



**HAWKES BAY**  
**REGIONAL COUNCIL**  
TE KAUNIHERA Ā-ROHE O TE MATAU-A-MĀUI

**Meeting of the Hawke's Bay Regional Council**

**Date:** 30 July 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 (06 835 9200 or [governanceteam@hbrc.govt.nz](mailto:governanceteam@hbrc.govt.nz)) at least 2 working days prior to the meeting it relates to.
3. Some time limits and restrictions apply, including:
  - 3.1. A period of up to 30 minutes will be set aside for the Public Forum and each speaker allocated up to 5 minutes to speak. If the number of people wishing to speak in the public forum exceeds 6 in total, the meeting Chairperson has discretion to restrict the speaking time permitted for all presenters.
  - 3.2. The meeting Chairperson has the discretion to decline to hear a speaker or to terminate a presentation at any time if:
    - 3.2.1. the speaker's topic / issue is not within the terms of reference for the Committee or on the Agenda for the meeting
    - 3.2.2. the speaker is repeating views presented by a previous speaker
    - 3.2.3. the speaker is criticising elected members and/or staff
    - 3.2.4. the speaker is being repetitious, disrespectful or offensive
    - 3.2.5. the speaker has previously spoken on the same issue
    - 3.2.6. the matter is subject to legal proceedings
    - 3.2.7. the matter is subject to a hearing, including the hearing of submissions where the local authority or committee sits in a quasi-judicial capacity.
4. At the conclusion of a speaker's time, the Chairperson has the discretion to allow councillors to ask questions of speakers to obtain information or clarification on matters raised by the speaker.
5. Following the public forum no debate or decisions will be made at the meeting on issues raised during the forum unless related to decision items already on the agenda.

**Decision-making considerations**

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

**Recommendation**

That Hawke's Bay Regional Council receives and notes the *Public Forum speakers' verbal presentations*.

**Authored by:**

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

**Approved by:**

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

**Attachment/s**

There are no attachments for this report.

# Hawke's Bay Regional Council

30 July 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 19.

Topic	Raised by



**Subject: Recommendations from the Regional Planning Committee**

**Reason for Report**

1. The following matters were considered by the Regional Planning Committee (RPC) at their meeting on 14 May 2025, and are now presented to Council for consideration and approval.

**Agenda items for Council decision**

**Implications of Resource Management Reform on the Planning Work Programme**

2. This item sought a decision on the direction of the Kotahi work programme in light of recent Cabinet decisions and the Expert Advisory Group's Blueprint for resource management reform.
3. The Committee resolved to receive the report and recommended Council prioritise preparation of the Hazards & Risks and Climate Change chapters of the Regional Resource Management Plan, and pause work on the Urban Form & Development, and Energy, Infrastructure & Transport focus topics until this work is completed.

**Proposed Plan Change 7: Outstanding Water Bodies - Environment Court Decision Overview & Making Proposed Plan Change 7 Operative**

5. This item provided an overview of the Environment Court's decision on Proposed Plan Change 7 (Change 7), and sought the adoption, affixing Council's seal, and public notification of Change 7 to make it operative if no appeals were lodged with the High Court. The Committee resolved to receive the report and recommended that Council undertake the necessary steps to make Change 7 Operative on a date sometime before 31 August 2025, unless an appeal is lodged.
6. The appeal period closed on 15 May 2025, and no appeals have been lodged with the High Court. The Council is now required to adopt Change 7 (Attachment 1) and make it operative. This is a procedural step under the Resource Management Act, with no further discretion to alter or reject the plan

**Decision-making considerations**

7. 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 that:
  - 7.1. Given the item was specifically considered by the Regional Planning 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 *Recommendations from the Regional Planning 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 and persons likely to be affected by or to have an interest in the decision.

### ***Implications of Resource Management Reform on the Planning Work Programme***

3. Agrees that staff will proceed with a work programme that prioritises preparation of the Hazards & Risks and Climate Change chapters of the Regional Policy Statement, including changes to rules, for public notification as a change to the current Hawke's Bay Regional Resource Management Plan (incorporating the regional policy statement) and pauses work on the three other focus topics until the Hazards & Risk and Climate Change work is completed.

### ***Making Proposed Plan Change 7 Operative***

4. Approves Change 7 (outstanding water bodies) to the Hawke's Bay Regional Resource Management Plan in accordance with Clause 17 Schedule 1 of the Resource Management Act.
5. Agrees to staff making the necessary administrative arrangements (including a mandatory public notice) so that Change 7 will become operative on a date sometime before 31 August 2025, unless an appeal is lodged with the high court.

#### **Authored by:**

**Belinda Harper**  
Team Leader Policy & Planning

**Nichola Nicholson**  
Manager Policy & Planning

#### **Approved by:**

**Katrina Brunton**  
Group Manager Policy & Regulation

#### **Attachment/s**

- 1 Environment Court Decision version of PC7 Under Separate Cover

**Subject: Napier Urban Waterways**

**Reason for report**

1. This report seeks the in-principle agreement of Hawke's Bay Regional Council to transfer responsibility for, and ultimately ownership of, the Napier urban waterways assets currently owned by Hawke's Bay Regional Council to Napier City Council.
2. In-principle decisions are being sought from both councils. This will formalise the discussion had at a series of workshops since a review was initiated in 2021. These in-principle decisions are being sought now to ensure that the transfer process is completed in time for these assets to be included in Napier City Council's asset register, as part of the establishment of a Regional Water Organisation under Local Water Done Well.
3. The Regional Council will have further opportunities to consider the merits of the asset transfer, in light of new information and in particular community views sought through consultation. This decision allows staff from both councils to progress work for community consultation.

**Staff recommendations**

4. Staff recommend that the Regional Council supports the transfer of Napier Urban Waterways assets to Napier City Council, as outlined in this paper.

**Background /Discussion**

5. A widespread open drainage network provides stormwater drainage and management for most of the Napier urban environment. Some waterways were originally designed to provide land drainage to rural environments, however, these now form a critical part of Napier City Council's stormwater network.
6. Pieces of the network assets are separately owned, operated and managed by Hawke's Bay Regional Council (HBRC) and Napier City Council (NCC). The network assets include pump stations, detention dams, flood gates, and culverts, as well as open waterways. Maintenance and operation of the waterways is currently carried out by both HBRC and NCC. The two Councils have structured regular meetings to co-ordinate stormwater activities at both strategic and operational levels, and more recently to develop a single delivery plan.
7. The current ownership and management arrangement was determined at the 1989 local government reform.
8. A review of urban stormwater network service delivery was initiated in 2021 to primarily address:
  - 8.1. The need to provide a consistent level of service for stormwater services within Napier's urban areas
  - 8.2. The need for a coordinated, consistent, investment approach for Napier's stormwater services
  - 8.3. Lack of accountability with roles and responsibilities not clearly defined
  - 8.4. Lack of clarity around ownership and operational responsibilities
  - 8.5. Potential to increase risk for incident response without a suitable framework in place
  - 8.6. The need for effective ownership, governance and management arrangements for Napier's urban stormwater to be in place prior to the establishment of any potential Three Waters entity in Hawke's Bay



## Issues

11. Key issues presented by the current arrangement are summarised below.
  - 11.1. **Levels of service** – existing levels of service for some drainage catchments are based on land drainage requirements for pastoral/horticultural use and not clearly aligned to urban stormwater levels of service.
  - 11.2. **Roles and responsibilities** – there is no contract or formal arrangement in place between the two organisations regarding management of the waterways as a whole. There is no single ‘source of truth’ formalised documentation about roles and responsibilities.
  - 11.3. **Accountability** – accountability is not clear across the stormwater activity with regards to waterways maintenance and operation. Public and communities are not clear who is responsible for what.
  - 11.4. **Ownership** – land, assets and equipment may have different ownership, e.g. a pump station owned by HBRC but a SCADA system installed by NCC, who operates the pump station.
  - 11.5. **Investment and decision making** – level of investment across both councils may not be consistent across both councils which could have downstream impacts. Each council makes investment decisions based on their own ‘risk appetite’ with limited coordination. A whole of network approach is required for planned future investment in drainage assets which is more challenging under joint ownership and operation.
  - 11.6. **Compliance** – there is an increasing need for accurate asset data, and performance and consent monitoring.
  - 11.7. **Uncertainty around Local Water Done Well reforms** – Future Three Waters service delivery is still largely unknown through implementation of the Local Water Done Well policy. The establishment of a new water services entity may alter opportunities to transfer drainage schemes.

## Options assessment

12. Ten options are being considered in the Business Case, which are noted below.
  - 12.1. Status quo – maintain current arrangements.
  - 12.2. Enhanced status quo – current practice operationalised, documented and collated into a structured and combined format.
  - 12.3. Enhanced status quo with rationalisation of contracts – option 12.2, plus additional improvements through rationalisation of contracts.
  - 12.4. Enhanced status quo with Waterways Asset Management position established – option 12.2, plus establishment of a new role to oversee the management of the urban waterways as a combined activity.
  - 12.5. Assets split on a geographic basis – open drainage assets transferred based on their geographical location such as catchment boundaries or urban boundary.
  - 12.6. Assets split by function – each council has full ownership and responsibility for a specific asset function or activity.
  - 12.7. All assets transferred to one council – one council has full responsibility for ownership and management of all open waterways within Napier City Council boundary.
  - 12.8. Full shared services jointly managed between HBRC and NCC.
  - 12.9. CCO/CCTO owned by council/s – transfer of the urban waterways into a newly established CCO/CCTO.
  - 12.10. Council forms an alliance arrangement to manage and deliver the urban waterways.

13. Option 12.5 above (labelled Option 3a in the Business Case) is preferred by staff of both NCC and HBRC. Support for this option was also indicated by the respective councils at the 12 June 2025 workshop.

### Development of preferred option

14. Shortlisted options will be considered in the Business Case, and assessed against the three factors:
  - 14.1. Finance
  - 14.2. Risk
  - 14.3. Investment objectives and business needs.
15. The preferred option, to transfer of assets between the two organisations with assets split on a geographic basis, will be further explored in the Business Case.

### Draft schedule for transition

16. A schedule for the transfer of assets will be developed and agreed by staff based around the milestone dates below:
  - 16.1. NCC will provide management and operation of HBRC assets from 1 July 2026
  - 16.2. Ownership of assets will transfer to NCC on 1 July 2027 or in line with any potential Water Services CCO in response to Local Water Done Well.
17. A number of factors for the transition schedule remain uncertain, including:
  - 17.1. Establishment of a WSCCO presents a risk to the proposed schedule. Transition of ownership may be accelerated after consideration of the WSCCO schedule
  - 17.2. The required consultation by both Councils at each stage of the process.



### Strategic fit

18. The Strategic Plan 2020 – 2025 identifies Infrastructure & Services as a Strategic Priority.
19. The proposal to transfer management and ultimately ownership of HBRC’s urban waterway assets to NCC will enable more effective and efficient operation and management of the integrated Urban Stormwater Network, and therefore enable the agreed Levels of Service to be achieved.

### Significance and Engagement Policy assessment

20. Contracting NCC to manage the operations of the additional urban stormwater assets is not considered significant. HBRC will continue to rate for the service and set budgets according to a joint Asset Management Plan. It is an extension of an existing contract to manage parts of the urban waterways, and will clarify roles and responsibilities to assist the existing level of service to be met.

21. The transfer of urban waterway assets to NCC's asset register and ongoing responsibility for rating and future investment is considered significant. The Urban Waterways group of assets is considered to be a Strategic Asset by Hawke's Bay Regional Council. Although the proposed transfer relates to a minor portion of the overall asset, will have no net financial impact for rate payers, and should result in a positive impact to meeting an existing level of service, staff consider that its strategic value to reducing flood risk for a large area of Napier makes its transfer significant under the Significance and Engagement Policy. Given its significance it is proposed to consult via the 2027 Long Term Plan.
22. Community consultation is also required under section 17 - Transfer of responsibilities of the Local Government Act. Napier City Council has indicated its pathway for consultation is to consult through the 2027 Long Term Plan.
23. The decision sought from Council in this report is an agreement in principle to the proposed pathway so that work to this end can progress, with the scope and nature of engagement to be determined at a later date.

### **Financial and resource implications**

24. The transfer of assets is expected to have the following financial impacts (assessment based on 2023-24 operating budgets, which will be updated in finalising the Business Case).
  - 24.1. Implementation costs in the range of \$150,000 - \$250,000, including an estimate for internal staff costs.
  - 24.2. Approximately \$1,245,000 of additional annual operating expenditure being borne by NCC, with a commensurate reduction at HBRC. Both Councils have agreed for HBRC to continue collecting targeted stormwater rates from impacted properties which will be passed through to NCC in the 2025-26 and 2026-27 financial years, or until full ownership has been transferred.
  - 24.3. The business case identifies the resource requirement for this portion of HBRC's total asset base as being 0.1 of an FTE. Therefore, there is no anticipated increase in resource requirement within Napier City Council, nor decrease in resource requirement for HBRC.
  - 24.4. Approximately \$650,000 of unfunded overheads (including employment costs) remaining within HBRC.
  - 24.5. Transfer of assets with a book value of \$10,012,000 (as at 30 June 2023) from HBRC to NCC. This equates to approximately 4% of HBRC's total assets, and 0.4% of NCC's total assets. Asset values will be agreed by the councils at the time of transfer.
25. The Business Case will not account for any increased efficiency of delivery; however, these are likely to exist following transfer. Detailed analysis of future funding requirements will take place as part of the transfer process.
26. Detailed consideration of whether the transfer will involve transfer of any debt or financial reserves is yet to be had; however, HBRC is of the opinion that a full balance sheet transfer would take place.

### **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. The use of the special consultative procedure is not prescribed by legislation for this is in-principle decision; however, the final decision to transfer asset ownership is considered significant and involving a strategic asset so will require consultation through a long-term plan using the special consultative procedure.

- 27.2. The in-principle decision to progress work towards a transfer of Napier Urban Waterway assets is not significant under the criteria contained in Council's adopted Significance and Engagement Policy, however a decision to transfer asset ownership is considered significant and will require community consultation and regard to the considerations in section 17 of the Local Government Act 2002 including whether transfer will promote—
- 27.2.1. better fulfilment of the purpose of local government
  - 27.2.2. productivity improvements within local authorities and districts or regions
  - 27.2.3. efficiencies and cost savings
  - 27.2.4. assurance that the local authorities concerned have the resources necessary to enable them to effectively perform or exercise their responsibilities, duties, and powers
  - 27.2.5. effective responses to the opportunities, needs, and circumstances of the affected area
  - 27.2.6. enhanced effectiveness, efficiency, and sustainability of local government services
  - 27.2.7. better support for the ability of local and regional economies to develop and prosper
  - 27.2.8. enhanced ability of local government to meet the changing needs of communities for governance and services into the future.
- 27.3. A local authority must also notify the Minister of its intention to transfer a responsibility or accept a transfer of responsibility under this section.

### **Recommendations**

That Hawke's Bay Regional Council:

1. Receives the *Urban Waterway Asset Ownership Transfer* staff report.
2. Approves, in principle, subject to future consultation, the transfer of responsibility for the Hawke's Bay Regional Council assets within the Napier Urban Waterway Stormwater Network to Napier City Council's asset register as part of the establishment of a Regional Water Organisation, under Local Waters Done Well.
3. Endorses the development of a combined Asset Management Plan to guide staff in the investment, management and operational direction required for the Napier Urban Waterway Stormwater Network.
4. Notes the significance of the asset transfer and the need for a joint community engagement process with Napier City and Hawke's Bay Regional Council prior to a final decision to transfer the assets.

#### **Authored by:**

**Jon Kingsford**  
**Manager Regional Projects**

#### **Approved by:**

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

#### **Attachment/s**

There are no attachments for this report.

**Subject: Prioritisation of strategic interventions for water security**

**Reason for report**

1. This item discusses water security supply and demand interventions and controls that have been initiated because of the Regional Water Assessment. It also summarises current investment and activities, drawing on the foundation laid by the Regional Water Assessment (RWA).
2. The RWA recommended that development of demand management occurs alongside supply-side solutions, particularly water storage investigations. This approach reasserts the integrated intent of the Regional Water Security Programme (RWSP), recognise that interventions supporting water security is a rapidly evolving space, and preserves Crown funding pathways, and acknowledges the evolving governance responsibilities of Council.

**Staff recommendations**

3. Staff recommend that the Council considers the information presented as the basis for staff to develop a strategic framework for water security and a business case, guided by feedback from that strategic framework, for considering additional projects relating to supply and demand for implementation through the next Long Term Plan.

**Executive summary**

4. Water Security focuses on the supply of, and demands on, the region's freshwater resource. The RWSP is aligned with and forms a part of Council's much larger and wider functions in respect to freshwater policy and implementation.
5. The Regional Water Assessment (2023) made clear that Hawke's Bay faces a material water shortfall of approximately 25 million m<sup>3</sup> per annum by 2040, widening to 33 million m<sup>3</sup> by 2060. Crucially, this projection assumes incremental improvements in water use efficiency across all sectors. The RWA deliberately adopted an environmental water accounting framework so that Council can evaluate and prioritise the most effective and efficient water security interventions.
6. Council's decision in 2021 to commit \$1 million loan-funded investment (not yet activated) to a freshwater demand management workstream was part of an integrated approach to water security alongside the water storage and aquifer recharge investigations that successfully attracted co-funding from central government. That programme stalled in the aftermath of Cyclone Gabrielle.
7. This report offers a refreshed summary of investment in supply and demand, including understanding the level of work in this space currently being delivered:
  - 7.1. Water Storage (HWSP)
  - 7.2. Aquifer Recharge in Central Hawke's Bay, and scoping Roy's Hill
  - 7.3. Nature Based Solutions
  - 7.4. Water Information Services (Demand assessment)
  - 7.5. Water Advisory
  - 7.6. Regulations (TANK Plan), Compliance
  - 7.7. Groundwater modelling and LIDAR analysis.

8. HBRC funding of external projects at \$2.940m, of which \$2.695m is loan funded (note: this excludes \$1m allocated as part of the 2021-31 LTP loan funding).
9. This item aims to:
  - 9.1. present a summary of *strategic interventions for water security*, and to note the range of activities supporting Water Security being delivered by HBRC
  - 9.2. recognise there is ongoing investment and activity already occurring, into understanding the aquifer, supply and demand
  - 9.3. support the development of a strategic framework for water security based on the findings from and direction of the Regional Water Assessment.

## Background

### Reasserting the role and objective of the Regional Water Assessment

10. The Regional Water Assessment is notable, not simply for identifying a headline shortfall figure, but for emphasising the dynamic nature of supply and demand, and the need to plan within a range of plausible climate and land use scenarios. It applies a logic akin to climate mitigation and adaptation planning: building resilience through scalable and effective options that are not overly reliant on a single outcome or technology.
11. The Regional Water Assessment was released publicly on 30 June 2023 after two years of data-driven analysis. It is the first region-wide water account in New Zealand, using the UN's System of Environmental-Economic Accounting for Water. The RWA established a robust environmental water accounting methodology, quantifying how much water the region has and uses, and projecting future supply vs demand under climate change. Critically, the RWA identified that current water use is outpacing nature's ability to replenish supply during the critical summer months. Even assuming material conservation efforts and zero-growth in water availability, Hawke's Bay is facing an estimated 25 million m<sup>3</sup> annual water shortfall by 2040, growing to 33 million m<sup>3</sup> by 2060. In other words, without intervention the region will not have enough water to meet combined urban, agricultural, and ecosystem needs in coming decades. Note that these numbers reflect only the mid-range of scenarios – and that the reality is that the community may have to prepare for materially greater shortfalls.
12. The RWA's environmental water-account approach highlighted that our waterways have "no more to give" under current allocation limits, especially in dry years. At the same time, even within recent allocation limits, extractive demand is projected to increase (due to population and economic growth and higher irrigation needs in a hotter climate). This imbalance underpins the RWSP's mandate – the region must both reduce demand and increase supply where feasible. The RWA stresses the need for precautionary planning amid deep uncertainty: managing freshwater is "decision-making under significant and unresolvable uncertainty". Therefore, we must build resilience by planning for a range of scenarios rather than relying on one prediction. Notably, RWA concluded that the region should not choose "one option over the other" (demand reduction vs. supply augmentation) but strive for an integrated approach to water security. In summary, the RWA has provided an objective, data-driven foundation for water security planning – its findings and methodology providing a guide for rebalancing water security.
13. The RWA's core message is this: demand-side interventions are not a fallback, they are foundational. The RWA explicitly notes that: "...supply side options, if available and viable, simply alter the pace and scale of required demand management improvements. They do not eliminate them." That framing remains valid and guides Council's strategic response.
14. Therefore, a key next phase of the RWA is to develop a strategic framework for Water Security, as a foundation for the preparation of a business case for investment by council in ongoing activities for water demand/supply.

15. There is a changed financial climate for Council since its original investment decisions of 2021, and a robust strategic framework to guide and prioritise future investments is needed.
16. A succinct water security strategy will capture and maintain momentum for existing activities, ensuring the interconnectedness of these, while providing a foundation for future investments leading into the next LTP.

### Supply interventions recap: progress and perception

17. An update on the Heretaunga Water Storage (HWS) project is included as a separate agenda item.
18. The visible momentum on HWS has prompted some concerns that storage is being prioritised at the expense of mitigation and conservation. This is a misunderstanding.
19. Water storage development and demand management are complementary, not competing, approaches. Council has consistently endorsed a multi-faceted strategy, wherein carefully designed water storage infrastructure, if viable, is one part of a multi-faceted approach alongside efficiency measures and other tools. Pursuing demand management should not undermine or delay the HWS project feasibility work – nor does investigating storage viability mean we can ignore efficiency. In fact, both paths must proceed. The RWA explicitly states that even with a storage facility, we must “improve the way we use water”, and that while storage “offsets the extent and urgency” of required demand changes, it does not replace the need to use water better.
20. Engineers and hydrologists continue to assess the reservoir’s feasibility – which inherently requires an assessment and consideration of alternative supply solutions including inter-catchment transfer and aquifer recharge research (see next section). In the meantime, farmers, industries, and cities must continue improving water-use efficiency – saved water extends the benefit of storage, and stored water (if developed) can safeguard us as we implement durable efficiency measures over time.

### Recent development supply

#### *Braided Rivers*

21. In parallel with the Crown co-funded HWS investigations, Council has recently had an opportunity to receive and review emerging science on braided rivers to enhance water security. Lincoln Agritech’s 2024 research on braided river systems (which included the Ngaruroro River as a case study) provides new insight into how such rivers recharge groundwater. The study introduced a “braid plain aquifer” concept – essentially, the active gravel braid plain of a river acts as a shallow storage reservoir, distinct from but connected to the regional aquifer. In braided reaches, water exchanges occur at multiple scales: near-surface flow between river channels and the braid plain gravels, and deeper flow from those gravels down into the regional aquifer. The implication is that braided rivers can provide substantial aquifer recharge given the right conditions.
22. For Hawke’s Bay, this is particularly relevant to the Ngaruroro and Tukituki Rivers (both have braided characteristics in their upper/mid reaches). The research suggests that changes in river management or morphology could impact recharge rates and groundwater levels. A “room for rivers” approach (allowing a river to occupy more of its natural braid plain) or targeted use of infiltration basins in braid plains could increase recharge to aquifers. Aquifer recharge enhancements are not an “alternative to storage” in the sense of large reservoirs, but they can be a valuable adjunct – effectively a nature-based supply strategy that enhances the effectiveness of summer flows supplemented by the release of winter stored water.
23. Council will, no doubt, see the potential alignment between the Lincoln Agritech braided river study and how this might be considered within a strategic framework for Water Security.

24. Involvement and engagement by HBRC would be guided through the framework and a range of support options that could be financial, technical, governance, community facilitation support, or other as determined by the model.
25. **Managed Aquifer Recharge (MAR)** or flow augmentation projects work with natural river dynamics. The CHB MAR pilot project is a key initiative under the Council’s Regional Water Security Programme, co-funded with Kānoa (MBIE). The project was designed to test the effectiveness of managed aquifer recharge (MAR) as an alternative to large-scale water storage.
26. The PGF Funding Agreement (administered by MBIE, Kanoa team) and water storage principles excluded the development of large-scale water storage infrastructure and specifically detailed the exclusion of the RWSS Makaroro site.
27. In September 2023, the project obtained 10-year resource consents for the trial and began detailed site investigations. However, technical challenges at the intake site disrupted the investigation work plan. Work on this project recently recommenced.
28. Funding – committed through the 24/25 → 26/27 LTP financial years is:
  - 28.1. Kānoa has committed \$1.45M in suspensory loan financing
  - 28.2. HBRC committed \$2,375,377 of loan funding. This is to be repaid over a 5-year term period at a cost of ~\$320K interest.
29. Year to date, the project has incurred \$211,742 in costs prior to the previously agreed pause in activities. Activities are now continuing through to the stage of consenting as part of the review process.
30. **Roy’s Hill aquifer recharge investigations:** Early work as part of Reimagining Flood Resilience has considered options for giving the river room and raising the grade line of the scheme in the Roy’s Hill area, with consideration for how an aquifer recharge models in that area. The Lincoln Agritech (Braided Rivers) work has been shared with Tonkin & Taylor who are undertaking this work. Activity is in the investigative stage.

#### *Nature Based Solutions*

31. Council has also been involved in an MfE funded programme of work – Nature Based Solutions. In August 2023, MfE allocated \$5 million through the Jobs for Nature programme to 15 regional councils and unitary authorities. This funding supports 21 two-year projects focused on investigating nature-based solutions for river and coastal flood risks.
32. These nature-based approaches aim to mitigate the increasing frequency of flooding due to heavy rainfall events, while also enhancing biodiversity and ecosystem health.
33. In July 2023 HBRC was awarded funds from MfE for two areas – the Heretaunga Plains, and the Upper Tukituki catchment. The funding is to investigate “how nature-based solutions may change the run-off coefficients at appropriate scales and the impact of this on peak flows and flood potential, **as well as contributing towards landscape water retention in dry periods.**”
34. The project was undertaken between October 2024 and June 2025 with a recent series of Wananga to test the initial findings. WSP has completed modelling and is sharing their findings. The outcome of this work will be integrated into future scheme reviews and flood management planning, be considered as part of a business case development, and ensure nature-based solutions are considered alongside other options.

#### **Demand Management**

35. Provisional data collated for the RWA gave weight to Council signaling its intent for \$1 million loan funding specifically for freshwater demand management initiatives in the 2021–31 Long Term Plan (LTP). This was strongly endorsed by the community (about 83% support through the LTP consultation, reflecting broad public backing for water conservation measures). The intent was to develop a dedicated Demand Management Workstream (DMW) as part of the Regional

Water Security Programme. In 2022–23 two consultancy studies were commissioned to identify water saving opportunities across sectors (irrigation and municipal/industrial).

36. However, contributing factors, including Covid-19 disruptions followed shortly by Cyclone Gabrielle which demanded Council’s attention and resources, inevitably delayed longer term strategic initiatives like demand management. The commissioned reports on irrigation and “tier three” (town/industry) water use were completed, but their recommendations have yet to translate into a dedicated Council programme. Using content and analysis of these reports may be best operationalise through a business case development where prioritisation and cost benefit analysis can be compared with other initiatives from the RWA.
37. **Plan Change 9**, (TANK) aims to introduce tighter allocation limits, minimum flows, and efficiency requirements aimed at reducing over-abstraction. Notably, it classifies the Heretaunga aquifer as over-allocated and sets a groundwater cap of 90m m<sup>3</sup>/year with no new water permits to be granted. These regulatory “sticks” if implemented will eventually force demand down. The TANK Plan Change introduces both regulatory and non-regulatory improvements to water security: sometimes directly, in terms of allocation policy and streamflow maintenance policy; sometimes indirectly – such as embedded assumptions within the ‘actual and reasonable’ allocation framework that good irrigation technology and soil moisture management reflect the continuous improvements in water use savings and efficiency.
38. However, TANK remains under appeal in the Environment Court as of mid-2025. This ongoing legal process creates uncertainty – the final rules may not be operative for some time, and aspects could change. Therefore, Council cannot rely on the TANK plan alone to deliver the necessary water savings in the immediate future. While the TANK rules (once settled) will be a crucial part of the long-term solution – essentially serving as the regulatory backbone for efficient water use – they are not a panacea for the current deficit. Non-regulatory actions taken now (through the DMW) can start achieving savings and building resilience now.
39. This approach aligns with the RWA’s advice to be “robust to alternative futures” – if, for instance, TANK outcomes are delayed or climate impacts outpace regulatory measures, Council will have other measures already in play.
40. The **Water Information Services (WIS)**, within HBRC, contributes to supporting water efficiency across the region by ensuring the integrity, availability, and usability of water use data. This includes overseeing telemetry and water meter data, working with consent holders to ensure the required infrastructure is in place, and that accurate readings are being provided and understood.
41. The team provides advice and guidance to help users meet their responsibilities and refers cases to Compliance when necessary. WIS maintains the integrity of the data and records within council systems, enabling timely, reliable information for monitoring water use. This information is also increasingly used by the Science team as an input for further analysis or modelling.
42. A Specialist Water Advisor – works with water user groups to promote both irrigation water use efficiency and training opportunities to improve practices.
43. An education programme He Tonga te Wai has been developed for school students to understand Hawke’s Bay’s water resources. It explores how everyone plays a role in caring for water in the environment and responsible water use.
44. During the 2024-25 irrigation season a series of extension events were held alongside Irrigation NZ to promote irrigation efficiency. These were primarily targeted at water users but also included working with internal HBRC staff to help them better understand how more efficient water use can be achieved as a region.

## Options for additionality

### *Irrigation Efficiency*

45. The RWA Mid-range scenario already assumes a decrease in primary sector water use of approximately 1% per annum – i.e., 20% savings by 2040 and 40% savings by 2060.
46. Working with the agricultural sector to improve irrigation practices and technology. Primary sector use represents ~64% of Hawke's Bay's total water use, so even modest gains here yield large absolute savings. The RWA emphasized demand reduction is "the most available and cost-effective" way to address water security, and irrigation efficiency is central to this.
47. The consultant findings show a major opportunity to phase out or upgrade inefficient irrigation systems (e.g., portable gun sprinklers). Currently an estimated 50–67% of Hawke's Bay's cropping and pasture irrigators use gun irrigators, which have the lowest distribution uniformity; improving or replacing these could save ~30–38% of the water they use. Promoting modern systems (pivot and drip irrigation where appropriate) and ensuring existing systems are well-maintained can yield quick wins.
48. Better irrigation scheduling is another low-cost, high-impact practice – currently only ~50% of surveyed pastoral/cropping farmers actively schedule water (versus 73% in horticulture). Simply irrigating at the right times and amounts could cut usage significantly; a Canterbury study saw up to 50% water savings through improved scheduling. The DMW can leverage off HBRC's existing irrigation advisory efforts (e.g. field days, irrigation audits) to work one-on-one with consent holders (as recommended in the reports).

### *Municipal Leakage & Metering*

49. The RWA Mid-range scenario assumes a decrease in household water use of approximately 0.6% per annum – i.e. 12% savings by 2040 and 24% savings by 2060.
50. Partnering with municipal water providers to reduce water loss in town supply networks and promote wise use. Urban supply accounts for ~19% of the region's water use and is subject to high infrastructure losses. Studies have found 20–30% of municipal water is suspected to be lost to leakage in ageing pipe networks. Tackling this requires investment in pipe renewals and active leak detection – work which the TAs are planning at various levels.
51. HBRC's role is supportive: by potentially coordinating regional efforts, and sharing best practices (e.g., Napier's acoustic leak detection trials or Hastings' pressure management zones).

### *Industrial Water Reuse & Efficiency*

52. Manufacturing and processing accounts for ~13% of the region's water use.
53. Engaging with major industrial water users – particularly food and beverage processors on the Heretaunga Plains – to reuse water and share non-potable supplies. There is potential to repurpose 'waste' water from industry for productive use. For example, two of the region's large vegetable processors use about 6 million m<sup>3</sup> per year of water, which after processing is still relatively clean (food-grade additives only).
54. Currently that water is discharged to waste at considerable cost, but if even a portion was captured, treated, and stored, it could irrigate several hundred hectares. The volume gains here, while not as high as irrigation, are material.

### *Braided River Recharge*

55. This is a more recent development and, as referenced earlier, cannot be funded via the Heretaunga Water Storage project. Additional resource would need to be allocated to HBRC's Science team to develop a limited scoping study, co-designed with Lincoln Agritech and other partners, to examine where and how braided river morphology might support recharge and, crucially, the degree to which that could be confidently translated into enduring water supply and allocation frameworks.

## Financials

Activity	Total Expenditure to date	Comment
Regional Water ☑ includes CHB, HWS programme	\$10.5m	
Nature Based Solutions	\$315K	Complete
3D Aquifer mapping	\$4.3m	Complete
Model Development	\$610K	Complete

56. Regional Water – Main spend has been on external contractors. Our main funding source has been loan funding due to the inter-generational nature of this programs potential delivery
57. Nature Based Solutions – this was funded entirely through MPI, with the main spend on external contractors
58. 3D Aquifer – A mixture of loan funding (largest contributor), fees and charges and general rate funding. Main spend on external consultants with a remainder on internal time from HBRC staff
59. Model Development - Loan funded over 3 years, with the spend mainly on external consultants.

### Define scope – Proposed development of a strategic framework

60. The opportunity now is to consider the development of a strategic framework to guide the prioritisation of future investment and resource allocation towards delivering on the foundation report, Regional Water Assessment.
61. The key issues identified by Council identified Water Security as one of the three top priorities to address (Flood Risk, Water Security, Land Management). The foundational focus for Water Security has been through the findings of the Regional Water Assessment. With key initiatives in this space underway, it is timely that a strategic framework is developed to provide a roadmap for council to prioritise investment and resource.
62. When setting the scope for the development of a strategic framework for water security, it is important to note that at the time of the Regional Water Assessment there was a different political and environmental culture. A move from Environmental Stewardship to Community Resilience has resulted in a tighter focus on what Council leads, what we partner on, and what we support others to do.
63. With emerging uncertainty as to the ability of a regulatory framework to underpin demand interventions, a more strategic and collaborative approach co-designed with the community, including mana whenua, who have a long term and deeper cultural connection to water security is needed.
64. With anticipated resource constraints and the need to behave collaboratively, and in partnership for the delivery of our key priorities, a more collaborative model will need to be considered in the development of a Water Security Strategic Framework.

### Next steps

65. Staff are presenting the current state of activities supporting the delivery of the Regional Water Assessment and in the context of Supply and Demand for consideration by Council.
66. Feedback from Council will provide the necessary direction in framing how a Strategic Framework can be developed to deliver on the findings of the Regional Water Assessment against current economic and organisational priorities.
67. Subject to approval, staff will commence the development of the framework.

## Decision-making considerations

68. 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:
- 68.1. The decision does not significantly alter the service provision or affect a strategic asset, nor is it inconsistent with an existing policy or plan.
  - 68.2. The use of the special consultative procedure is not prescribed by legislation.
  - 68.3. The decision is not significant under the criteria contained in Council's adopted Significance and Engagement Policy.
  - 68.4. There are no persons directly affected by this decision.
  - 68.5. Given the nature and significance of the issue to be considered and decided, and also the persons likely to be affected by, or have an interest in the decisions made, Council can exercise its discretion and make a decision without consulting directly with the community or others having an interest in the decision.

## Recommendations

That Hawke's Bay Regional Council:

1. Receives and considers the *Prioritisation of strategic interventions for water security* staff report.
2. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted Significance and Engagement Policy, and that Council can exercise its discretion and make decisions on this issue without conferring directly with the community or persons likely to have an interest in the decision.
3. Notes that there is ongoing investment and activity occurring into understanding the aquifer, supply and demand.
4. Directs the Chief Executive to develop a strategic framework for water security based on the findings from, and direction of the Regional Water Assessment.
5. Directs the Chief Executive to develop a business case (guided by feedback from the strategic framework) with additional projects relating to supply and demand in preparation for consideration by the incoming council for potential implementation through the next Long Term Plan.

### Authored by:


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**Management**

**James Park**  
**Management Accountant**

### Approved by:

**Nic Peet**  
**Chief Executive**

## Attachment/s

- 1  Restoring balance supply and demand table

	Description	HBRC Lead	Partnership	Current State
<b>Demand</b>				
Regulatory – TANK	<ul style="list-style-type: none"> <li>• <b>The Plan Change 9 (TANK)</b> aims to introduce tighter allocation limits, minimum flows, and efficiency requirements aimed at reducing over-abstraction. Notably, it classifies the Heretaunga aquifer as over-allocated and sets a groundwater cap of 90 Mm<sup>3</sup>/year with no new water permits to be granted.</li> </ul>	<ul style="list-style-type: none"> <li>• Core function of Policy &amp; Regulation at HBRC</li> </ul>	<ul style="list-style-type: none"> <li>• HBRC Policy &amp; Regulation work closely with Mana Whenua and the community in education and adaptation, prior to enforcement</li> </ul>	<ul style="list-style-type: none"> <li>• TANK remains under appeal in the Environment Court as of mid-2025. This ongoing legal process creates uncertainty – the final rules may not be operative for some time, and aspects could change</li> </ul>
Water Information Services	<ul style="list-style-type: none"> <li>• contributes to supporting water efficiency by ensuring the integrity, availability, and usability of water use data. Overseeing telemetry and water meter data, working with consent holders to ensure required infrastructure and accurate readings provided and understood.</li> </ul>	<ul style="list-style-type: none"> <li>• HBRC Environmental Information</li> </ul>	<ul style="list-style-type: none"> <li>• Consent Holders and HBRC Consents and compliance teams</li> </ul>	<ul style="list-style-type: none"> <li>• Operating at peak performance</li> </ul>

	Description	HBRC Lead	Partnership	Current State
Water Advisory	<ul style="list-style-type: none"> <li>Specialist Water Advisor – working with water user groups to promote both irrigation water uses efficiency and training opportunities to improve practices.</li> <li>Education program He Tonga te Wai has been developed for school students to understand Hawkes Bay's water resources. It explores how everyone plays a role in caring for water in the environment and responsible water use.'</li> </ul>	<ul style="list-style-type: none"> <li>HBRC Water Advisor – within Environmental Data team</li> <li>Works closely with Environmental Education Team</li> </ul>	<ul style="list-style-type: none"> <li>Water User Groups/Community Groups</li> <li>Hort Sector Group</li> </ul>	<ul style="list-style-type: none"> <li>Part -time position, around 20 hours per week.</li> </ul>
Industry	<ul style="list-style-type: none"> <li>Engaging with major industrial water users – particularly food and beverage processors on the Heretaunga Plains – to reuse water and share non-potable supplies. There is potential to repurpose 'waste' water from industry for productive use. For example, two of the region's large vegetable processors use about 6 million m<sup>3</sup> per year of water, which after processing is still relatively clean (food-grade additives only).</li> </ul>	<ul style="list-style-type: none"> <li>No active programmes</li> </ul>	<ul style="list-style-type: none"> <li>No active programmes</li> </ul>	<ul style="list-style-type: none"> <li>No active programmes</li> </ul>

	Description	HBRC Lead	Partnership	Current State
Municipal	<ul style="list-style-type: none"> <li>Partnering with city and district councils (TA's) to reduce water loss in town supply networks and promote wise use. Urban supply accounts for ~19% of the region's water use and is subject to high infrastructure losses. Studies have found 20-30% of municipal water is suspected to be lost to leakage in aging pipe networks. Tackling this requires investment in pipe renewals and active leak detection – work which the TAs are planning at various levels.</li> </ul>	<ul style="list-style-type: none"> <li>No Active programmes</li> </ul>	<ul style="list-style-type: none"> <li>No Active Programmes</li> </ul>	<ul style="list-style-type: none"> <li>No Active Programmes</li> </ul>

	Description	HBRC Lead	Partnership	Current State
<b>Supply</b>				
Storage	<ul style="list-style-type: none"> <li>• HWSP</li> <li>• 30 July Council Paper</li> </ul>	<ul style="list-style-type: none"> <li>• Prefeasibility and Feasibility stage 1</li> <li>• Feasibility stage 2 proposal to transfer to independent entity</li> <li>• HBRC provides funding agreement for Feasibility only</li> </ul>	<ul style="list-style-type: none"> <li>• Mana Whenua</li> <li>• Municipal Water Users</li> <li>• Water Users</li> </ul>	<ul style="list-style-type: none"> <li>• With Council for decision</li> </ul>
MAR	<ul style="list-style-type: none"> <li>• MAR – CHB</li> <li>• MAR Roy's Hill</li> <li>• Flow augmentation projects that will work with natural river dynamics</li> </ul>	<ul style="list-style-type: none"> <li>• Key initiative under the Regional Water Security Programme</li> </ul>	<ul style="list-style-type: none"> <li>• Co-funded by Kanoa (CHB)</li> </ul>	<ul style="list-style-type: none"> <li>• CHB Mar progressing</li> <li>• Roy's Hill early stage developing, aligned to flood mitigation?</li> </ul>
Nature Based Solutions	<ul style="list-style-type: none"> <li>• These nature-based approaches aim to mitigate the increasing frequency of flooding due to heavy rainfall events, while also enhancing biodiversity and ecosystem health.</li> <li>• The funding is to investigate "how nature-based solutions may change the run-off coefficients at appropriate scales and the impact of this on peak flows and flood potential, as well as contributing towards landscape water retention in dry periods"</li> </ul>	<ul style="list-style-type: none"> <li>• Primarily led from the Flood Resilience Programme</li> </ul>	<ul style="list-style-type: none"> <li>• MfE funded through Jobs for Nature to 15 regional councils</li> <li>• Working closely with Mana Whenua and Communities</li> </ul>	<ul style="list-style-type: none"> <li>• Stage one of engagement complete, waiting on reporting.</li> <li>• Opportunity to learn from other council experience</li> <li>• Cross-over with other internal functions like Biodiversity, Biosecurity and land management</li> </ul>

	Description	HBRC Lead	Partnership	Current State
Braided Rivers – Lincoln Agritech	<ul style="list-style-type: none"> <li>Lincoln Agritech's 2024 research on braided river systems (which included the Ngaruroro River as a case study) provides new insight into how such rivers recharge groundwater. The study introduced a "braid plain aquifer" concept – essentially, the active gravel braid plain of a river act as a shallow storage reservoir, distinct from but connected to the regional aquifer.</li> </ul>	<ul style="list-style-type: none"> <li>Receive and review Science</li> </ul>	<ul style="list-style-type: none"> <li>Potential partnership/support model from HBRC to local water users through Science Support</li> </ul>	<ul style="list-style-type: none"> <li>Project Underway outside of HBRC</li> </ul>
Re-cycling	<ul style="list-style-type: none"> <li>Opportunity to engage with major industrial water users – particularly food and beverage processors on the Heretaunga Plains – to reuse water and share non-potable supplies.</li> <li>Potential to repurpose 'waste' water from industry for productive use. For example, two of the region's large vegetable processors use about 6 million m<sup>3</sup> per year of water, which after processing is still relatively clean (food-grade additives only).</li> </ul>	<ul style="list-style-type: none"> <li>No involvement yet</li> </ul>	<ul style="list-style-type: none"> <li>No partnership yet</li> </ul>	<ul style="list-style-type: none"> <li>Concept</li> </ul>



**Subject: Heretaunga Water Storage delivery**

**Reason for report**

1. This report summarises the results of Stage 1 Feasibility and requests Council approval to release the existing allocation of funding for Stage 2 Feasibility, allowing the continued progress of the feasibility work programme.
2. It also updates the Council on ongoing arrangements to transfer the project to an alternative entity (ProjectCo). It seeks approval for delegations to the Chief Executive to execute the funding agreement with ProjectCo when ProjectCo is established to give effect to the transfer of funding and design studies.

**Staff recommendations**

3. As per the earlier advice to Council, the key matters for Council to consider at this meeting are:
  - 3.1. The outcomes of Stage 1 feasibility
  - 3.2. The release of the existing Stage 2 feasibility funding
  - 3.3. Provision of funding to ProjectCo and the terms thereof, including confidence in ProjectCo and its ability to deliver
  - 3.4. What happens if ProjectCo is unable to be incorporated.
4. Based on the detailed information covered in this report, staff recommend that Council:
  - 4.1. Approves the release of the Stage 2 feasibility funding of \$2.724 million to continue feasibility investigations as contemplated in January 2025 (total residual funding as at 30 June 2025).
  - 4.2. Approves the provision of residual feasibility funding and transfer of existing project IP and supplier agreements to a company to be established (ProjectCo).
  - 4.3. Approves the delegation to the Chief Executive to execute the funding agreement with ProjectCo, on terms substantively similar to those described in paragraph 52 (including any other ancillary agreements or documentation reasonably necessary to give effect to the funding agreement)
  - 4.4. Notes that the key focus for Council is the funding agreement, being the mechanism by which Council:
    - 4.4.1. is able to step back into the role of an independent project funder
    - 4.4.2. obtains visibility and accountability over the use of its funding by ProjectCo and ProjectCo's ability to deliver the feasibility phase objectives
  - 4.5. Notes that if the funding agreement is not signed by 30 September 2025, staff will report back to Council for consideration of next steps. Council will receive regular updates on progress during this period.

**Executive summary**

5. Council's move to transfer this project to a new construct with primary water interests represented at a governing level is bold and in line with this philosophy. History has reinforced the complexity of water issues and adversarial planning processes has seen limited progress be made in achieving the regulatory objectives and addressing major concerns from interest groups.

6. The primary water interests that Council has engaged with to participate at this level are Tamatea Pōkai Whenua and Mana Ahuriri, mana whenua authorities with primacy, Heretaunga Sustainable Water group, representing agricultural and industrial water users and Napier City Council and Hastings District Council, representing municipal supply.
7. The aim is to provide a construct that enables genuine participation as an owner/shareholder of an entity, envisaged to be enduring, where the key principles are set by this group collectively and incorporated into the scheme's operational design.
8. The proposed shareholder groups have confirmed intent to participate and have either confirmed formally or in the process of confirming their respective representatives. Whilst this engagement process is continuing, separate from HBRC to protect and ensure independence, the message has been of clear desire to move into collective sessions without delay.
9. The Council's primary focus is now the drafting of legal agreements for the provision of residual feasibility funding and IP transfer to the company (ProjectCo) at incorporation.
10. The funding agreement is a mechanism for the provision of funding, but also monitoring the performance of ProjectCo relative to the strategic objectives Council has for this project.
11. Key features of the funding agreement are outlined in the recommendations.
12. The development of the funding agreement is well advanced, aiming to balance meeting the Councils' needs—such as accountability for public funds and alignment with their objectives for the project—while also ensuring that ProjectCo has enough independence and flexibility to manage and deliver the project effectively, including incorporating the views of water user groups.
13. From a process perspective, the proposal is to delegate to the Chief Executive to negotiate and execute a funding agreement and IP transfer agreement with ProjectCo, on the basis set out above.
14. Stage 1 feasibility, overseen by an interim Project Steering Group with Councillor representation, has allowed the project to gain momentum and involve key personnel and suppliers. It has also verified the feasibility delivery plan and outlined the overall project delivery, from feasibility to the final investment decision (construction ready). Feasibility investigations are progressing well, and the project is positioned to continue through Stage 2 feasibility with minimal disruption risk, which is inherent in transitioning to a new governing and delivery entity.
15. The team has delivered on what was proposed during Stage 1 Feasibility, and the findings have provided a deeper understanding and reassurance that the project's overall risk profile has not materially changed.
16. Stage 2 builds on work started and advanced in Stage 1. The goal is to maintain delivery momentum by progressing key feasibility investigations and activities in parallel with transitioning the project to the ADV. The project team has engaged key suppliers who are ready to continue with funding approvals.
17. An initial assessment of the project's demand profile provides important insights and reassurance that there is demand for a storage scheme at E2 Whanwhana. During Stage 2 Feasibility, evaluating and strengthening confidence in demand will be a key focus, alongside completing essential investigations and activities for resource consenting. The economics of the scheme, the operating regime, and the selected commercial model are evolving, with input from the proposed shareholder groups in the design being crucial.

## **Background /Discussion**

18. In January 2025, HBRC re-affirmed its commitment to water storage development as a key initiative (but not the only initiative) for water security in Heretaunga. During this meeting, HBRC:

- 18.1. Confirmed the 27mm<sup>3</sup> 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.
  - 18.2. 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.
  - 18.3. 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).
19. In January, the Council directed staff to advance engagement with key parties with the aim of transitioning to a preferred alternative delivery structure during the Feasibility phase, recognising that this was a vital step to;
    - 19.1. Foster stakeholder and water user collaboration and commitment during an important design and development phase (critical to financial viability)
    - 19.2. Enable the Council to concentrate on its role as regulator, and
    - 19.3. Enable the most streamlined and efficient delivery of the project.
  20. The Feasibility plan proposed a two-stage feasibility phase with Stage 1 scheduled for 6 months with a circa. \$1 million budget. An overview of Stage 1 objectives is recapped below.

#### **Overview of the phase**

To manage risk and provide an 'off-ramp', a **two-staged Feasibility phase** is proposed.

##### **Stage 1**

- Develop, socialise, and present a preferred delivery model to transfer governance and operational delivery to progress the project outside of Council.
- Refine technical, ecological, and commercial aspects to validate targeted project assumptions and address key identified risks (i.e. carry-out key feasibility level investigations that relate to key risk areas).
- Commence long lead items.

21. In March 2025, HBRC publicly committed to the feasibility phase of the project and has clearly and consistently communicated its intention to transition governance from HBRC to a community model representing water users.
22. In June 2025, staff briefed Council on the preferred ADV structure and provided a progress update on the process underway with the proposed shareholder groups tasked with 'governing' the project under an independent structure. In addition, this information paper provided an update on Stage 1 feasibility progress.

#### **Stage 1 Feasibility investigations / work programme**

23. The decision sought is for Council to approve the release of the Stage 2 feasibility funding of \$2.724 million to continue feasibility investigations as contemplated in January 2025 (total residual funding as at 30 June 2025).
24. This section provides an overview of what has been delivered during the six months covered by Stage 1 Feasibility, the outcomes of this work, and how it contributes to advancing the project, while also considering this work in relation to the overall project risk profile.
25. In summary however, the Stage 1 feasibility work programme has been delivered as planned and within budget, and the conclusion is that the overall project risk profile and viability has not changed materially (i.e. at a fatal flaw level).
26. The end of the prefeasibility business case highlighted key uncertainties and risks that should be investigated early during the feasibility phase to determine whether the assumptions broadly

align with the prefeasibility findings or if they could significantly impact project viability. These key uncertainties are now better understood and throughout feasibility will be further defined. To recap what was highlighted for early investigation during Stage 1 the following excerpts have been summarised from the January 2025 Council papers (held in public exclusion).

*Technical/Environmental /regulatory*

- 26.1. How the scheme operation will interact with regional policy to deliver augmentation flows to the Ngaruroro and targeted lowland streams (and what this means in terms of the conveyance plan)
- 26.2. The ongoing RMA reform, new environmental regulations applicable to this proposal and how this may impact resource consenting (including potential pathway and timeframes)

*Commercial*

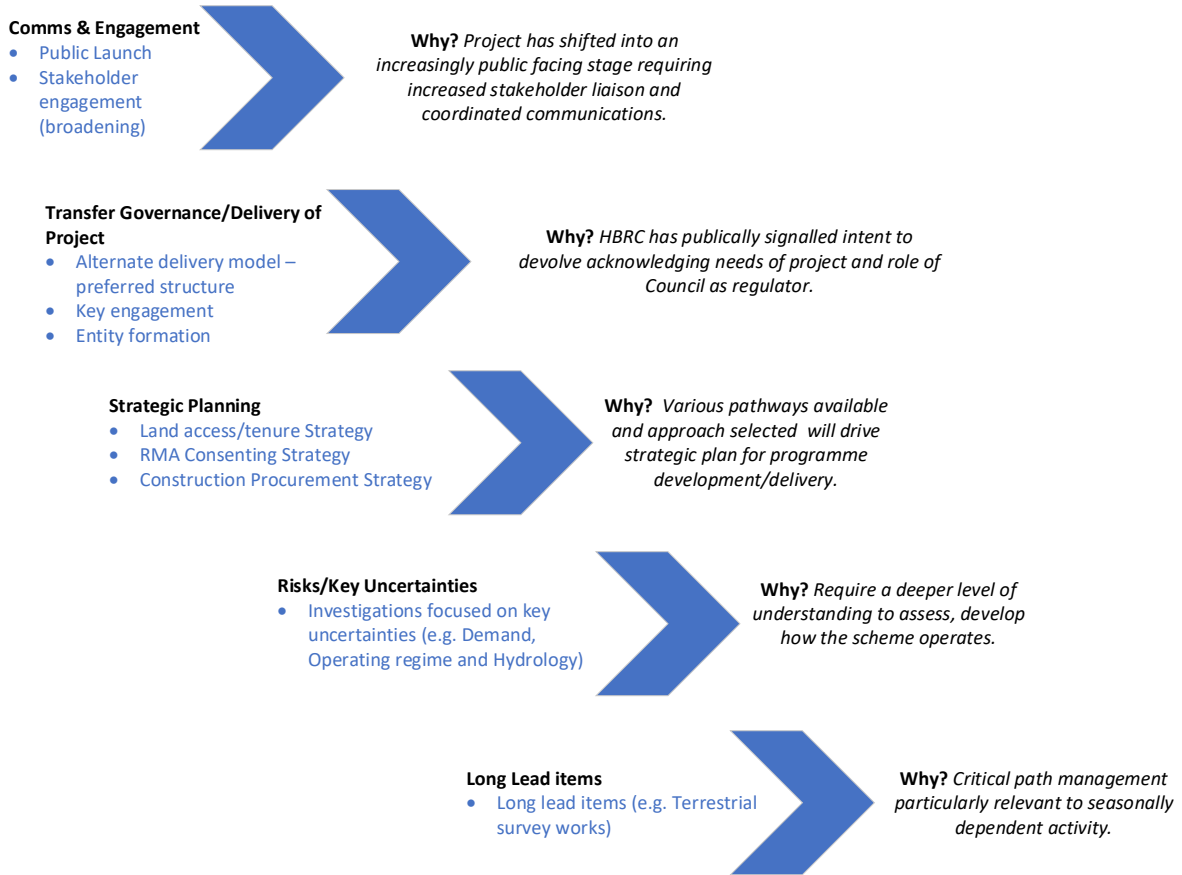
- 26.3. How scheme operation (and regulatory plans/policy) interacts with a commercial model that supports an implementable approach for existing and new water permit holders to access stored water
- 26.4. An understanding of the potential demand (new and existing)

*Land*

- 26.5. assessing what security options are available over land affected by the dam site/reservoir (including potential offset requirements) that balance the needs of the project and affected landowners.
27. In addition to the uncertainties / risks, the following opportunities were highlighted:
    - 27.1. Key Stakeholder participation – working alongside, involving water users, mana whenua/iwi, and site landowners during feasibility is better supported through the shift to a model that offers the mechanism for these interests to be more genuinely represented.
    - 27.2. Using available central government support mechanisms – potential infrastructure funding and the government’s resource consent fast track framework.
  28. In addition to progressing investigations related to key risks and uncertainties, strategic matters have been advanced, including:
    - 28.1. launch of the project to enhance its public facing profile and positioning with key stakeholders
    - 28.2. provision of strategic advice relating to the projects potential resource consenting and construction procurement options.

29. As a summary, the priority activity undertaken during Stage 1 Feasibility is illustrated in the diagram below.

**Stage 1 Feasibility Phase: Priority activity**



30. The findings and outcomes from Stage 1 activity, as well as their impact on the assessment of risk for the project, are summarised in the following table. Some of these matters are commercially sensitive and continue to evolve. Stage 1 has been, in part, about ensuring ongoing confidence to release Stage 2 funding and to transfer the projects governance and delivery to an independent entity.

Findings/Outcomes	Risk Assessment	Next Steps
<b>Communications and engagement</b>		
Project has been launched and positioned with stakeholders, including politicians, local industry, councils and the public. The commitment to an ADV has been clearly communicated across stakeholders, including with central government.	The Feasibility phase gains more public attention, raising perception risks that will need more engagement and coordinated communication efforts. Key water interests anticipated being involved as part of ADV governance, is expected to broaden the reach and strengthen direct communication channels.	The next stages of the project will involve coordinated and increasingly frequent communications to engage with shareholder groups, manage feasibility milestones—including with the public and behind the scenes with stakeholders—and start building the project's public profile as it approaches the completion of feasibility and resource consents application. Under the ADV structure, the ADV and Council will maintain close engagement on communications.

Findings/Outcomes	Risk Assessment	Next Steps
<b>Transfer of project governance and delivery</b>		
<p>Preferred structure (company) agreed and socialised with proposed shareholder groups. Positive commitments to participate and progress the project under a construct represented by primary water interests – mana whenua authorities, municipal and commercial / industrial water users.</p>	<p>Moving the project to the preferred structure lowers execution risk as participation by water user groups is considered critical for project success. It does that by allowing their properly considered as the project is developed, while protecting the Council’s integrity as a regulator.</p>	<p>Continue the engagement process as a group, and finalise arrangements for the ADV, ensuring that shareholder representatives are comfortable enough to legally establish the company.</p>
<b>Strategic Planning</b>		
<p>Strategic advice from RMA Legal and Planning specialists on the projects recommended resource consenting pathway. Resource consenting advice assessed consent risk to be manageable and recommended using the government's Fast Track consent process. This project is considered well positioned to be eligible but would require Ministerial referral. Specialist advice from Engineering Consultants on potential construction procurement options open to this project considering the merits and implications of various options. This scale project offers a range of Construction procurement options. Early information and assessment helps clarify available choices and timing, as decisions will influence the level of engineering works undertaken by the project or transferred to a contractor.</p>	<p>Strategic advice has been independent and provides a greater depth of understanding of the options available and the decisions required. It is considered to reduce the overall risk of the project.</p>	<p>Necessary activities and investigations to support a resource consent application must be carried out regardless of the resource consenting pathway chosen. Key inputs needed for the preparation of the Resource Consent application is critical path during feasibility. Stage 1 Feasibility initiated key investigations and this will be built upon during Stage 2. Key decisions relating to the resource consent pathway and the construction procurement process will be sought towards the end of 2025. It is expected that these decisions will be made under the ADV.</p>

Findings/Outcomes	Risk Assessment	Next Steps
<b>Investigations – key uncertainties/risks highlighted in Pre-Feasibility</b>		
<p><i>NOTE: This work is ongoing and evolving as part of our feasibility studies. It plays a crucial role in guiding the development and design of the scheme. This effort enhances the understanding and confidence in the scheme's economics and is essential for continuous viability assessment.</i></p> <p>We now have an overview of the scheme to support other technical workstreams and articulated a proposed operating regime with consideration of how it will interact with the regulatory framework and the schemes commercial model.</p> <p>We also have specific information on the schemes command area and the potential demand from existing and new land use.</p> <p>At a technical level we have a better understanding of the potential flood events at the dam site and have commenced an update on the seismic hazard assessment (undertaken during prefeasibility).</p>	<p>Risk reduction exercise undertaken providing greater level of understanding. Further definition sought through continuing Stage 2 feasibility investigations. Assess no material change in overall project risk profile.</p>	<p>Continued investigation. This is planned and poised to continue on budget approval.</p>
<b>Long lead items – Terrestrial Ecology</b>		
<p>An onsite terrestrial survey (focused on the upper reservoir areas) was undertaken in Autumn, providing an enhanced data set and updated view of the ecological values and management plan (primarily offset) required.</p>	<p>The latest survey has indicated that the terrestrial values and offset requirement have decreased from the prefeasibility assessment. This means that the project has less impact on terrestrial ecology that initially thought.</p>	<p>A comprehensive suite of [other?] environmental surveys and an onsite technical programme is scheduled for the 2025/6 Spring and Summer seasons. These investigations are essential inputs for resource consenting and for confirming affected land areas required for the project to secure rights.</p>

31. The work completed during Stage 1 feasibility has not significantly altered the overall project risk profile. There is growing confidence in the resource consenting requirements and pathway, the scheme's operating regime, and its interaction with the regulatory framework. Although a proposed commercial model is not yet finalised, it is beginning to take shape and will be further developed with input from water user interest groups.
32. In January 2025, the Stage 2 feasibility was proposed to be completed over 12 months with a Council funding of \$2.2 million, aiming for June 2026. The delivery plan has been reviewed with key suppliers and, although ambitious, the timeline is deemed realistic. Following the completion of Stage 1 feasibility, the project aims to deliver a final feasibility study by the end of May 2026. However, this phase faces key timeline risks and depends on resource consenting decisions anticipated to be made at the end of 2025.

## Stage 2 Feasibility objectives

33. Stage 2 Feasibility objectives outlined in January 2025 remain relevant. These are recapped below.

### Stage 2

- Complete residual feasibility-level investigations and project development activities to deliver a (full feasibility study) level of confidence in the water storage scheme and its feasibility.
- Complete resource consent studies aligned with regulatory requirements in preparation for lodgement.
- Develop and test the demand / commercial model (including critically the interface with Council resource management regulatory framework) and build customer (and stakeholder) buy-in.
- Secure sufficient funding for the next phase of the project.
- Test project economics and affordability at a feasibility level of confidence.
- Prepare for the next stage of development, including procurement, funding, and stakeholder consultation.

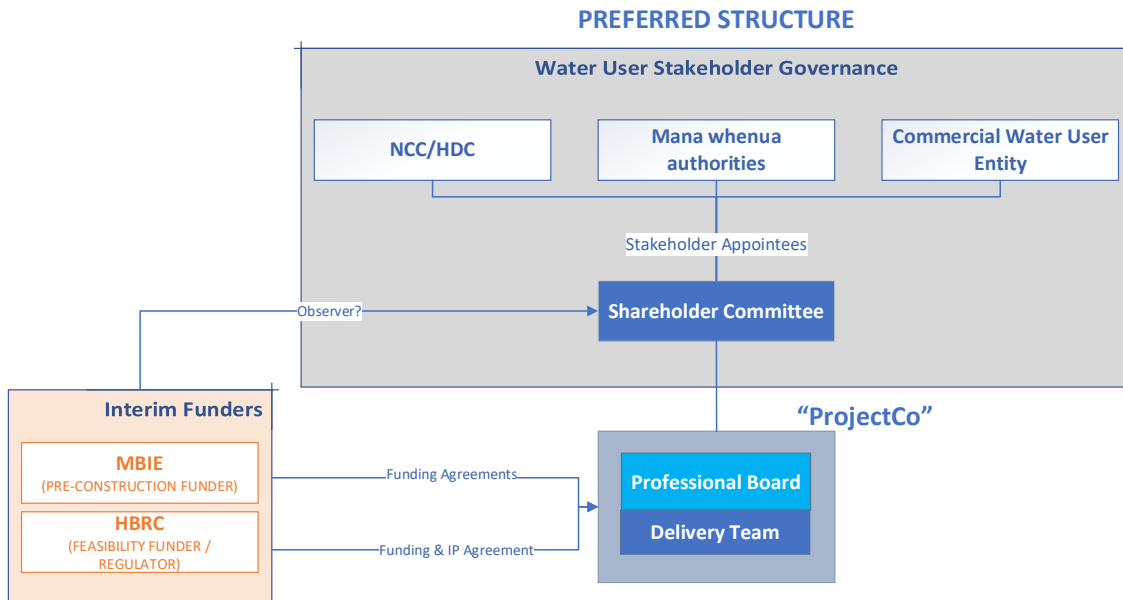
34. Stakeholders, including central government ministers and departments, proposed shareholders and landowners, have all reinforced their desire to see this project accelerate. The project team has planned, scoped and is poised to contract Stage 2 investigations as a continuation of feasibility. The work programme is well positioned to continue through the transition to a new structure and the focus is to ensure that disruption and delay is avoided.

## Alternate Delivery Vehicle Workstream (*transferring project governance/delivery*)

35. The decisions sought from Council are to:
- 35.1. Approve the provision of residual feasibility funding and transfer of existing project IP and supplier agreements to a company to be established (ProjectCo).
  - 35.2. Approve the delegation to the Chief Executive to negotiate and execute a funding agreement and IP transfer agreement with ProjectCo, based on a set of key criteria as described in paragraph 52.
  - 35.3. Note that the proposed shareholder groups have now confirmed interest in principle subject to working through the proposition, and are actively engaging on participating as shareholders, and that the proposed shareholder groups are:
    - 35.3.1. Napier City Council (NCC) and Hastings District Council (HDC) (municipal water)
    - 35.3.2. Tamatea Pōkai Whenua and Mana Ahuriri (mana whenua authorities)
    - 35.3.3. Heretaunga Sustainable Water (agricultural and industrial).
  - 35.4. Note that the key focus for Council is the funding agreement and IP Transfer Agreement and having confidence and comfort in ProjectCo's ability to deliver, and if these agreements are not signed by 30 September 2025, staff will report back to Council for consideration of next steps. Council will receive regular updates on progress during this period.

## Recap from prior June paper

36. As advised in the June Council paper, advice has been taken and considered in terms of a preferred structure for the Alternative Delivery Vehicle.
37. The preferred structure has been informed by advice on legal structures and governance arrangements (refer to the "options assessment" section for further detail).



38. The preferred alternative delivery model for the Project, “ProjectCo”, is a limited liability company with the following characteristics, with three shareholding groups representing water users. Each water user group would appoint members to a shareholder committee, which in turn would appoint a skills based board to govern the project.

#### Current state – ready for final Council approvals

39. Since the June meeting, significant progress has been made, including:
- 39.1. Engagement with all proposed shareholding groups, with all indicating agreement in principle to participate
  - 39.2. Development of a draft funding agreement to provide existing feasibility funding but also ensure that ProjectCo adheres to Council strategic objectives for the project, and appropriate accountability mechanisms.
40. Staff consider that the ADV arrangements are now ready for Council to provide approvals to allow the ADV to be implemented:
- 40.1. The funding agreement and IP transfer agreement – key terms and a delegation to the Chief Executive to finalise and execute the funding agreement

#### Founder Shareholding Group engagement – progress made since June

41. 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.
42. The proposed shareholder groups are as follows:
- 42.1. Heretaunga Sustainable Water (HSW) (horticulture and industrial). HSW is a [company] established to collectivise horticultural and industrial water users perspectives.
  - 42.2. Napier City Council and Hastings District Council. Both councils draw water for their constituents use from Heretaunga plains ground water.
  - 42.3. Mana whenua authorities. Tamatea Pōkai Whenua and Mana Ahuriri Trust.
43. All parties have engaged with Council and indicated in principle interest in participating in this structure. A number of these parties have met with the project team as part of their ‘due diligence’ process. The intention is that the parties engage together, supported by the project team, to agree the specifics of the corporate structure and other aspects considered relevant, as well as the funding agreement.

44. After the Council meeting, this process will continue, with a view to getting into a position for the company to be incorporated and the funding agreement signed as soon as possible.

#### **If ProjectCo is unable to be established**

45. There is some risk (albeit considered limited) that ProjectCo is unable to be established, potentially due to material misalignment between the parties that can not be resolved.
46. If the funding agreement and IP transfer agreement are unable to be signed by 30 September 2025, staff will report back to Council for consideration of next steps.
47. Staff have considered the situation where some, but not all shareholder groups agree to participate:
  - 47.1. If only one group agrees to participate, staff considers this as insufficient to proceed, and staff would report back to Council to consider next steps
  - 47.2. If two of the three groups participate, staff consider that this is sufficient grounds to proceed, on the proviso that shares and shareholder committee seats are reserved for the third shareholder group.
48. This approach has been reflected in the proposed principles for the funding agreement as set out in the next section.

#### **Role for Council**

49. Once ProjectCo is established, Council's role in respect of the project, and relationship with ProjectCo, will be as a provider of grant funding, the terms of which will be governed by the terms of the funding agreement between Council and ProjectCo.
50. The funding agreement has been prepared for Council by Simpson Grierson with input from the Chief Legal Advisor and Group Manager – Integrated Catchment Management. Chapman Tripp and the project team have acted as a proxy for ProjectCo in the negotiation and drafting of the term sheet for the funding agreement (which is now in final form).
51. The funding agreement is on terms customary for the provision of grant funding. It has been prepared to balance Council's needs and expectations (for example accountability for public funds and alignment with Council's objectives for the project), while balancing ProjectCo's need for independence and flexibility to manage and deliver the project, including integrating the views of the water user groups.
52. The details of the funding agreement are confidential as between the Council and ProjectCo. However, at its core, the funding agreement provides for:
  - 52.1. The balance of the available funding committed through the LTP and endorsed in January 2025 to advance the Heretaunga Water Storage feasibility phase, to be provided as a grant
  - 52.2. Council to have appropriate accountability and oversight mechanisms to monitor expenditure of public funds by ProjectCo and ensure throughout the contract term that Council's expected project outcomes are being pursued, including:
    - 52.2.1. funding only to be released once the Chief Executive is satisfied that ProjectCo has the requisite capability and is in a position to effectively deliver the feasibility phase
    - 52.2.2. oversight of the project plan and budget
    - 52.2.3. provision of regular reporting
    - 52.2.4. customary undertakings and representations from ProjectCo
    - 52.2.5. termination and suspension rights for a combination of project specific and general scenarios, and

- 52.2.6. The feasibility study report at the end of the phase will be delivered to Council as the key output.
53. There is a transfer mechanism of design work studies to date and a provision for claw back if the Funding Agreement terminates.
54. From a process perspective, the proposal is to approve the delegation to the Chief Executive of the authority to execute the funding agreement with ProjectCo, on terms substantively similar to those described under paragraph 53 (including any other ancillary agreements or documentation reasonably necessary to give effect to the funding agreement).

### **Crown funding arrangements**

55. Council has a number of funding agreements with the Crown in relation to the project, and is currently in discussions with MBIE to vary some existing funding arrangements to ensure it is available when it is most needed. The expectation from the Crown is that this funding is used to accelerate delivery of the project (whilst obviously maintaining appropriate project disciplines and consideration of all relevant matters, including environmental matters).
56. These discussions are ongoing, but making this funding available at the most critical time will enable additional activities during the feasibility phase, improve that phase, and possibly bring forward the start date of construction if the project progresses. This funding is expected to require co-funding. It is not expected to replace Council funding, and ProjectCo will need to ensure sufficient commitment exists to secure the necessary co-funding to support the final pre-construction phases.
57. When the outcomes of these discussions are clear the project budget and plan will be revisited.
58. The Kanoa funding agreements are expected to be novated to ProjectCo at the same time that they are amended.

### **Options assessment**

59. As noted above, options have been considered for the Alternative Delivery Vehicle.
60. As covered in previous advice to Council, devolving the project to an alternative delivery is considered superior to retaining the project within Council, for the following reasons:
- 60.1. Devolving the project allows Council to maintain independence as a regulator, especially leading into a resource consenting process
- 60.2. Council is resource constrained, and developing a project of this scale and complexity is not core business for Council
- 60.3. Previous experience indicates that obtaining genuine water user [and interested party] input earlier is key for successful execution of pre-construction phases. This is challenging to achieve under a Council led model.
61. The main options considered were as follows:
- 61.1. A trust structure, with trustees appointed by the 'Shareholder Groups' (potentially with the trust owning a company), and
- 61.2. A company structure as outlined above (preferred option).
62. In summary, the advantages of the company structure relative to the trust structure are:
- 62.1. Certain technical legal issues were identified in relation to the trust structure, and
- 62.2. The company structure provides a better mechanism for water user groups to have a voice (as shareholders). Trustees are subject to a range of duties in law, and would be merely appointed by the shareholder group, as opposed to representing them.

63. The company structure is the preferred option for the following reasons:
  - 63.1. It would be fit for purpose commercially, with flexibility to adapt to changing project needs or explore future commercial opportunities
  - 63.2. It reflects a common structure for water storage schemes, which would support the ease of contracting, raising further capital, future joint ventures / partnering, etc
  - 63.3. Allow for broad participation, with no limit as to the number of potential users/shareholders (useful for future phases of development)
  - 63.4. Provide a clear governance structure, with the board having project decision making authority, but subject to the shareholders, who are represented by the Shareholding Committee, and
  - 63.5. Certain challenges were identified with the trust structure (summarised below).
64. The challenges with the trust structure include:
  - 64.1. The charitable purpose of the trust would need to be for the public benefit of the community broadly and not a restricted group of beneficiaries. If this project is meant to operate under a structure where water users fund the project, and obtain access to stored water, it may be difficult to define the purpose as sufficiently charitable, leaving the structure open to legal challenge;
  - 64.2. A charitable trust has less flexibility to pivot over time to adapt to changing commercial conditions. The purpose of the trust as defined at the outset is fixed and difficult to amend. Further, where a fund has been given in trust for charitable purposes and devoted to charitable purposes, the fund cannot ever be resumed for private purposes; and
65. Significant influence will accrue (particularly at the initial phase) to the trustees. A well-established subsidiary company can mitigate this somewhat, however the trustees of the trust (as individuals) would ultimately remain in control of the entity (as opposed to the shareholder groups) and this could be sub-optimal for project governance.

### **Strategic fit**

66. The Heretaunga Water Storage project contributes directly to the following strategic goals:
  - 66.1. Regional Council Long Term Plan (Part 1, page 9): *By 2030, Hawke's Bay has environmentally sustainable, harvestable water identified and stored or plans to be stored if required.*
  - 66.2. HBRC Strategic Plan 2020-2025 – *Sustainable and climate-resilient services and infrastructure*: The region has resilient physical, community and business infrastructure to unlock potential growth and prosperity from our natural resource base. Investment in critical enabling infrastructure is being facilitated in a timely manner through strategic planning, capital raising and accurate pricing for climate change impacts.

### **Significance and Engagement Policy assessment**

67. As per the Significance and Engagement policy the significance of this paper is low and is positioned to inform.

### **Financial and resource implications**

68. Feasibility funding has been committed as part of the Long Term Planning process (LTP 2024-27) and actual expenditure is in line with the budget approved by Council at a public excluded workshop on 29 January 2025. An outline of expenditure against forecasts is provided in the following table.

Heretaunga Water Security	24/25 LTP	25/26 LTP	26/27 LTP
<b>Funding</b>			
HBRC Loan Funding	624,803	1,915,000	427,850
HBRC Reserve Funding	508,200		
<b>Total LTP Funding</b>	<b>1,133,003</b>	<b>1,915,000</b>	<b>427,850</b>
<b>Expenditure</b>			
Pre-feasibility Expenditure (July - December 24)	151,629		
Feasibility Expenditure (Jan - June 25)	599,847		
<b>Net Funding available</b>	<b>381,527</b>	<b>1,915,000</b>	<b>427,850</b>
<b>Total Net Funding Remaining</b>			<b>2,724,377</b>

Source Figures: HBRC Finance as at 30 June 2025

69. The Feasibility (Stage 1 and 2) was originally estimated to cost \$3.220 million to be spent across FY24-26. The total funding available (HBRC and Kanoa) covered this budget, leaving a potential surplus of \$365. Having now completed Stage 1, the budget for the remaining feasibility phase has been reassessed, and the full LTP funding available (\$2.724 million as at 30 June) is expected to be needed, given the reprofiled budget. The total remaining balance is contemplated to be transferred.
70. The HBRC Finance Team is working through the transfer arrangements for residual HBRC Feasibility funding available when the ProjectCo pre-conditions are met. Ongoing arrangements are catered for under the HBRC-ProjectCo Funding Agreement.
71. The HBRC Funding Agreement, will act as the Council's primary agreement with the Heretaunga Water Storage Project, under 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.
72. 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.

### Decision-making considerations

73. 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:
  - 73.1. The decision does not significantly alter the service provision or affect a strategic asset, nor is it inconsistent with an existing policy or plan.
  - 73.2. The use of the special consultative procedure is not prescribed by legislation.
  - 73.3. The decision is not significant under the criteria contained in Council's adopted Significance and Engagement Policy.
  - 73.4. Given the nature and significance of the issue to be considered and decided, and also the persons likely to be affected by, or have an interest in the decisions made, Council can exercise its discretion and make a decision without consulting directly with the community or others having an interest in the decision.

### Recommendations

That Hawke's Bay Regional Council:

1. Receives and considers the *Heretaunga Water Storage delivery* staff report.
2. Agrees that the decisions to be made are not significant under the criteria contained in

Council's adopted Significance and Engagement Policy, and that Council can exercise its discretion and make decisions on this issue without conferring directly with the community or persons likely to have an interest in the decision.

3. Approves the release of the Stage 2 feasibility funding of \$2.724 million to continue feasibility investigations as contemplated in January 2025 (total residual funding as at 30 June 2025).
4. Approves the provision of residual feasibility funding and transfer of existing project IP and supplier agreements to a company to be established (ProjectCo).
5. Approves the delegation to the Hawke's Bay Regional Council Chief Executive to execute the funding agreement with ProjectCo, on terms substantively similar to those described, being:
  - 5.1. The balance of the \$3.2 million, committed through the LTP and endorsed in January 2025 to advance the Heretaunga Water Storage feasibility phase, to be provided as a grant
  - 5.2. Council to have appropriate accountability and oversight mechanisms to monitor expenditure of public funds by ProjectCo and ensure throughout the contract term that Council's expected project outcomes are being pursued, including:
    - 5.2.1. funding is only to be released once the Chief Executive is satisfied that ProjectCo has the requisite capability and is in a position to effectively deliver the feasibility phase
    - 5.2.2. oversight of the project plan and budget
    - 5.2.3. provision of regular reporting
    - 5.2.4. customary undertakings and representations from ProjectCo
    - 5.2.5. termination and suspension rights for a combination of project specific and general scenarios, and
    - 5.2.6. the feasibility study report at the end of the phase will be delivered to Council as the key output.
6. Notes that the key focus for Council is the funding agreement, being the mechanism by which Council:
  - 6.1. is able to step back into the role of an independent project funder
  - 6.2. obtains visibility and accountability over the use of its funding by ProjectCo and ProjectCo's ability to deliver the feasibility phase objectives
7. Notes that if the funding agreement is not signed by 30 September 2025, staff will report back to Council for consideration of next steps. Council will receive regular updates on progress during this period.

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**Attachment/s**

There are no attachments for this report.

**Subject: Fit for the Future report**

**Reason for report**

1. Following the conclusion of 2024-27 Long Term Plan deliberations (noting that this was a three year plan under cyclone recovery legislation), Hawke's Bay Regional Council sought a reduction in the organisation's costs, initially through an efficiency and effectiveness review .
2. Subsequently Council identified the need to make an immediate saving for the 2025-26 Annual Plan and set a savings target of \$5 million. As a result, the Chief Executive and Executive Leadership Team (ELT) delivered a package of potential savings that Council considered through its Annual Plan, which reduced rates from a proposed average 18.3% to an average 9.9%.
3. With an initial cost reduction process in place, Council instructed the Chief Executive to carry out a separate efficiency and effectiveness review to look longer term at the organisation, how it might be set up for the future, and opportunities to improve efficiency and effectiveness.
4. The Chief Executive commissioned an effectiveness and efficiency review in late August 2024 with work progressing from late October. This report summarises the drivers of that review and key findings. The *Fit for the Future* report produced by Alacrity Lab is **attached** to this item. The Alacrity Lab team will present their findings as part of this report.
5. The *Fit for the Future* report will be followed by an Action Plan to be tabled at Council's August meeting. Implementation planning will follow.

**Executive summary**

6. Council has delivered a massive amount of work after Cyclone Gabrielle – including silt and debris management, rapid repairs to infrastructure, reviews, NIWE projects, land categorisation, understanding of the science and impacts of sediment and land movement.
7. The organisation has quite rightly been focused on delivering recovery actions. That has made significant demands across the organisation from governance through to those delivering in the field. The recovery journey continues with Council delivering complex projects outside its business as usual, for example across the NIWE flood resilience programme, response to the flood review, reimagining flood resilience and the upcoming coroner's inquiry.
8. Prior to the cyclone, the organisation traversed a global pandemic and had been in a period of growth after setting ambitious environmental improvement targets in its 2020-2025 strategic plan.
9. The broader issues of water quality, climate change, natural hazards, land management, biodiversity, biosecurity, environmental regulation and regional transport continue to be major drivers of Council's business and significant effort continues to be focused on delivering services across these functions.
10. The external operating environment is also changing rapidly including potential local government structure and functions, a new natural resource management and planning system and the growth of community-based action (e.g., through catchment groups).
11. It is critical that Council looks at rebalancing its priorities, driving efficiency and effectiveness and performance improvement and providing clarity to communities about what it can and, just as importantly, what it cannot deliver.
12. The *Fit for the Future* report identifies that Council is an over-committed organisation financially, and in terms of priorities and expectations of what its workforce can deliver. Pressure on the general rate is a symptom of that over-commitment.

13. The *Fit for the Future* report identifies a set of five key organisational ‘shifts’ that if implemented will balance, recalibrate and empower the organisation. This paper seeks endorsement by Council of the report.
14. The *Fit for the Future* report will be followed by a high-level Action Plan which will be presented to Council at its August meeting.
15. Well-designed and appropriately-resourced implementation will be critical to the success of the transformation ahead.

### **Strategic fit**

16. In the last decade Council has been through a series of events that have shaped the organisation and its cost structures.
17. Broadly those include a period of significant growth associated with a more ambitious set of expected environmental outcomes as detailed in the 2020-2025 Strategic Plan and associated Long Term Plans (2018-2028, 2021-2031), borrowing to support delivery and minimise rates during the COVID 19 pandemic, and more recently the significant impacts of Cyclone Gabrielle.
18. The cumulative effects of those events have included: double-digit rate increases; pressure on the organisation’s balance sheet such that Council will test debt limits in the latter part of the decade; an organisation whose systems have found it hard to keep pace with demand; and an organisation whose shape has been distorted by the very necessary response to the cyclone.
19. At the same time, the organisation has delivered very significant results as part of recovery. It has pivoted to deliver new functions and has delivered major projects in record time. Staff have performed in the face of a once-in-a-lifetime challenge and the pressure has been intense.
20. Councillors and senior managers identified that the position of the organisation was unsustainable and put in place a series of key strategic actions to both reduce cost impacts on ratepayers and to rebalance the organisation both financially and in terms of its focus. The key strategic actions were:
  - 20.1. a savings target for the 2025-26 annual plan – achieved and in place
  - 20.2. an investment strategy to realise improved returns from Council’s investments – in place and underway
  - 20.3. an efficiency and effectiveness review – reported in this paper with implementation to follow.
21. This strategic approach is critical for the future of the organisation. No one element will reduce the pressure on rates, the Council’s debt headroom, or the pressure on delivery. All levers will need to be implemented.
22. The effectiveness and efficiency review reported in this paper is not purely about contributing to a sustainable financial future. Equally, it is a response to Council’s operating environment that is hugely complex and is changing fast at many levels. There is change in terms of community expectations and the ability of communities to deliver services, through to growing relationships with mana whenua to Resource Management Act reform, proposals for rates capping and uncertainty about the future role of regional councils.
23. The *Fit for the Future* report is a fundamental strategic piece of work. It will shape the future of the organisation for the next 5-8 years. It is critical that Council looks at rebalancing its priorities, driving efficiency and effectiveness and performance improvement and providing clarity to communities about what it can and, just as importantly, cannot deliver.
24. The process to produce the report has necessarily been extensive, thorough and wide ranging. The shifts and actions have been built on the ideas and feedback, both internally and externally. This provides a strong foundation for implementation.

## Background

25. The review has been carried out by Alacrity Lab, through Geoff Henley and Krystal Black. Both have worked extensively across the regional sector and have an in-depth knowledge of the role and function of regional councils. They have done similar work for Northland Regional Council, Horizons Regional Council and Greater Wellington Regional Council.
26. The process designed by Alacrity Lab has been comprehensive and has focused on:
  - 26.1. a comparative analysis across sample councils to assist in benchmarking HBRC and identifying points of difference with similar councils nationally; the comparators used were Otago, Horizons and Northland Regional councils
  - 26.2. internal and external structured interviews including with several elected members
  - 26.3. a wide-ranging discovery lab and eight mini labs looking in detail at aspects of the organisation's business; the mini-lab on setting priorities involved several elected members.
27. The final products will be in two parts – firstly a *Fit for the Future* report (**attached**) and subsequently an Action Plan to come to Council at its August meeting.
28. The Action Plan will describe at a relatively high level the key actions needed to reshape the organisation and the sequencing of actions. It will be the blueprint for implementation.
29. Initial scoping of an implementation approach is underway. Subject to endorsement by Council of the *Fit for the Future* report and subsequent Action Plan the Chief Executive and ELT will put more substance behind the design of an implementation process.

## Discussion

30. The Fit for the Future Effectiveness and Efficiency Review is a fundamental piece of work that will influence the future of the organisation for the next 5-8 years.
31. The review team has identified the core challenge for Council as being 'A significantly over-committed organisation'. In summary, Council is attempting to deliver too many services, at too high a level, across too many activities. Additionally, it is delivering a series of major projects above and beyond its business as usual.
32. Rebalancing and recalibrating will be essential. That starts with a clearer definition of mission, strategic priorities, levels of service and discipline about adding projects that sit beyond business as usual or the work described and funded through an Annual Plan or Long Term Plan.
33. The review team has identified a number of critical shifts that will assist Council as it reshapes for the future. These include:
  - 33.1. refined organisational purpose
  - 33.2. 'active' organisational priorities
  - 33.3. confident decision making
  - 33.4. greater integration
  - 33.5. declutter internally and delegate externally.
34. The report authors will explain their reasoning for these shifts as part of the item.
35. The review report includes a number of key actions to support these shifts. These actions will be expanded and sequenced in the upcoming Action Plan.
36. Of critical importance will be the work of the incoming Council to establish a new strategic plan, key priorities and levels of service. This work will flow through the organisation and its planning and resource allocation systems. The 2027 Long Term Plan will be a product of this work rather than the vehicle for doing this work. Thinking is already underway on how the organisation

supports the new Council to tackle this significant governance function.

37. Well-considered implementation will be critical to the success of the Fit for the Future programme.
38. Implementation will be an ongoing process over the next 12-24 months. It will include 'quick wins' that can be actioned relatively fast and more complex change. Critical will be the appropriate sequencing of change. The organisation needs to be able to deal with and embrace the necessary changes. Too much pressure too quickly and the change process will fail. Conversely there is a real momentum for change, and it is important that it is not lost by implementation that is too slow or poorly considered.
39. It is vital that the organisation emerges stronger at the other end with clear purpose, direction and an enhanced reputation.
40. Implementation will require resourcing. Essentially Council will be investing in its future ability to deliver services to its communities. Adding commitment to an already over-committed organisation is not a recipe for success. The Chief Executive will bring Council further information on resourcing as implementation planning progresses.
41. It will be important that Council receives regular reports on implementation progress so it can monitor progress and provide its views and thoughts to the Chief Executive. Council will need to consider resource implications that cannot be dealt with by the Executive Leadership Team.

### **Options assessment**

42. **Option 1** – Council endorses the *Fit for the Future* report. This will enable completion of an Action Plan and implementation planning. More significantly it begins a transformation process to shape a new version of Council best set up to deal with the challenges and opportunities ahead. There will be choices about the scale of work picked up from the Action Plan, i.e., endorsement of the report does not commit the Council to every suggested action.
43. **Option 2** – Council chooses not to endorse the *Fit for the Future* report. The organisation will continue to operate broadly as it does now. Services will still be delivered. Some of the approaches in the report may be used but the coherence of an integrated package is likely to be lost.

### **Financial and resource implications**

44. The effectiveness and efficiency review was funded through the 2024-25 Annual Plan.
45. Implementation will require resourcing to be successful. More detail will be provided for Council's consideration in future reports.

### **Consultation**

46. A number of external parties provided views and input into the review process. Their input has been hugely valuable. Those parties are detailed in the appendix to the Fit for the Future report.

### **Next steps**

47. An Action Plan will be produced for consideration by Council at its August meeting.
48. Implementation planning is underway and will be further developed over the next 6-9 weeks.

### **Decision-making considerations**

49. 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:
  - 49.1. The decision does not significantly alter the service provision or affect a strategic asset, nor is it inconsistent with an existing policy or plan.

- 49.2. The use of the special consultative procedure is not prescribed by legislation.
- 49.3. The decision is not significant under the criteria contained in Council's adopted Significance and Engagement Policy.
- 49.4. The persons affected by this decision are ratepayers in the region and the staff of HBRC.
- 49.5. 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 the Hawke's Bay Regional Council

1. Receives and endorses the *Fit for the Future* report.
2. Notes that an Action Plan for implementation of the *Fit for the Future report* recommended shifts will be presented to Council at its August meeting, seeking endorsement of the next steps.

### **Authored by:**

**Nic Peet**  
**Chief Executive**

### **Approved by:**

**Nic Peet**  
**Chief Executive**

### **Attachment/s**

- 1 Fit for the Future Report July 2025 Under Separate Cover



# Hawke's Bay Regional Council

30 July 2025

Item 11

## Subject: Councillors' 2025-26 remuneration and allowances

### Reason for report

1. This item seeks the Council's formal receipt of the Local Government Members (2025-26) Determination from the Remuneration Authority as gazetted, and associated amendments to the Council's *Elected Members' Expenses and Allowances Policy*.

### Executive Summary

2. The Remuneration Authority has completed a review of remuneration for the local government sector and subsequently released the latest Determination reflecting the findings of that review.

### Remuneration

3. This Council's remuneration levels for the 2025-26 financial year, under the Local Government Elected Members' Determination 2025-26 (attached with TLA pages removed) have increased by ~3.8% and are now:
  - 3.1. Chairman's salary \$153,669 per annum adjusted for vehicle use (not included in the Remuneration Pool)
  - 3.2. \$65,661 per annum as the base salary for a councillor with no additional responsibilities; currently councillors Thompson Hokianga, Charles Lambert, Jock Mackintosh, and Di Roadley
  - 3.3. The remainder of the pool (\$693,531) distributed evenly between positions of responsibility at \$71,815 per annum, now being:
    - 3.3.1. Cr Will Foley – HBRC Deputy Chair
    - 3.3.2. Cr Sophie Siers – Chair, Environment and Integrated Catchments Committee (EICC)
    - 3.3.3. Cr Xan Harding – Chair, Corporate and Strategic Committee (C&S)
    - 3.3.4. Cr Martin Williams – Chair, Regional Transport Committee (RTC)
    - 3.3.5. Cr Jerf van Beek – Chair, Clifton to Tangoio Coastal Hazards Strategy Joint Committee (Coastal JC)
    - 3.3.6. Cr Neil Kirton – appointed director of HBRIC Ltd.
4. Participation on resource consent hearing panels is remunerated separately and administered by the Consents Team to enable cost recovery from the consent applicant.

### Allowances and Expenses

5. The 2025-26 Determination also includes Elected Members' Expenses and Allowances, which are set out in the following table.

Allowance	1 July 2025
Mileage Allowance – Petrol or diesel	\$1.04 per km (no change)
Mileage Allowance - Hybrid	\$1.04 per km (no change)
Mileage Allowance – Electric Vehicle	\$1.04 per km (no change)
Mileage Allowance – E-bike	\$0.29 per km (no change)

Allowance	1 July 2025
Mileage Distance on Higher Rate	14,000 km per year (no change)
Mileage Allowance (after Higher Rate distance)	\$0.35/km petrol/diesel (no change) \$0.21 /km hybrid (no change) \$0.12/km electric including e-bike (no change)
Threshold time on daily travel	8 hours in a 24 hour period
Travel Time Allowances	\$41.30 per hour (after the first hour of eligible travel) (was \$40)
Communication Allowance	\$800 Internet Service \$500 Cellphone Service \$200 Use of cellphone \$50 Printer Total per annum \$1550
Childcare Allowance	Limited to \$7,500 per child per year (was \$6k)
<i>New</i> Home security allowance	Based on a security threat & risk assessment authorised by HBRC: Up to \$4,500 for installation Up to \$1,000 per year for monitoring, call-outs & repairs

### Financial and resource implications

- The remuneration and allowances for councillors are accounted for within the Community Partnerships and Leadership workstream, paid by General Rates and budgeted annually.

### Decision-making considerations

- 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 that because the payment of councillors' remuneration and allowances is prescribed by Schedule 7 of the Act the decision-making provisions do not apply.

### Recommendations

That Hawke's Bay Regional Council:

- Receives and considers the *Councillors' 2025-26 remuneration and allowances* staff report.
- Confirms the remuneration and allowances payable to councillors resulting from the Local Government Members (2024-25) Determination and updates the *Elected Members' Expenses and Allowances Policy* accordingly.

### Authored by:

**Leeanne Hooper**  
Team Leader Governance

### Approved by:

**Nic Peet**  
Chief Executive

### Attachment/s

- |          |  |   |
|----------|--|---|
| <b>1</b> | Local Government Elected Members 2025-26 Determination 2025              | Under Separate Cover<br><a href="#">online only</a> |
| <b>2</b> | 30July25 proposed Elected Members Expenses and Allowances Policy 2025-26 | Under Separate Cover<br><a href="#">online only</a> |

## Hawke's Bay Regional Council

30 July 2025

Item 12

### 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	Consent of Minister of Conservation – Section 48(1) of the Reserves Act 1977 HBRC has agreed to grant Unison an easement over a section of reserve land owned by HBRC (Part Section 51 Block XII Heretaunga Survey District) To give effect to this DoC granted HBRC delegation to consent to the registration of the easement on behalf of the Minister	4612	14 July 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.

## Hawke's Bay Regional Council

30 July 2025

Item 13

### 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
<b>Subtotal</b>	<b>140,675</b>	<b>23,375</b>	<b>164,050</b>	<b>150,431</b>	<b>26,625</b>	<b>177,057</b>
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
<b>Total</b>	<b>191,775</b>	<b>40,275</b>	<b>232,050</b>	<b>201,531</b>	<b>44,512</b>	<b>246,044</b>
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
<b>Total (HBRC funded)</b>	<b>203,500</b>	<b>44,150</b>	<b>247,650</b>	<b>209,046</b>	<b>46,997</b>	<b>256,044</b>
				<b>Crown Funding</b>	<b>CHBDC funded</b>	<b>Approved total</b>
Waipawa Waste Water	0	0	0	3,457	1,143	4,600
<b>Total (Incl Others)</b>	<b>203,500</b>	<b>44,150</b>	<b>247,650</b>	<b>212,503</b>	<b>48,140</b>	<b>260,644</b>

## NIWE Programme update

### Summary

5. With June closing out the 2024-2025 financial year, the NIWE Programme is demonstrating increasing progress and growing confidence, transitioning into a phase of construction procurement delivery with consenting being a key part of this.
6. With all Project Delivery Plans (PDPs) approved, the focus has shifted to maintaining projects within agreed timelines and budget envelopes, commencing construction as early as practicable.
7. The newly developed programme schedules (refer attached to the programme timeline overview) now provide improved visibility and a clear critical-path view across all projects, with added emphasis on consent and procurement planning.
8. The comprehensive programme assurance framework has been reinvigorated to safeguard performance, uphold quality standards, and strengthen stakeholder confidence throughout the lifecycle of the NIWE Programme.
9. This month, additional assurance activities included an Independent Assurance Advisor review of cost management processes, risk workshops across projects, and ongoing reviews of stage-gate checklists and change registers to ensure all documentation aligns with programme requirements.
10. Key areas of focus have included advancing Pump Station works (including preparation of a descoping proposal), progressing land access negotiations, optimising and finalising alignment footprints for remaining projects, and reassessing asset design standards.
11. Please refer to **Attachment 1** for our NIWE Programme Summary June 2025 for financial summaries and path to construction timelines.

### Programme progress highlights

12. **Waiohiki:** The project is progressing rapidly toward the construction phase. The main contract was released to market via GETS and closed on 30 June, and will be awarded by the end of July. Enabling works are nearing completion.
13. **Whirinaki:** The project has been progressing well, despite earlier delays in design due to the confirmation of an alternative alignment. Preliminary design is now underway. Contractors are expected to be on-site by mid-November for both the stopbank and SH2 raising works. The stopbank works (covering both residential and industrial areas) will be procured as a single contract, while the SH2 works will be released as a separate package. All key technical reports have been received, with a geotechnical survey along the new alignment completed. Enabling works are currently underway at the Pan Pac site, including removal of trees, fencing, and silt stockpiles within the stopbank footprint. Land acquisition plans are being developed for the new alignment.
14. **Wairoa:** The major risk for this project remains as Land Access, and so the project team is working closely with the Wairoa Crown Manager to obtain greater certainty of land access to allow the project to proceed with confidence. Design work is advancing to support the resource consent application. Considering alternative alignment options to explore alternative actions for compulsory acquisition from unsupportive landowners. Concept design is complete, and development of an operational plan for the spillway is underway.
15. **Ōhiti/Omāhu:** The project remains on track financially, with recent cost pressures brought into line by value engineering alternatives. Current forecasts continue to align with the approved budget, with continuous refinement of the project design to ensure it remains both cost-effective and consistent with project objectives. Design departures were progressed during the month and are now being reviewed by the Technical Advisory Group, which will help clarify any potential future cost implications.

16. **Pākōwhai:** The concept design has been signed off. An optioneering workshop was held in June to determine the preferred alignment options, with a decision on the southern portion of the stopbank now close to finalisation. However, increased scope and complexity have resulted in accumulating delays to the final design deadline. Investigations are underway into flood wall options that are cost-effective, fit for purpose, and provide the longevity needed to optimise whole-of-life performance for these flood mitigation assets. Construction methodology issues are also being assessed to ensure that temporary land access requirements are fully considered. In addition, the project budget build-up is being reviewed to ensure it captures all material items, particularly enablement works along the alignment for structures (such as buildings, irrigation assets, drainage assets, fences).
17. **Pōrangahau:** Preliminary design is complete, with value engineering ongoing to address the complexities of what is a challenging construction site (located in close proximity to the river and residential properties along much of the alignment). These constraints have contributed to a potential budget overrun of \$4.6 million. Additional value engineering measures have been applied to streamline the design. A draft consequential flood report has been submitted for external review. Meanwhile, the resource consent process for the proposed design is progressing, with lodgement targeted for September.
18. **Pump Stations:** Preferred tender notices have been issued to two contractors, with contract negotiations now underway and alternative proposals under review, with tendered cost materially above budget. The technical review was completed in early July and provides a detailed assessment of the alternate solution. At the same time, the team is re-evaluating the catchment's Level of Service using the 2D model; this work is underway. Both sets of comments will be integrated and finalised into the full package for Council for Council consideration.
19. **Telemetry, Scheme Reviews:** Good progress continues on both projects. A change request is being prepared to reallocate surplus budget from telemetry to other projects.
20. **Levels of Service Upgrades (Rapid Repair):** project planning is well underway including schedule preparation, land access and consenting needs (this project is not subject to the OIC), communication and engagement plans, and design considerations. The first community drop-in for the Waipawa project was successfully held; the atmosphere was supportive and positive. Further cost benefit analysis is required for each part of the Projects as requested by NIFF.

### Financial Position

21. The total spend to date across the programme to June 2025 is \$22.8 million (refer **Attachment 1**).
22. Project budgets remain a key focus as cost pressures on most projects continue. The most significant risks sit with Pump Station Upgrades (tendered cost exceeding budget), and Pōrangahau (forecast +\$3.7m). Mitigation actions include scope reduction, optimisation of alignment footprints, and reassessment of asset standards.
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 further strain Council cash flow. First payment claims for Waiohiki and Ōhiti have been approved and paid. Other first claims are forecasted to be completed mainly in July (with the exception of Level of Service Upgrades).

### Consenting

24. The programme-wide consent register is now active, ensuring applications are lodged immediately following preliminary design, with all necessary supporting material including – ecological reports, cultural impact assessments, archaeological reports and landscape assessments.
25. Waiohiki has been the first project to receive OIC resource consent.

26. Most projects are scheduled for consent lodgement in September 2025.

### **Procurement**

27. Procurement activities have been progressing well across the programme. The two primary procurements currently underway are our Design & Construct contract for the pump stations upgrade and the NIWE Earthworks packages, which includes stopbank works in our designated land category areas. These are significant components of the programme and have been approached with a structured and transparent process.
28. The Earthworks procurement has been staged to ensure quality and competitiveness. Stage One involved a robust evaluation process to shortlist preferred suppliers across the programme. This has now transitioned into Stage Two, which is focused on the specific project areas, their constructions plans and risks.
29. Stage Two for the Waiohiki project has progressed with evaluations now complete and we are commencing contract negotiations, marking a key milestone in our delivery timeline.
30. To provide assurance around the integrity of these processes, we have engaged an external Probity Auditor to review our procurement activities. No issues have been identified to date, which reinforces our confidence in the systems and controls we have in place.

### **Land access**

31. The primary risk across the programme relates to securing land access in Wairoa and Pōrangahau, which have numerous whenua Māori blocks: these require extensive engagement with owners and in all cases the involvement of the Māori Land Court (MLC) and frequently the Māori Trustee. A Māori Land Court specialist lawyer continues to navigate Council through the required court process and the Wairoa Crown Manager continues to play the lead and critical key role in securing land access for the Wairoa Project. Direct liaison with MLC judge on all mana whenua land access ensures transparency, consistency and understanding.
32. Land access to General Title land is proceeding with valuations being completed and negotiations commencing with property owners, but some delay continues as the required land access requirements are confirmed through the value engineering process.
33. All required agreements (except a non-critical easement) are in place for Waiohiki.

### **Key Risks**

34. Project risks workshops have been completed to ensure that our risk register and risk assessments continue to evolve in alignment with project developments. These workshops provided a focused review of current project risks and uncertainties, aiming to:
  - 34.1. confirm that all relevant risks are appropriately identified and documented
  - 34.2. reassess whether any risks require reclassification based on recent changes, and
  - 34.3. identify any emerging risks that may not yet have been captured - particularly important as the programme approaches key construction phases.
35. Key areas of focus included cost pressures, land access constraints, and programme timeframes, as these represent critical risk dimensions that could impact delivery and resource planning.

### **What is coming up at programme level**

36. Progressing on remaining project claims. Claims are being prepared by HBRC in anticipation of signed project schedules.
37. Consent lodgement for Whirinaki, Ōhiti, Pōrangahau, Wairoa (September), followed by Pākōwhai (October).
38. Continued effort to ensure procurement plans and associated timelines are met.

39. Expanded land access engagement and updated communications plans.
40. Decision on rescoping the Pump Stations project, and negotiations with the preferred tenderer.
41. New senior project manager for the Wairoa project to align with the NIFF conditions.

#### **Decision-making considerations**

42. 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**

- 1 [↓](#) NIWE Programme Summary June 2025



**NIWE RESILIENCE PROGRAMME**  
**MONTHLY PROGRAMME FINANCIAL PROGRESS REPORT – JUNE 2025**



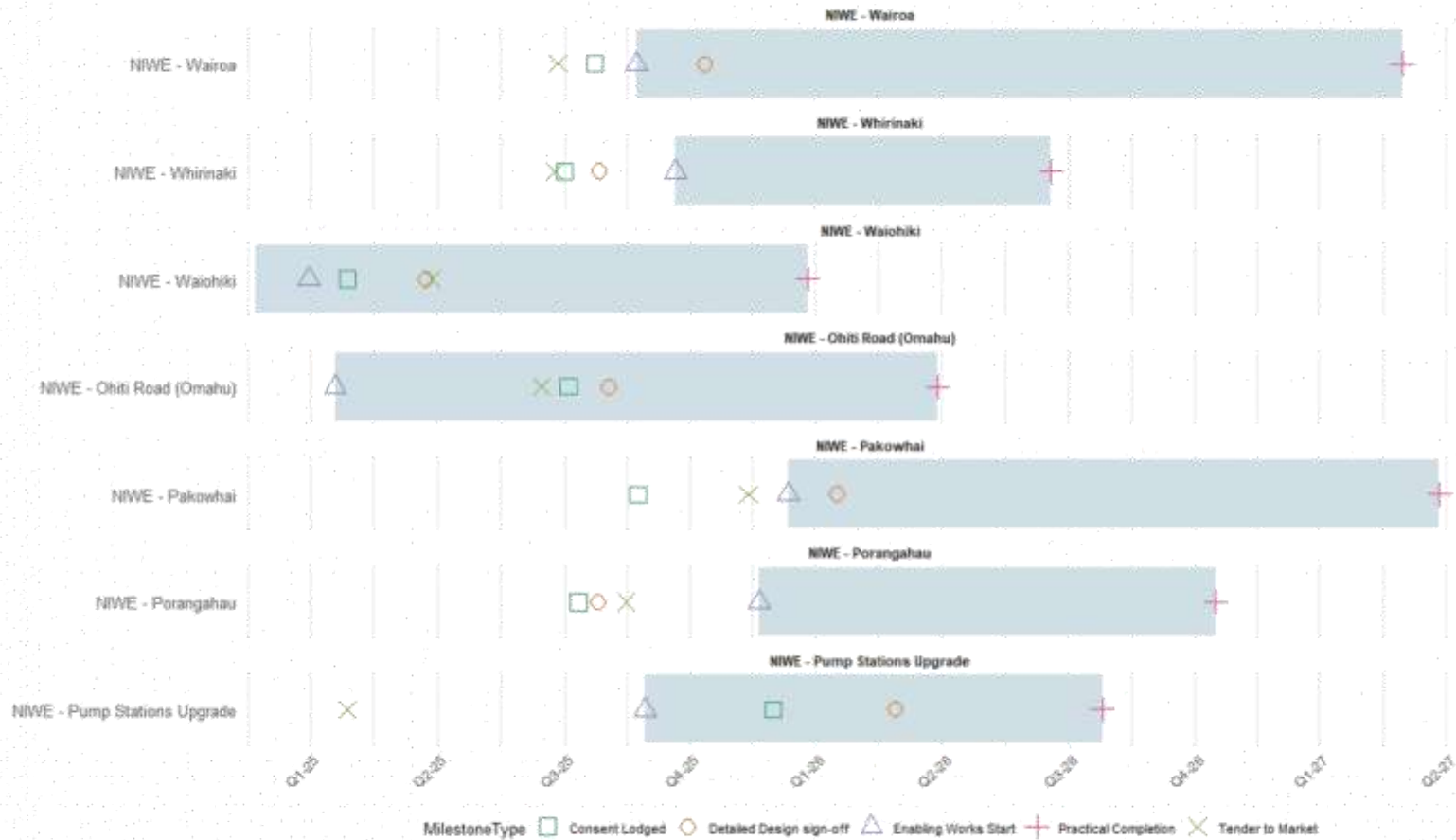
Project Progress Summary	1 <sup>st</sup> claim status	PROJECT STATUS		COSTS		FUNDING SPLIT		
		Project phase	Project Risk status	Actual spend to date	Forecast Final Cost	Crown Funding	HBRC Funding	New approved total Funding
Wairoa	With NIFF for review	Initiation	Major concern	4,303	70,000	70,000	0	70,000
Whirinaki	To be submitted	Planning	Minor concern	3,865	23,050	17,300	5,750	23,050
Waiohiki	Approved & Paid	Planning	On track	2,914	9,480	7,078	2,341	9,419
Ōhiti	Approved & Paid	Planning	Minor concern	1,850	10,000	7,515	2,485	10,000
Pākōwhai	Signing	Initiation	Major concern	2,752	49,854	37,575	12,425	50,000
Pōrangahau	Signing	Planning	Minor concern	1,013	18,293	10,963	3,625	14,588
<b>Subtotal Land Cat Projects</b>				<b>16,697</b>	<b>180,677</b>	<b>150,431</b>	<b>26,625</b>	<b>177,057</b>
Level of Service Upgrades	To be submitted	Initiation	Minor concern	622	30,000	22,545	7,455	30,000
Telemetry	NIFF & HBRC finalising	Execution	On track	1,160	5,000	3,760	1,240	5,000
Pumpstation upgrades	NIFF & HBRC finalising	Planning	Minor concern	1,397	39,293	22,545	7,455	30,000
Scheme Reviews	NIFF & HBRC finalising	Execution	Minor concern	2,901	3,987	2,250	1,737	3,987
<b>Total (HBRC Projects)</b>				<b>22,777</b>	<b>258,957</b>	<b>201,531</b>	<b>44,512</b>	<b>246,044</b>
Havelock North (HDC delivered)	Approved & Paid			1,617	10,000	7,515	2,485	10,000
<b>Total (Incl other projects)</b>				<b>24,394</b>	<b>268,957</b>	<b>209,046</b>	<b>46,997</b>	<b>256,044</b>

**NIWE RESILIENCE PROGRAMME**  
**MONTHLY PROGRAMME TIMELINE PROGRESS REPORT – JUNE 2025**



**Project Schedule Summary**

Milestones shown with shapes and colours; bars show forecast durations



**Subject: Update on progress implementing recommendations from the Cyclone Gabrielle HB independent flood reviews (HBIFR)**

**Reason for report**

1. This item presents Hawke's Bay Regional Council's (HBRC) response to the Hawke's Bay Independent Flood Review (HBIFR) in a quarterly progress report (Q4 April - June 2025) and is intended for information only.
2. This report aims to provide Council with an update of the HBIFR programme, and how the six priority projects relating to monitoring, reporting and communication, approved by Council to proceed in December 2024, are progressing.
3. The report includes high-level project status reports of the six projects, summaries of the projects and a timeline view of the overall programme of work.
4. This report tracks the status of all 47 recommendations of the HBIFR report and the independent verification process.

**Background**

5. The HBIFR was commissioned by the Hawke's Bay Regional Council to investigate the circumstances and contributing factors that led to the flooding in the Hawke's Bay region during Cyclone Gabrielle. The report was received by the Regional Council on 31 July 2024. It is a comprehensive 249-page document, with 47 recommendations split into 7 focus areas.
6. Only recommendations that sit directly within HBRC's area of responsibility have been included; this does not venture into areas under the responsibility of HB CDEM or central government agencies.
7. HBRC staff analysed the HBIFR report to identify key outcomes and deliverables needed to give effect to each recommendation. This was then linked to areas of work either already completed, underway or required by Regional Council and layered with other data such as funding status and source, timescale, complexity and teams responsible for leading this work. This analysis also helped to identify areas of work relating to improving public safety, that Council directed the Asset Management Recovery Team to prioritise.
8. A proposed work programme that included further scoping of new projects that targeted areas of improvement relating to monitoring, reporting and communication was then developed.
9. The HBIFR Programme includes six new projects that were given funding through the 2025-26 Annual Plan, that was adopted on 25 June 2025. Summaries of these projects can be found below. Other projects have been identified as shown in the timeline below that will require further scoping for funding in future annual or long term plans.

**Independent verification of HBIFR programme**

10. A contract is now in place with PwC to carry out the verification of the HBIFR programme to ensure recommendations of the HBIFR report have been understood and actions give appropriate effect to achieve the recommendation. The contract will commence in July 2025. An introduction and handover meeting with PwC has been planned and meetings with staff will follow to gather the necessary information for their assessment.

## HBIFR recommendations overview

11. No changes have been made to the recommendation progress tracker; the status remains the same as the 30 April 2025 report. This status is expected to remain until 30 June 2026, when the initial six projects of the HBIFR programme are due to close. A review of their status will, however, be undertaken each quarter.

Status		%	Funded	Partially funded	Not funded	No funding required
Completed	7	15%	4	0	1	2
Underway	24	51%	15	5	1	3
Partially underway and/or requires further assessment	14	30%	3	8	2	1
Requires pre-feasibility analysis	1	2%	0	0	1	0
Not HBRC-led	1	2%	1	0	0	0
<b>Total</b>	<b>47</b>	<b>100%</b>	<b>22</b>	<b>12</b>	<b>6</b>	<b>8</b>

## Strategic fit





12. This work directly contributes to the achievement of Regional Council's infrastructure and services focus area, specifically *sustainable and climate-resilient services and infrastructure*.
13. The HBIFR programme directly relates to the *Reducing Flood Risk in Hawke's Bay* communications strategy ([www.hbrc.govt.nz/reducing-flood-risk-in-hawkes-bay/](http://www.hbrc.govt.nz/reducing-flood-risk-in-hawkes-bay/)) developed to initiate the conversation on engineering solutions for the next Long-Term Plan (2027-2037).

## HBIFR Programme Reporting




14. This progress update on the six projects approved by Council addresses the key priority areas identified (monitoring, communication and public education).




\*Risk is inherent vs residual risk (i.e., RAG status prior to mitigations and controls implemented).

### Performance Indicators:

	Off track
	At risk
	On track
	Not started

### Status Change Keys:

	Unchanged since last report
	Worsened since last report
	Improved since last report

Project	Schedule	Risks*	Budget	Comments	Status
1 Extreme Weather Hub				<p>Public feedback has been collected through a built-in survey on the hub. Initial feedback is very positive and achieving its objectives to be easy to use, useful and informative, but further work to reduce text-heavy parts is required.</p> <p>Feedback has been taken on board and amendments to improve the hub are underway. A feedback panel has been established to provide further input to ensure a good user-experience is achieved.</p> <p>Phase 2 is underway with work on a public-facing forecasting dashboard advancing at pace.</p>	Update 11 July 2025

Project		Schedule	Risks*	Budget	Comments	Status
2	Bylaws to protect flood infrastructure	●	●	●	<p>An external resource is being contracted to support the development of the bylaw document from a technical engineering perspective, due to low internal capacity.</p> <p>Their role is to support the analysis of the schemes and existing bylaws by other councils to determine what rules are appropriate for HBRC's flood control and drainage assets.</p> <p>They will also help develop the requirements of phase 2, which will be to map every asset and determine protection standards. The level of mapping required is still being investigated. More detailed mapping will take longer than initially estimated.</p>	Update 11 July 2025
3	Reimagining Flood Resilience	●	●	●	<p>The Technical Advisory Group (TAG) has been established and meetings and workshops are progressing.</p> <p>There has been a delay in the establishment of the Steering Groups due to awaiting appointments from partner organisations.</p> <p>Initial budget costs are coming in higher than forecast due to the scale of this project and need to ensure it is based on well-informed decision-making that is well supported by science, engineering experts, and economic and cultural specialists.</p> <p>Additional funding is currently able to be sourced from the other HBIFR projects.</p> <p>A more detailed discussion on progress for the Reimagining project will be provided to Council under a separate paper at this Council meeting.</p>	Update 11 July 2025
4	Trigger Levels	●	●	●	<p>Community engagement to seek participation in the pilot was undertaken. Esk and Lower Waipawa are now confirmed as the pilot communities. The third community is still being discussed, and will likely run later, taking learnings from the earlier pilots.</p> <p>Project roles have been determined with each agency confirming their responsibilities.</p> <p>Project scoping is complete, and planning is now underway.</p> <p>Risks remain around resourcing, community engagement fatigue and timing of engagement around the Coronial Inquiry.</p>	Update 11 July 2025

Project		Schedule	Risks*	Budget	Comments	Status
5	Flood Forecasting System	●	●	●	<p>The project team has worked quickly to complete phase 1 of this project, which is the discovery of a suitable platform and development of the flood forecasting tool prototype that will be launched on the Extreme Weather Hub after it has been fully tested.</p> <p>Investigation into platform architecture (scalability, security and storage) was also completed.</p> <p>The project team is working to build the flood modelling data into the prototype. Work will shortly get underway to map out the management and maintenance protocols.</p> <p>Phase 2 will look to enhance the flood modelling data that will expand the range of forecasting scenarios.</p>	Update 11 July 2025
6	Hazard Portal (Business Case)	●	●	●	<p>The scope of the Business case has been widened to provide for the new LGOIMA regulations.</p> <p>A cross-council working group is being established to determine what, how and when data is best shared between HBRC and the territorial authorities. It has been determined that the Hazard Portal (or a version thereof) is the best tool for this purpose.</p> <p>The business case will now need to consider the obligations of HBRC under the new LGOIMA regulations and include protocols that will be agreed with the territorial authorities.</p>	Update 11 July 2025

## Project summaries

### 1. Extreme Weather Hub

The hub is to provide the public with easily accessible information and education on extreme weather risk (flood and drought). The hub sits on the HBRC's website and will host a range of useful environmental data widgets, access to webcam footage, and links to key apps (including social media), key partner agencies and educational information that supports self-assessment of risk in an event. Phase 1 to establish the hub with existing data and key information is now complete. Phase 2 will see more tools, improved functionality, more webcams, etc, added as they become available, such as the Flood Forecasting dashboard and updated inundation maps.

### 2. Bylaws to protect flood infrastructure

The establishment of Bylaws is one mechanism that the Regional Council can utilise to protect its infrastructure assets from damage, or unintended consequences of activities undertaken on or close to those assets.

### 3. Reimagining Future Flood Resilience

This large-scale engagement project is intended to take a long-term view to determine what flood resilience in Hawke's Bay might look like in generations to come, with a focus on the Heretaunga Plains and Upper Tukituki flood control schemes. This aims to collaborate with the community and mana whenua on future options for improving flood protection within these major schemes that will be used to inform the next Long-Term Plan 2027-2037.

#### 4. Trigger Levels (Pilot)

This community-centric project is being carried out collaboratively with communities, HBCDEM, HBRC, TAs, emergency and welfare services to formalise trigger levels and inform future evacuation plans. This will be worked through collaboratively at a community level (with identified pilot communities) and aims to produce a framework for evacuation protocols that can then be rolled out across the region. The technical modelling and identification of trigger levels will be led by HBRC, and the coordination of preparing and activating evacuations, based on each community’s level of risk and agreed trigger level activation points, will be led by HBCDEM and TAs, supported by the partner agencies.

#### 5. Flood Forecasting System

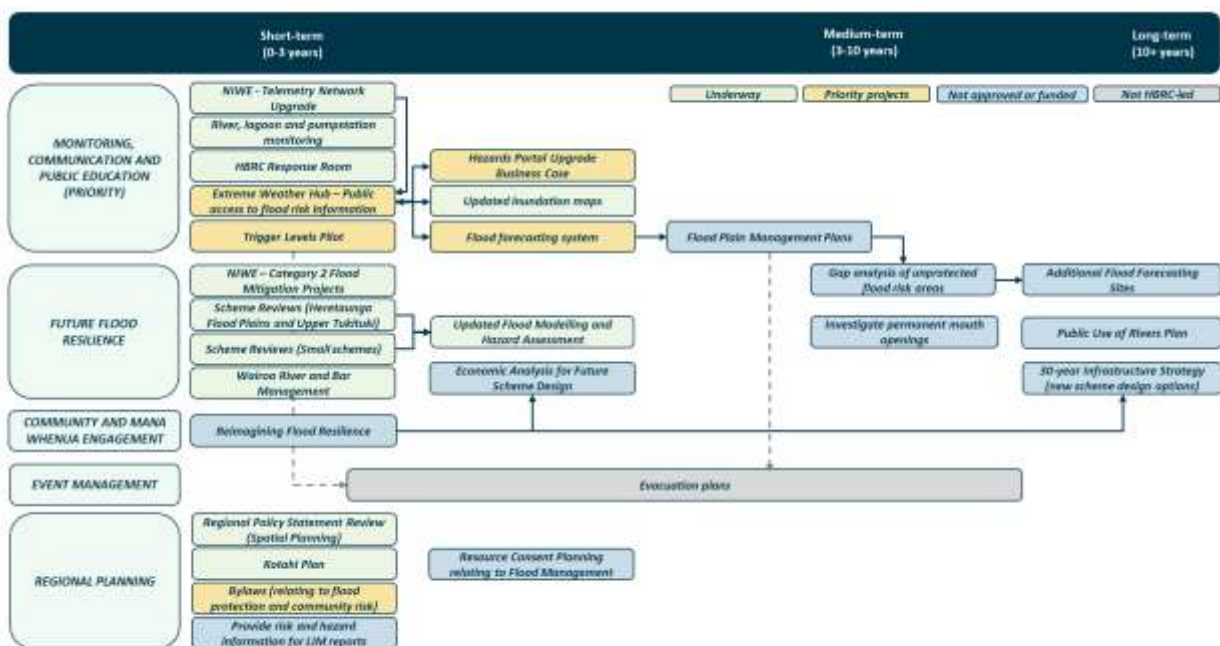
This project has two phases. The first will focus on moving the forecasting system on to a new platform to make it more robust and resilient for the future, and to develop a public-facing interface that can sit on the Extreme Weather Hub. The second phase will look to advance the data by moving to envelope modelling rather than a forecast model.

#### 6. Hazard Portal Upgrade Business Case

The Hazard Portal is the primary platform through which the Hawke's Bay community can view regional and property hazard data. Since its inception the community interest in hazard information has grown and the regulatory requirements for local government to provide access to natural hazard information is changing. This project will review the governance and management of the portal and options for a fit-for purpose Portal that aligns with regulatory requirements and community expectations.

### HBIFR programme timeline

15. There have been no changes to the programme timeline since the last report (30 April 2025).



### HBIFR recommendation programme status overview

- The second quarterly update shows the continuation of HBRC’s prompt response to the HBIFR report’s recommendations, and the commitment from staff to prioritise this important work. This is demonstrated in the advancement of the six priority projects ahead of funding becoming available as of 1 July 2025.
- The HBIFR related priority projects all sit under the umbrella of the *Reducing Flood Risk in Hawke’s Bay* communication and engagement package developed by Council in recent months.

18. Significant progress is especially highlighted in the status report and separate reporting of the Reimagining Flood Resilience project, whereby the Project Design Phase has reached completion, and the Community Socialisation phase is well underway. This will be supported by the *Reducing Flood Risk in Hawke's Bay* community communications and engagement strategy to strengthen the level and breadth of this engagement and the important decisions the region will have to make in the coming years. The Stakeholder Engagement Phase is commencing in August, and the project has gained good support from key partners.
19. Teams from across HBRC have worked particularly hard on the development of the Extreme Weather Hub and the Flood Forecasting tool that will soon be launched on the hub and available to the public.
20. Good support and traction are also being made in the Trigger Levels project, where HBRC is supporting the coordination of the HBCDEM-led project, which is being well supported by Territorial Authorities, emergency and welfare services, who are all playing their part to get the pilot up and running as quickly and collaboratively as possible.
21. The scope for the business case for the Hazard Portal has widened to include consideration of the new LGIOMA regulatory requirements for the Hazard Portal which are currently under consideration by HBRC and the Territorial Authorities. The business case will be presented to Council in November or December, once the new Council has convened.

#### **Decision-making considerations**

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

#### **Recommendation**

That the Hawke's Bay Regional Council receives and notes the *Update on progress implementing recommendations from the Cyclone Gabrielle HB independent flood reviews (HBIFR)* staff report.

#### **Authored by:**

**Julie-Anne MacPhee**  
**Programme Manager for Recovery - Asset Management**

**Louise McPhail**  
**Manager Recovery (Asset Management)**

#### **Approved by:**

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

#### **Attachment/s**

There are no attachments for this report.

**Subject: Reimagining Flood Resilience Project update**

**Reason for report**

1. Councillors have requested regular project updates on the Reimagining Flood Resilience project for the Upper Tukituki and Heretaunga Plains flood schemes. This item presents an update on project activity since the last report in May 2025.

**Background**

2. To communicate the complexity of the Regional Council's flood resilience work, a communications and engagement package has been developed – *Reducing Flood Risk in Hawke's Bay* – within which flood risk has been grouped under three headings:
  - 2.1. Rivers
  - 2.2. Surface
  - 2.3. Coastal.
3. This includes communicating what has already happened since the cyclone (Rapid rebuild), what is currently being done (NIWE Land Cat 2 mitigation packages), and what flood resilience might look like in the future (the Reimagining Project).
4. The Reimagining Flood Resilience Project sits under the umbrella of the *Reducing Flood Risk in Hawke's Bay* communication and engagement package.
5. The Reimagining Project was established in direct response to the recommendations of the Hawke's Bay Independent Flood Review (HBIFR). It is intended to take a long-term view to determine what river flood resilience in Hawke's Bay might look like in generations to come, with a focus on the Upper Tukituki and Heretaunga Plains Flood Control Schemes.
6. Through a series of workshops with Council and discussions with partners and key stakeholders held from September to December 2024, a proposed approach for the Reimagining Flood Resilience Project was developed.
7. The project team is now in the process of establishing and working with the various structural elements of the Project, which include:
  - 7.1. HRBC Councillors Project Champions
  - 7.2. Steering Groups (one for each scheme) to provide project oversight and develop recommendations to HBRC
  - 7.3. Stakeholder Reference Groups (one for each scheme), to provide values-based advice and guidance on options.
  - 7.4. Focus Groups, to work under each Stakeholder Reference Group where targeted or more in-depth discussion is required in regards to a particular community, place, landowner, sector etc
  - 7.5. Technical Advisory Group, to provide technical input and support for the operation of the project and to HBRC, the Steering Groups and Stakeholder Reference Groups.
8. The Heretaunga Plains and Upper Tukituki Flood Control Schemes are running in parallel workstreams to reflect the differences in communities of interest, scale and complexity.
9. Project timeframes need to be condensed as much as possible in recognition of the significance and urgency of this work, with some outcomes feeding into the next long-term plan in 2027.

## Discussion

10. Since the last update, the project team have established a Technical Advisory Group (TAG) which consists of operational staff from the project partner organisations, Tamatea Pōkai Whenua (TPW), Central Hawke’s Bay District Council (CHBDC), Hastings District Council (HDC), Mana Ahuriri (MA), Napier City Council (NCC) and Ngāti Kahungunu Iwi Incorporated (NKII).
11. To date the TAG has met five times, including a whole day workshop.
12. The focus of the TAG has been to develop terms of reference, agree on the project principles (as developed by HBRC Councilors), receive presentations on the scheme reviews for both the Upper Tukituki Scheme and the Heretaunga Plains Scheme review, and discuss objectives and deliverables of the TAG.
13. A procurement plan for the next 12 months has been developed for the external resources required to support the Reimagining Project.
14. The project team is currently working through the specific procurement process to engage an external resource to support the stakeholder engagement phase of the project.
15. A Leading Practice review is currently underway, looking at how other flood resilience projects, both within New Zealand and overseas, have been undertaken and particularly how community engagement has been incorporated. A key outcome of this work will be to find ways to practically apply learnings from other jurisdictions into the Reimagining Project.
16. An economic analysis of the schemes is also in development. The scope of the assessment is currently being refined with TAG, but some matters to explore include quantifying the avoided losses provided by the schemes (e.g. asset values and the value of production (goods and services)), an economic assessment of bridge structures that currently impede flood flows, and an economic analysis of further investment in scheme improvements.
17. There has been a slight delay to the commencement of Phase 2b: Stakeholder Reference Groups. This delay has been caused by both the delay in appointments to the two project steering groups by project partners, as well as the need to procure external resourcing to support the stakeholder engagement phase. Noting that funding for this resource commenced on 1 July 2025.
18. An update to the phasing and timeframes is presented in **Table 1**.

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

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

19. This delay in phasing will not impact the overall timeframes of the project. Staff highlight that timeframe risks remain, given the scope and complexity of the project and the need to deliver tangible outcomes for the 2027 LTP. This risk is a key focus for the project team and TAG.
20. The two project leads, along with the project sponsor, are meeting monthly with the HBRC Project Champions to keep them updated on progress.

**Strategic fit**

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

**Climate change considerations**

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

**Decision-making considerations**

25. 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 *Reimagining Flood Resilience project update*.

**Authored by:**

**Simon Bendall**  
Project Lead - Traverse Environmental

**Louise McPhail**  
Manager Recovery (Asset Management)

**Approved by:**

**Chris Dolley**  
Group Manager Asset Management

**Attachment/s**

There are no attachments for this report.



**Subject: Natural hazard information for LIMs**

**Reason for report**

1. This report provides an overview of the regional council's role and responsibilities relating to providing natural hazard information to city and district councils arising from:
  - 1.1. recent amendments to the Local Government Official Information and Meetings Act (LGOIMA)
  - 1.2. national Regulations made under LGOIMA specifying additional responsibilities and requirements for natural hazard information and Land Information Memoranda (LIMs).

**Executive summary**

2. On 1 July 2025, the Local Government Official Information and Meetings Amendment Act 2023 (LGOIMA) came into force, introducing changes to the Land Information Memoranda (LIM) provisions. Those changes clarify what natural hazard information regional councils should provide to territorial authorities and included in a LIM.
3. The Local Government (Natural Hazard Information in Land Information Memoranda) Regulations 2025 (the Regulations) come into force on 17 October 2025. They outline how natural hazard information provided by regional councils to territorial authorities should be included in a LIM.
4. The intent of the legislation changes is to ensure relevant information on natural hazards known by councils for property is available and understood through the LIM process.
5. For purposes of the LGOIMA amendments and Regulations, 'natural hazard' has the same meaning as in the Resource Management Act 1991 (RMA).
6. The online Hawke's Bay Hazard Portal remains the primary tool for public availability of natural hazard information known to councils in Hawke's Bay. The legislative changes are a further driver for ensuring the portal is and continues to be a robust reliable source of information about natural hazards known in our region.
7. Work on a business case for an enhanced Hawke's Bay Hazard Portal has commenced this month. Preliminary scoping of the business case will cover the LGOIMA legislation changes alongside Recommendation #15 from the Hawke's Bay Independent Flood Review Panel.
8. To assist territorial authorities to fulfil their responsibilities to process and issue LIMs under these legislative changes, HBRC staff have formed a small working group of staff from each of the councils to collaborate on how requirements in the Regulations will be satisfied in a cost-effective way.

**Discussion**

**LGOIMA changes and new national regulations**

9. The purpose of LGOIMA is to increase the public availability of information held by local authorities and to promote the open and public transaction of business at the meetings of local authorities. LIMs are a main source of property information for people buying homes and properties, but are not mandatory during property transaction processes. City and district councils are responsible for preparing and issuing a LIM.
10. Regional councils do not have responsibility for processing and issuing LIMs.

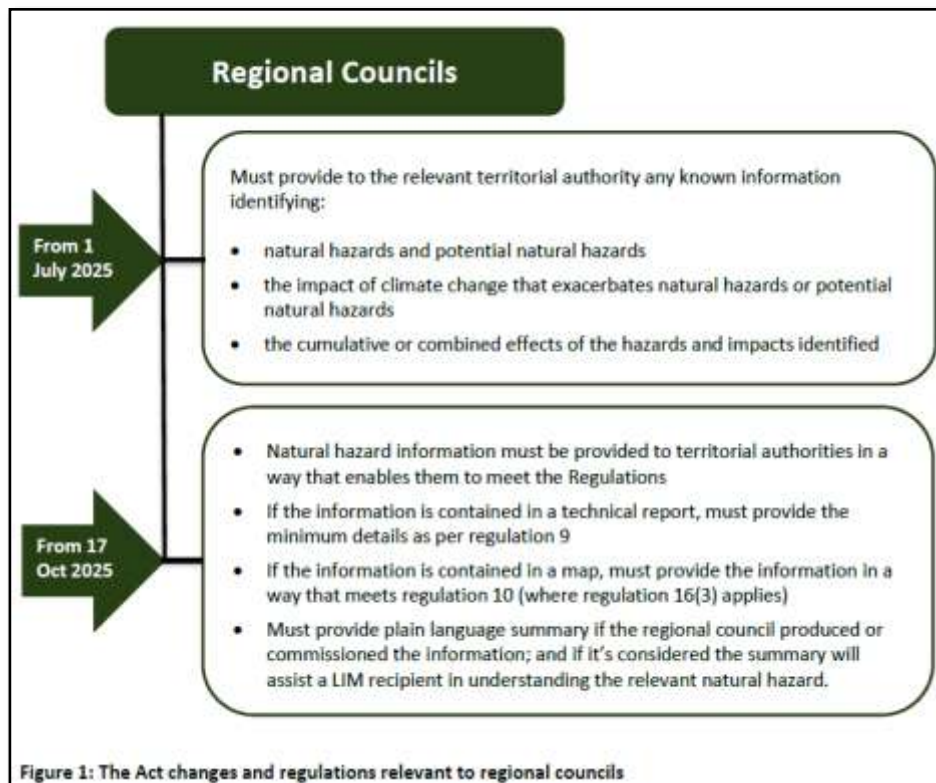
11. In July 2023, Parliament passed into law changes to the LGOIMA<sup>1</sup> which came into effect on 1 July 2025. That two-year lead-in timeframe was intended to allow for the preparation of Regulations. Regulations<sup>2</sup> were passed on 14 April 2025 and will come into effect from 17 October 2025.
12. For purposes of the amendments and Regulations, ‘natural hazard’ has the same meaning as in the RMA:
 

*“means any atmospheric or earth or water related occurrence (including earthquake, tsunami, erosion, volcanic and geothermal activity, landslip, subsidence, sedimentation, wind, drought, fire, or flooding) the action of which adversely affects or may adversely affect human life, property, or other aspects of the environment.”*
13. Regional councils must provide *“information that identifies ... each **potential** hazard, and each **potential** impact of climate change that exacerbates natural hazards ... to the extent that the regional council is satisfied that there is a **reasonable possibility** that [it] will affect land in the territorial authority’s district”*.
14. Key legislative changes to the way that natural hazard information is shared under LGOIMA are:
  - 14.1. improving the natural hazard information recorded in LIMs by providing clearer requirements for local authorities supplying the information, by requiring regional councils to provide territorial authorities with natural hazard information, as soon as reasonably practicable in a format consistent with regulations (section 44C). This is expected to address current issues of inconsistent natural hazard information provision across the country.
  - 14.2. reducing local authority liability when sharing this information in good faith. This will support councils to communicate natural hazards without fear of legal action, while preserving the right of property owners to make a complaint to the Ombudsman if they have legitimate concerns about information provided in a LIM.
15. The legislative changes do NOT require regional councils to:
  - 15.1. Provide the TLA with information about natural hazards in response to each and every LIM application. Instead, the regional council’s obligation is to provide the information “as soon as reasonably practicable in the circumstances” – an ongoing obligation.
  - 15.2. Provide information at an individual property level. Instead, provide hazard information about land within the relevant district.
  - 15.3. Undertake new research on natural hazards in our region. However, if new hazard information is obtained by the regional council in future, then that will need to be provided to the relevant city and/or district councils.
16. City and district councils remain responsible for including natural hazard information that they hold themselves on LIMs. This can include information that has not been provided to them by a regional council.
17. The Regulations are intended to:
  - 17.1. ensure LIMs provide natural hazard information to prospective property buyers which is clear, concise, consistent across all councils in its presentation, and easily understood.
  - 17.2. provide certainty for councils about sharing natural hazard information in LIMs and reduce their risk of legal liability.
18. On 25 June 2025, the Department of Internal Affairs issued the first of a series of guidance publications to assist councils with interpreting and implementing the changes. Figure 1 from the Guidance document summarises requirements for regional councils:

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<sup>1</sup> [Local Government Official Information and Meetings Amendment Act 2023](#)

<sup>2</sup> [Local Government \(Natural Hazard Information in Land Information Memoranda\) Regulations 2025](#)



### The Hawke's Bay Hazards Portal

- Since August 2015, comprehensive natural hazard information has been available to the public via the online Hawke's Bay Hazard Portal. The hazard portal contains information for many natural hazard types that occur in the Hawke's Bay region in a map format. The information is contained in GIS layers that are available for download via HBRC's Open Data site. The hazard portal is an initiative shared across all five of the main councils in Hawke's Bay. HBRC is the administering body looking after maintenance of the hazard portal's online digital functions.
- Information and GIS layers in the Portal are accessible to city and district councils in Hawke's Bay, and public users too. This includes information on flooding, coastal erosion, tsunami, landslides, fault lines and liquefaction amongst others.

### Hawke's Bay Independent Flood Review Panel's recommendation #15

- Councillors are already familiar with the recommendations of the Hawke's Bay Independent Flood Review Panel. Recommendation #15 from the Panel was:
 

*"HBRC should actively communicate and educate communities on the levels of flood risk to which they are exposed and assist them in improving their resilience to flooding, including, but not confined to, improving and updating the HBRC online Hazard Portal."*
- In June, HBRC launched a campaign to communicate the extensive range of work to boost the flood protection in Hawke's Bay. In parallel to that, Council had previously asked staff to prepare a 'business case' for an enhanced online Hawke's Bay Hazard Portal. Resourcing limitations meant preparation of a business case had to be programmed to commence in the 2025-26 financial year. \$15,000 has been budgeted for preparation of the Hazard Portal Business Case in 2025-26 financial year. This does not include funding for whatever procurement and software development that the business case may identify.
- Preliminary scoping of the Portal business case commenced this month. Preliminary objectives for the business case already aim for a single online tool (instead of multiple tools, apps and procedures) that would:
  - implement the intent of Recommendation #15 from the Independent Flood Review Panel

- 23.2. satisfy the legislative and operational requirements of the HB CDEM Group and
- 23.3. assist the regional council and territorial authorities to comply with the LGOIMA changes and new Regulations.
24. Given the relevance of the portal (current and future) to a wide range of HBRC's operational activities, a draft business case will be reviewed by the Executive Leadership Team (circa October 2025). Due to timing of local government elections, a business case for the Portal is intended to be presented to the Council in November/December 2025.

### **Actions In progress**

25. The Group Manager Policy & Regulation is overseeing formation of a small working group of key staff from the regional council and the four territorial authorities. The working group will focus on identifying ways that the councils can meet respective responsibilities under the LGOIMA Regulations coming into effect from 17 October.
26. A stock-take of current content in the Hazard Portal is underway. This includes accounting for GIS layers, associated technical reports and publications, plus related summaries of the information described in the Portal.
27. HBRC staff are continuing to identify what additional natural hazard information may be held by HBRC that is not currently viewable in the Hazard Portal or available to download from the Open Data webpage, (for example technical reports from the likes of NIWA and Landcare Research on the impacts of climate change on our region). Many of those technical reports are already publicly available via HBRC's Publications library (<https://www.hbrc.govt.nz/our-documents/>) or the HB CDEM Group's online documents (<https://www.hbemergency.govt.nz/documents/>).
28. In parallel, preparation of a business case for the next version of the HB Hazard Portal is underway. The business case's scope has been extended to ensure it accommodates the changes to LGOIMA and associated Regulations.
29. Key HBRC staff are also liaising with similar practitioners in other regional councils to share and develop good practices for implementing these legislative changes.

### **Decision-making considerations**

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

### **Recommendation**

That the Hawke's Bay Regional Council receives and notes the *Natural hazard information for LIMs* staff report.

#### **Authored by:**

**Gavin Ide**  
**Principal Advisor Strategic Planning**

#### **Approved by:**

**Katrina Brunton**  
**Group Manager Policy & Regulation**

### **Attachment/s**

There are no attachments for this report.

**Subject: Clifton to Tangoio Coastal Hazards Strategy Project update**

**Reason for report**

1. This report provides an update on the 2025 community engagement process for the Clifton to Tangoio Coastal Hazards Strategy (Strategy).

**Background**

2. Following an extensive development process, the Clifton to Tangoio Coastal Hazards Strategy Joint Committee (Joint Committee) confirmed a proposed Strategy document in August 2024.
3. Following the terms of the agreed Memorandum of Transition signed by HBRC, Napier City Council (NCC) and Hastings District Council (HDC) in 2022, the Joint Committee's proposed Strategy was prepared as a recommendation for HBRC to take forward to implementation.
4. The Joint Committee passed the following resolution at their meeting on 9 August 2024.

*That the Clifton to Tangoio Coastal Hazards Strategy Joint Committee:*

1. *Receives and considers the Clifton to Tangoio Coastal Hazards Strategy and Long Term Plan Amendment recommendations to HBRC staff report.*
2. *Recommends that Hawke's Bay Regional Council:*
  - 2.1 *Receives the proposed Clifton to Tangoio Coastal Hazards Strategy dated July 2024 and provided as Attachment 1*
  - 2.2 *Using the proposed funding principles included in the Strategy, refine and finalise a funding model for Strategy implementation*
  - 2.3 *Prepare a final Clifton to Tangoio Coastal Hazards Strategy for community consultation in accordance with the requirements of the Local Government Act 2002.*
  - 2.4 *Commence community consultation no later than March 2025.*
5. HBRC formally received the Joint Committee's recommendations and proposed Strategy on 28 August 2024.
6. Following two further workshops on the matter, the following resolution was passed at the Council meeting on 29 January 2025:

*That Hawke's Bay Regional Council:*

1. *Receives and considers the Clifton to Tangoio Coastal Hazards Strategy implementation staff report.*
2. *Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted Significance and Engagement Policy, and that Council can exercise its discretion and make decisions on this issue without conferring directly with the community or persons likely to have an interest in the decision.*
3. *Reconfirms Council's commitment to the Memorandum of Transition signed with the Napier City Council and Hastings District Council in May 2022, which sets out that subject to the adoption of an amendment to its Long Term Plan in accordance with s.16 of the Local Government Act 2022, Hawke's Bay Regional Council will lead implementation of the Clifton to Tangoio Coastal Hazards Strategy.*
4. *Confirms that the Clifton to Tangoio Coastal Hazards Strategy Joint Committee has developed and presented a draft Strategy, which was received by Council on 28 August 2024.*

5. *Confirms that having considered the Joint Committee’s draft Strategy, and taking into account the costs of implementation, the ability of households and communities to meet these costs alongside other financial pressures, and Council’s current focus and priority on Cyclone Gabrielle recovery and flood resilience, that the Strategy in its current form is not progressed to implementation at this time.*
6. *Instructs the Technical Advisory Group for the Strategy to undertake community engagement through 2025 to test:*
  - 6.1. *the outcomes developed by Strategy*
  - 6.2. *implementation costs*
  - 6.3. *funding methods*
  - 6.4. *preferred options.*
7. *Instructs the Technical Advisory Group for the Strategy to report back to Council at the conclusion of 2025’s community engagement.*
8. *Instructs the Chief Executive to work with Napier City Council and Hastings District Council to confirm project resourcing and progress no or low-regrets opportunities to respond to the ongoing risks posed by coastal hazards while the Strategy development process continues.*

### Community engagement update

7. As directed by Council, the Strategy’s Technical Advisory Group (TAG) has commenced community engagement, through the following structure (**Figure 1**). Updates on this engagement activity are provided in the following sections.

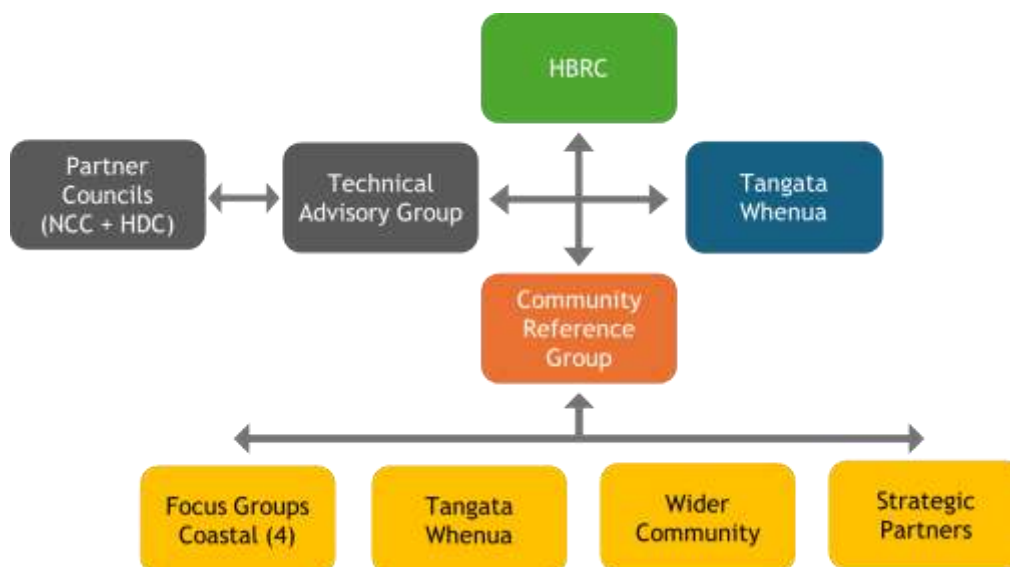


Figure 1: Coastal Strategy Engagement through 2025

### Tangata whenua (refer to Figure 1)

8. Supported by an external consultant, the Mātauranga Māori Workstream continues to seek engagement with tangata whenua.
9. The first output of this workstream is to develop cultural framework documents based on PSGE areas, that:
  - 9.1. captures what’s important / valued by whānau / the depth of relatedness at the Coast / spiritual connections
  - 9.2. articulates aspirations of whānau / hapū
  - 9.3. provides a mechanism for knowledge / Mātauranga to guide the development and

implementation of the Strategy

- 9.4. supports cross-application e.g. has utility for Kotahi / District Plans / RM Reform, etc.
10. The framework for Mana Ahuriri Trust has been completed and endorsed. Work is progressing on a similar framework for Maungaharuru-Tangitū Trust. Limited progress has been made on the Tamatea Pōkai Whenua framework.
11. A hui was held with Matahiwi Marae in September 2024 to discuss the Strategy, with a follow up hui planned in August.

#### **Community Reference Group** (refer to Figure 1)

12. Following an open expressions of interest process, a Community Reference Group (CRG) has been formed. Thirty-four community members are actively participating in the CRG, supported by HBRC, Napier City and Hastings District councillors and staff. The Port of Napier also has representatives in attendance.
13. The purpose of the CRG is to collate information and feedback, including from Focus Groups and the wider community, and to present advice to HBRC that will contribute to decision-making on which options and funding models move forward to formal consultation.
14. The first meeting of the CRG was held on 2 May 2025 (CRG#1) and was chaired by Cr van Beek. This first meeting provided an overview of the work of the Strategy, what the current challenges are, and the proposed engagement approach for 2025.
15. A post-meeting survey was circulated to attendees, with responses indicating that after the first CRG meeting:
  - 15.1. there is good understanding about the purpose of the Strategy and the purpose of the CRG.
  - 15.2. there are concerns about the costs to ratepayers of implementing the Strategy in its current form and the complexity of the challenges ahead.
  - 15.3. some have concerns with how long the process has taken to date.
  - 15.4. there is positivity about the willingness of people to work together to find solutions.
16. The second meeting of the CRG was held on 27 June 2025 (CRG#2) and was chaired by Cr Browne (NCC). This meeting heard back from the Focus Groups (refer below), received a presentation on coastal hazards and climate change, and discussed connecting effectively with the wider community.
17. The meeting was well supported by staff and councillors, but community member attendance for the second CRG meeting was down (26 for CRG#1 vs 15 for CRG#2).
18. TAG has not received any feedback to explain this difference in attendance. Possibly this was due to the meeting being held in Hastings rather than Napier. TAG will continue to review and adjust the process as necessary to ensure it remains as effective as possible for contributing participants.

#### **Focus groups** (refer to Figure 1)

19. Following an open expressions of interest process, four Focus Groups have been formed, one for each of the communities where specific and urgent coastal hazards works are proposed by the Joint Committee's recommended Strategy.
20. The purpose of the Focus Groups is to consider the options proposed in the Strategy that directly relate to their location and communities.
21. The Focus Groups are working together in a northern (Bay View + Westshore) and southern (Haumoana + Te Awanga) grouping, which is supporting collaboration and enabling staff and advisors to support their work more efficiently.

- 21.1. Northern (supported by HBRC & NCC staff and Councillors):
  - 21.1.1. Bay View Focus Group (5 members)
  - 21.1.2. Westshore Focus Group (11 members),
- 21.2. Southern (supported by HBRC & HDC staff and Councillors):
  - 21.2.1. Haumoana Focus Group (9 members)
  - 21.2.2. Te Awanga Focus Group (5 members)
- 22. The Focus Groups are meeting on a 3-weekly basis, with three meetings held so far:
  - 22.1. Meeting 1, 26 May 2025: Introductions, Strategy overview, Focus Group purpose, meeting logistics
  - 22.2. Meeting 2, 16 June 2025: Explore action(s) proposed by the Strategy + possible alternatives.
  - 22.3. Meeting 3, 7 July 2025: Local Government Funding 101: Long-term Plans, rating, decision-making & providing actionable advice to HBRC.
- 23. A forward work plan has been adopted by all Focus Groups, which has set out a meeting schedule through to the end of September 2025.
- 24. Focus Groups' meetings have been very well attended with constructive and robust discussions ongoing.

### **Project funding update**

- 25. From inception the Strategy has been jointly funded by HDC, NCC and HBRC.
- 26. Each year, TAG adopts a project budget, which allocates funding to different workstreams. The level of funding available generally dictates the speed and activity of the project. Project expenditure and budget are reported monthly at each TAG meeting.
- 27. The 2022 Memorandum of Transition includes an agreement that HDC, NCC and HBRC *“Jointly and equally fund the continued development and implementation of the Strategy until 1 July 2024, when funding has been implemented for physical works under the Strategy in HBRC’s long-term plan.”*
- 28. This clause assumed that the Joint Committee would recommend a proposed Strategy to HBRC by 31 March 2023, and that following consultation the Strategy would be adopted as an amendment to HBRC’s Long-term Plan.
- 29. However, Strategy development was delayed by Cyclone Gabrielle, and the Joint Committee did not recommend a proposed Strategy to HBRC until August 2024.
- 30. In February 2025, HDC decided to re-allocate its Strategy funding contribution for the 2025-26 financial year. While there will be no direct funding contribution, HDC staff and councillors remain involved and are actively supporting the project.
- 31. In May 2025, NCC determined that it would retain within the Napier Resilience Fund the Strategy funding contribution for the 2025-26 financial year. It is understood that NCC will consider releasing funds to HBRC should additional project funding be needed where it can be demonstrated that it provides value to the Joint Strategy and benefits Napier City. NCC staff remain involved and are actively supporting the project. There is also a level of involvement from Napier elected members.
- 32. A project budget has been developed and adopted by TAG for the 2025-26 financial year, estimating workstream costs for engaging with mana whenua, project management, comms and engagement and potentially technical input and peer review.

33. The project budget includes a number of assumptions and some allowance for uncertainty. With HBRC and NCC funding, a small budget shortfall is currently estimated.
34. TAG has agreed to closely monitor project spend over the next 4 months, and compare this against projected spend. At that time, TAG will review remaining project requirements and available funding and develop recommendations on any necessary actions.

#### **Next steps**

35. Regular engagement meetings are now occurring through the Focus Groups and CRG. There is good engagement, and positive discussion. A programme of meetings has been confirmed to the end of the year.
36. Connections need to be established with Strategic Partners (*refer Figure 1*) particularly the Port of Napier and Hawke's Bay Airport.
37. Engagement with the wider community (*refer Figure 1*), principally through digital means (surveys, revised website, etc), is due to commence shortly. Key outcomes sought from this engagement will be to inform the wider community about coastal hazards and the proposed Strategy, and to test potential funding approaches.
38. This engagement activity is aimed at assisting the CRG to develop and present actionable advice to HBRC that will contribute to decision-making on which options and funding models move forward to formal consultation. This advice is programmed to be presented to HBRC in February 2026.

#### **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.

#### **Recommendation**

That the Hawke's Bay Regional Council receives and notes the Clifton to Tangoio Coastal Hazards Strategy Project Update staff report.

#### **Authored by:**

**Simon Bendall**  
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#### **Approved by:**

**Chris Dolley**  
Group Manager Asset Management

#### **Attachment/s**

There are no attachments for this report.



## Hawke's Bay Regional Council

30 July 2025

Item 20

### Subject: NIWE Pump Station Upgrades Project funding

That Hawke's Bay Regional Council excludes the public from this section of the meeting, being Agenda Item 20 NIWE Pump Station Upgrades Project funding 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
NIWE Pump Station Upgrades Project funding	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).	The projects are subject to ongoing negotiations and tender processes that could be prejudiced by the release of sensitive pricing information.
How has the public interest been considered/ weighed?	The public interest in this item will be satisfied when the Council's decisions are made public once negotiations and tender processes have concluded.	

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**Chris Dolley**  
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## Hawke's Bay Regional Council

30 July 2025

Item 21

### 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 21 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..
HB Emergency Management Service Level Agreement	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 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)	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. 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.

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