both entities, similar to a Kānoa Funding Agreement.
17. This means that while HBRC creates space between itself and the project and thereby protects its position as environmental regulator, it also reserves its ability through the funding agreement to ensure that project adheres to its core water security objectives.

Alternative delivery vehicle (ADV) key point summary

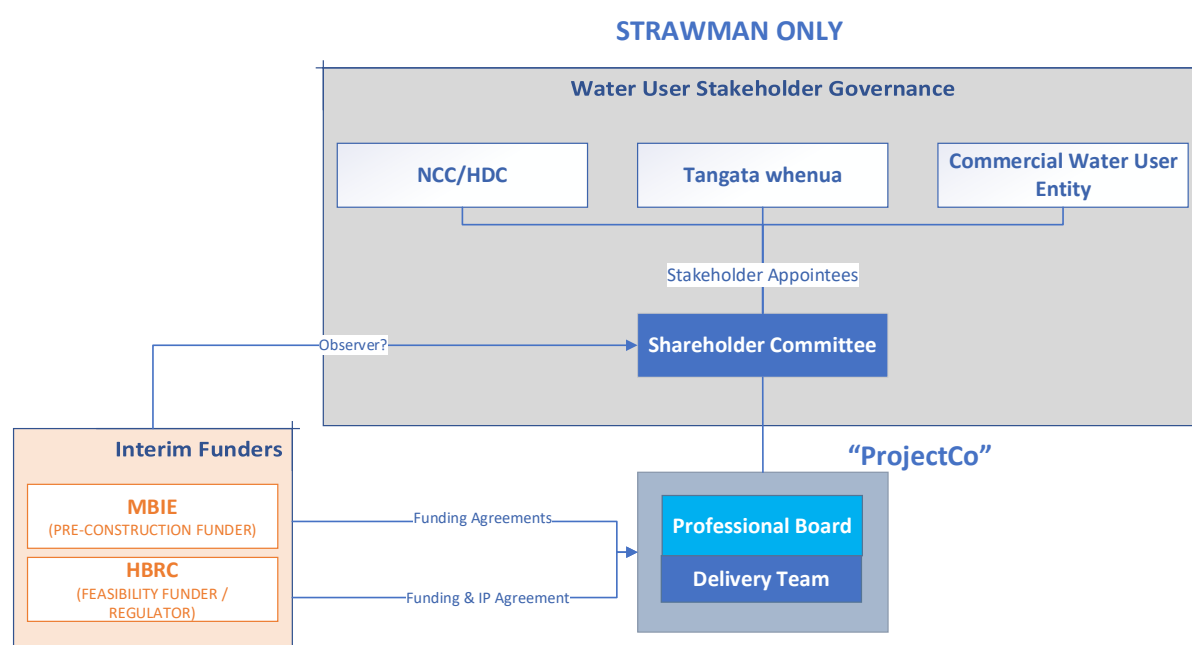
18. Engagement with potential water user groups has been conducted to gauge their willingness to participate in governing the project at a shareholder level during the feasibility phase. Engagement has been positive, indicating a broad willingness to participate.
19. The preferred alternative delivery model, informed by advice on legal structures and governance arrangements, for the Project, ProjectCo, is a limited liability company with the following characteristics:
- 19.1. ProjectCo would be initially owned by three Founder Shareholding Groups, which each represent the three major classes of potential water users (Hastings and Napier councils; irrigators and industrial users; tangata whenua).
 - 19.2. A Shareholder Committee would be established to represent the Founder Shareholding Groups, as well potentially an independent chair. The role of the Shareholder Committee would be to provide feedback and input from these water user groups in terms of project objectives, and manage the relationships between the project and these major water user groups.
 - 19.3. An independent, skills based Board of Directors would subsequently be appointed (by the

Shareholder Committee) to provide ongoing governance of the Project.

- 19.4. Key relationships of the ProjectCo, at various stages of the Project, are likely to include initial funders of the Project (Kānoa and HBRC), landowners, mana whenua and current and future water users.
20. This ownership framework and corporate structure is designed to ensure balanced representation and influence among the Founder Shareholding Groups during the Project's feasibility period, as well as providing a governance model which can efficiently progress the Project.
21. It is essential to understand that the shareholding structure is notional, meaning it does not confer any water rights or control to each water user group. This structure will be updated following the completion of feasibility. We will address potential misconceptions from stakeholders or the community through clear and proactive communication.

ADV recommended structure

22. The recommended ADV governance structure (see graphic below) involves creating ProjectCo, a limited liability company equally owned by three founder shareholder groups: tangata whenua (tbd), commercial water users (irrigators), and local councils.



23. It is anticipated that shares will be divided equally, with each group holding 33% ownership, ensuring that no single group holds a controlling influence, subject to the agreement of the shareholders in the set-up stage of ProjectCo.
24. There would be no obligation to provide capital, or to continue involvement in the project post feasibility.
25. MBIE is detailed as a 'Pre-construction Funder' as the pre-construction funding commitments extend through to Financial Close. HBRC's funding commitments end at the completion of the Feasibility Phase. Water Users are expected to commit a level of funding (TBC) when resource consents are secured as a co-funding contribution.

Governance structure and functionality

Shareholders Committee

26. The Shareholders' Committee will provide strategic oversight and governance at a shareholder level. Representation and structure of the Committee will be determined by the participants

themselves. These representatives will have delegated authority from their respective shareholder groups to make decisions, ensuring streamlined and effective governance.

27. The responsibilities of the Shareholders' Committee will include:
 - 27.1. Providing oversight of governance on behalf of shareholders
 - 27.2. Providing a mechanism for shareholders / water users requirements and objectives to be articulated
 - 27.3. Allowing shareholders / water users to evaluate the project including discussing and developing strategic direction as the project evolves
 - 27.4. Appointing, reappointing, and removing directors on the Board.

Professional Board of Directors

28. The Board of Directors will consist of independent, skills-based professionals with expertise in commercial project governance, infrastructure, finance, community and iwi engagement, environmental management, and regulatory compliance. Directors will exercise independent judgement and hold appropriate delegated authority to govern project delivery effectively. Their mandate is effectively project governance. Their responsibilities will include:
 - 28.1. Strategic oversight and risk management of the project
 - 28.2. Ensuring project objectives are transparently achieved
 - 28.3. Approving feasibility assessments and overseeing capital raising activities
 - 28.4. Delegating operational responsibilities to the project management team, ensuring day-to-day activities align with strategic objectives.

Delivery Team (Management)

29. The Project Team is accountable for the daily management, coordination, and execution of project activities. They will ensure the project adheres to agreed scopes, budgets, and timelines, executing operational plans approved by the Board. The Project Team will also manage stakeholder engagement, communications, consenting workstreams, and operational compliance.

Implementation approach

30. A phased implementation approach is proposed.
31. **Phase 1 – Operational and Legal Transition (June to July 2025):** Immediate establishment of interim governance structures, legal formation of ADV, finalisation of HBRC Funding Agreement, and public communication.
32. **Phase 2 – Shareholder Co-creation of Governance protocols (August to December 2025):** Transition to permanent governance structures. Interim directors will collaboratively work with stakeholders to finalise governance frameworks. This involves negotiating and agreeing on permanent governance structures, shareholder committee roles, board competency requirements, and long-term strategic objectives.

HBRC's role - Phase 1 Transition

33. HBRC's primary role in transitioning to the alternative delivery vehicle involves facilitating early engagement with key water user groups, seeking an agreement in principle to engage, and explore what participation may entail.
34. HBRC still retains the role of primary project sponsor (including funder), manages its broader relationships as a regional authority, and limits its involvement to manage risk both to HBRC and the project.

35. This structure allows HBRC to operate with integrity and appropriate distance as environmental regulator.
36. HBRC must maintain independence from structuring arrangements (leaving this to the shareholders to navigate), consider what is acceptable in terms of participation and commitment, and establish contingency plans should the ADV fail to materialise.

Stakeholder engagement

37. Initial engagement has been held with the Territorial Authorities of Napier and Hastings, mana whenua iwi and representatives of Heretaunga's commercial water users.
38. Throughout June meetings have been held to discuss the proposed approach to enabling an entity to lead the project through feasibility.

Decision-making considerations

39. 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.

Recommendations

That Hawke's Bay Regional Council receives and notes the *Heretaunga Water Security update* staff report.

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Approved by:

Te Wairama Munro
Te Pou Whakarae

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Management

Attachment/s

- 1 [📄](#) Heretaunga Water Storage project - background recap

Heretaunga Water Storage project - background recap

1. Hawke's Bay faces a future of increased climate variability. Given what we now understand about water use, supply, and demand, the region is facing a significant shortfall. Even with water conservation and efficiency improvements, Hawke's Bay is projected to experience a shortfall of 25 million cubic metres by 2040 and a 33 million cubic metre gap between supply and demand by 2060. Further, there is significant and growing uncertainty about water supply.
2. Enhancing the availability of water supply—at the right locations and times—offers strategies for adapting to and managing the risks associated with freshwater shortages. It shifts the regions from water being a scarce resource, to being in abundance. These shortages significantly impact agricultural and industrial productivity, urban water supply, and ecosystem health during times of scarcity.
3. In January 2025, the Council confirmed E2 Whanawhana as its preferred site and agreed to advance the project to a staged feasibility phase, funded by the existing Long-Term Plan (LTP) and Kānoa funding. At this meeting, the Council confirmed its intent to shift project governance and delivery from the Council to a new delivery vehicle comprising major water users (irrigators and industry), iwi mana whenua, and municipal users (Napier and Hastings councils).
4. In March 2025, HBRC went public on its commitment to advancing the development of water storage at the location known as E2 Whanawhana in the upper Ngaruroro Catchment including its intent to explore progressing the project under and alternate delivery entity with water user representation.

Programme strategy

Heretaunga Water Security - pursuing a balanced, integrated strategy

5. The challenges of water security in the Ngaruroro catchment and Heretaunga Plains are pressing and complex. No single solution will suffice in the face of climate change; we will require smarter water use, better allocation policies, new technology, and new infrastructure.
6. Improvements in water efficiency and tighter allocation limits are undoubtedly part of the solution, and Hawke's Bay is pursuing these. However, the regional water assessment has indicated that efficiency measures alone will be insufficient, and a reliable water supply will be needed to offset the impact of tighter allocation limits, as well as offset the environmental impacts of abstraction.
7. Locally, Hawke's Bay's primary sector and local communities cannot thrive without secure water supply.
8. Water storage in the form of a community-scale reservoir is the strongest options on the table. It offers a potential means to capture the "too much water" and save it for times of "not enough water," increasing resilience to climate variations. The purpose of such a reservoir is not merely a response to potential water shortages, but rather a proactive strategy to supplement environmental flows during dry periods as a partial offset for the cumulative impacts of irrigation. A well-managed water storage scheme could release water in the summer to support river health and aquifer recharge when it is most needed, enhancing reliability for water users and creating opportunities for accessing new water for growth.

Heretaunga Water Storage – The concept

Community-scale water storage

9. The Heretaunga Water Storage project involves constructing a medium-scale water storage reservoir in the upper Ngaruroro Catchment.
10. The reservoir is designed to capture excess water during wet winter months and strategically release it during dry periods.
11. This would provide a supplemental source of water, ensuring a reliable supply for various water users - including agricultural, industrial, and urban users - while supporting the health of the environment.

Reservoir characteristics

12. The E2 Whanawhana site has been identified as the most suitable location for the reservoir, with a proposed storage capacity of 27mm³.
13. The reservoir is in close proximity to the Ngaruroro River which enables high flow capture to supplement reservoir capacity.
14. The pre-feasibility analysis indicates an estimated capital cost: ~\$225 million plus an annual operating cost: ~\$6 million (excluding any debt servicing).

Lowland stream augmentation and distribution

15. This is an augmentation scheme in which stored water is released to the Ngaruroro River and lowland streams (potentially piped as part of a targeted distribution system) to supplement river and stream flows and recharge the Heretaunga aquifer via critical losing reaches.
16. This is very similar to the Lee River Reservoir (Waimea Scheme) which supplements surface flows and natural aquifer recharge, thereby protecting the high-value land use on the Waimea plains, as well as providing urban drinking water.
17. Subsequent flow and aquifer recharge offsets the cumulative impacts of groundwater abstraction over the summer, enabling both ground and surface water to be utilised reliably across the Heretaunga Plains.
18. This does not involve a piped network that takes water from the reservoir (or river) and delivers stored water to property gates.
19. It is envisioned that access to water for current users is maintained through the same method that is currently employed and consented.
20. The **key principles** underpinning the design/development of the scheme are:

Principle	Description
User-Pays Principle:	Those who benefit from the water should contribute to its cost.
Equity in Pricing:	Establish uniform pricing initially, with adjustments for specific needs as necessary.
Environmental/Social/Cultural Standards:	Ensure the project meets agreed environmental, social, and cultural goals.
Cost-Efficiency:	The system should deliver water at the lowest possible cost.
Community Control:	Governance should prioritise the community's interests, not maximising investor returns.
Commercial Partnership:	Utilise partnerships to provide economically efficient water delivery for multiple uses.

21. For several years, HBRC has emphasised medium-scale water storage as a primary investment to address Heretaunga's water security issues. These assessments have been conducted in sequence to avoid unnecessary commitments to solutions that may lead to unsuitable sites. Following a detailed prefeasibility phase that identified a preferred site without critical fatal flaws (at the prefeasibility level), confidence has increased to further develop the project. Additionally, there is a timely opportunity for this project now, with key stakeholders involved, active project momentum, and available resources. Sustaining this momentum is vital, as infrastructure of this kind typically requires an extended lead time and can easily falter if support and funding diminish.

Subject: Potential options for Regional Water Security

Reason for report

1. This item serves as a discussion tool to frame potential options that the Regional Council can influence alongside water storage considerations and the degree to which they directly or indirectly contribute to Council's water security objectives, namely:
 - 1.1. *ensuring Hawke's Bay has long-term, climate-resilient, and secure supplies of freshwater for all.*

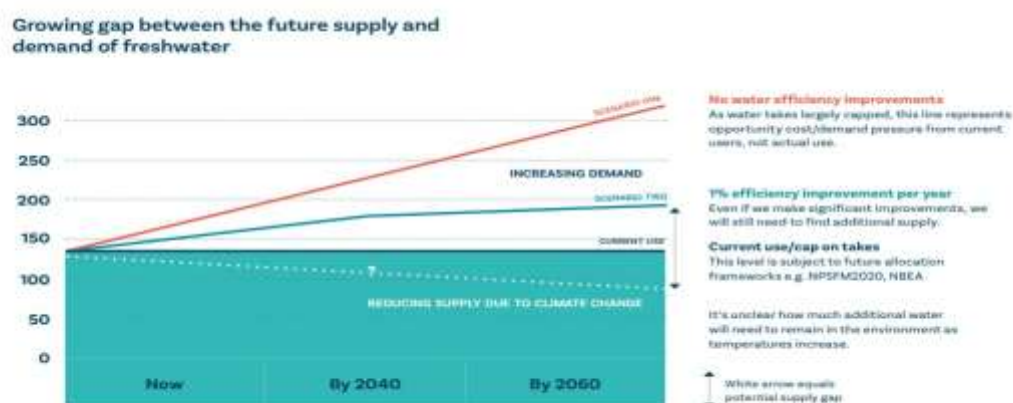
Executive summary

2. Climate change and growing demand are intensifying pressure on Hawke's Bay's water resources. The Heretaunga Plains – renowned for world-class horticulture and viticulture – rely on a delicate balance of river flows and a productive aquifer to supply primary producers, industry, and urban populations.
3. Recent assessments confirm that current water use is outpacing nature's ability to replenish supply, with the gap projected to widen under future climate scenarios. In a "do nothing" scenario, by mid-century the region could face severe economic losses (on the order of hundreds of millions of dollars annually) due to water shortages. This makes *long-term water security* a top strategic priority for the Hawke's Bay Regional Council (HBRC).
4. HBRC's vision emphasises a healthy environment and a resilient, prosperous community, reflecting the paramount importance of water health. Interventions must both protect waterways and support the future of the economy. The approach must be integrated and multi-faceted: no single project will suffice. HBRC leaders stress that carefully designed water storage infrastructure will be "*one part of a multi-faceted approach*" alongside aggressive efficiency measures and other innovations.
5. The Regional Water Security Programme aims to ensure Hawke's Bay has "long-term, climate-resilient and secure supplies of freshwater, for all." It plays a critical complementary role to other water security initiatives and it is timely to assess other potentially important interventions to put in play multiple pieces of an integrated strategy.
6. The options matrix shows that each initiative has strengths and weaknesses. The storage reservoir offers substantial volume and long-term benefits but comes with high costs and extended lead times. In contrast, efficiency measures are low-cost and quick to implement, enjoying widespread support, though they yield modest volumes. Nature-based solutions score highly for environmental and cultural impact, reinforcing their inclusion, but are generally insufficient on their own in volume. Currently, inter-catchment transfer is typically undesirable due to low alignment and high cost, unless future circumstances make it necessary.

Background

7. Hawke's Bay faces a future of more extreme climate variability. Climate projections for the East Coast of the North Island predict overall drier conditions with "less rainfall over the year, and droughts more likely," along with decreasing river flows in spring and summer.
8. The Regional Water Assessment (RWA), delivered in 2023, provides a detailed breakdown of Hawke's Bay's water supply, demand, and current and future challenges. It was driven and informed by robust data (designed to be repeatable) and provides an objective platform upon which future decisions around the region's water security will be based.

9. Based on what we now know about water use, supply, and demand, we know the region is facing a significant shortfall – even assuming water conservation and efficiency gains, Hawke’s Bay is facing a 25 million cubic metre water shortfall by 2040 and 33 million cubic metre gap between supply and demand by 2060. Enhancing the availability of water supply- at the right locations and times- provides strategies for adapting to and managing the risks associated with freshwater shortages, which significantly affect agricultural and industrial productivity, urban water supply, and ecosystem health during periods of scarcity.



10. The RWA acknowledges that, when looking decades ahead, any projection of water demand, climate impacts, or land use will be speculative – especially in an era of unprecedented climate volatility.
11. A key point is that extreme climate variability makes all assumptions uncertain. Next year’s conditions could be very different from the averages our plans are based on. The RWA authors explicitly recognise this, noting that managing water is *“an example of decision making under significant and unresolvable uncertainty.”* They conclude that because we cannot precisely predict the future, our approach *“should not be optimised towards the best guess of the future, but rather robust to the alternative futures that may prevail.”* In other words, we need resilience and flexibility – planning for a range of scenarios rather than betting on a single outcome. We must prepare for a future of less water security and greater volatility.
12. Acknowledging uncertainty also means addressing the risk of doing nothing. With climate models projecting significantly less water in our rivers in the future, if we delay investigating supply solutions, we may find ourselves in a crisis where the only option left is severe cutbacks. The social and economic implications of this would be very serious.

Heretaunga Water Security - pursuing a balanced and integrated strategy

13. The challenges of water security in the region are pressing and complex. No one solution will be sufficient in the face of climate change – we will need smarter water use, better allocation policies, new technology, and, if possible, new infrastructure.
14. Water efficiency improvements and tighter allocation limits are unquestionably part of the solution – and Hawke’s Bay is pursuing these. However, we must consider scale and sufficiency.
15. Locally, Hawke’s Bay’s primary sector and communities simply cannot thrive without a reliable water supply. Even with aggressive conservation, supply augmentation may be needed. The assumption that reductions in abstraction and water use alone will offset climate change’s impacts may be optimistic.
16. The RWA is clear that the future requires a balanced and integrated water management strategy. In practice, this means even as we pursue aggressive water-use efficiency, we must also keep the door open for new supply sources to meet basic needs and environmental goals.

17. The Region's Water Security's strategic goals are articulated to reflect the balance of outcomes pursued:

Environmental sustainability

- 17.1. Protect and restore groundwater-dependent ecosystems.
- 17.2. Mitigate adverse environmental impacts of groundwater abstraction.

Climate resilience

- 17.3. Adapt regional water supply infrastructure to withstand climate variability.
- 17.4. Ensure reliable water availability through drought conditions and changing rainfall patterns.

Economic development

- 17.5. Enable Māori economic advancement through equitable water access.
- 17.6. Facilitate sustainable regional economic growth through a secure freshwater supply.

Options for assessment

18. The RWA recommends a balanced and integrated strategy – exploring new supply infrastructure with demand-side management and ecosystem-based approaches. Below is an outline of a wide range of strategic interventions that have been identified. These are not mutually exclusive. Individually they meet slightly different objectives that, taken together, will improve regional water security.
19. The strategic interventions identified are:
 - 19.1. Heretaunga Water Storage
 - 19.2. Municipal and industrial efficiency
 - 19.3. Agricultural efficiency
 - 19.4. Water recycling and reuse
 - 19.5. Nature based solutions (MAR, wetlands, afforestation)
 - 19.6. Nature based solutions (Room for Rivers)
 - 19.7. Inter-catchment transfer
 - 19.8. Local on-farm storage
20. Interventions are summarised (see **Attachment 1**).
21. Each criterion is assessed qualitatively (and quantitatively where possible) to illustrate the trade-offs and benefits. This matrix serves as an information matrix. However, it should be considered with circumspection as the data uncertainty is high for many of these options and could significantly sway the attractiveness of relative options. Further analysis is recommended for options that may be considered further.
22. It is important to highlight that HBRC has limited capacity to undertake further detail assessment of several of these options, and any additionality might best be undertaken through a prioritisation process. Many of these examples are under the jurisdiction of the private sector (such as farmers, growers, and industrial businesses like recycling, on-farm storage, and conservation/efficiency efforts) or Territorial Authorities, which manage municipal and urban supply.

Decision-making considerations

23. 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 *Potential options for Regional Water Security* staff report.

Authored by:

Richard Wakelin
Acting Group Manager Integrated Catchment
Management

Approved by:

Richard Wakelin
Acting Group Manager Integrated Catchment
Management

Attachment/s

- | | | |
|----------|--|---|
| 1 | Water Security Comparative Options Table | Under Separate Cover <i>online only</i> |
|----------|--|---|

Subject: Update on the North Island Weather Events (NIWE) Flood Resilience Programme**Reason for report**

1. This item provides a high-level update on the North Island Weather Events (NIWE) Flood Resilience Programme, including governance, funding, delivery progress and key risks.

Background

2. The Crown and Hawke's Bay Regional Council (HBRC) entered into the North Island Weather Events (2023) – Hawke's Bay Crown Funding Agreement on 10 October 2023 (the NIWE Agreement).
3. The NIWE Resilience Programme is delivering a portfolio of flood resilience projects across Hawke's Bay. It includes infrastructure upgrades such as stopbanks, pump stations, telemetry systems, and scheme reviews. The programme is administered by the National Infrastructure Funding and Financing Ltd (NIFF) and delivered by HBRC's Infrastructure Programme Management Office (IPMO).
4. The packages of work funded through this agreement are highlighted below (no change from previous month).

Table 4.1 Confirmed Funding for NIWE Programme

	Original Agreement			Current		
	Crown Funding	HBRC Funding	Total	Crown Funding	HBRC Funding	New re-baselined/ approved total
Wairoa	70,000	0	70,000	70,000	0	70,000
Whirinaki	8,300	2,750	11,050	17,300	5,750	23,050
Waiohiki	7,515	2,485	10,000	7,078	2,341	9,419
Ohiti	7,515	2,485	10,000	7,515	2,485	10,000
Pākōwhai	37,575	12,425	50,000	37,575	12,425	50,000
Porangahau	9,770	3,230	13,000	10,963	3,625	14,588
Subtotal	140,675	23,375	164,050	150,431	26,625	177,057
Level of Service Upgrades	22,545	7,455	30,000	22,545	7,455	30,000
Telemetry	3,760	1,240	5,000	3,760	1,240	5,000
Pumpstation	22,545	7,455	30,000	22,545	7,455	30,000
Scheme Review	2,250	750	3,000	2,250	1,737	3,987
Total	191,775	40,275	232,050	201,531	44,512	246,044
Havelock North	7,515	2,485	10,000	7,515	2,485	10,000
Beach Road, Tangoio	4,210	1,390	5,600	0	0	0
Total	203,500	44,150	247,650	209,046	46,997	256,044
Waipawa Waste Water	0	0	0	3,457	1,143	4,600
Total (Incl Others)	203,500	44,150	247,650	212,503	48,140	260,644

NIWE Programme update

Summary

5. Positive momentum continues across the NIWE Programme, with key milestones achieved this month.
6. Significant progress has been made across consents, procurement, and landowner engagement activities.
7. A recent development at the programme level has been the appointment of a Construction Manager, now in place to provide oversight and consistency across all construction phases (starting 16 June). This role will strengthen quality assurance, ensure construction alignment with design intent, and identify opportunities for sequencing efficiencies and cost optimisation across projects.
8. Challenges around land access and cost certainty remain, but are being actively managed through sustained engagement, technical refinement, and ongoing risk oversight. The team's focus on partnership, transparency, and coordinated delivery is helping maintain progress across this large and complex programme.

Programme progress highlights

9. **Waiohiki:** The first programme consent approved. Full construction tender issued on 29 May to preferred suppliers. Site walkover was carried out in early June. Material haulage is now approximately 50% complete.
10. **Whirinaki:** Successful meeting held with Category 2C landowners to present revised alignment. Engagement continues to progress positively. We are now getting remaining site investigations completed. Enabling works package is being compiled to go out to tender by August/September 2025.
11. **Wairoa:** Landowner interactions are advancing but with several properties still being problematic; OIC amendment formally initiated by the Ministry for the Environment; formal consultation has been completed. The priority is to continue engagement on property access with impacted landowners in the 1C+ alignment.
12. **Ōhiti/Omāhu:** Early works completed on Ohiwia Stream (under budget). Ongoing land access, design alignment, and consent work underway. Value engineering and engagement progressing.
13. **Pākōwhai:** Revised alignment under investigation to reduce cost and land access impacts. Optioneering workshop happened in mid-June, and preferred options to be selected for the 5-6 locations.
14. **Pōrangahau:** Value engineering work underway but the latest cost estimates indicate this project will exceed the revised budget. This is the next project in line for consent application. The draft preliminary design for the proposed solution remains under active development.
15. **Pump Stations:** Tender evaluations complete, with reporting in preparation for governance review as tenders have come in well in excess of the budget.
16. **Telemetry, Scheme Reviews:** Continuing on track.
17. **Levels of Service Upgrades (Rapid Repair):** Planning initiated with strong endorsement from the Central Hawke's Bay District Council.

Financial position

18. Total spend to date across the programme to May 2025 is \$21 million.
19. The Pōrangahau Budget has been revised based on latest QS assessments which is seeing a \$3.5m project budget overrun (total \$18.3m) due to the structures required to complete the flood mitigation works. The design specifications for this project are being reviewed to assist in

reducing project budget overrun while remaining within scope.

20. Pump Stations budget is inadequate due to design and build tenders coming in \$9m+ over budget; scoping and cost-saving exercise is underway to bring back within funding envelope.
21. Pākōwhai is experiencing cost pressures which we are still determining the full extent of as we work through value engineering and revised alignment options.
22. Other budgets have remained unchanged from the previous month but likewise costs to complete will be updated and reported once the value engineering initiatives are complete and updated QS estimates available.
23. Project schedules are still being submitted for approval. With a large number of land access agreements expected to arise over the coming months it is critical these are finalised well before this occurs as land access settlements will strain Council cash flow.
24. The team remains focused on maintaining project momentum while proactively managing costs. Recognising budget constraints and cost escalation as key risks, we are undertaking necessary methodology adjustments and scheduling refinements to ensure alignment with allocated budgets. Ongoing cost oversight and regular financial reviews are in place to support informed decision-making and early identification of potential budget pressures.

Key risks

25. The NIWE programme continues to face several key risks that require ongoing oversight and proactive mitigation to ensure successful delivery.

Ability to Gain Land Access

26. The primary risk remains the ability to secure timely land access, particularly in relation to whenua Māori land, where engagement processes are necessarily complex and time-intensive. Delays in land acquisition or access agreements may significantly impact project timelines, the delivery of key milestones and even project deliverability. The programme team is actively engaging with affected landowners and Mana Whenua to build strong relationships and maintain open, transparent dialogue.

Certainty of Costing and Funding

27. Cost certainty remains another critical area of concern. While most projects are currently tracking within budget, financial resilience across the programme is under pressure due to higher construction costs due to the need for more complex flood structures and project-specific methodology refinements. The Pākōwhai, Pōrangahau, and pumpstations projects are experiencing the most significant cost pressures, prompting value engineering reviews and design alignment exercises to attempt to bring them back within acceptable parameters. The programme continues to refine financial forecasting and maintain strong budget controls, with an emphasis on early identification of variances and mitigation strategies.

Timeframe for delivery

28. Timeframe risks are closely linked to final alignments, land access and regulatory approvals. Delays in design and the Order in Council consent process pose potential threats to overall delivery timelines. Recognising this, the programme is working closely with project managers, consenting authorities, and governance groups to maintain momentum, identify potential bottlenecks, and escalate unresolved issues early.

Consenting update

29. The first project consent (Waiohiki) has been received and the conditions were substantially as applied for.
30. A schedule of consent timelines is complete which will help ensure consents are submitted as soon as prelim designs are completed with all necessary supporting material including –

ecological reports, cultural impact assessments, archaeological reports and landscape assessments.

31. The OIC change for Wairoa is well underway with final signature by the Governor General expected late August. 14 submissions were received following the consultation process with most in support.

What is coming up at programme level

32. Submission of remaining project claims.
33. Consent lodgment for Pōrangahau and further work on revised alignments.
34. Continued rollout of enabling works procurement.
35. Finalisation of programme and project-level schedules.
36. Expanded land access engagement and updated communications plans.

Decision-making considerations

37. 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 *Update on the North Island Weather Events (NIWE) resilience programme* staff report.

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

There are no attachments for this report.

Subject: Report from the Risk and Audit Committee

Reason for report

1. The following matters were considered by the Risk and Audit Committee (RAC) on 7 May 2025 and are now presented for the Council's information and consideration.

Agenda items for Council decision

2. The RAC did not consider any items requiring recommendations to Council for decisions.

Audit Plan for the 2024-2025 Annual Report

3. This item presented the plan and schedule from Ernst & Young (EY) for this year's Annual report which noted:
 - 3.1. The statutory date by which the Annual Report must be adopted is after the election so the timelines have been adjusted so that Council can adopt it at an extraordinary meeting on 8 October – prior to the 11 October election.
 - 3.2. There were two low risk issues identified in the pre-audit for follow-up, being asset valuations, their inputs and techniques, and the Cyclone Gabrielle recovery funding timing and alignment to activities.
4. The Risk and Audit Committee resolved to receive and consider the *Audit Plan for the 2024-2025 Annual Report*.

Treasury Compliance Report for the period 1 January - 31 March 2025

5. This item presented the RAC with the compliance monitoring report for HBRC treasury activity and highlighted:
 - 5.1. Council was in compliance with its treasury policies.
 - 5.2. The Council is in the final stages of transitioning its transactional banking facilities from BNZ to ANZ, and went live with ANZ on 7 April 2025. For the next 12 months, the Council will maintain its banking facilities with BNZ to ensure a smooth transition for ratepayers and to continue counterparty opportunities.
 - 5.3. Debt forecasts project Council's debt will increase above LTP forecast as consequence of cashflow timing of crown reimbursements on the NIWE projects before coming back into line with LTP forecasts and ratios, post completion of the projects in July 2026. One NIWE claim for reimbursement has been accepted by the Crown to date.
 - 5.4. Council's short-term debt is a consequence of the delayed settlement on insurance claims for Cyclone Gabrielle by insurers and NEMA.
 - 5.5. Due to increased debt, HBRC needs additional Standby Facility headroom to manage liquidity as required under our Treasury Policy. As such Council now has an additional facility with LGFA \$1m and \$10m, with a minimum draw period of 1 month.
6. The Risk and Audit Committee resolved to receive and note the *Treasury Compliance Report for the period 1 January - 31 March 2025*.

Risk Management update

7. The item, which was discussed with the public excluded, provided the following updates:
 - 7.1. the evolution of the system and policy to fit with the organisation's delivery of risk management
 - 7.2. the Risk Sentiment Survey, by ELT only this time, showed that overall confidence has increased although there's a need for focus around clarifying the alignment of strategic priorities to decision-making on funding and resources required for delivery across Council as well as the capability and capacity of service providers and partners, and the security, integrity and privacy of data and information
 - 7.3. the Fitch reassessment of the Council's credit rating
 - 7.4. the physical security and site access controls testing carried out recently and the remedial actions being developed in response to the findings.
 - 7.5. the Health, Safety and Wellbeing move to ISO accreditation has fallen behind due to staff resignations however some contracted external resource has been engaged to pick the work up.
 - 7.6. programmes of work, such as NIWE, and actions for HBIFR have traction, however do carry financial risk exposures due to funding certainty and future affordability where costs are not covered through Government Funding. Good progress however is noted on HBIFR recommendations. Noted PWC have been engaged for independent verification of actions taken.
8. The Risk and Audit Committee would like to draw Council's focused attention to two events of interest that occurred in the prior month namely:
 - 8.1. A near miss incident whereby HBRC paid an invoice to a supplier who had been infiltrated/intercepted by an unknown external party. The \$250k invoice was paid, however the payment was stopped and queried by our banking provider (BNZ). The money was reimbursed but this was a near miss where controls have been improved to mitigate future risk.
 - 8.2. A further near miss H&S event occurred whereby a staff member who is allergic to bee stings received a bee sting while working in a remote area of Hawke's Bay. An Inreach SOS alert was sent, however the monitoring provider (Guardian Angel) did not follow the agreed protocol for an SOS alert. Time delays and inability to action immediately are of concern. After some time, HBRC contacted the landowner (where staff were working) who sent one of their staff to try to make contact (successful). The Staff member was then taken to the closest hospital by landowner staff-no treatment required. A full review of the loan worker escalation pathway has occurred, and a review of the suitability of our In-Reach devices.

Legal update

9. The Committee also received an update on legal matters, in public excluded session, which covered a general update on current and pending litigation matters.
10. HBRC and CDEM now have appointed separate Legal Counsel for the upcoming Coronial Enquiry.

Decision-making considerations

11. 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.

Recommendations

That Hawke's Bay Regional Council receives and considers the *Report from the Risk and Audit Committee*.

Authored by:

Leeanne Hooper
Team Leader Governance

Chris Comber
Chief Financial Officer

Aimee Sandilands
Chief Legal Advisor

Tracey O'Shaughnessy
Treasury & Investments Accountant

Approved by:

Susie Young
Group Manager Corporate Services

Attachment/s

There are no attachments for this report.

Subject: HBRIC Independent Director Appointment

1. That *Hawke's Bay Regional Council* excludes the public from this section of the meeting, being Agenda Item 22 HBRIC Independent Director Appointment 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
HBRIC Independent Director Appointment	s7(2)(a) Excluding the public is necessary to protect the privacy of natural persons.	In considering the appointment of the HBRIC Chair's successor, the experience and qualifications of the candidates will be discussed.

2. That Tom Skerman, HBRIC CE, be permitted to remain at this meeting after the public has been excluded, because of his role and expertise in the subject matter
3. That the decisions arising from this agenda item are advised to the public by way of media release from HBRIC immediately following the meeting.

Authored & Approved by:

Tom Skerman
HBRIC Ltd Chief Executive

Subject: HB Emergency Management Service Level Agreement

1. That Hawke's Bay Regional Council excludes the public from this section of the meeting, being Agenda Item 23 HB Emergency Management Service Level Agreement 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	Rationale for excluding the public
HB Emergency Management Service Level Agreement	<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)(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>The Service Level Agreement is the result of a process of inter and intra organisational change and negotiations between the councils of the region which affect employees of those councils.</p> <p>The advice of staff into the development of the SLA has the potential to be contentious. Councillors and staff need to be able to discuss the financial and operational proposals put forward in the SLA without pressure from media or politicians.</p>
How has the public interest been considered/ weighed?	The public interest in this item will be satisfied when the Service Level Agreement is adopted and made public by the CDEM Group Joint Committee on 28 July 2025.	

2. That the contents of and decisions arising from this agenda item will be made public once negotiations have concluded and the Service Level Agreement has been adopted, in its final form, by the HB CDEM Group Joint Committee on 28 July 2025.

Authored by:

Shane Briggs

Director Hawke's Bay Emergency Management

James Park

Management Accountant

Approved by:

Katrina Brunton

Group Manager Policy & Regulation

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 24 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
Central Hawke's Bay Managed Aquifer Recharge Project	<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>	<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>

Authored by:

Leeanne Hooper
Team Leader Governance

Approved by:

Desiree Cull
Strategy & Governance Manager