

Tuesday, 18 April 2023

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
Hastings District Council
Council Meeting

Kaupapataka

Supplementary Agenda

Te Rā Hui:
Meeting date: **Tuesday, 18 April 2023**

Te Wā:
Time: **3.00pm**

Te Wāhi:
Venue: **Council Chamber
Ground Floor
Civic Administration Building
Lyndon Road East
Hastings**

Te Hoapā:
Contact: **Democracy and Governance Services
P: 06 871 5000 | E: democracy@hdc.govt.nz**

Te Āpiha Matua:
Responsible
Officer: **Chief Executive - Nigel Bickle**

**Watch Council meetings
streamed live on our website
www.hastingsdc.govt.nz**

HASTINGS DISTRICT COUNCIL
207 Lyndon Road East, Hastings 4122 | Private Bag 9002, Hastings 4156
Phone **06 871 5000** | www.hastingsdc.govt.nz
TE KAUNIHERA Ā-ROHE O HERETAUNGA

Tuesday, 18 April 2023

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council

Council Meeting

Kaupapataka

Supplementary Agenda

Tiamana

Chair: Mayor Sandra Hazlehurst

Mematanga:

Membership:

Ngā KaiKaunihera

Councillors: Ana Apatu, Marcus Buddo, Alwyn Corban, Malcolm Dixon, Michael Fowler, Damon Harvey, Henry Heke, Kellie Jessup, Tania Kerr (Deputy Mayor), Eileen Lawson, Renata Nepe, Simon Nixon, Ann Redstone, Wendy Schollum and Kevin Watkins

Tokamatua:

Quorum:

8 members

Apiha Matua

Officer Responsible:

Chief Executive – Nigel Bickle

*Te Rōpū Manapori me te
Kāwanatanga*

Democracy and

Governance Services:

Louise Stettner (Extn 5543)

Te Rārangi Take

Order of Business

7.0 Hastings District Council - Cyclone Gabrielle Recovery Update

7

Tuesday, 18 April 2023

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
Hastings District Council: Council Meeting

Item 1

Te Rārangi Take

Report to Council

Nā: Craig Cameron, Interim Recovery Manager
From: Matt Adamson, Strategy and Policy Advisor
Annette Hilton, Strategy, Policy, Project and Evaluation Advisor

Te Take: Hastings District Council - Cyclone Gabrielle Recovery Update
Subject:

1.0 Executive Summary – *Te Kaupapa Me Te Whakarāpopototanga*

1.1 The purpose of this Report is to update Council on;

- Response and Recovery activities following Cyclone Gabrielle.
- The ongoing role of Council in the Recovery of Hastings District and Hawke's Bay Region.
- Indicative demands that Council Response and Recovery actions are placing on Council resources including the Council's financial resources. The implications of Recovery expenses (some currently unbudgeted) are discussed.

This Report acknowledges the devastation inflicted by Cyclone Gabrielle and expresses condolences on behalf of the Mayor, Council, and Council staff for the loss of life and harm caused on many fronts to our communities.

1.2 Cyclone Gabrielle has permanently changed the landscape and lives of residents in the Hastings District. It is one of the major disasters in our history, causing;

- Loss of life,
- Displacement of hundreds of residents from their homes,
- Hundreds of millions of dollars in damage to Council infrastructure,
- Billions of dollars of negative consequences to the regional economy in respect of damage to production capacity and foregone revenues,
- Social, economic, and mental health trauma for many in our communities.

- 1.3 Council has been and continues to be heavily invested in Response and Recovery activities following the Cyclone. Council acknowledges that there is an expectation from the Community that all efforts should be made to progress Recovery efforts. The detailed distinction between Response and Recovery is immaterial (for the public) at this time given the different phases of Recovery and Response that different communities find themselves in.
- 1.4 Many Council activities following the Cyclone remain reactionary following the usual tenets of 'Coordinated Incident Management' (The operating model of Civil Defence responses). These include:
- Re-establishing access (roading & bridges) to all communities
 - Restoration of lifeline services and infrastructure
 - Provision of community welfare and support services
 - Enabling access to temporary / emergency accommodation
 - Inspection of affected properties
 - Property inspection follow-up activities and provision of information to Government for its potential decisions re Managed Retreat for land deemed no longer suitable/safe for housing
 - Management and disposal of silt and other flood-related waste
 - Logistics and supplies to isolated communities
 - Provision of information and referral/navigation services
- 1.5 Council is applying significant financial and staff resource to helping its community in a time of extreme hardship and need for many. Community assistance in time of emergency is a core function of councils and the wider public sector.

2.0 Recommendations - Ngā Tūtohunga

- A) That the Council receive the report titled Hastings District Council - Cyclone Gabrielle Recovery Update dated 18 April 2023.
- B) That Council note the information, activity and actions outlined in the report in A) above.

3.0 Background – Te Horopaki

Cyclone Gabrielle

- 3.1 Cyclone Gabrielle caused significant damage across large areas of the North Island during 13-14 February 2023. It resulted in the declaration of a National State of Emergency on 14 February. The following information matrix provides some context for the scale of the Cyclone's consequences for Hastings District. Note there are many other areas where the effects of Cyclone Gabrielle have been felt (e.g. marae, rural communities, primary sector, etc). The matrix is a snapshot of some of the key areas for Hastings District Council.

Impact	Consequences
<u>Deaths and Injuries</u> <ul style="list-style-type: none"> • 8 people deceased in Hawke's Bay • 300+ Accident Compensation Corporation claims related to 	<p>Additional injuries and deaths following events have significant effects on community and economic wellbeing.</p> <p>There is also the psychological toll on individuals and whānau. This is expected to be a continuing consequence over the coming months and years.</p>

the Cyclone (As at 1 April 2023)	
<u>Evacuations and Displaced People</u> <ul style="list-style-type: none"> • 300+ rescues by Emergency Services • 1900+ people in evacuation centres (peak number) • 1200+ Whānau displaced from their homes 	<p>The need to rescue and evacuate such a significant number of people required Council to resource and staff Civil Defence centres and community led evacuation centres across the District.</p> <p>There has also been a heavy demand placed on temporary accommodation as a result of so many people being displaced.</p>
<u>Damage to Buildings</u> <ul style="list-style-type: none"> • 103 Red Placard (stickered) No access. • 730 Yellow Placard Access to part(s) of the building only Short term entry only • 933 total building inspections completed (As at 1 April 2023) 	<p>Council building inspectors completed a significant number of building inspections and have been supported by inspectors from other agencies brought to Hastings to assist with building assessments.</p> <p>Due to some communities remaining isolated, there are still areas potentially requiring building inspections.</p> <p>In the longer term affected residents will have to manage housing demolition, rebuild, repair and engage with insurance companies.</p> <p>Some residents also await Government decisions regards 'Managed Retreat' commonly known as Red Zones. The Government will decide if land is to be deemed no longer suitable/safe for housing. Processes regarding compensation for land affected by managed retreat will also need to be announced by Government.</p>
<u>Road and Bridge Works</u> <ul style="list-style-type: none"> • 16 bridges destroyed • 28 bridges significantly damaged • 600+ culverts need replacement • 100km+ roads to be rebuilt • 1000+ slips need remediation 	<p>Local and regional roads suffered extensive damaged following the Cyclone. Many rural communities were isolated as a result, and several remain so. This resulted in a need to provide crucial welfare supplies into these communities for extended periods of time.</p> <p>An estimated \$600k per day has been and continues to be spent on roading and access restoration following the event.</p> <p>In the long term, there will be significant capital roading and bridge projects needed as Council moves from temporary to permanent access solutions.</p>
<u>Waste Recovery (Estimated Quantities)</u> <ul style="list-style-type: none"> • Silt – 3.5 million m³ • Household waste – 20,000 tonnes • Rural waste – 138,000 tonnes • Demolition waste – 25,000 tonnes • Vehicles & Machinery – 20-50,000 units 	<p>Flooding from Cyclone Gabrielle resulted in large amounts of waste requiring disposal. A significant component of this was silt brought by rivers breaching their banks. This caused silt to be deposited over several rural and peri-urban areas (e.g., Esk Valley and Pakowhai). This caused damage to properties and productive land.</p> <p>The Landfill and Transfer Station were closed for several days following the event and when reopened, it was placed under considerable strain with demand far exceeding usual levels. Council along with Hawkes Bay Regional Council continue to identify alternative sites to collect and store silt and flood damaged waste.</p>

<ul style="list-style-type: none"> Discarded clothing – 5x 20ft shipping containers of unwanted/unusable clothes Greenwaste – Not quantified. 	<p>The increased waste following the flood will bring forward the requirement for a new valley at Ōmarunui Landfill. It is also likely to require additional resourcing to support Council work in this space.</p>
<p><u>3 Waters</u></p> <ul style="list-style-type: none"> Drinking Water Supplies Wastewater Stormwater 	<p><u>Drinking Water</u></p> <p>Some of the district's small drinking water supplies were impacted by the Cyclone, in particular, Te Pohue, Whirinaki and Esk.</p> <p>All three are now back online. An unknown number of private water supplies have also been affected. These remaining issues are likely to take some time to resolve.</p> <p><u>Wastewater</u></p> <p>Power to the Waste Water Treatment Plant was out for several days. Council was able to maintain levels of service through back-up diesel generators.</p> <p>There were some minor wastewater overflows across the network due to floodwaters entering the system. Septic tanks were also affected. Council are working with contractors to assist affected properties.</p> <p><u>Stormwater</u></p> <p>Power was lost to many stormwater pumpstations following the event. Streams in the Havelock North area were affected by fallen trees and slips.</p> <p>In the short term this meant significant work was required to clear debris from drains and streams.</p>
<p><u>Welfare and Support Services</u></p> <ul style="list-style-type: none"> Civil Defence (Emergency) Payments – 20,000+ Rural & Isolated Communities – 1000s of food parcels delivered Community Hubs – Staffed by Council and volunteers 	<p>Cyclone Gabrielle caused considerable demand for community and government welfare support. A multi-agency approach was deployed to attempt to understand and meet the welfare needs of local communities.</p> <p>In the short term, this was reflected in considerable demand for food and essential supplies which required a regional and local distribution centre to be established.</p> <p>In the medium to long term, demand on government and community organisations for support is likely to remain higher than normal as economic, health and cultural impacts are worked through by communities.</p>
<p><u>Rural Sectors</u></p> <ul style="list-style-type: none"> Access restrictions Damage to productive soils Damage to farming infrastructure Isolated Rural Communities 	<p><u>Access</u></p> <p>Heavy rainfall and flooding from Cyclone Gabrielle had a significant impact on both the Kaweka and Tutira Wards of the District. Damage to State Highway 2 at Devil's Elbow and the destruction of the Waikare Bridge has resulted in isolation for the Tutira area and prevented access from Napier to Wairoa. State Highway 5 is now open. The Waikare Bridge on State Highway 2 is expected to be open on the first week in May.</p>

Patoka, Puketitiri, Rissington and Upper Dartmoor

Temporary stock access was provided via a Tractor Driven Stock Trailer across the Tutaekuri River at Dampney Road and then out via the Taihape Road. The Tractor was provided by Hawkes Bay Regional Council (HBRC) and funded by Ministry of Primary Industries (MPI). Animals were also driven across the river at Dampney Road and across the temporary culvert bridge at Rissington. Temporary bridges at Rissington and Dartmoor Road have allowed residents, stock, farm supplies movements to return to normal. Further rainfall events may compromise parts of the roading network, but substantial progress is being made on repairs to minimise this risk.

Tutira, Putorino

This area remains the most at risk from further rainfall events over winter. While Waka Kotahi is repairing the Devil's Elbow, it remains fragile with traffic control measures in place. The delay in opening this, had a subsequent delay in HDC teams getting in to fix the HDC roading network.

Stock movement management is being controlled by a MPI Funded coordinator. There remains pressure to get animals out of this area ahead of winter. Traffic management controls are constraining this while repairs are completed at Devil's Elbow, but steady progress is being made.

Grass covers remain high with the mild fine weather allowing farmers to hold onto animals for the short periods while transport is arranged.

The May installation of a Bailey bridge at Waikare will allow more resilience over winter with a good connection to Wairoa and further north.

Heretaunga Plains Production Damage

Stop bank overtopping and the associated water, debris and silt damage has devastated large production areas of Dartmoor, Puketapu, Pakowhai, Korokipo, Omarunui and Eskdale and a small area of Twyford. This has often involved considerable damage or loss of owners and worker accommodation, outbuildings, and equipment. Field crops were destroyed and some orchards, have suffered total losses for this season and some face associated tree deaths.

HDC has commissioned modelling of the financial implications of these losses and the flow on effects for employment and business survival.

	<p><u>Forestry</u></p> <p>Forestry operations have been curtailed due to the flood related closure of Pan Pac and the limited access through State Highway 2 and some HDC Roads. Large forestry and earthmoving equipment have been redeployed to assist in the clean-up.</p> <p><u>Ongoing Recovery Needs Assessment</u></p> <p>HDC is currently meeting with the Rural Advisory Group, Community Groups and Farming Leaders to assess further assistance needs for the next 6 months. This assessment will be completed by 28 April.</p>
<p><u>Economic Effects</u></p> <p>Projected impact to the national economy ~\$10-\$20 billion</p> <p>Cyclone Gabrielle has caused significant disruption to the Hastings economy, which will require substantial dedicated support in both the short and long term. Although a number of economic indicators highlight the resilience of the local economy, with spending activity bouncing back, this reliance will need to be supported as the longer term challenges become clearer. Transport and logistics, the primary sector, and tourism have severely affected. Horticultural outputs have been heavily damaged, with crops and assets destroyed. Tourism activity has been disrupted, with some aversion to Hawke's Bay given the damage experienced and travellers not wanting to disrupt recovery and support efforts. Infrastructure damage is limiting connectivity still for some communities and businesses. Job activity looks set to be more limited across Hawke's Bay as uncertainty sets in, with job ads in Hawke's Bay falling heavily. Hastings, and the wider region, have strong economic foundations. But the area needs additional energy to let these roots take hold and re-energise the economy local economy after a substantial setback.</p>	<p>The cost of Cyclone Gabrielle will have consequences on the local community for years to come. Gross Regional Product (market value of goods and services produced for a given period) may decline in the short term and primary sector output will take some time to recover.</p> <p>Council will continue with its Annual Plan and Long Term Plan (LTP) Processes. The LTP describes Council's activities and the community outcomes it aims to achieve. It must include information on activities, goods or services provided by Council, and specific funding and financial management policies and information – to demonstrate how the LTP will be funded.</p> <p>Council will likely need to integrate Recovery priorities and consequent funding mechanisms into its Annual Plan and LTP processes. This is 'unknown territory' for Council and staff. Council will need to enact new legislation as it is promulgated.</p>

(comment provided by Infometrics)	
<p>Council Staffing</p> <p>Approximately 170 staff assisted the Council Incident Management Team operations during the Cyclone Responses.</p> <p>Most staff in the Assets Group were seconded to Council Infrastructure Response operations and Building Teams to building assessment works.</p> <p>Staff continuing in 'business as usual functions' had to cope with substantial workloads due to re-deployment of their colleagues.</p>	<p>28 Full Time Equivalent Staff, (including staff & consultants) are assigned to Response / Recovery transition operations.</p> <p>Assets staff and Building Team staff are still heavily committed to Response Operations and most of the Strategy and Development Group is deployed to the Hastings District Locality Plan and Council Internal Recovery Plan development.</p> <p>Group Managers are working through their ongoing staff requirements to deliver their regular work programmes and Council's Response and Recovery works.</p>

Role of Council

- 3.2 Section 3(d) of the Civil Defence Emergency Management Act (CDEM) 2002, requires local authorities to co-ordinate through Regional Groups, - planning, programmes and activities related to civil defence emergency management across the areas of Reduction, Readiness, Response and Recovery. This is the function of Hawkes Bay Civil Defence Emergency Management Group (Group).
- 3.3 Section 17(d) CDEM 2002, requires the Group (and its members) to respond to and manage the adverse effects of emergencies in its area. Council deploys its own resources to respond to the emergency under the regional leadership of the Group. The below diagram illustrates the relationship between national, regional and local elements during a response.

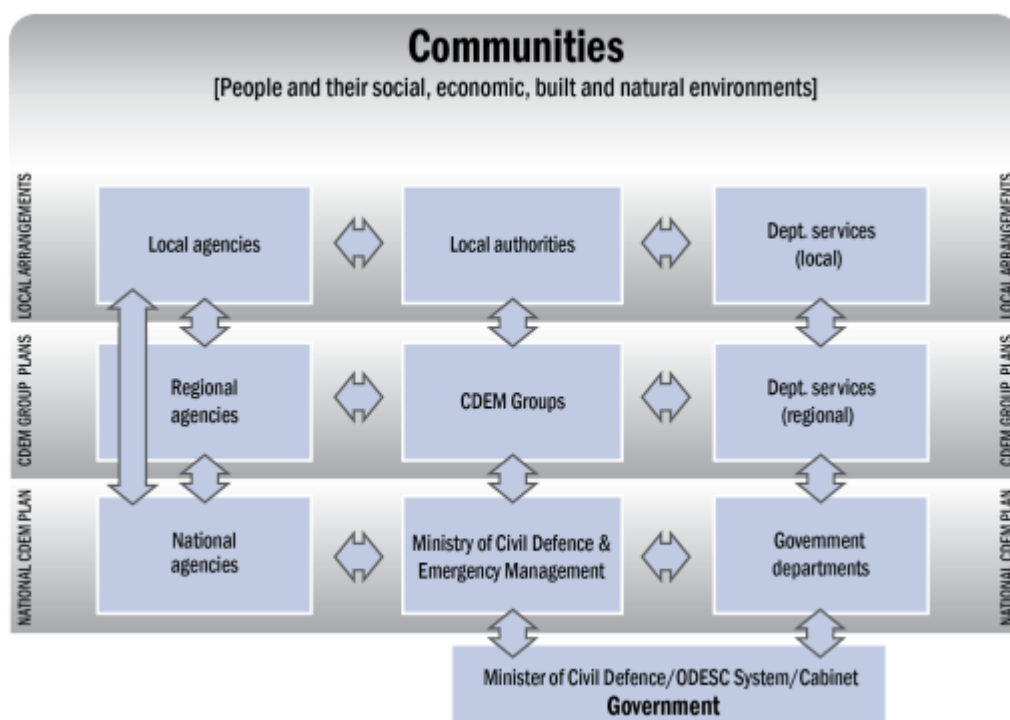


Figure 1: Inter-relationships between core CDEM agencies and other government departments and agencies who support communities to manage emergencies.

- 3.4 Section 17(e) CDEM 2002, requires the Group (and members) to plan and carry out Recovery Activities. Council has a key role in this through locally led Recovery planning and delivery of Recovery services.
- 3.5 Section 10 of the Local Government Act 2002 (LGA) requires Council to promote the social, economic, environmental and cultural wellbeing of communities and enable local democratic decision making.
- 3.6 Section 11 of the LGA requires Council to give effect to Section 10 in Hastings District and perform the duties, and exercise the rights, conferred on Council by the LGA and any other enactment.
- 3.7 Recovery planning will seek to address the damage that has been done to the wellbeing of Hastings communities through the Cyclone.

Council Response Actions

- 3.8 The Mayor declared a State of Local Emergency under section 68 of CDEM Act in the early hours of Tuesday 14 February 2023. This declaration was later superseded by the Minister declaring a State of National Emergency.
- 3.9 The Chief Executive had instructed an Incident Management Team (IMT) be established within Council on Monday morning 13 February 2023. The IMT is led by a 'Local Controller', who manages the Council Response under the direction of the CDEM Group Controller.
- 3.10 The Council IMT ran 24 hours per day, 7 days per week until Monday 20 February.
- 3.11 The IMT ran under weekly Operation Orders which set objectives and tasking's for the week. Primary Objectives included the items detailed in 1.4.
- 3.12 Controllers ran the IMT under a Co-ordinated Incident Management Structure (CIMS). The purpose of CIMS is to enable staff to respond effectively to incidents through appropriate coordination across functions and organisations. CIMS establishes common structures, functions and terminology in a framework that is flexible, modular, and scalable so that the framework can be tailored to specific circumstances. This allows Controllers to engage with and integrate with CDEM Group, other Councils and Emergency Services as there is a commonality of operating platform and sharing of intelligence.

Council Recovery Actions

- 3.13 Recovery can be considered to have four phases. The timeframes are indicative and based on the authors estimate of what is realistic.

1. Recovery in Response
2. Immediate Recovery / Short Term 30 June 2023
3. Medium Term Recovery 30 June 2024
4. Long Term Recovery 30 June 2025 and beyond.

- 3.14 Council is still very much in Phase 1. Staff resource is also being committed to planning activities for Phase 2, which are covered in the Discussion section.
- 3.15 The Council Recovery Actions for Phases 1 and 2, continue to address the items detailed in 1.4.

4.0 Discussion – *Te Matapakitanga*

Hawke's Bay Regional Recovery Agency

- 4.1 The Hawke's Bay Regional Recovery Agency (HBRRA) has been established to oversee Recovery at the regional level. The Interim Recovery Manager (and Chief Executive Officer) is Ms Keriana Brooking.

The HBRRA is governed by an Oversight Board and the Matariki Governance Group. The HBRRA will work closely with the National Cyclone Recovery Taskforce led by Sir Brian Roche.

HBRRA staffing and resource arrangements are still being confirmed. The initial work of the HBRRA has focused on engagement with Government and national agencies and guiding the development of Locality Plans across the region. The HBRRA is responsible for submitting an initial Recovery Plan to Government on behalf of local authorities and communities to inform Budget 2023 decision making.

This Regional Recovery Plan, and the actions in it, will be organised around the six Pou in the Hawke's Bay Recovery Framework.

Environmental Resilience	Economic Growth	Whānau / Community Wellbeing
Primary Sector	Resilient Infrastructure	Recovery Transition.

The Hawke's Bay Recovery Framework is shown in the Figure below.

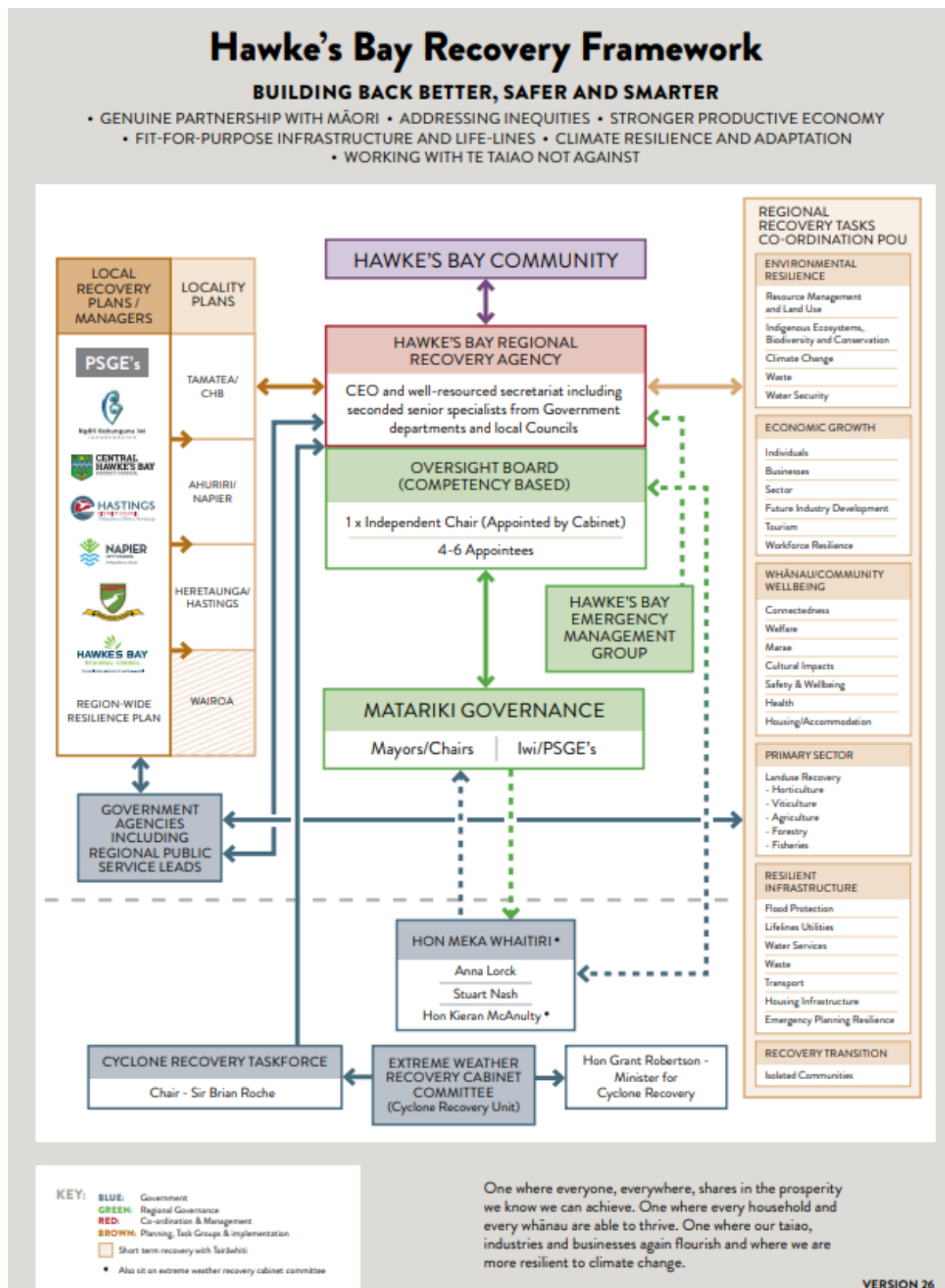


Figure 2: Hawke's Bay Regional Recovery Framework

Hastings District Locality Plan

- 4.2 The HBRRA is coordinating regional-level planning across Te Matau-a-Māui for recovering from the impacts of the Cyclone. Developing a regional-level plan requires an understanding of Recovery priorities at a local level.

- 4.3 Plans for local authority areas (Tamatea/Central Hawkes Bay, Ahuriri/Napier, Heretaunga/Hastings, and Wairoa) are to be developed to understand how each locality intends to recover from the impacts of Cyclone Gabrielle, the Recovery actions that will be taken, decisions, and how actions will be funded and delivered.
- 4.4 Locality Plans provide an opportunity for local councils, Māori, Hapū, Iwi, and other local groups to express their Recovery priorities so these can be included in a regional-level Recovery Plan that will be shared with central Government to identify where support may be needed.
- 4.5 Council has been tasked with coordinating the development of the Hastings District Locality Plan (HDLP). This involves providing initial actions and funding requirements to Central Government by 14 April 2023, with the first edition of the HDLP being due 28 April 2023.
- 4.6 The HDLP will cover the immediate recovery priorities for Hastings District and will span a six month period from the Cyclone event (to mid-August 2023). The HDLP is being developed with Mana Whenua partners and Government and community stakeholders. The HDLP will be the first of several editions with a more comprehensive HDLP being developed over the coming months. This will address the medium and long-term Recovery priorities and objectives for our Community. Significant public engagement will be part of developing future HDLP iterations.

Hastings District Council Recovery Plan

- 4.7 Whilst working on the HDLP, officers are also working on preparing a draft Hastings District Council Recovery Plan.
- 4.8 Akin to the Hastings District Locality Plan, the Council Recovery Plan will be developed to understand and recommend how Council needs to invest into our public infrastructure and communities to recover from the impacts of Cyclone Gabrielle, the recovery actions that will be taken, decisions, and how actions can be funded and delivered.
- 4.9 Officers seek to have a draft Council Recovery Plan completed by 30 June 2023. The Plan will back capture Response & Immediate Recovery actions going through to 30 June 2023, then focus on the Medium Term.
- 4.10 It is anticipated the Council Recovery Plan will be a foundation document for public and agency consultation / engagement and for development of future more detailed Council Recovery Delivery Plans.

Council Recovery Activities

- 4.11 Council has and continues to undertake significant work to support both the Response and Recovery from Cyclone Gabrielle. The matrix below provides a snapshot of the scale and complexity of activities being undertaken to assist with the 'Recovery in Response' and 'Immediate Recovery Short Term'.

Cyclone Response Activity	Response Activity Delivery
<u>Road Access to Communities</u> Road access to a large number of rural areas in the district was severely damaged by the cyclone. Approximately 100 kilometres of road is in need of rebuilding. Council is focusing on restoring road access to the five remaining satellite communities for the	<u>Excerpts from Assets Situational Report 4 April 2023</u> <u>Bridge Update -</u> Rissington - Bailey Bridge opened on 31 March Ellis-Wallace Road (Tutira) - temporary access established on 2 April

<p>movement of livestock and delivery of supplies. These remaining satellite communities include the upper and lower Dartmoore areas, Tutira, Waikoau and Putorino.</p> <p>Council is working through prioritising its other infrastructure recovery needs, including the bridge rebuild and repair work and culvert and slip repair work. That includes:</p> <p><u>Bridges</u> 16 bridges destroyed 28 major damage 50 minor damage</p> <p><u>Culverts</u> 5 culverts needing replacement with bridges 20 large culverts needing replacement 600 other culverts needing replacement</p> <p><u>Slips</u> 150 large slips 1000 small-medium slips</p>	<p>Arapaoanui – access established on 16 March</p> <p>McVicars Culvert – temporary access established</p> <p>Crystal Twin Culvert – access established for four-wheel drive vehicles</p> <p>Dartmoor – accessed opened on 5 April</p>
<p><u>Community Welfare and Hub Operations</u></p> <p>Council is supporting the welfare of the community by managing a number of community hubs for distribution of essential supplies, information sessions and other welfare needs. Five community hubs in isolated areas remain open including in the upper and lower Dartmoore areas, Tutira, Waikoau and Putorino.</p> <p>There are five satellite communities still without road access, who are being supplied by CDEM using weekly air drops. Council is making preparations to take over the management of welfare needs for these remaining satellite communities once road access is opened again.</p> <p>Council is also supporting two static community hubs in other areas. Hubs still currently open include the volunteer-led hub in Eskdale and the Council-led hub in Pakowhai. Staff are also supporting the Police-led mobile hubs as they are needed.</p> <p>Weekly drop in sessions are also being held for the community to walk in and seek information from organisations and agencies involved in the recovery. These will be held two days a week in Bayview, Taradale and Pakowhai.</p>	<p><u>Community Hubs</u> Operational Plan underway</p> <p><u>Ongoing Supply Distribution</u> to Isolated Communities</p> <p><u>Re-Escalation Planning</u> Planning and management of supplies to enable rural communities to cope with a future loss of access to minimise the need for aerial resupply.</p> <p><u>Bulk Fuel Management</u> Provision and distribution of bulk fuel for use by isolated rural communities.</p>

<p>Outbound calling is about to get underway to all placard homes in the district to undertake welfare checks and present information around the building recovery process for these affected households.</p>	
<p><u>Flood Damaged Waste Removal and Receipt Operations</u></p> <p>Council is collecting flood-damaged household items for free. There are some areas still left to collect from, and other areas where Council is visiting for the second time. The collection aims to assist residents with the removal of interior household items such as carpet, appliances, furniture, clothing and wall linings.</p> <p>Council has introduced FlexiBins to help residents get rid of their flood-damaged household items as quickly as possible.</p> <p>Council does not pick up deconstructed materials (such as timber, framing, steel, concrete etc.) from flood-damaged houses/buildings or damaged items from commercial, farming, and horticultural activities.</p> <p>Council has also extended the operating hours at the Oamaru Landfill, and has shredders for the flood damaged goods.</p>	<p>Flood-damaged household waste collected from 1 March</p> <p>9897.85 tonnes in 1271 truck loads</p> <p>FlexiBins Delivered -</p> <p>Approximately 250 delivered</p>
<p><u>Silt Management, Removal and Receipt Operations</u></p> <p>A Silt Recovery Taskforce has been established to address the millions of cubic metres of silt that washed down Hawke's Bay's rivers from the hills during Cyclone Gabrielle, devastating homes and properties.</p> <p>The taskforce, put together by Hawke's Bay Regional Council and Hastings District Council, has developed a comprehensive action plan focused on six zones with dedicated contractors.</p> <p>Initial estimates are over five million cubic metres of silt have been deposited on orchards, farms, roads and residential properties across the Hastings District. It will likely take many months, if not years depending on how much silt needs to be removed.</p> <p>Contractors collect silt from orchards, farms, roads and residential properties. The contractors are also responsible for picking up any remaining</p>	<p>Operation Scale Indicative Excerpts from Project Status Report 12 April 2023</p> <p>Jobs Received</p> <p>272 Hawke's Bay Rural 13 Hastings District Urban</p> <p>Silt Collected</p> <p>Estimated 120,000 m3</p> <p>Silt Estimated to Collect</p> <p>Circa 1 million m3</p> <p>NB @500 Trucks collect 3,550 m3 per day</p>

<p>flood-damaged household items within their zones.</p> <p>Council is not assisting residents with clearing silt from within properties. The taskforce is collecting silt once ready for collection, and working in with landowners and insurers to streamline the process to minimise unnecessary double handling.</p>	
<p><u>Council Civil Defence Transition Operations</u></p> <p><u>Isolated Community Supply</u> Ongoing distribution of supplies to households that remain isolated after the GECC operations cease.</p> <p><u>Re-Escalation Planning</u> Planning and management of supplies to enable rural communities cope with a future loss of access to minimise the need for aerial resupply.</p> <p><u>Bulk Fuel Management</u> Provision and distribution of build fuel for use by isolated rural communities. Includes the decommissioning of fuel support.</p>	<p>Substantially complete by 28 April 2023.</p> <p>Planning complete by 28 April. Supply management to remain until 1 November 2023</p> <p>Expected to be completed by 30 May 2023</p>
<p><u>Other Council Infrastructure Response and Recovery Operations</u></p> <p><u>Storm water</u> – staff are working through storm water issues, particularly in Havelock North area where streams were damaged through slips and fallen vegetation.</p>	<p>90% of fallen vegetation in Havelock North streams now cleared. Staff are also working to clear a number of slips through the streams.</p> <p>Community Meeting to be held end of April to discuss Council's next steps regarding the Havelock North streams and to inform the community on progress.</p>
<p><u>Building Inspection and Planning Operations</u></p> <p>Building inspectors continue to assess flood-damaged properties and provide placard (stickered) homes with building recovery process information. Re-assessments have also commenced where repairs have been completed (or otherwise) and placards have been both upgraded and downgraded.</p> <p>Homes are being demolished as 'total losses' as directed by insurance companies, however a large number of owners are holding back from commencing repairs until a decision has been made around managed retreat.</p>	<p>933 placards have been issued to date –</p> <ul style="list-style-type: none"> - 103 red - 730 yellow - 100 white <p>A recovery building inspector has been appointed and started with HDC on 11 April 2023</p>

<p>Planning Staff are providing a range of information to enable high risk areas to be identified by the Cyclone Recovery Taskforce (headed by Sir Brian Roche) for the purposes of hazard analysis. The Government, via the Taskforce, has indicated preliminary information is expected to be shared by the end of this month.</p>											
<p><u>Emergency Housing Operations</u></p> <p>Staff are supporting households by providing information on how to register with the Temporary Accommodation Service (TAS).</p> <p>There are currently 325 registrations for Temporary Accommodation Service in Hawke's Bay.</p> <p>The highest number of registrations are from Waiohiki, Fernhill/Omahu, Eskdale, Pakowhai, Puketapu and Porangahau which reflect the communities of need.</p> <p><u>Recovery Plan and Locality Plan Development</u></p> <p>Staff are leading the formation of the Heretaunga Locality Plan with key government agencies and mana whenua with immediate and short-term funding requirements – needed by the Hawke's Bay Regional Recovery Agency by 28 April 2023.</p> <p>Staff are also working on the Hastings District Council Recovery Plan – needed by 30 June 2023</p>	<p>Temporary Accommodation Service (MBIE) information from Wednesday 12 April</p> <p>Hastings District Council -</p> <table> <tr> <td>Actively managed</td><td>62</td></tr> <tr> <td>Future need</td><td>41</td></tr> <tr> <td>Placed in TAS Supply</td><td>90</td></tr> <tr> <td>Registered</td><td>4</td></tr> <tr> <td>Grand total</td><td>197</td></tr> </table> <p>Key:</p> <p>Placed in TAS Supply = Currently in TAS Supplied accommodation</p> <p>Actively Managed = Awaiting suitable accommodation that meets their specific needs</p> <p>Future Need = current situation means they are not quite ready to use TAS</p> <p>Registered = Have only logged into the TAS web portal and are waiting for TAS to contact</p> <p>Have identified the Heretaunga Locality Plan Pou Leads, key government agency partners and mana whenua groups. Short term funding requirements being identified.</p> <p>HDC Recovery Management Framework being drafted with work streams, timeframes and indicative costs</p>	Actively managed	62	Future need	41	Placed in TAS Supply	90	Registered	4	Grand total	197
Actively managed	62										
Future need	41										
Placed in TAS Supply	90										
Registered	4										
Grand total	197										

4.12 Impacts on Council Finances

- 4.13 The financial impacts of Cyclone Gabrielle are going to be felt for many years to come. While the initial response and transition to recovery phases which Council are working through this financial year will be largely recoverable, there will still be large unbudgeted expenditures that Council will not be reimbursed for and will impact on Council's ability to operate within its overall 2022/23 budget.

- 4.14 It has been previously documented in other reports to Council that in situations like this Council will receive funding through a number of sources and can largely be categorised into three groups:

Confirmed funding sources

- Material Damage and Business Interruption – all claims for damage to insured buildings have been made. Excluded from the insurance schedule are public toilets and playgrounds with damage incurred at the Esk and Puketapu Parks. The Material Damage insurance deductible is \$10,000.
- Bridge insurance – a loss limit is in place for the local share component (assumed 40%) for \$10m with an insurance deductible of \$250,000. Assessors are still working through the damage caused, however the 40% share for the local share could add up to the full loss limit insured.
- NEMA Welfare support – staff are currently working through the claim process where 100% of costs incurred *caring for directly affected people (accommodating, transporting, feeding, and clothing people as a result of an emergency)*. There will be some costs incurred during the response where they will not be eligible for this funding support. At the time of writing it is not yet known what that level of unfunded response costs will be.
- Waka Kotahi have advised that for the local roads for the current financial year, their subsidy will increase from 53% to 93% share of the response costs or until the \$250m allocated by the Government has been utilised. HDC's allocation of this funding pool is currently \$45m with a forecast to 30 June 2023 of \$60m. At the time of writing there had been no further confirmation from Waka Kotahi regarding additional funding support beyond the current subsidy rate of 53% for 2023/2024 and beyond.

Potential funding availability

- Waste Collection – while \$15m has been made available for this purpose, the criteria set by NEMA for its allocation does make it challenging for Council to meet. As at 31 March 2023 \$2.3m had been incurred with collections continuing into April and until such time as the service is no longer required.
- NEMA 60:40 funding split for damage to underground infrastructure. While there is a \$1.5m threshold before a claim can be made on Council's 40% share of the loss through the membership to Local Authority Protection Programme (LAPP), the threshold for the government's 60% share is \$2m. Given the lower LAPP threshold, there may be the opportunity to make a small claim for damage caused to underground assets.
- Silt Collection – there is currently no allocated funding available for this work, however Officers in conjunction with the HBRC will continue to lobby Central Government for financial support for this significant issue.

No external funding available

- Uninsured assets – Playgrounds, car parks, public toilets and trees are not included on the material damage insurance schedule and therefore uninsured with any costs incurred with cleaning up damage and / or replacing assets to be met 100% by the ratepayer.
- Rates Remissions – the decision to remit rates for red and yellow placard properties and that for late payment penalties has been taken up by a number of property owners with \$436,000 remitted to-date with further applications being received for yellow placard properties.

- 4.15 Given the cost escalations being felt across Council's activities in 2022/23 it was forecast that Council would likely be operating at a close to breakeven scenario at best with the potential for a rating deficit quite possible. With the additional expenditure incurred in response to Cyclone Gabrielle it is now fully expected that a rating deficit will be incurred in 2022/23 despite the large proportion of external funding that will be received to support Council's response and road to recovery.
- 4.16 It is too early to say with any confidence the likely rating deficit position as at 30 June 2023 with staff currently working through reforecast processes with a view to presenting those 30 June forecasts at the May Performance and Monitoring Committee meeting.

- 4.17 Included on this agenda and in a separate report is a recommendation to proceed with the 2023/24 Annual Plan without consulting. Noting that the high level of uncertainty that surrounds the 2023/24 financial year makes creating any meaningful budget extremely challenging beyond what was included in year 3 of the 2021-31 Long Term Plan. Council will be in a position throughout the 2023/24 financial year to make expenditure decisions which will include decisions to defer works and substitute with new repair and rehabilitation works. It is however expected that the level of expenditure that will be latterly approved by Council will exceed the funding sources available and like this year a rating deficit will be incurred.
- 4.18 Council will have opportunities to consider the reprioritisation of future work programmes to offset the additional costs incurred through Cyclone Gabrielle but at the time of writing those opportunities were yet to be fully identified.
- 4.19 The development of the 2024-34 Long Term Plan will need to address the funding required to meet the likely deficits incurred in 2022/23 and 2023/24 and rates increases will be elevated as a result.
- 4.20 The 2024-34 LTP will also need to address the implications of any funding shortfall with the roading and bridge rebuild programme. All indications to-date are costs in excess of \$500m to be incurred over the next 5 to 7 years and with uncertainty from Council's funding partner Waka Kotahi the impact on debt is currently unknown but likely to be significant.
- 4.21 Council is forecast to have approximately \$300m in debt by the end of this financial year with a debt to revenue ratio of 172%. The allocation of three waters debt (assessed as \$140m as at June 2022) to the new water services entity will have a positive impact on Council's debt ratios and will create headroom to respond to the impacts of this weather event. The potential impact on Council in meeting this roading and bridge rebuild programme funding shortfall will be significant and Council cannot meet this obligation on its own without large levels of support from Waka Kotahi and Central Government.
- 4.22 The last 7 years since the Havelock North Water crisis has reinforced the need for Council to maintain debt headroom for major events. Since that time Council has had to invest \$100m to build resilience and upgrade the drinking water network to a fully compliant treated network; has responded to earthquake prone buildings with the Category 1 Heritage Opera House and Municipal Buildings with over \$30m invested; identified significant capacity upgrades required in the Waste Water network to support growth and now has to respond to the largest flooding event this region has experienced. Maintaining debt headroom is critical for Council going forward and all efforts must be placed on maximising Central Government support for this rebuild.
- 4.23 Given most of the roading damage has occurred on the rural roads, Council will need to consider the viability through the 2024-34 LTP process of maintaining the two rating areas. Under the current funding arrangements Rating Area 2 will likely incur very large rate increases depending on the level of subsidy received from Waka Kotahi if the current arrangements are maintained.

4.24 Council Budget Deficit

Section 100 of the LGA requires Council to manage a balanced budget.

Balanced Budget Requirement

(1) A local authority must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses.

(2) Despite subsection (1), a local authority may set projected operating revenues at a different level from that required by that subsection if the local authority resolves that it is financially prudent to do so, having regard to—

(a) the estimated expenses of achieving and maintaining the predicted levels of service provision set out in the Long-Term Plan, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and

- (b) the projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
- (c) the equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life; and
- (d) the funding and financial policies adopted under Section 102

- 4.25 Section 101 of the LGA requires Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community.
- 4.26 The discussion in section 4.12 – 4.24 indicates Council may enter a budget deficit in 2022/2023 financial years and 2023/2024 financial years subject to the level of resource committed to Recovery and the level of funding support obtained from Government Agencies and other sources.
- 4.27 Officers have requisitioned a legal opinion from Simpson Grierson (NZ Law Firm) regards Council being able to approve unbudgeted expenditure.
- 4.28 The Opinion concludes it is lawful for Council to approve unbudgeted expenditure including where this involves placing the Council in a position of deficit. There is no provision in the LGA that specifically restricts the Council from making decisions or approving expenditure that involves entering a deficit. The overarching obligation in section 101(1) is to manage the Council's finances prudently and in a manner that promotes the current and future interests of the community. What is financially prudent and in the community's interests is for the Council to decide, informed by financial and accounting advice, in the prevailing circumstances.

5.0 Options – *Ngā Kōwhiringa*

- 5.1 This Report is an update for Council on progress with Response and Recovery from the consequences of Cyclone Gabrielle. No Council decision is sought.

6.0 Next steps – *Te Anga Whakamua*

- 6.1 Work on Response activity and Recovery planning continues in order to meet community needs and legislative obligations. Council is engaging in both regional and local Recovery discussions with appropriate partners to help shape appropriate Locality and Recovery plans. This work includes drawing together Recovery focused information in relation to the assets and other areas of responsibility Council has stewardship over. This work will be presented to Council and relevant partners at the appropriate juncture.

Attachments:

There are no attachments for this report.