



HAWKE'S BAY  
REGIONAL  
RECOVERY  
AGENCY

**HAWKE'S BAY  
BRIEFING TO THE  
INCOMING GOVERNMENT**  
November 2023

**From the Matariki leaders of Hawke's Bay**



# EXECUTIVE SUMMARY

As the new Government prepares to reshape the relationship between central government and local government through long-term partnership agreements, Hawke’s Bay is a region aligned with many of incoming government’s priorities. We are organised for collaboration, united and we have pressing post-cyclone issues to address.

With the urgent challenge of building back resiliently from Cyclone Gabrielle, Hawke’s Bay wishes to explore a

shared strategy with central government to address urgent recovery issues, alongside building an enduring regional partnership to deliver improved results.

Long-term joint planning and a portfolio approach could deliver a regional partnership encompassing transport, housing (including public housing), and environmental resilience investments, and new mechanisms to alleviate roadblocks to a prosperous, sustainable and resilient region.

## Key Issues – Hawke’s Bay Regional Partnership

|                                    |   |
|------------------------------------|---|
| <b>Silt and Debris</b>             | Over <b>1.5 million cubic metres of silt and debris</b> remain on highly productive land from Cyclone Gabrielle.  |
| <b>Category 3 Property Buyouts</b> | <b>Action is needed</b> to ensure the Government-led Kaupapa Māori buyout programme catches up to the broader buyout programme <b>to avoid disparate and unfair outcomes</b> . Further support maybe required for additional category 3 property buyouts if land categorisations change and current funding caps are reached. |
| <b>Severe Housing Shortages</b>    | The region is at least 3000 houses short, with that expected to grow as work expands to restore damaged infrastructure.   |
| <b>Legislative Roadblocks</b>      | Legislation and/or new regulations could ease <b>significant consenting and planning blockages</b> slowing critical flood mitigation work.  |
| <b>Emergency Resilience</b>        | New measures are needed for more <b>resilient power, telecommunications, and transport infrastructure</b> for when disasters occur.   |
| <b>Water Service Delivery</b>      | A regional model based around the five <b>Hawke’s Bay Councils</b> is proposed with strong regional backing to replace the soon-to-be-repealed Three Waters water service entities.   |
| <b>Water Security</b>              | There is a pressing need to address the fast-growing demands for long-term <b>climate resilient water supplies</b> for one of New Zealand’s most important primary sector producing regions.  |
| <b>Transport</b>                   | Significant recovery related investment is needed to build back better and address vulnerabilities on both state highways and local roads, particularly in the <b>‘farm/orchard gate to processing/arterial corridor’</b> element of the road network.  |
| <b>Health Services</b>             | Hawke’s Bay Regional Hospital needs priority work while broader health services need to be made <b>fit-for-purpose</b> to meet the region’s needs.  |
| <b>Workforce Development</b>       | Development of the local workforce is required to help meet the demand for civil construction workers for post-cyclone infrastructure repairs (up to <b>8000 additional construction workers</b> over the next eight years).  |

# INTRODUCTION

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Matariki is a collaborative leadership group working to address the range of issues and challenges facing Hawke's Bay. Made up of the five Hawke's Bay Councils, Iwi and six Post Settlement Governance Entities, Matariki has been particularly focused on recovery priorities following the devastation wrought on the region by Cyclone Gabrielle, establishing the Regional Recovery Agency (RRA) to lead this work. Working alongside the public service, business, primary sector and NGO organisations, Matariki and the RRA provide an ideal, joined-up vehicle for Hawke's Bay to work with the Government to advance shared goals and priorities.

Gabrielle was the most significant weather event on record across Hawke's Bay. Eight lives were lost in Hawke's Bay, thousands of homes inundated, many marae were flooded or damaged, roads and bridges were destroyed or damaged, and vast areas of land – much of it highly productive – covered in debris and silt. It is only the third time in New Zealand's history a national state of emergency has been declared. It was the costliest tropical cyclone in the southern hemisphere, estimated at causing more than \$8bn in damages.

The economic, social and environmental impacts have been significant on a region which, until the cyclone, had been outperforming the national economy for a number of years, driven by our traditional strengths in horticulture, agriculture and viticulture, alongside tourism and a construction boom. In the Horticulture sector for example, Cyclone Gabrielle impacted circa 35% of local crop production value, with an estimated \$500M in economic losses in FY23, and \$920M in critical response and replanting costs.

We are grateful for the valuable and ongoing support we have had to date from the Crown. This includes support for buying out Category 3 properties, flood protection, silt and debris removal, restoring transport links, for Māori communities badly damaged by the flood, and for businesses and the primary sector devastated in so many ways. But, as Ministers know, there is huge work still to be done to continue the recovery, restore our crucial primary sector, and build back better.

With the incoming government's expressed intentions to explore 'regional partnerships' and to meet with cyclone affected communities to establish recovery requirements, we are keen to engage with you. Hawke's Bay could be a natural starting point for regional partnerships. Such an approach recognises the limitations of concentrated delivery of public services

from a central bureaucracy. A decentralised model addresses the realities and experiences of different communities, encouraging self-reliance and localised decision making through subsidiarity. The closer that resource allocation and decisions are located to where those resources will be deployed, the greater the prospect of improved outcomes and community support. We also note that, compared to Christchurch after the earthquakes, relatively little public service capacity has been located in the region (acknowledging the good work done by MSD and the Regional Public Service).

We strongly support your approach as articulated during the campaign. We are aligned with many of incoming government's priorities and our partner organisations have expressed their pre-commitment to partnership and regional collaboration. We are joined-up and ready to go.

Our first priority is, of course, the massive recovery and resilience challenge facing us in the wake of cyclone Gabrielle. Our current action plan, supported by the RRA, is about restoring and enhancing Hawke's Bay's resilience – whether it be in the environment, economy, whānau and community well-being, the primary sector, the region's infrastructure, or in how we become more resilient to and recover from future events. We see the best approach to these challenges as a partnership between the Crown and government agencies and our councils, communities and mana whenua, and businesses and primary sector participants across Hawke's Bay.

The starting point for a conversation between the region and the incoming government could encompass:

- Silt and debris – continued Crown support
- Addressing severe housing shortages
- Regulatory relief to deliver outcomes
- Emergency resilience
- Water service delivery – a new direction with regional collaboration
- Water security – support for investment in water efficiency and storage
- Transport – resilience and building back better
- Health services
- Workforce.

# IMMEDIATE RECOVERY AND RESILIENCE ISSUES

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## 1. Silt and Debris

Hawke's Bay's silt and debris removal programme is highly successful thanks to the significant support from the Crown. Around 3 million cubic metres of silt needs to be cleared to return highly productive land into horticulture, agriculture and viticulture. As at the end of October, almost half (~1,350,000m<sup>3</sup>) had been removed. The programme has comprised two components – a commercial fund that co-invests with commercial landowners to clear silt from land (e.g., orchards, vineyards and farms), and a local authority fund which, in addition to dealing with residential silt deposits, collects, transports and processes silt and debris once it has been removed from private property.

The Silt and Debris Taskforce operations have supported thousands of hectares of land to get back into production. The Taskforce is working closely with sector groups to prioritise the highest-value land – with the current planting season a priority factor. This programme has strong support across the horticultural, agricultural and viticulture sectors and the wider community. A halt to the programme will have noticeable negative impacts in the Hawke's Bay community.

Alongside the economic impact, there are also public health issues. The silt has the potential to be contaminated with animal and human waste, agrichemicals etc. In parts of the region silt is turning to dust in dry and windy conditions. Airborne dust can cause respiratory health issues for vulnerable communities. Over the summer months this is not a problem for which easy mitigation exists apart from removal. Planting and hydroseeding solutions can stabilise silt where debris and other cyclone waste has been removed, but this is not a viable option until the autumn.

Longer term it is critical to invest in working with landowners in catchments to manage and reduce erosion if we are to reduce the volume of silt and debris mobilised in major storms. This will reduce post event costs and damage and enable the region's economy to be more resilient. The region's Land for Life (formally Right Tree Right Place) programme can help address significant challenges relating to erosion, climate change adaptation and mitigation, freshwater protection, and restoring biodiversity. These are important conversations to be held with the new Ministers of Environment and Primary Industries.



## 2. Legislative/Regulatory Relief

The RRA met pre-election with Cyclone Recovery Unit (CRU) officials to consider options to ease the RMA consenting/planning burden for critical flood mitigation infrastructure. Emergency legislation and/or regulations could be explored to streamline and speed up the RMA processes.

Flood mitigation infrastructure is needed to move up to 963 properties within Categories 2A and 2C to Category 1, but is likely to be slowed by complex consenting requirements. Regulatory relief could be delivered by legislative change to streamline the consenting process, via permitted activity or a non-notified controlled activity status. An Order-in-Council may also present a possible pathway.

Discussions between the RRA, the councils and the CRU continue to ensure that feasible options for regulatory relief can be presented to the new Government endorsed by the CRU and relevant agencies (e.g., Ministry for the Environment, DIA, HUD, Crown Law). However, given recent experience, Ministerial leadership may be required to help overcome hesitance on the part of some agencies and officials.

## 3. Housing—Short and Longer-Term

Severe housing shortages in Hawke's Bay were exacerbated by Cyclone Gabrielle. Housing was destroyed or made unoccupiable in flooded areas. People were displaced and without housing, or entered the urban market and displaced others, causing significant indirect displacement. We estimate the region was short of around 3000 houses before the cyclone which has exacerbated the problem.

Māori housing has been disproportionately impacted. Government support (through the Temporary Accommodation Service and MHUD) along with local marae have helped many but there are still whānau without adequate housing. Much of the land where housing was affected is now category 3 or 2A, there are some rural implementation challenges, and the funding provided to support cabins for whānau is unlikely to meet the quantum of need. Additional support and operational policy changes may be required to get some of the support already provided in place 'on-the-ground.'

The Kaupapa Māori Parallel Pathway for Category 3 lands needs urgent attention. While the Council-led general land buyout programme is progressing well, the Government-led Kaupapa Māori led buyout programme lags behind and is creating unfair and disparate outcomes.

The Council-led programme may need some further support in the future should additional properties be recategorised as category 3 due to flood mitigation options not being achievable or economic.

Added to current housing challenges, there are concerns that the projected influx of workers to the region will make the housing situation worse – there needs to be a process for working with Transport Rebuild East Coast (TREC) Alliance and New Zealand Transport Agency/Waka Kotahi to ensure their approaches to worker accommodation do not exacerbate housing shortages. Sensible approaches could create a legacy for solving housing problems rather than exacerbating them. Discussion on this issue has commenced which is promising.

Continued and additional support for housing investment in Hawke's Bay, including via Kāinga Ora/Homes and Communities and MHUD, is essential to reduce and avoid undesirable social and health outcomes. The region has a good working relationship in place with MHUD. Of particular promise in addressing housing shortages within the region are various housing projects being pursued by Post Settlement Governance Entities (PSGEs) and NKII in conjunction with MHUD. The region strongly supports these projects as part of the wider solution to housing shortages and urges the Government to continue with these housing programmes, and the place-based approaches underway.

## 4. Emergency Resilience

Continuing the work to build stronger resilience in lifeline utilities such as power and telecoms is vital. There needs to be a focus on avoiding a repetition of significant areas, towns and cities being left with no power, no telecommunications and cut-off from land and air transport networks for several days. Hub health facilities need to be increased in capacity and capability for when access to the closest hospitals is cut. Flood resilience for the Awatoto Industrial Area (which hasn't been prioritised in the initial flood protection funding) also needs focused attention.

Emergency services performed heroically in the cyclone but inadequate resources and funding, both at a local and regional level, hampered their response efforts. This needs addressing as New Zealand faces increasing frequency and severity of weather events.

# ‘REGIONAL PARTNERSHIPS’ OPPORTUNITIES

## 1. Water Services

During 2019 and 2020 the five Hawke’s Bay Councils collectively undertook a detailed study of the future of water service delivery. That review identified that the status quo of Councils managing water, wastewater, and stormwater (three waters) was no longer a viable option:

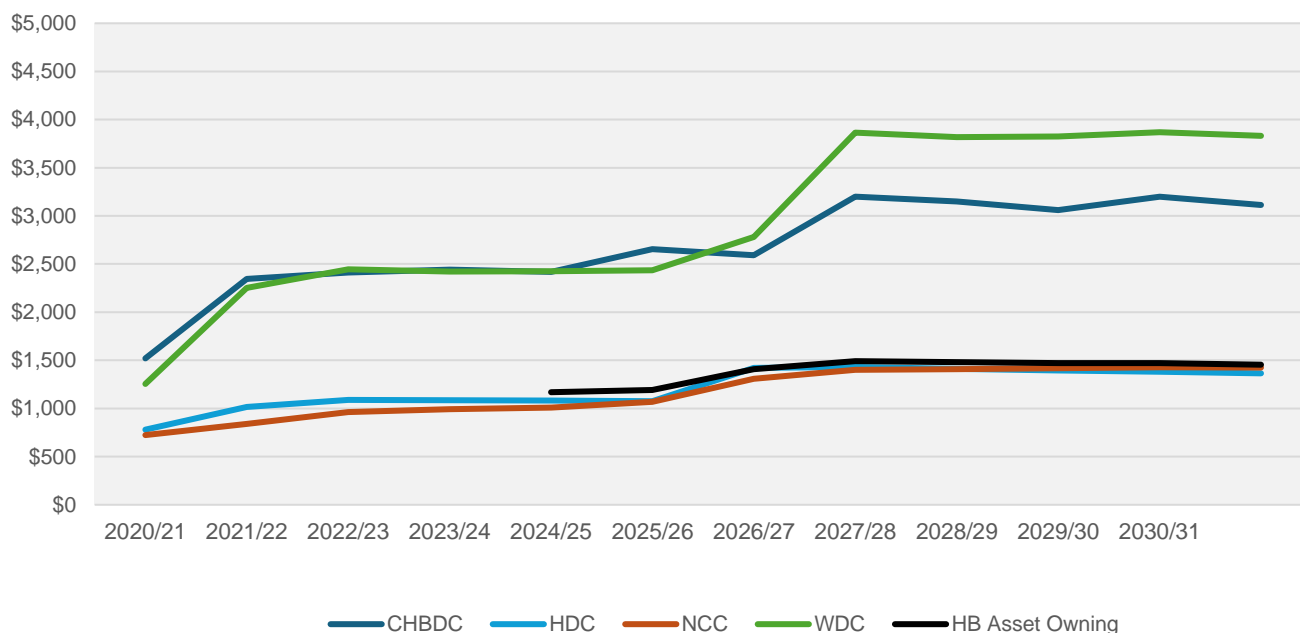
- The cost of three waters services is rising for all ratepayers but the cost increases for Wairoa and Central Hawke’s Bay ratepayers will reach a level considered unaffordable when compared to international benchmarks.
- A regional model could achieve capital and operating savings by consolidating the services into a single entity responsible for the service across all of Hawke’s Bay, significantly improving affordability for Wairoa and Central Hawke’s Bay (note these

figures are currently being updated to include changes post Cyclone Gabrielle).

To establish the regional model legislative change would be needed. Watercare was created by legislation when Auckland Council was created so it has different powers than a CCO created under the Local Government Act. Some of the differences are minor but others are material.

Under the current rules for Council CCOs, the debt would be attributed to and reported by each Council in line with their shareholding. Post Cyclone recovery, Hawke’s Bay Councils are reaching or are projected to reach their debt limits. A change to the rules for CCOs to provide for balance sheet separation for a regional model (and other similar CCOs) would be a significant benefit for the CCOs, the Councils and Government.

**Estimated Future Three Waters Services Costs — Annual \$/Household**



## 2. Water Security

Our Regional Water Security Programme set an overarching objective to ensure “Hawke’s Bay has long-term climate resilient and secure supplies of freshwater, for all”. There are currently three projects included within the HBRC Programme: The Regional Water Assessment, the Central Hawke’s Bay Managed Aquifer Recharge (MAR) Pilot and the Heretaunga Water Storage project.

The Regional Water Assessment provides key information for our freshwater management planning and policy, producing a view on how much water we have, how much we use and what this is projected to be in the future. Irrigation for agriculture, horticulture and viticulture is the biggest user at 64%, municipal supply uses 19%, and manufacturing and processing 13%.

The region currently uses around 140 million m<sup>3</sup> of water annually. Our long-term future demand planning forecasts that even with significant water demand savings, Hawke’s Bay will still require an additional 25 million m<sup>3</sup> of water by 2040 and nearly 33 million m<sup>3</sup> by 2060.

We are looking at a range of options for both reducing demand and increasing supply (for further investigation and assessment), including reducing waste and increasing efficiency and conservation, community-scale water storage (dam/reservoir) and Managed Aquifer Recharge projects to divert water when plentiful to recharge aquifers. A partnership with Government to advance this vital climate resilience work, with its potential for economic, environmental, and cultural benefits, is something the region would welcome.

## 3. Transport

The Draft Hawke’s Bay Regional Freight Distribution Strategy has been collaboratively developed by our councils and Regional Economic Development Agency (REDA), mana whenua, and major transport sector participants. It covers all transport modes of sea, air, and land (road, rail and active) and the end-to-end supply chain from production and manufacturer to customer with a 30-year horizon across Wairoa, Napier, Hastings and Central Hawke’s Bay.

It highlights the need for resilient strategic freight corridors to the north via SH5, to the north and south via SH2, and the east via sea. It also demonstrates the importance of all transport modes, including active, and the importance of investment into rail infrastructure connecting the districts, and the region, to the national network. Along with improving resilience, there are significant opportunities to improve economic outcomes through investment in corridors such as SH2 north to Wairoa and Tairāwhiti.

Input to the Strategy has also highlighted the importance of rebuilding the ‘farm/orchard gate to processing/arterial corridor’ element of the freight distribution network. Alongside state highways, this has been most severely affected by Cyclone Gabrielle.

***Councils with extensive rural roading networks are under significant financial pressure post-Gabrielle and will need assistance beyond ‘business as usual’ levels.***

Ensuring event-based enhanced FAR rates remain in place will be essential for council financial sustainability.

The Freight strategy has been completed post Cyclone Gabrielle to ensure its strategic projects align with both recovery efforts to ‘build back better’ and future needs. The recommendations in this strategy are closely aligned with the RRAs priorities and recognise the fragility of the region’s transport network and lifeline infrastructure. Lifeline utility failure was a key impact to emerge from Gabrielle, with road access, along with power and telecoms, cut off for communities large and small for periods ranging from days to weeks.



## Strategic Hawke's Bay Projects



The recommended projects are the result of extensive engagement and consultation with local stakeholders. All projects are grounded in the Aotearoa New Zealand Freight and Supply Chain Strategy principles of **National Interest, Partnership and System Stewardship** and have been classified as follows:

1. Assigned one or more of the four regional strategic priorities.
2. Assigned one or more of the three strategic freight corridors.
3. Assigned one or more of the six DRAFT GPS 2024 strategic priorities.
4. Categorized in accordance with the **intervention hierarchy** provided in the DRAFT GPS 2024.
5. Defined as a recovery project (post Cyclone Gabrielle) and/or an enhancement project.
6. Given an indicative timeframe of short term (1-2 years), medium term (3-5 years) or long term (5+ years).
7. Identified as a particular transport mode (road, rail, air, sea or active)
8. The five transport outcomes from GPS 2021 are applied to each project.

|                  |   |                   |   |
|------------------|---|-------------------|---|
| <b>PROJECT 1</b> | SH5 resilient and efficient   | <b>PROJECT 7</b>  | Build a log yard at Waipukurau to move logs off road to rail  |
| <b>PROJECT 2</b> | SH2 to Wairoa resilient and efficient, and investment intensified on road rather than stretched across road and rail  | <b>PROJECT 8</b>  | Deconflict the Ahuriri freight corridor   |
| <b>PROJECT 3</b> | SH2 Napier to Hastings dual carriageway and rail feasibility study to realign on the same corridor                    | <b>PROJECT 9</b>  | Update the HPUDS to zone industrial land to connect with the main SH2 corridor between PakiPaki and Napier Port           |
| <b>PROJECT 4</b> | SH50 and SH51 repairs   | <b>PROJECT 10</b> | Develop the Napier Airport freight hub  |
| <b>PROJECT 5</b> | Complete a study on rebalancing container import and export trades  | <b>PROJECT 11</b> | Complete a detailed business case to realign intra-region rail along the SH2 corridor between PakiPaki and Napier Port    |
| <b>PROJECT 6</b> | Redesignate the Palmerston North to Napier line in the Rail Network Investment Program (RNIP) to Priority Line status | <b>PROJECT 12</b> | Complete a feasibility to repurpose the existing rail corridor along SH51 into active modes and/or urban transport routes |

## Hawke's Bay Network Map



(Project and map from the Draft Hawke's Bay Regional Freight Distribution Strategy, October 2023)

## 4. Hauora and Health Services

Addressing the state of health services in the region is an area of critical priority for the incoming Government. Hawke's Bay Regional Hospital is no longer fit-for-purpose for the region's needs. The buildings are old, deteriorating – urgent and extensive investment is required. The region is pleased that Hawke's Bay has made it onto a priority list for investment but wishes to see urgent action, including ensuring new facilities (i.e., Emergency Department) have adequate capacity for current and future needs.

Broader health services need to be fit-for-purpose and accessible for diverse communities. This means identifying wellbeing needs and developing services in partnerships with mana whenua and other communities. It also means being willing to move away from the status quo where it is failing communities, and diversifying service delivery and wellbeing support channels so that barriers to wellbeing and healthcare are removed.

The region's Matariki partner organisations are ready to engage with Government in the work required to deliver more decentralised and responsive services in our region. The region, and in particular the Iwi Māori Partnership Board working with the Health Service, will provide further detail in this area.

## 5. Developing Our Workforce – Recovery, People and Whānau Development, and Economic Potential

Hawke's Bay desperately needs targeted investment in skill and workforce development. The Infrastructure Commission's workforce modelling of the post-cyclone infrastructure programme forecasts that up to 8,000 additional civil construction workers will be needed in the next 2-5 years and beyond (on top of significant housing construction workforce needs). While that programme will be smoothed through phasing, sequencing and funding constraints, there will still be a need for a large increase in the civil construction workforce.

This presents an opportunity to employ and develop our people locally and is a particular focus for the region's Māori and Pasifika communities. The region's PSGEs view capability growth and skill development as essential in improving health and life outcomes for Māori and improving Māori economic potential.

The tertiary education sector has a vital role to play in this. With the formation of Te Pūkenga/New Zealand Institute of Skills and Technology, the region has lost the local leadership, focus and responsiveness that existed with EIT. Restoring a responsive locally-led tertiary institute, with strong links to mana whenua, the economy and local civic leadership, would be welcomed. EIT was a stand-out tertiary institute before the reforms.

There is also a need to ensure Te Pūkenga/New Zealand Institute of Skills and Technology and/or its local manifestation, works closely with workforce development councils to ensure offerings are needs and demand focused. Meeting regional industry needs, particularly in civil construction and housing, is vital.



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