

Minutes of a 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

Present: Cr H Ormsby, Chair
Cr W Foley, Deputy Chair (online)
Cr X Harding
Cr T Hokianga
T Hopmans, RPC Co-chair (online)
Cr N Kirton
Cr C Lambert
Cr J Mackintosh
M Paku, Māori Committee Co-chair (online)
Cr D Roadley
Cr S Siers
Cr J van Beek
Cr M Williams

In Attendance: N Peet –Chief Executive
T Munro – Te Pou Whakarae
P O'Connor – Acting Group Manager Corporate Services
K Brunton – Group Manager Policy & Regulation
C Dolley – Group Manager Asset Management
R Wakelin – Group Manager Integrated Catchment Management
C Comber – Chief Financial Officer
L Hooper – Team Leader Governance
B Harper – Team Leader Policy & Planning
N Nicholson – Manager Policy & Planning
J Kingsford – Manager Regional Projects
A Langley – Project:Haus
R Westbury - Principal, West Partners
A Caseley – Manager Regional Projects / Programme Director IPMO
J Bennett – Programme Finance & Controls Manager
L McPhail – Manager Recovery (Asset Management)
S Bendall – Project Lead – Traverse Environmental
G Henley & K Black – Alacrity Lab

1. Welcome/Karakia/Apologies/Notices

The Chair welcomed everyone to the meeting and Councillor Martin Williams opened with a karakia. That the apologies for early departure from Mike Paku (12.30pm), and councillors Di Roadley (3.45pm) and Thompson Hokianga (3pm) were noted.

2. Conflict of interest declarations

Xan Harding declared a conflict of interest in item 9 as the representative of Heretaunga Sustainable Water on the proposed delivery vehicle for the Heretaunga Water Storage project.

Jerf van Beek declared a conflict of interest in item 9 as the owner of several consented irrigation wells in the area of the Heretaunga Water Storage project.

3. Confirmation of Minutes of the Hawke's Bay Regional Council meeting held on 25 June 2025

RC25/25 Resolution

Minutes of the Hawke's Bay Regional Council meeting held on Wednesday, 25 June 2025, a copy having been circulated prior to the meeting, were taken as read and confirmed as a true and correct record.

van Beek/Roadley
CARRIED

4. Public Forum

There were no speakers.

5. Call for minor items not on the Agenda

Recommendations

That Hawke's Bay Regional Council accepts the following *minor items not on the agenda* for discussion as item 19

Topic	Raised by
Regionalism	Martin Williams

6. Recommendations from the Regional Planning Committee

The item was taken as read. Belinda Harper provided an overview of the recommendations. Katrina Brunton, in response to a query, advised that the total costs (to be calculated and provided to Council) for the outstanding water bodies plan change span several years (begun in 2017) and that the value of the plan is in providing another layer of consideration of the values to be protected for future planning and resource consent processes.

RC26/25 Resolutions

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.

**Harding/Ormsby
CARRIED**

7. Napier Urban Waterways

Chris Dolley introduced the item, which was taken as read, and Jon Kingsford highlighted the current complicated stormwater management regime and rationale for proposed change and preferred option (from 10 options assessed) for the in principle decision. Discussions covered:

- It was advised that future community engagement will be developed to occur jointly through the next Long Term Plan process including 30-year infrastructure asset management plans of both councils.
- The next iteration of the business case will include assets currently under construction, including Brookfields and Awatoto pump stations.
- The proposed transfer will enable more effective and efficient operation and management of the integrated Napier Urban Stormwater Network, and a single point of accountability.

RC27/25

Resolutions

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 which includes Brookfields and Awatoto as shown in figures 1a and 1b following.

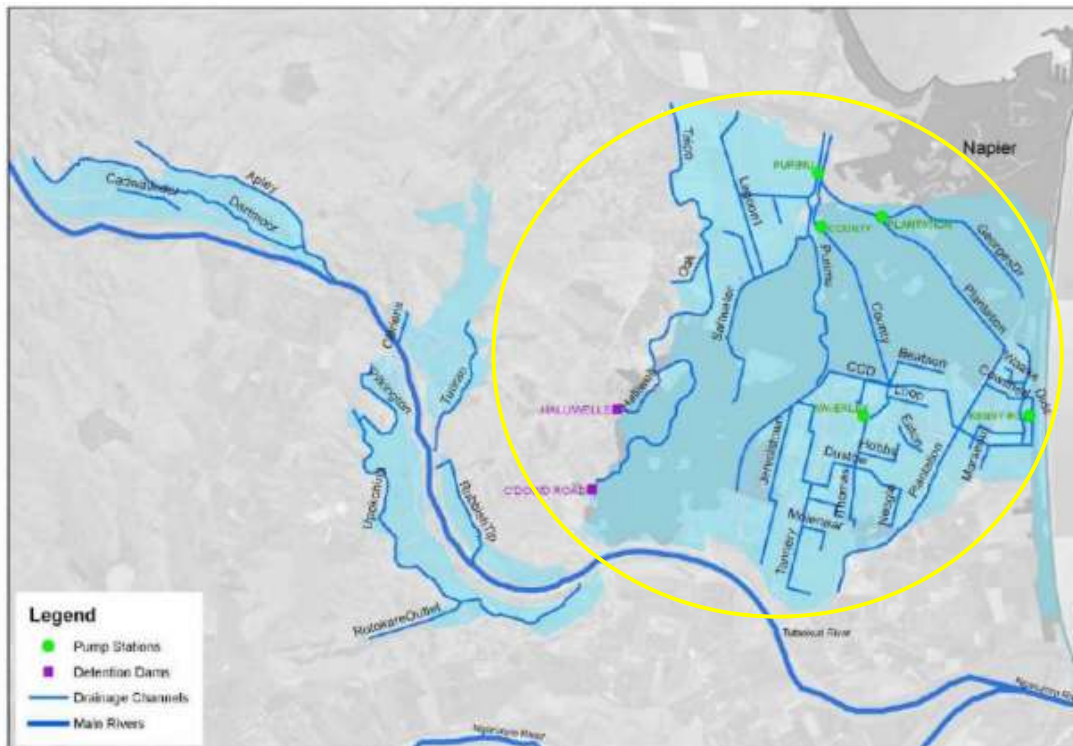


Figure 1a: Puketapu/Napier/Meeanee Scheme with Napier Urban stormwater drainage area with open waterway and pump station locations and names



Figure 1b: Brookfields/Awatoto Scheme showing Napier Urban stormwater drainage area with open waterway and pump station locations and names

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.
5. Establishes a joint governance panel to ensure full understanding of the combined asset management plan and to input into the development of a joint community engagement plan.

**Kirton/Harding
CARRIED**

Secretarial note – item 7 Napier Urban Waterways resolutions emailed to Napier City Council 31 July 2025.

Councillor Will Foley joined the meeting online at 11.40am

8. Prioritisation of strategic interventions for water security

Nic Peet introduced the item, noting the re-prioritisation of water security after having paused work in the wake of Cyclone Gabrielle and the various work programmes Council has under way. Richard Wakelin delivered a presentation (attachment 1) and discussions covered:

- Water security is one of the Council's strategic priorities.
- There are several council work programmes across the areas including demand, regulation, water information services, nature based solutions, water user groups, water use efficiency and conservation, and managed aquifer recharge.
- Councillors want a time-bound action plan – for each of the known interventions.
- Mana whenua participation and engagement is critical to success.
- Need to evaluate which interventions provide the most effective outcome, cost effectively.
- It was noted that the Council is in a very different financial position than when the mandate from the community for this work came from the 2021 Long Term Plan process.
- The collaboration element of the work is intended to be with water users, industry groups and municipal suppliers.
- Non-structural, natural interventions will be included in the framework.

RC28/25

Resolutions

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 prepare a time-bound action plan for prioritising and implementing water supply and demand initiatives, alongside water storage, for Council consideration at the 27 August 2025 meeting.

**Mackintosh/van Beek
CARRIED**

Mike Paku left the meeting at 12.30pm

9. Heretaunga Water Storage delivery

Councillor Xan Harding, having declared a conflict of interest, left the meeting while this item was considered.

Councillor Jerf van Beek, having declared a conflict of interest in this item, remained at the table and participated in the discussion.

Nic Peet introduced the item and Richard Westbury, Amanda Langley, Aimee Sandilands and Te Wairama Munro. Discussions assisted by a presentation (attachment 2) covered:

- Devolving stage 2 feasibility to investigate whether E2 Whanawhana is a viable commercial water storage option to a separate independent entity is critical to accelerating the project's delivery.
- Participation of the representatives of primary water interests (potential shareholders) has been confirmed, including Tamatea Pōkai Whenua Trust, Mana Ahuriri Trust, Heretaunga Sustainable Water Group, and Napier City and Hastings District councils. Discussions continue with NKII and tangata whenua groups also interested in participating.
- ProjectCo enables Council to maintain oversight of the delivery of stage 2 feasibility while

separating itself in the role of independent regulator.

- In reference to recent events and issues with Waimea Dam it was noted that learnings from that situation and 2 additional geotechnical investigations undertaken during pre-feasibility will be thoroughly considered again through stage 2 feasibility, in addition to learnings from other water storage projects in various stages of development.

Tania Hopmans left the meeting at 12.50pm

- Further details are required before any assessment of whether city/district councils will be expected to pay for the water and it will then be for those councils to decide how that is funded. Municipal takes have been excluded from the demand modelling to date.

RC29/25

Resolutions

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 Intellectual Property 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, including any other ancillary agreements or documentation reasonably necessary to give effect to the funding agreement, 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.

**Mackintosh/Williams
CARRIED**

The meeting adjourned at 1.30pm and reconvened at 2.00pm

Nic Peet advised that a Tsunami warning over the lunch break is not cause for immediate concern as the earthquake was a long distance away – off the east coast of Kamchatka, Russia. While there is no threat of land inundation, strong and unusual currents and unpredictable surges are expected along our coastline, at river mouths, and some inland waterways. These effects may continue for several hours, and the risk remains real and serious until the advisory is officially lifted.

10. Fit for the Future report

Nic Peet introduced the item and provided an overview of the process to date before handing over to Geoff Henley and Krystal Black to speak to their Fit for the Future report and presentation (attachment 3). Discussions covered:

- As the consequence of urgent and important responses to recent events including Covid-19 and Cyclone Gabriele, the organisation has been 'bent out of shape' dealing with big, complex, urgent and important issues.
- Concluded, after testing, that 'pressure on the general rate' was a symptom of the problem, defined as a significantly overcommitted organisation – requiring 5 shifts: 1. Refine the organisational purpose (mission); 2. define active organisational priorities; 3. confident decision-making (free up blockages, decision-making at the right level); 4. greater integration (streamlining work processes); and 5. declutter operationally, delegate externally.
- From a refreshed Strategic Plan, set the organisational priorities (fewer & more focused) and the tight, specific levels of service to achieve those within the resources (people & finances) available.
- Action examples from the precision labs (slide 8) are categorised into four cross-council actions and four specific to particular areas of the business.

Tania Hopmans re-joined the meeting in person at 2.30pm

- For implementation, it's proposed there is monitoring and coordination of the action plan provided by a 'fit for the future desk' reporting quarterly to the CE and elected reps.
- Need to find the right pace of change to maintain momentum without disrupting business as usual work at an unsustainable level – start launching early projects and capture early wins in year 1 while scoping and setting up the bigger, more substantive initiatives to implement in year 2.
- Running a concurrent financial model will calculate the savings/costs of the changes being made throughout the process.
- Relative to other regional councils, HBRC's staff is larger and costs per ratepayer higher, and it takes more time (meetings) to make decisions.
- Governors' role is in setting clear priorities for the organisation and the design of the Action Plan is the responsibility of management/operations – however the governors need to understand the implications and consequences of the action plan.
- Grant funding can create ongoing unfunded programmes of work.
- Shift in the way the organisation runs, toward one that enables more work by others and sharing costs with others/ partners – is part of operational design.

Councillor Thompson Hokianga left the meeting at 3.03pm

- The view was expressed that the focus should have been on examining whether the priority services are delivered effectively and efficiently.
- Advice from the CE included that the incoming Council will have a crucial role to play in re-

setting the Strategic Plan.

RC30/25

Resolutions

That 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, for approval of the next steps.

**Harding/Siers
van Beek abstained
CARRIED**

11. Councillors' 2025-26 remuneration and allowances

The item was taken as read and the following, received from the Remuneration Authority yesterday, was proposed to be included in the update of the *Elected Members' Expenses and Allowances Policy* to avoid having to bring another item to Council when it's a minor administrative matter.

After reviewing the new IRD rates, the Authority has updated this allowance (cl 11(3)), as follows:

- (a) for a petrol vehicle,—
 - (i) \$1.17 per kilometre for the first 14,000 kilometres of eligible travel in the determination term; and
 - (ii) 37 cents per kilometre after the first 14,000 kilometres of eligible travel in the determination term;
- (b) for a diesel vehicle,—
 - (i) \$1.26 per kilometre for the first 14,000 kilometres of eligible travel in the determination term; and
 - (ii) 35 cents per kilometre after the first 14,000 kilometres of eligible travel in the determination term;
- (c) for a petrol hybrid vehicle,—
 - (i) 86 cents per kilometre for the first 14,000 kilometres of eligible travel in the determination term; and
 - (ii) 21 cents per kilometre after the first 14,000 kilometres of eligible travel in the determination term;
- (d) for an electric vehicle,—
 - (i) \$1.08 per kilometre for the first 14,000 kilometres of eligible travel in the determination term; and
 - (ii) 19 cents per kilometre after the first 14,000 kilometres of eligible travel in the determination term;

The above rates come into effect on 1 September 2025.

- The new home security system allowance was noted and will be included in the updated policy.
- It was noted that the IRD restrictions on travel time and mileage reimbursement disadvantage regional councillors who need to travel long distances to attend meetings.

RC31/25

Resolutions

That Hawke's Bay Regional Council:

1. Receives and considers the *Councillors' 2025-26 remuneration and allowances* staff report.
2. Confirms the remuneration and allowances payable to councillors resulting from the Local Government Members (2024-25) Determination and amended Determination dated 29 July 2025, and updates the *Elected Members' Expenses and Allowances Policy* accordingly.

**Roadley/Siers
CARRIED**

12. Affixing of Common Seal

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	<p>Consent of Minister of Conservation – Section 48(1) of the Reserves Act 1977</p> <p>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)</p> <p>To give effect to this the Department of Conservation granted HBRC delegation to consent to the registration of the easement on behalf of the Minister.</p>	4612	14 July 2025

RC32/25 **Resolutions**

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.

**van Beek/Ormsby
CARRIED**

20. NIWE Pump Station Upgrades Project funding

RC33/25 **Resolution**

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.	

**Siers/Harding
CARRIED**

21. Confirmation of Minutes of the Public Excluded Meeting held on 25 June 2025

RC34/25

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.

**Siers/Harding
CARRIED**

Councillor Will Foley left the meeting at 3.25pm

The meeting went into public excluded session at 3.25pm and out of public excluded session at 3.48pm

The meeting adjourned at 3.49pm and reconvened at 4.00pm

13. Update on the North Island Weather Events (NIWE) Flood Resilience Programme

Andrew Caseley introduced the item and ran through the project updates, highlighting the extremely ambitious procurement plan to maximise the 2025-26 construction period.

RC35/25 **Resolution**

That Hawke's Bay Regional Council receives and notes the *Update on the North Island Weather Events (NIWE) resilience programme* staff report.

**Siers/Harding
CARRIED**

14. Update on progress implementing recommendations from the Cyclone Gabrielle HB independent flood reviews (HBIFR)

Louise McPhail introduced the item and provided a brief update on the status of the priority projects (presentation attached). Discussions covered:

- The Hazards Portal is running however it needs updating and investigations into the best technology required to meet all the requirements of the community and central government.
- TAs are leading the community conversations for the Trigger levels pilot projects, with the communities chosen.

RC36/25 **Resolutions**

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.

**Siers/Harding
CARRIED**

15. Reimagining Flood Resilience Project update

Louise McPhail introduced the item and provided a brief update (presentation attached) on the status of the project, including delayed commencement of stakeholder reference groups being set up caused by both the delay in appointments to the two project steering groups, and the need to procure external resourcing to support the stakeholder engagement phase.

Simon Bendall noted the critical work of the TAG focused on the Leading Practice and scheme reviews as well as scoping the economic analysis with Infometrics.

Te Wairama Munro provided an update on the flood resilience assets available on the HBRC website.

RC37/25 **Resolution**

That Hawke's Bay Regional Council receives and notes the *Reimagining Flood Resilience project update*.

**Siers/van Beek
CARRIED**

17. Clifton to Tangoio Coastal Hazards Strategy Project update

Simon Bendall introduced the item, which was taken as read, noting that the engagement is on track to report outcomes back to Council in February 2026 to feed into the next LTP process. Progress achieving milestones and expenditure against budgets were requested for inclusion in the next update on the project.

RC38/25 **Resolution**

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

**van Beek/Mackintosh
CARRIED**

16. Natural hazard information for LIMs

Gavin Ide introduced the item, which was taken as read, and provided an overview of the implications of the LGOIMA amendments in relation to hazards information shared with city/district councils. Discussions covered:

- HBRC already shares natural hazards information via the Hazards Portal and its publications library.
- The updated legislation requires regional councils to provide natural hazards information in specific ways including a plain English summary.
- Katrina Brunton added that the TAs have been consistently using the hazards portal for years to good effect however there needs to be a review of the technology against what's required to meet the legislative requirements.
- It was reiterated that it is the responsibility of the regional council to share all known hazards information in accordance with the regulations but it is the TLA's sole responsibility to prepare the LIMs and the regional council does not have any ability to influence what information the TLAs choose to put on the LIM.

RC39/25 **Resolution**

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

**Williams/Harding
CARRIED**

18. Verbal update from the HB CDEM Group Joint Committee 28 July 2025 meeting

Hinewai Ormsby, as Chair of the Joint Committee, advised that the (first) Service Level Agreement for the region was agreed at the meeting on Monday, which sets out the roles and responsibilities for emergency management in the region. Through the transition period (leading to the 2027 LTPs) the regional council will continue to collect rates with funds passed through to the city/district councils for their CDEM advisory staff.

19. Discussion of minor items not on the Agenda

Topic	Raised by
Regionalism. As the PM observed in 2023, HB has been an exemplary example of a united regional voice. Astounded to hear, recently, that CHB has had to halve their planned capital works programme because of it being unaffordable. Need to regionalise the costs of 3 waters delivery whereby the Napier and Hastings ratepayers contribute towards the costs for smaller communities.	Martin Williams

Councillor Martin Williams led a closing karakia.

Closure:

There being no further business the Chair declared the meeting closed at 5.03pm on Wednesday, 30 July 2025.

Signed as a true and correct record.

Date: by HBRC resolution on 27 August 2025

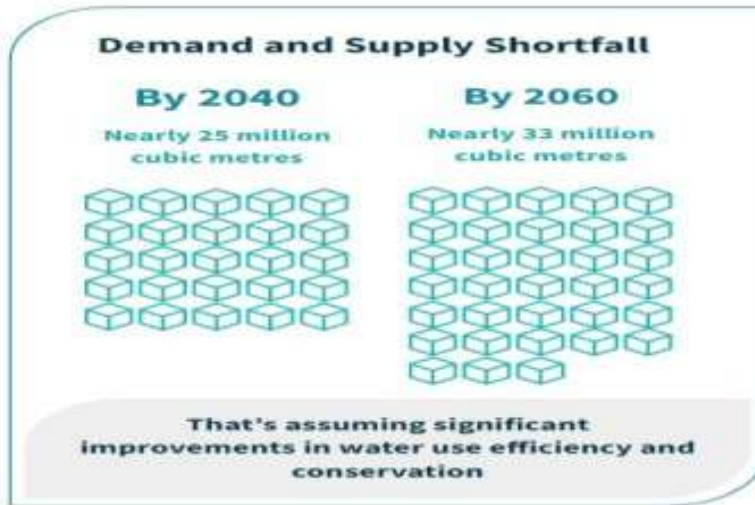
Chair: Hinewai Ormsby

Prioritisation of strategic interventions for Water Security

July 2025

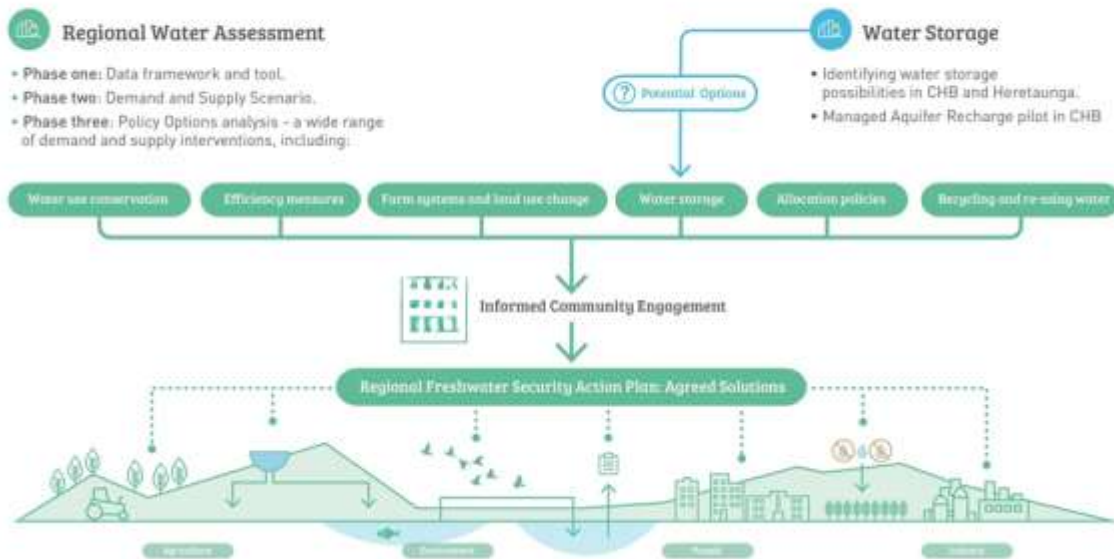


The Challenge – Regional Water Assessment



Regional Water Security Programme

Hawke's Bay has long-term, climate resilient and secure supplies of freshwater for all



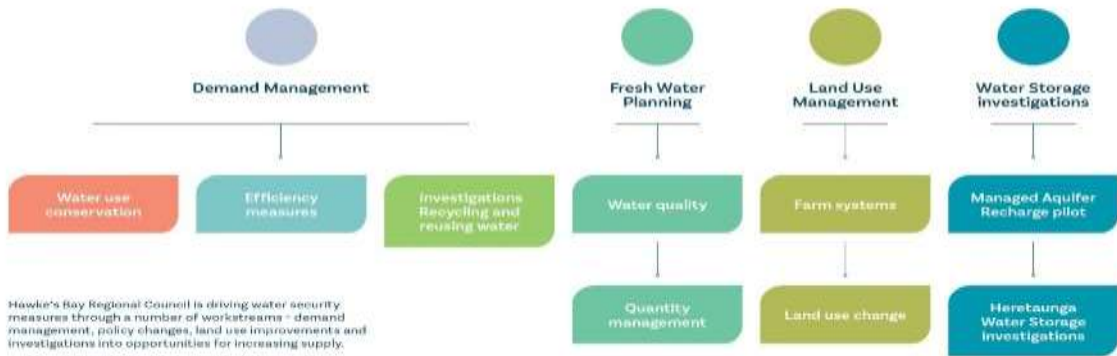
Demand	Activity	Current state
Regulatory – TANK	<ul style="list-style-type: none"> • Policy & Regulatory function of HBRC • Tighter allocation limits, min flows, and efficiency requirements • HBRC working closely with Mana Whenua, Community & water users 	<ul style="list-style-type: none"> • Currently in Environment Court
Water Information Services	<ul style="list-style-type: none"> • HBRC – Environmental Information • Supports efficiency through water use data • Oversees telemetry and water meter data • Working with users to ensure accuracy of data provided and understood 	<ul style="list-style-type: none"> • Operating at peak performance • Close connection to Policy & Regulation (Consent, Compliance)
Water Advisory	<ul style="list-style-type: none"> • HBRC - Water Advisor within Environmental Information • Working with water user groups to promote efficient irrigation use, training and information 	<ul style="list-style-type: none"> • Part-time position 20 hours per week • Information transfer
Environmental Science	<ul style="list-style-type: none"> • Groundwater modelling • Freshwater science 	<ul style="list-style-type: none"> • Updating groundwater models to understand resources available and impacts of use • Environment Court evidence • Surface water modelling of minimum flows
Other <ul style="list-style-type: none"> • Industry • Municipal 	<ul style="list-style-type: none"> • Reduce network losses • Education 	<ul style="list-style-type: none"> • No current activities • Options require prioritisation

Water Security – Evaluating Actions

- Activation Considerations
 - Notional \$1m set aside - 2021
 - Loan funded – scheduled, not allocated
 - Prudent advice – Business Case to support loan activation
 - Framework and business case prepared for consideration by new council
- Set framework logic - Principles
 - **Development model**
 - 1. HBRC leads, 2. HBRC in Partnership, 3. HBRC motivates/encourages others
 - **Timeless, yet time bound**– enables new and/or additional discovery added, set in evaluation/stage gate model
 - **Mana Whenua** engagement/participation
 - **Content** - Scaffolding decisions aligned to priorities, regional water assessment, current state
 - **Resourced** - internally
 - **Funding** – Council decision
- Criteria for Future Decision Making
 - Targeted options, content, deliverables, timing
 - Structure, development

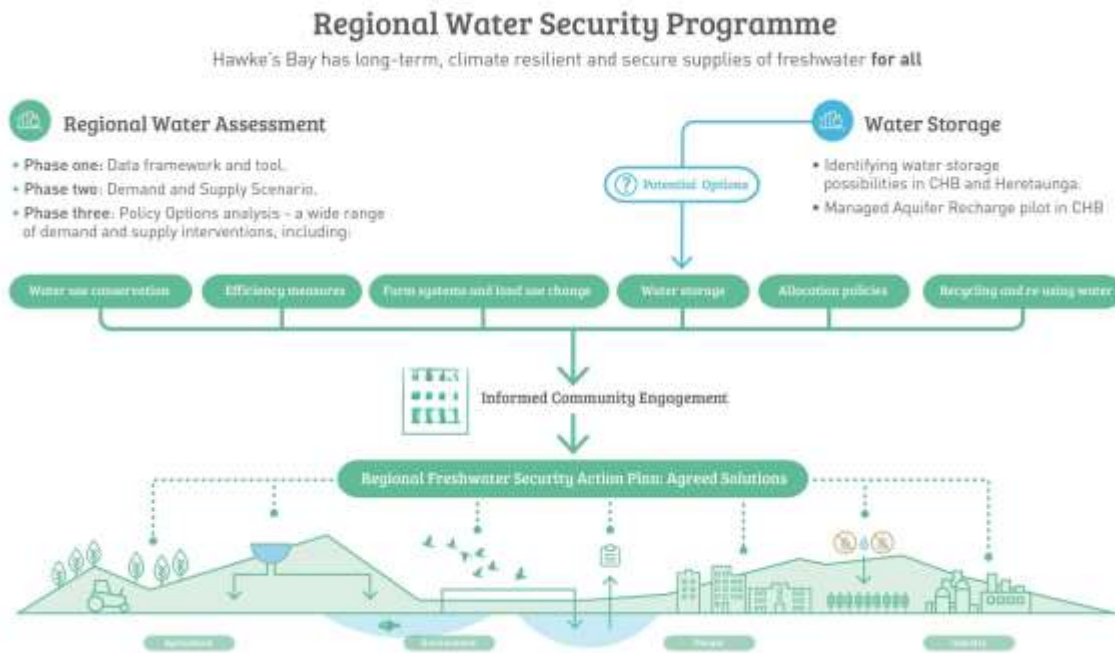


Hawke's Bay Regional Council water security response



Hawke's Bay Regional Council is driving water security measures through a number of workstreams - demand management, policy changes, land use improvements and investigations into opportunities for increasing supply.





Key takeouts

1. Stage one feasibility complete - release of funding for stage two requested

- Momentum established, project publicly launched and targeted activity delivered as planned during Stage 1.
- Conclusion at the end of Stage 1 continue to reinforce a strong case for E2Whanawhana.

Seeking release of Stage 2 funding to continue feasibility work programme

2. ADV transition progressing well

- Project well-positioned to transition out of Council to an independent, representative structure.
- Participation is supported, and engagement is progressing positively. Preparation activities underway.

3. Funding agreement is the key lever for Council

- Funding agreement between HBRC and ProjectCo is a mechanism to both provide funding and ensure project feasibility is delivered in line with Council objectives.
- HBRC's Funding Agreement is substantively developed, targeting execution at legal establishment of the ADV.

Seeking delegations to the Chief Executive to execute and fund

Stage 1 feasibility complete

- Stage 1 launched the feasibility work programme. Prioritised activities include:
 - conducting targeted risk reduction investigations,
 - exploring opportunities to resource and accelerate the project, and
 - advancing key tasks to prepare resource consent applications.
- Risk reduction efforts - further analysed the proposed operating regime, its alignment with regulatory requirements, and the potential commercial model to support both existing and new water permits.
- Initial demand analysis - supports the storage proposal and indicates that the pricing is affordable based on current financial data. Remains a critical workstream that will be further tested and validated through Feasibility.
- Confidence to proceed with Stage 2 Feasibility, as the overall risk profile has not significantly changed since the end of the prefeasibility stage.
- Progress on key inputs for resource consenting is ongoing. On -site investigations are scheduled to resume in spring, providing feasibility level definition.

Seeking release of residual stage 2 funding

1. Stage one completed for ~\$600k (budget ~\$1m) – some site investigations deferred to stage two.
2. Seeking release of residual funding for stage two of \$2.3m (~\$2.7m including the underspend from stage 1).

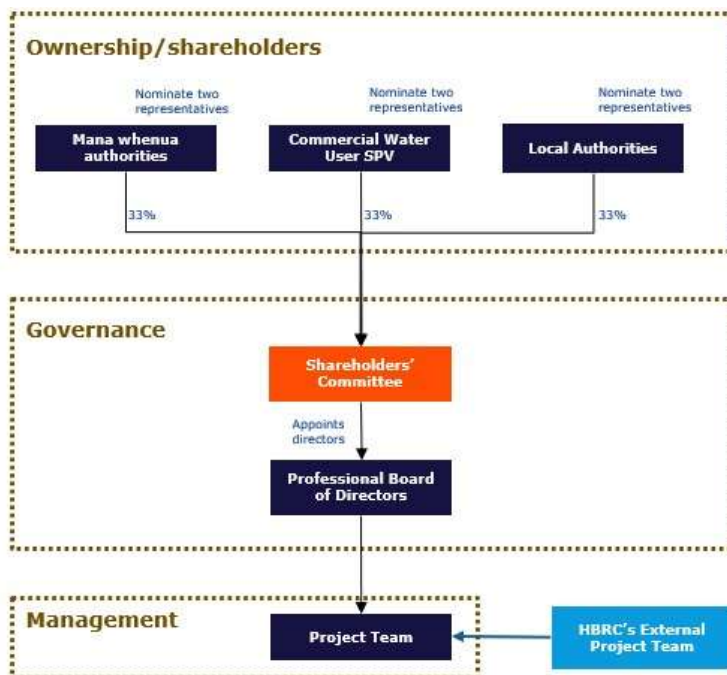
RECAP: Rationale for devolving the project

- HBRC’s groundwork has reached a pivotal stage.
- Proposal is to devolve project to a separate entity with governance driven under a water interests representative model.
- Rationale:
 - The interests of primary water interest groups must be reflected in a scheme that is intended to operate on a user payer principle.
 - Supports clear distinction between HBRC regulatory responsibilities / wider local government obligations and project execution.
 - Allows for acceleration of project delivery.
- Recent media coverage – Waimea dam – highlights the importance of Council devolving projects like this, to protect ratepayers from cost risk.

6

Update ADV

1. Company structure as per previous briefings, with a focus on balanced representation
2. Company to develop project, hold consents, etc
3. Potential Shareholders include;
 - **Tamatea Pokai Whenua** and **Mana Ahuriri Trust** (Mana Whenua authorities)
 - **Heretaunga Sustainable Water group** (Commercial water users)
 - **NCC** and **HDC** (Municipal)
4. Board of Directors to be appointed soon after incorporation.
5. Current Project team available to ProjectCo Management and supporting transition.



7

Funding agreement

- Contractual mechanism to provide capped feasibility funding to ProjectCo, and maintain oversight over the use of that money by ProjectCo.
- The Funding Agreement is on customary terms, and gives HBRC various rights to ensure it remains comfortable with its funding throughout the term of the Funding Agreement and provides accountability for public funding. Contractual mechanisms enable HBRC to:
 - withhold funding until conditions precedent are satisfied;
 - maintain visibility over ProjectCo's work programme and the use of HBRC's funding to achieve the feasibility phase objectives;
 - receive regular progress and financial reporting on ProjectCo's activities;
 - get comfort that the ProjectCo's work is aligned with Council's water security strategy / objectives for the project; and
 - suspend or cease funding in a variety of scenarios linked to the performance of ProjectCo, or the viability of the project overall.

8

Next steps – seeking delegation

Seeking delegation to the Chief Executive to:

- ***enter into the funding agreement with ProjectCo on substantially similar terms to those described in the Council Paper; and***
 - ***release funding to ProjectCo in accordance with the terms of the Funding Agreement, including (amongst other things) satisfaction of the conditions precedent.***
-
- There will be a report back to Council to re-consider next steps if, by 30 September 2025, the Funding Agreement is unsigned.

9

Recommendations

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.

Hawke's Bay Regional Council Fit for the Future.

Date: 30 July 2025

Presenters: Geoff Henley, Krystal Black

Alacrity Lab.

Introduction

- HBRC has been a successful and adaptable organisation. For example:
 - ... in the 20 'teens' it innovated Integrated Catchment Management.
 - ... in the early 2020s it smoothed rates to help ratepayers through COVID.
 - ... a few years later it responded to a highly destructive storm and its aftermath.
 - ... throughout, it managed the constant uncertainty of central government policy shifts.
- Regional Councils deal with big challenges in our era – climate adaption, water quality and resilience, pollution, pests and contamination.
- Nearly **everything** has been both urgent and important; the pressures have been immense.
- It's been knocked out of shape, which does not detract from what it has achieved.
- The mission is "Fit for the Future" – a very challenging future too.

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The brief: Efficiency & Effectiveness

AL

Effectiveness = Doing the right things:

- Things that are **priorities** and **make a difference**.
- **Rationing services** in terms of greatest benefit within available resources.
- Things that **maintain the credibility and capability** of the organisation.

Efficiency = Doing things right:

- Employing **best practices**.
- Ensuring that systems and processes support efficient use of resources.

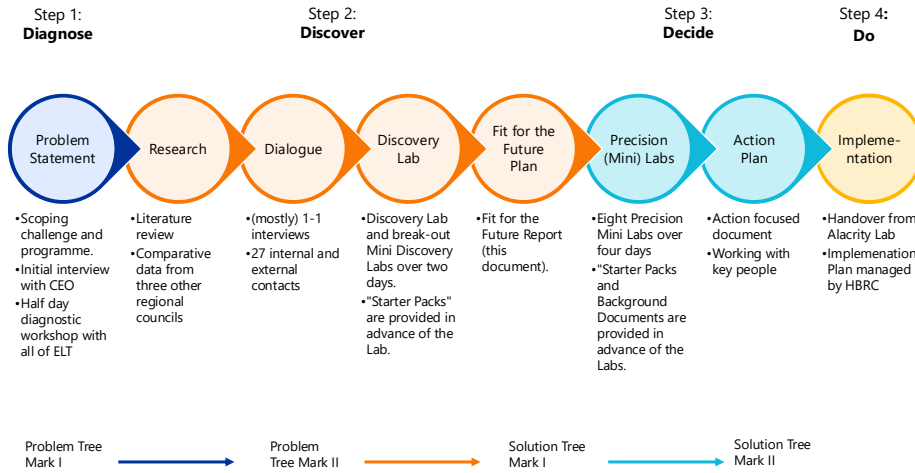
The brief: Success

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To better enable :

- **elected representatives** to identify realistic **goals and future directions** to meet community expectations.
- **the CEO and Executive Leadership Team** to **right-size the organisation, “shape” it for future demands** and meet council expectations.
- **organisation leadership** that **optimises the potential** of the HBRC team.

Methodology



Solution Tree Mark I



Core Problem	Shifts	Key Actions
A significantly overcommitted organisation	Shift 1: Refined organisational Purpose	Major Action: Identify the integrating idea around which all levels of the organisation can coalesce. Supporting Action: Refreshed Strategic Plan with a clear statement of priorities Supporting Action: Flow through to staff to energise them around purpose using communications, touchpoints and joint exercises.
	Shift 2: "Active" organisation priorities	Major Action: Create a "Levels of Service" tool Supporting Action: Aligning Council, ELT and Management/Operational Priorities Supporting Action: Creating Business Unit Workplans which are aligned to priorities.
	Shift 3: Confident decision-making	Major Action: Introduce proactive and streamlined decision-making practices (including training) Supporting Action: Accountabilities matrix – who decides what, levels of decision-making discretion Supporting Action: Embedding innovation into processes.
	Shift 4: Greater integration	Major Action: Establishing a Tier 3 connection/leadership group Supporting Action: Improved tier2/3 connection, including delegation of some responsibilities for operational management from Tier2/ELT to Tier 3 Supporting Action: Identify key responsibilities such as streamlined work processes, integrating internal and external service delivery, improving staff experience, upskilling and staff induction.
	Shift 5: Declutter operationally, delegate externally	Major Action: Identification of duplication / overlap in key areas Supporting Action: Streamlining functions and platforms. Supporting Action: Refocusing resources and identification of shared service opportunities.

Strategic Rationing

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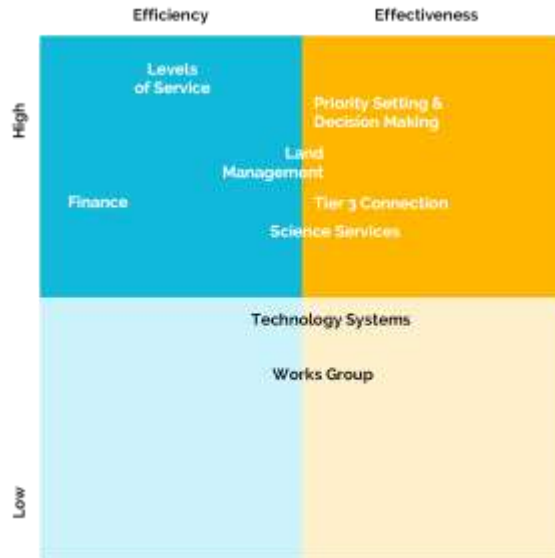
Precision Labs - Action examples

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Priority Setting & Strategic Decision Making	Revise strategic plan and framework, streamline management decision making.
Levels of Service	Levels of Service definitions, operational design and re-scoping LOS.
Tier 3 Connection	Establishing Tier 3 Leadership Group, 'Regular activities' e.g. Shared Problem-Solving, Levels of Service Reviews and 'projects' e.g. streamlined documents and processes for work planning.
Finance	Addressing known issues, increasing financial literacy across HBRC and establishing systems for future identification e.g. deep dives.
Land Management	Shift to place-based servicing, right-sizing service levels, integrated skills and systems.
Science Services	Science Strategy, Review State of the Environment reporting, better integrate science programme into work programmes.
Technology Systems	Digital Governance Board, Innovation Lab, Co-Lab – e.g. integrated prioritisation structure, addressing backlog of submissions, data silos, tactical use of technology systems to address problems in real time, etc.
Works Group	Right-sizing service levels, strategic positioning for the future needs of the region and HBRC.

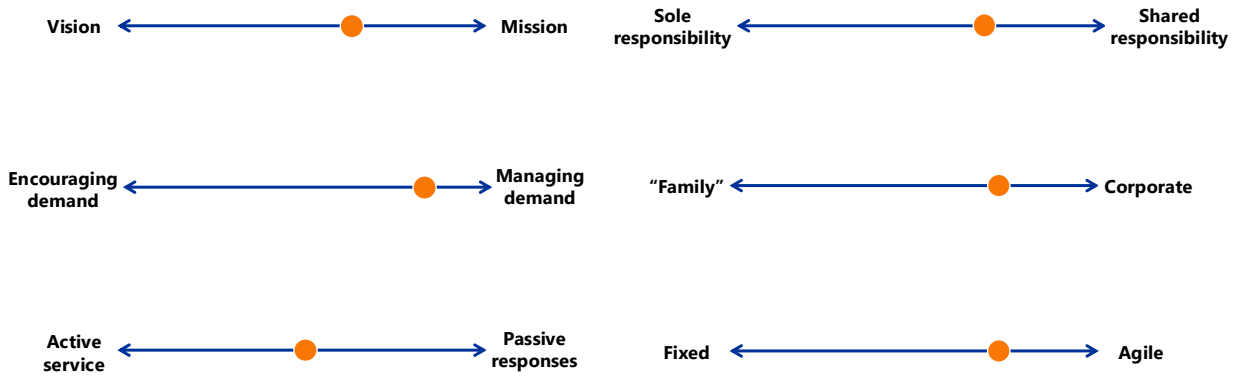
Anticipated impacts

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Recalibration

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Implementation

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Need for leadership/management of the Fit for the Future Programme:

- **Fit for the Future “desk”** – virtual monitoring, coordination, resolution hub
- **Monthly dashboard**
- **Quarterly oversight** +CEO and external
- **Quarterly reporting** to elected representatives

Timeframe

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Building the plane whilst flying the plane:



Special thanks.

We would like to thank the very large list of 69 individual contributors, without whom this work could not have been completed, including:

- **Contributors to Comparative Report**

- Hawke's Bay Regional Council
- Horizon's Regional Council
- Northland Regional Council
- Otago Regional Council

- **Dialogue Participants**

- External contributors from across the region x 11
- HBRC councillors x 3
- Staff from HBRC x 14

- **HBRC Staff and Councillors**

- Diagnose Lab Participants x 6
- Discovery Lab Participants x 27
- Precision Lab Participants x 38
- Support Staff x 3

Status of Priority Projects

Extreme Weather Hub	<ul style="list-style-type: none">• Phase 2 focussed on completing development of flood forecasting dashboard• Making changes to hub based on feedback received to date• Set up a user testing panel
Flood Forecasting System	<ul style="list-style-type: none">• Dashboards currently in final stages of development• User testing will begin shortly• Phase 2 to begin shortly – to enhance flood modelling data
Trigger Levels	<ul style="list-style-type: none">• 2 Pilot communities confirmed, 3rd is still in discussion• Working with TAs to develop framework for working with pilot communities
Bylaws	<ul style="list-style-type: none">• External resource engaged to support analysis of schemes to determine what rules are appropriate for HBRC.
Reimagining Flood Resilience	<ul style="list-style-type: none">• Community socialisation underway• Steering Group appointments nearly complete• External resource appointed to lead Stakeholder reference groups and focus groups
Hazard Portal Business Case	<ul style="list-style-type: none">• Scope of Business case has widened to provide for the new LGOIMA regulations.• Business case due in October

HBIFR Programme Verification Process

Scope:

- Assess and validate the analysis process to ensure recommendations have been understood and actions give appropriate effect
- Undertake a gap analysis to ensure no actions have been missed
- Evaluate if work is complete, and the recommendation has been achieved.



Re-Imagining Flood Resilience

Project Update

30 July 2025

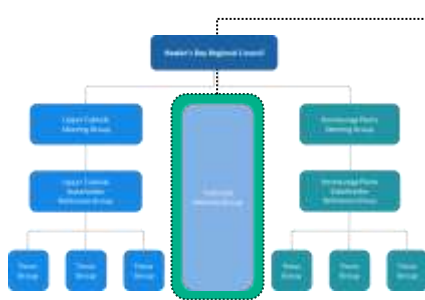


Re-Imagining Project – timeframe

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



Project Structure



- Technical Advisory Group

- All project partners highly engaged:
 - TPW, MA, NKII, HDC, CHBDC, NCC
- Meeting every 3 weeks
- Terms of Reference agreed
- Current focus on Scheme Reviews
- Leading Practice review underway
- Scoping for Economic Analysis underway



Project Structure



- Steering Group Appointments

- NCC, HDC & CHBDC confirmed appointments
- TPW & MA in progress
- First meeting sought for mid-August



Project Structure



- Stakeholder Reference Groups

- Appointment process through Steering Group
- Plan to commence in September
- External consultant engaged
- Workshop scheduled next week to finalise framework for engagement



Project Structure



- Focus Groups

- No progress to report
- Number, scope etc to be developed through Steering Group and with Stakeholder Reference Groups





Key next steps

- Presence at IPMO Ōhiti Road | Ōmāhu community drop-in
- Schedule Steering Group meetings
- Work with Steering Groups to make appointments to Stakeholder Reference Groups and Focus Groups
- Work with consultant to plan framework for Stakeholder Reference Group /Focus Groups
- Continue to develop technical foundation through TAG (Scheme Reviews, Leading Practice Review, Economic Analysis, NBS, other research)

