



**CENTRAL
HAWKE'S BAY**
DISTRICT COUNCIL

Workshop

Thursday, 7 August 2025

Council Chamber

28-32 Ruataniwha Street

Waipawa

Together we thrive! E ora ngātahi ana!

WORKSHOP

Author: Doug Tate, Chief Executive
Authoriser: Doug Tate, Chief Executive
Attachments: 1. 7 August Public Workshop Slides [↓](#)

PUBLIC WORKSHOP

The public workshop covered the following items:

Local Water Done Well Capital Programme Details

This workshop session offered Council an update on the revision of the Three Waters capital programme scheduled for inclusion in the Water Service Delivery Plan, which is to be submitted under the Government's Local Water Done Well legislative framework by 3 September 2025.

Following Council's adoption of guiding principles for the programme on 24 July 2025, the session outlined updates to the revised water services programme. Options concerning both drinking water and wastewater were presented to Council, with a decision regarding endorsement of the revised programme to be made at the Finance, Infrastructure and Performance Committee meeting on 21 August 2025.

Operational Review of Freedom Camping

This session presented elected members with a summary of the 2024/25 Freedom Camping season's operations, described the implementation of Council resolutions from 2024, and identified areas for potential improvement for the 2025/26 period.

PUBLIC EXCLUDED

While a Public Excluded workshop session relating to Freedom Camping was included in the agenda this did not proceed.



Council Workshop

7 Aug 2025



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Local Water Done Well Capital Programme Affordability

7 August 2025



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Purpose

Present the preferred options for drinking water and wastewater capital expenditure programmes to the Council prior to final approval by the Finance, Infrastructure and Performance Committee on 21 August 2025



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Key Investment Principles

- Principle #1 – Drinking water compliance will not be compromised
- Principle #2 – Wastewater discharge investment is minimised
- Principle #3 – New network resilience is deprioritised
- Principle #4 – Growth investment is a ‘just in time’ approach
- Principle #5 – Addressing historic underinvestment is slowed



Principle #1 - Drinking water compliance will not be compromised

- The revised water services programme should provide for a high degree of confidence in ensuring the provision of drinking water that meets Taumata Arowai's **Drinking Water Quality Assurance Rules**. This focus on critical drinking water infrastructure has been a high priority for Council with successful results and should not be compromised.
- *This means that treated drinking water from customers' taps will remain safe and healthy, as many upgrades to water treatment plants have already been completed.*



Principle #2: Wastewater discharge investment is minimised

- For wastewater discharges, the current strategy timeframes are unaffordable and therefore will be abandoned. In the interim more cost-effective upgrades are required.
- The revised programme should aim to achieve compliance with the proposed national wastewater standards and future discharge consents **within 10 years of the 3YP (2034)**, based on the assumption that discharges will be directed to **surface water**. Ongoing investment is likely to be required over time.
- *This means changes to wastewater management and treatment plants will result in the ongoing discharge of treated wastewater into rivers for a longer period and we will work to incrementally meet new wastewater standards within 10 years.*



Principle #3: New network resilience is deprioritised

- A reduced scope for new infrastructure will lead to a diminished emphasis on resilience, especially regarding the tolerance to significant shocks and events. Due to the prohibitive costs of delivering fully resilient infrastructure, it is recommended to adopt a **pragmatic investment strategy** that prioritises ensuring daily water services are fit for purpose and right sized for the scale of the community.
- This reduction in scope will direct investment predominantly toward **critical assets** that have a significant impact on service delivery across broader or more sensitive areas. Consequently, there is an **increased likelihood of service interruptions** resulting from failures of non-critical assets, which must be managed by anticipating higher operational costs.
- *This means that connected households can expect to be inconvenienced more often through unplanned shutdowns and a greater risk to service delivery from network failures.*



Principle #4: Growth investment is a 'Just in time' approach

- Officers are working on the basis that the revised plan will allow for anticipated growth to mid-century. This is with the assumption that infrastructure components can be added '**just in time**' in a **modular** fashion to ensure value for money for the community. Furthermore, it is assumed that growth will continue to pay for growth related infrastructure.
- *This means that our networks and systems will only have limited capacity for growth at any point in time and that infrastructure will be developed 'just in time' to respond to actual growth and paid for by developers.*



Principle #5: Addressing historic underinvestment is slowed

- The renewal strategy will involve funding at the level required by economic regulation. This aligns with investment levels seen before the 2021-31 LTP and will **not address the historical backlog** of renewals.
- Asset management efforts will focus on **critical pipelines**, though the reduction in the rate of renewals will be observed across the networks. Furthermore, Council is projected not to meet prudential benchmarks.
- *This means that along with households being inconvenienced more often through unplanned shutdowns, future generations will continue to carry the burden of the historic underinvestment and the impacts of this on service continuity.*

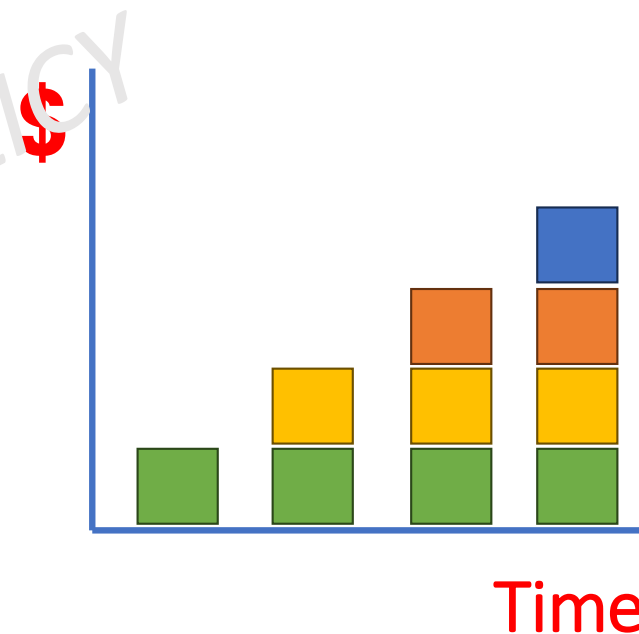


Right sized modular investment approach

- Modular systems approach to investment
- Infrastructure systems can meet current needs but be added to over time
- Modular 'building blocks' with a no regrets approach to infrastructure development

Benefits:

- Right sized infrastructure for community
- Optimised investment to service growth
- Allows time to understand actual growth



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Wastewater Programme Options...



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Current 10 year CAPEX plan (from 3YP)

- Treatment upgrades:
 - Partial WOW
 - Porangahau & Te Paerahi
 - Takapau
- Pipeline renewals, Inflow and Infiltration

FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	Total
\$5,676,500	\$5,743,927	\$3,657,347	\$13,448,977	\$14,849,485	\$11,731,565	\$15,011,095	\$21,731,745	\$21,094,281	\$10,835,340	\$123,780,262



Wastewater Specific Assumptions

Wastewater treatment

- We are assuming there are no material changes made to the Wastewater Standards as they were consulted on
- For large sites we have made some assumptions regarding consenting pathways i.e. wastewater standards vs traditional RMA pathway
- Assumes physical space is available for proposed treatment upgrades

Networks

- Pipeline Renewals programme is significantly reduced
- I&I programme removed



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Wastewater Options – Takapau/Pōrangahau/Te Paerahi

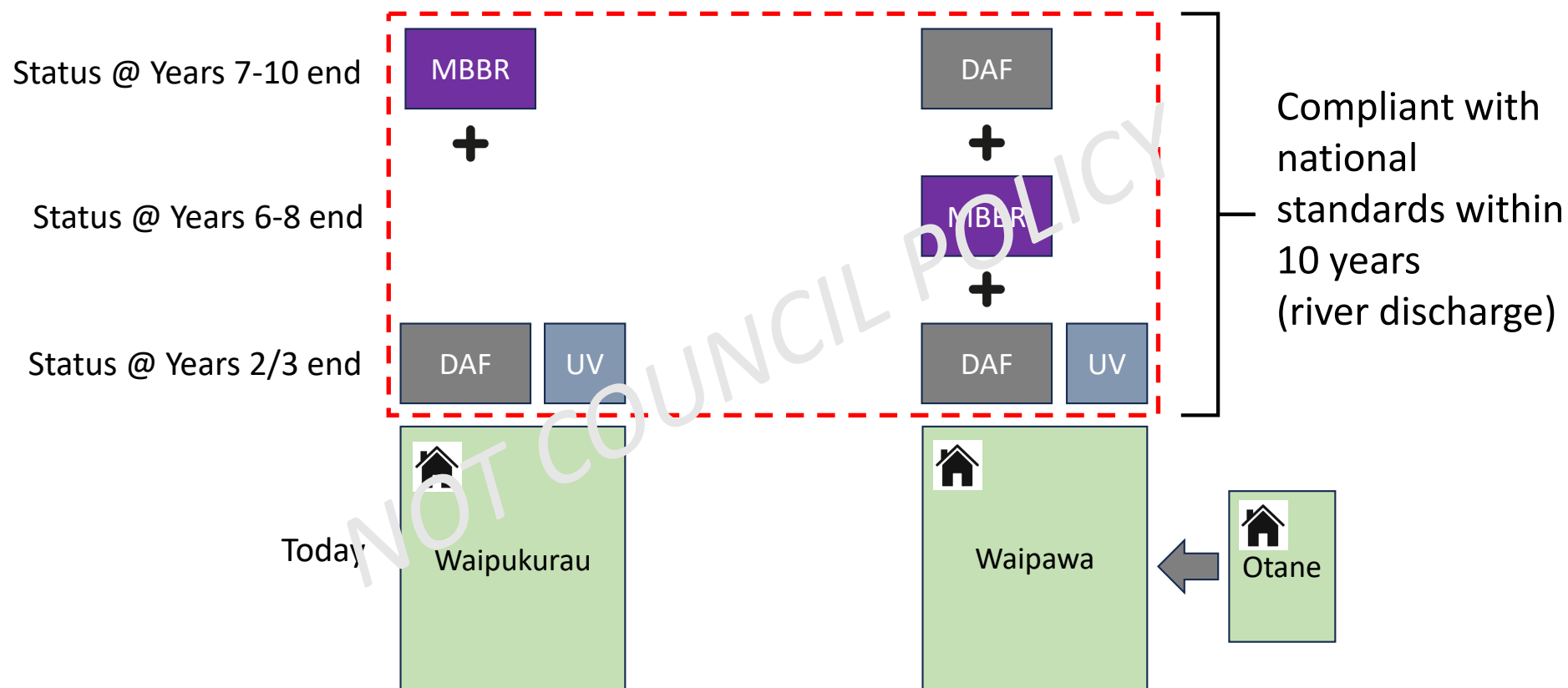
Scope

- Treatment processes at all sites designed to enable surface water discharge with effluent quality to meet new Wastewater Standards.
- The existing pond systems remain with addition of:
 - Single stage MBBR
 - UV treatment

Total cost (Years 1-10): \$10.5 M

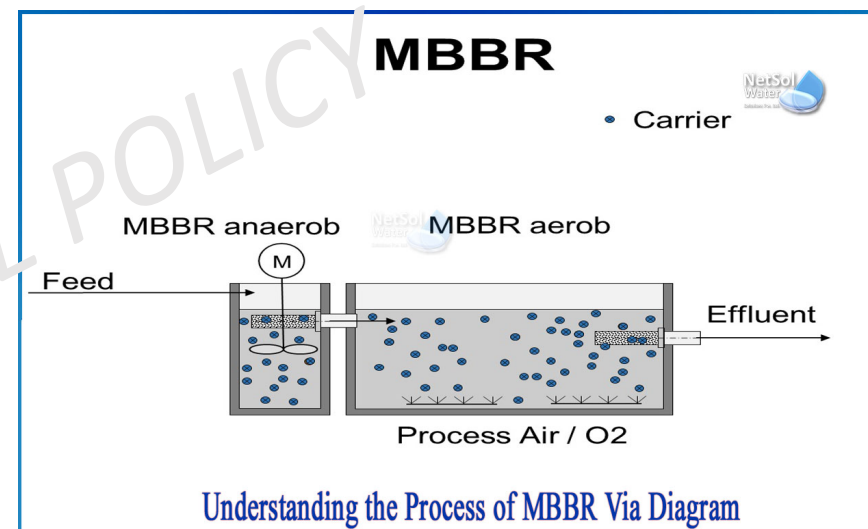
Note: Detail still to be worked through for the relocation of the existing Te Paerahi discharge, nominal allowance made

Wastewater WOW Sites – Modular Sequencing



What is an MBBR?

- MBBR = Moving Bed Biofilm Reactor
- It uses small, free-moving plastic carriers in an aeration tank to create a large surface area for bacteria to attach and form a biofilm, effectively removing pollutants from wastewater
- This is a highly modular system, with the ability to both add additional units, and increase the volume of media in each unit over time



Wastewater – Waipukurau/Waipawa

Scope

- Treatment processes at all sites designed to enable surface water discharge with effluent quality to meet new Wastewater Standards by the end of Year 10 (2034)
- Modular improvements made at both Waipukurau and Waipawa through the 10-year period of the plan
- Modular components can be scaled up or added to as growth occurs/doesn't occur

Total cost (Years 1-10): \$41M

Drinking Water Programme Options



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Current 10 year CAPEX plan (from 3YP)

2nd Supply, Reservoir Replacements, Pipeline renewals, Metering & Backflow Programmes

FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	Total
\$12,273,694	\$14,786,292	\$10,900,232	\$8,120,800	\$7,900,287	\$4,492,693	\$4,618,014	\$4,734,996	\$4,297,304	\$4,407,480	\$77,031,792



Drinking Water Option 1

Scope

- Complete 2nd Supply – with ability to **back-feed** to Waipawa
- Defer Reservoir Replacements until un-economic to repair
- Viable plan to maintain resilient storage

Current 3YP

Total

\$77.0M

Option 1

\$61.2M

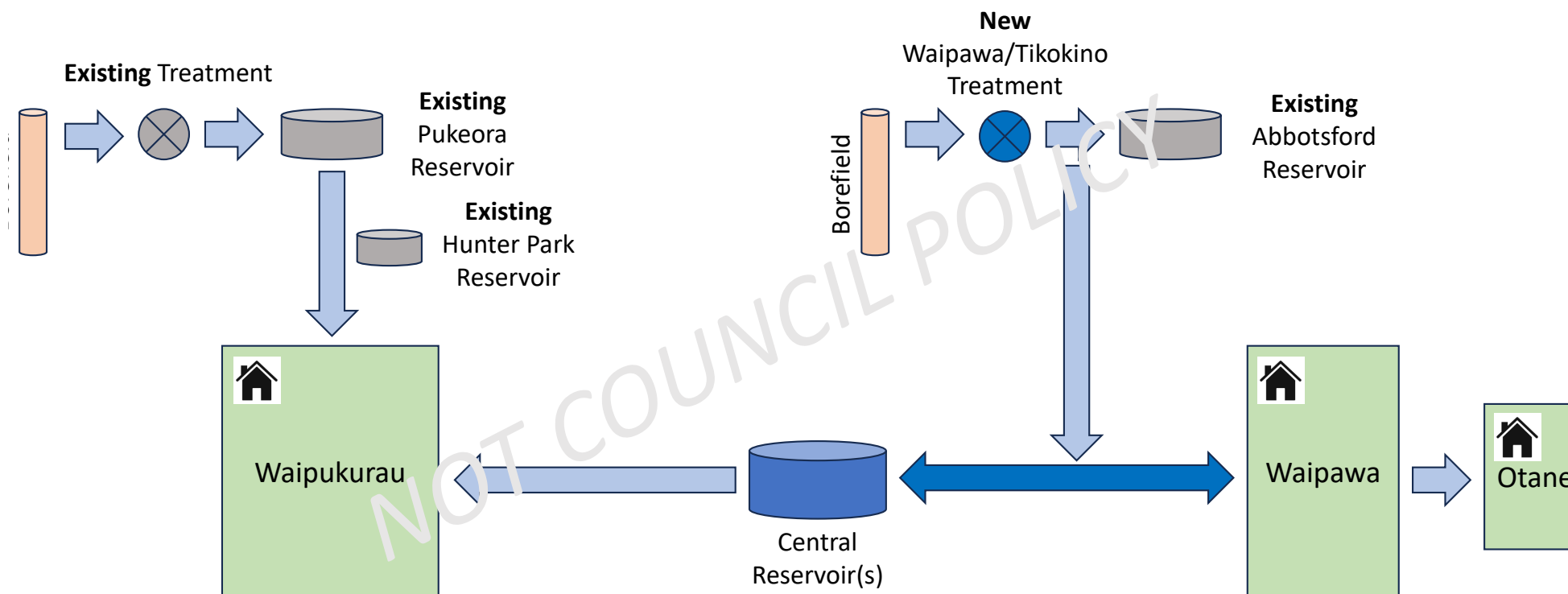
Commentary

- Pipeline renewals programme reduced from Year 3, to only fund depreciation. Investment will be focused on critical assets
- Allowances made in current year to:
 - Complete current work on Pukeora Reservoir replacement to logical hold point
 - Purchase required land at Abbotsford Reservoir location

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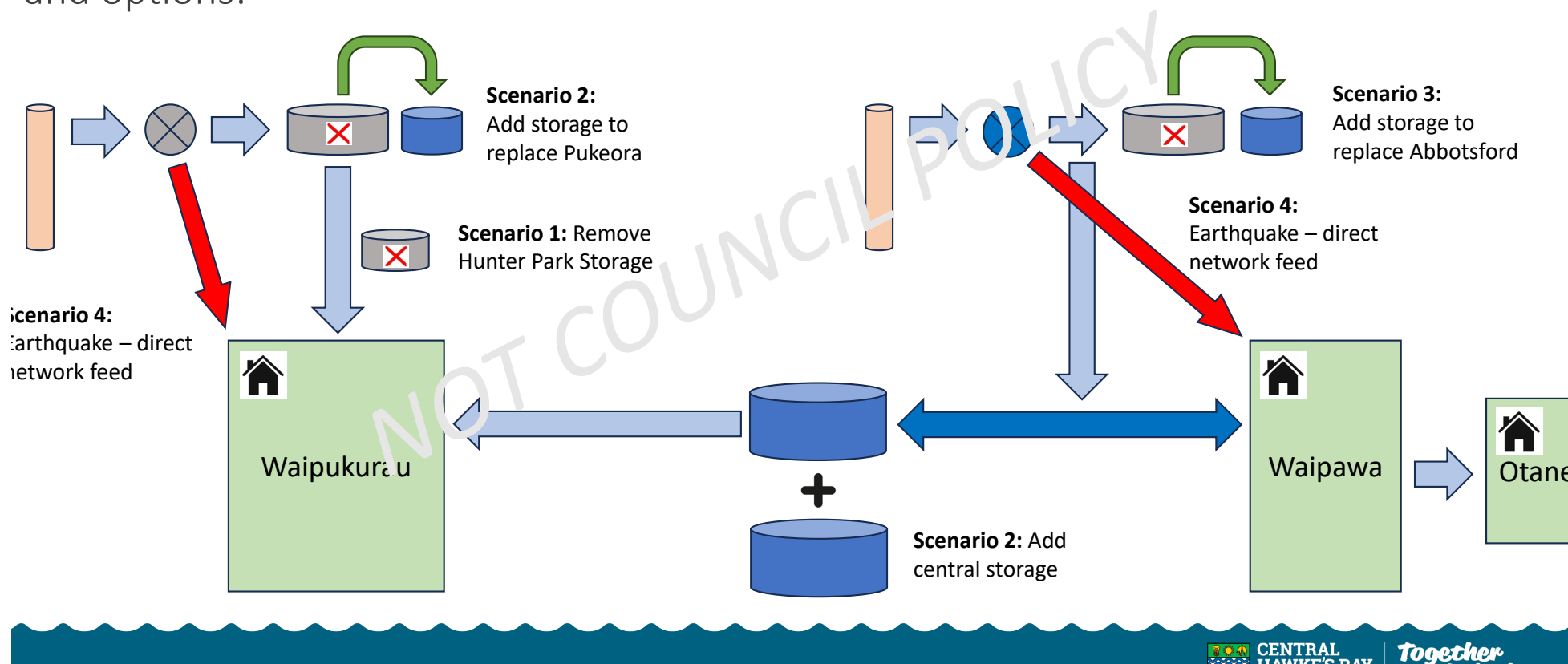
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Drinking Water – Option 1 (Recommended)

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Drinking Water – Option 1 (Risk Management)

When reservoirs become uneconomic to maintain and operate, or we experience a major shock event, the following sets out the modular investment responses and options:



Drinking Water Option 2

Scope

- Continue Reservoir Replacements and defer delivery of the Second Supply project

Current 3YP

Total

\$77.0M

Partial Scope option 2

\$60.7M

Commentary

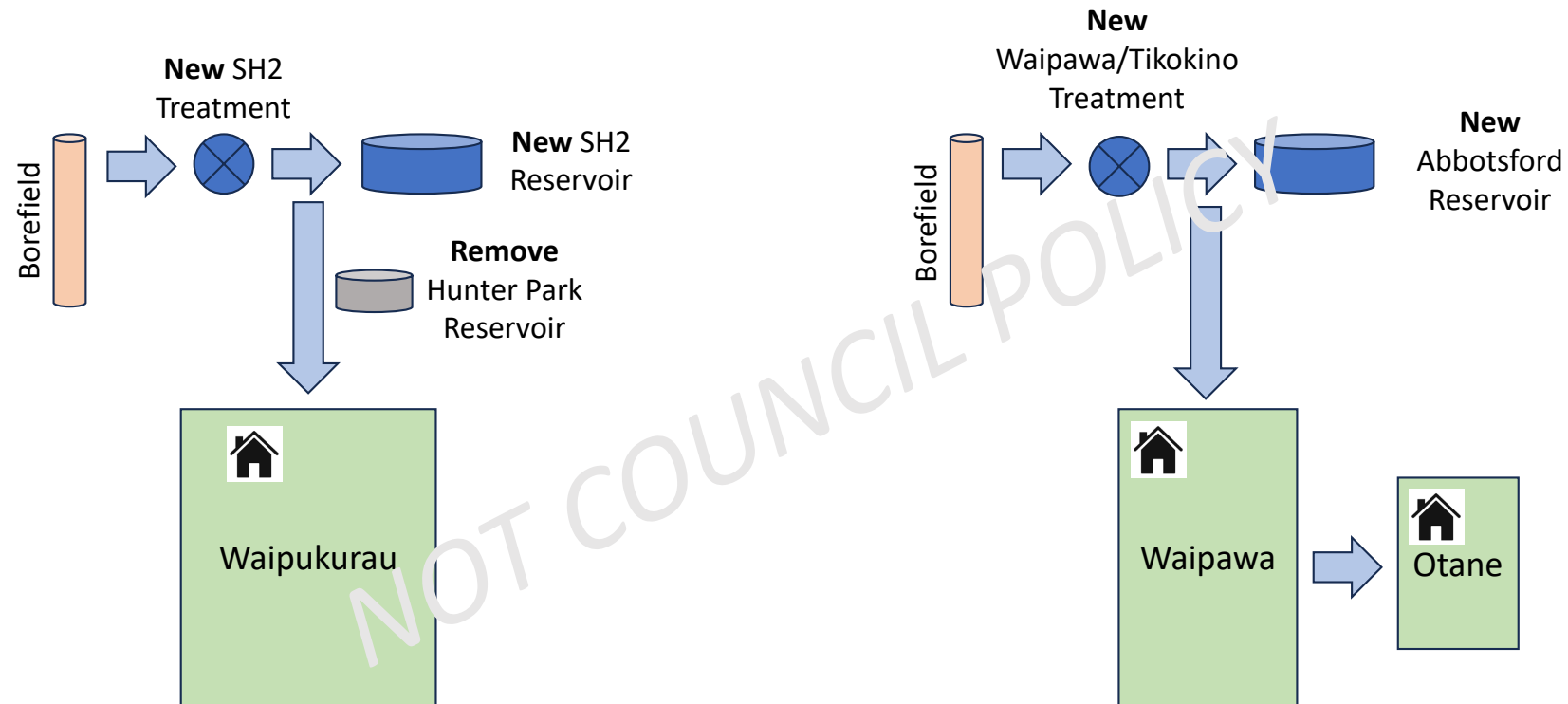
- Pipeline renewals programme reduced from Year 3, to only fund depreciation. Investment will be focused on critical assets



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Drinking Water – Option 2



Drinking Water Levels of Service Summary

Options	Levels of Service					Commentary
	Storage	Pressure	Growth	Resilience	Firefighting	
Option 1 – Modified 2nd Supply	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> • Higher delivery risk • Consenting and cost risks • Significant sunk cost to date • Services forecast growth • Allows for future modular investment • Waipukurau has two water sources • Aligns with agreed external funding scope
Option 2 – Reservoirs	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> • Least delivery and cost risk • Not optimal for forecast growth without further network modifications • Perpetuates separate sources with no connection



Levels of Service Achieved



Levels of Service Compromised

*Note: Compromised firefighting level of service is due to wider network issues **not** the specific options presented here*



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Summary of Recommended Options

Activity	Option Description	Estimates (\$M)	Estimate Confidence
Drinking Water – 2nd Supply	Modified 2nd Water Supply	\$28.8	Moderate Confidence
Drinking Water - Renewals	Renewals Programme, Network Upgrades for 2nd Supply connection	\$25.6	
Drinking Water - Misc	Residual Reservoir project costs, SCADA upgrade, Universal metering, Backflow programme, Other	\$6.8	
Wastewater – Small sites	Treatment Upgrades to meet new Wastewater Standards for surface water discharges (MBBR and UV at all small sites)	\$10.5	
Wastewater - WOW	Treatment Upgrades to meet new Wastewater Standards for surface water discharges (DAF, UV and MBBR upgrades)	\$41	
Wastewater - Misc	Renewals Programme, Waipukurau Inlet Pump Station upgrade, Other	\$10	
Total Proposed CAPEX programme estimate (2 Waters)			\$122.7M



Proposed High Level Phasing

Service/Triennium	1-3 Years	4-6 Years	7-10 Years	Total \$s
Wastewater Services	<ul style="list-style-type: none"> Takapau, Porangahau and Te Paerahi WWTP Upgrades Waipukurau DAF&UV Renewals Programme Waipukurau Inlet Pump Station Upgrade 	<ul style="list-style-type: none"> Takapau, Porangahau and Te Paerahi WWTP Upgrades Renewals Programme Waipukurau and Waipawa Consering 	<ul style="list-style-type: none"> Waipawa MBBR and DAF Waipukurau MBBR and DAF 	\$61.5
Investment Summary	\$13.2M	\$15.2M	\$32.0M	
Drinking Water Services	<ul style="list-style-type: none"> 2nd Water Supply Renewals Programme SCADA Upgrade Backflow Prevention Programme Ashcroft Reservoir land purchase 	<ul style="list-style-type: none"> 2nd Water Supply Renewals Programme Universal Metering 	<ul style="list-style-type: none"> Renewals Programme Universal Metering 	\$61.2
Investment Summary	\$27.2M	\$24.6M	\$9.4M	
10 year Investment Total				\$122.7



Impact on 2025/26 Programme

Wastewater

- Continue to deliver the DAF and UV upgrades for Waipukurau
- Commence re consenting of Takapau/Porangahau/Te Paerahi discharges
- Continue to deliver wastewater pipeline renewals
- Continue to deliver Waipukurau Inlet Pumpstation upgrade

Drinking Water

- Continue to deliver the Waipawa/Tikokino Rd Water Treatment Plant
- Continue to deliver the Modified 2nd Water Supply
- Continue to purchase Abbotsford Rd land for future
- Continue to deliver drinking water pipeline renewals
- Continue to deliver SCADA system upgrade
- Continue to deliver Backflow Prevention programme rollout
- 'Mothball' SH2 Reservoir (Pukeora replacement)



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CAPEX and Debt implications

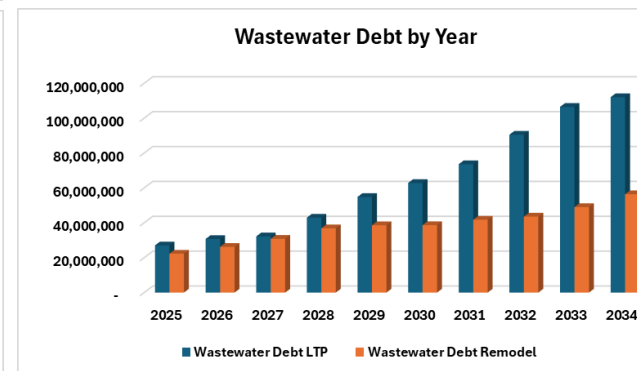
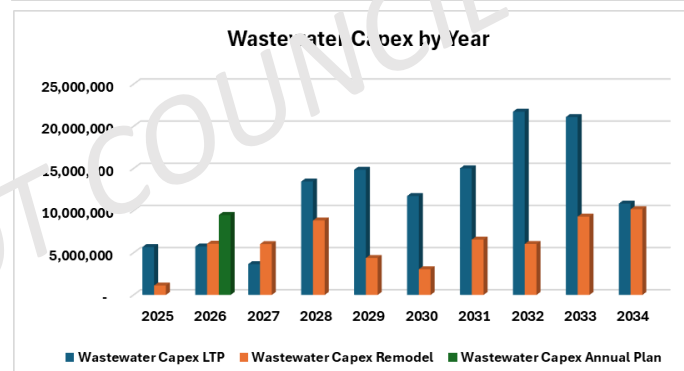
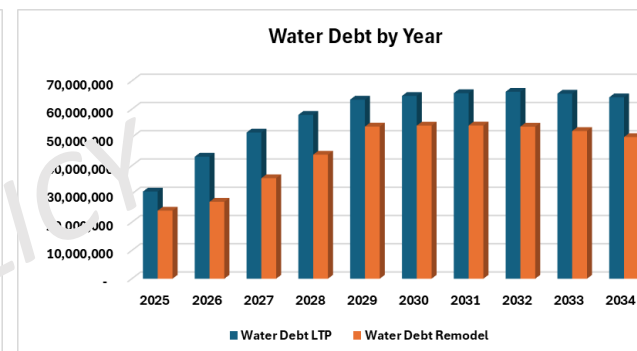
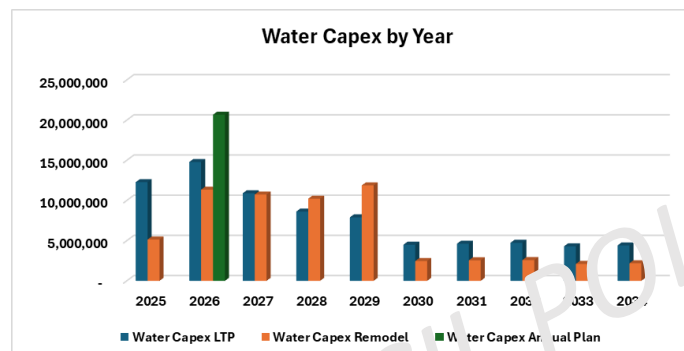
Water Capex: Limited savings but smoothed out early year peaks

Wastewater Capex: Significant reduction in programme

Water Debt: Savings \$14m

Wastewater Debt: Significant reduction \$56m

Debt Headroom: Provides \$70m additional debt headroom, but 2 Waters Debt still reaches 497% of 2 Waters Rates Revenue

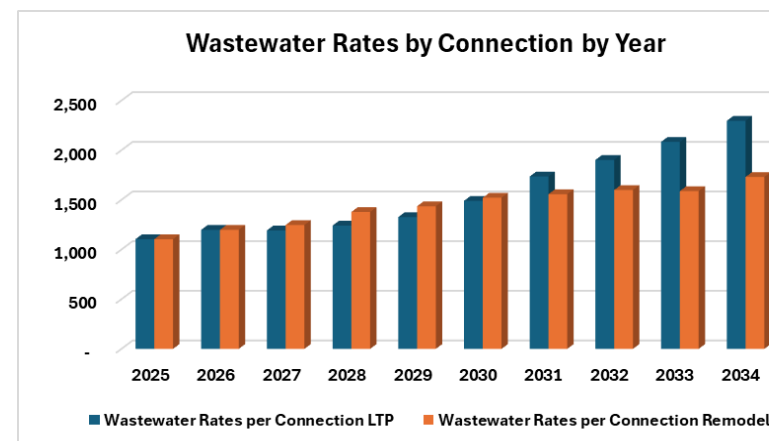
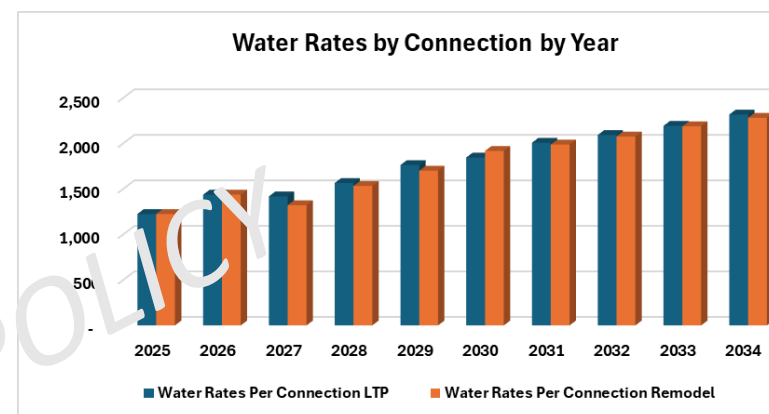


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Rates Implications

- **Connection Assumption:** Used LTP assumption of 4,500 connections growing to 5,300 connections over 10 years
- **Rates Calculation:** Comparable Calculation Methodology, based on what's needed to balance FIS, no FFO adjustment made
- **Water Rates:** Only \$36 per connection savings in 2034
- **Wastewater Rates:** \$565 savings per connection in 2034



Plan and Next Steps

Action	Date
Capex figures provided to PWC for modelling	31 July
Workshop with Council on revised programme	7 August
PWC model completed	8 August
FIP Committee paper released	15 August
FIP Committee paper approval	21 August
RWSDP submitted to DIA (incl. CHBDC addendum)	3 September



Pātai - Questions?



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Operational Review of Year 1 of the Freedom Camping Bylaw

7 August 2025



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Reminder - What We've Done and How Far We've Come

Our Journey – From RMP to a Uniquely Central Hawke's Bay Freedom Camping Approach

- 2021 – Reserve Management Plan began: Identified the need to enhance open spaces, support coastal communities, enable sustainable access, and build stronger relationships with mana whenua.
- Late 2021 – Initial Direction:
 - Council initiated discussions on a Freedom Camping Strategy.
 - A commitment was made to do it *our way* – “the Tamatea way.”
- Late 2022 – Bylaw Work Begins:
 - Development of a Freedom Camping Bylaw commenced to support the strategy. (Progress delayed by Cyclones Hale and Gabrielle)
- 2023–24 – Community Engagement:
 - Conducted a major consultation process with 501 submissions received - Community feedback helped shape the bylaw and guide final decisions.
- June 2024 – Bylaw Adopted:
 - The Freedom Camping Bylaw was adopted.
 - It reflects the RMP's original intent and stays true to our locally driven Camping Strategy.
 - Outcome: a bespoke, Central Hawke's Bay-specific approach to managing freedom camping.



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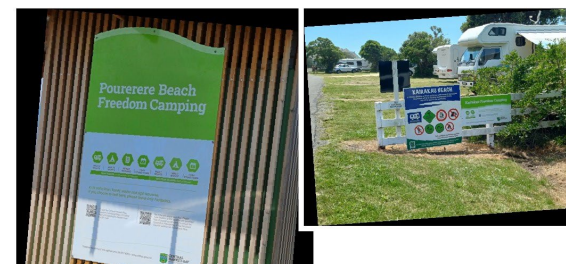
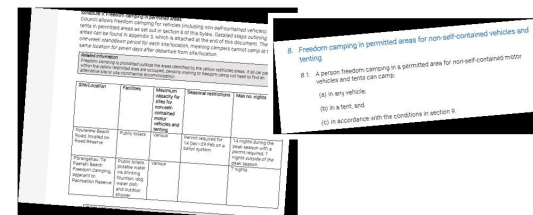
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Freedom Camping Bylaw Resolution

- The bylaw was determined to be the most appropriate mechanism for managing freedom camping and is consistent with the New Zealand Bill of Rights Act.

Changes from the draft statement of proposal (post-public consultation):

- Removal of seasonal restrictions at Te Paerahi
- Adjusted rules around tents and non-self-contained vehicles
- A new 7-day standdown period
- Encouragement of Koha instead of mandatory permit fees

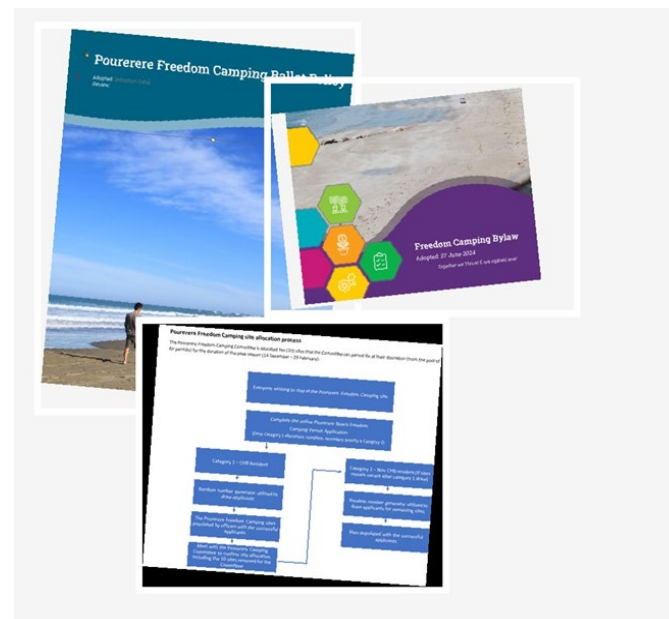


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Pourērere Management Resolution

- Council directed staff to work with the Pourērere Camping Committee and community to formalize a site allocation policy
- At least 50% of sites during the peak season must be allocated via a fair and transparent ballot process administered by Council
- Clear roles and responsibilities between Council and Committee to be defined by 25 October 2024



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Pourērere Freedom Camping Allocation Policy

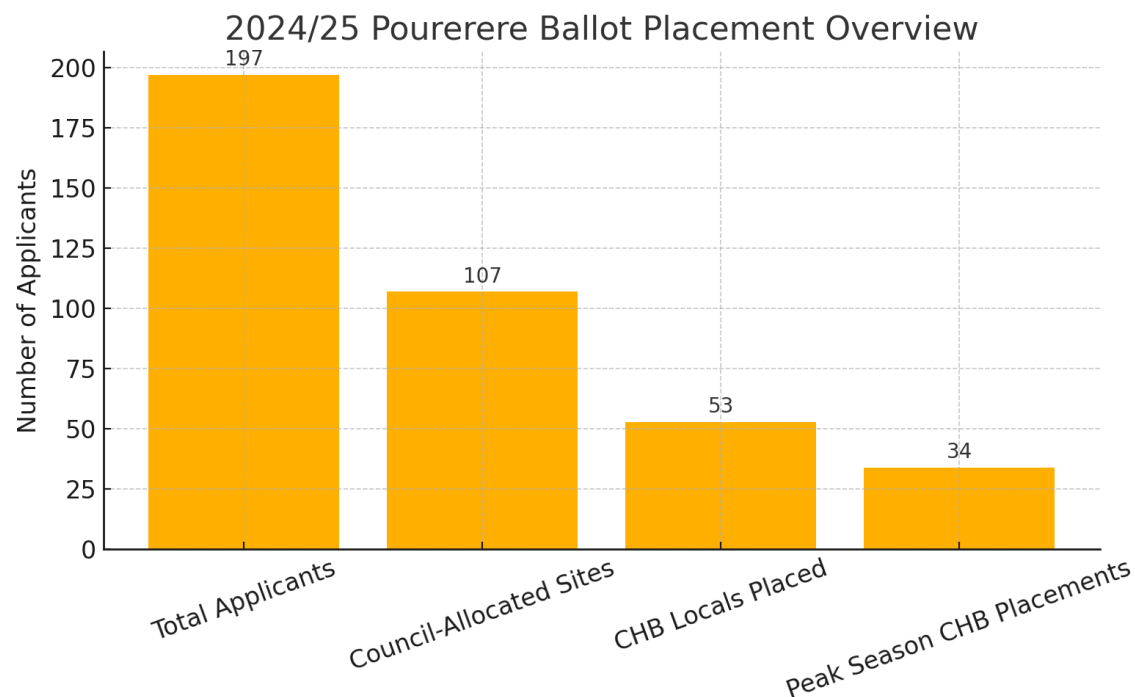
Objective: To manage increased demand during peak times through a ballot system that ensures equitable access for both residents and visitors, while supporting sustainable use of the Pourērere coastal environment.

Key priorities from the Freedom Camping Strategy and the Pourērere Management resolutions from Council:

- Ballot System: At least 50% of peak season sites allocated via a Council-administered public ballot.
- Eligibility: Open to all applicants, with prioritisation given to Central Hawke's Bay residents.
- Transparency & Oversight: The ballot is designed to ensure fairness, accountability, and clarity of process.
- Collaboration with Committee: Council is to work with the Pourērere Camping Committee to formalise the policy.
- Timeframe & Implementation: Covering the freedom camping season as defined in the Freedom Camping by-law.

The Committee manages the remaining campsites, but site allocation must not conflict with ballot placements and still adhere to the Freedom Camping Bylaw.

The Ballot Process – A Commitment to Fairness



- All 197 applicants that registered interest in camping at Pourerere were afforded the opportunity to camp – not always as per requested dates
- Of the 107 placed, 53 CHB residents secured a site at some point during the season.
- During the peak season (21 Dec – 12 Jan) 34 CHB whānau were successfully placed by Council through the ballot system.
- This process met the resolution requirement to allocate at least 50% (19) of campsites through a transparent Council-managed process and demonstrated an intentional effort to prioritise local access.

Key Successes – District-Wide Enablement and Activation

- Embedded Compliance Officers improved onsite communication and education
- Ballot system at Pourērere worked well: the 197 hopeful freedom campers were provided an opportunity for a site
- Pourērere site management policy in place – with review after first year
- Seasonal controls enhanced management at high-use coastal areas
- Urban freedom camping enablement creating positive outcomes.
- Permanent infrastructure upgrades reduced reliance on temporary services, eg Ongaonga toilets and the completion of the stand-alone Pourērere toilet.

Lessons Learnt

- Committee coordination: misalignment with the Pourēreere Camping Committee led to inconsistent site management and compliance issues.
- The requirement for enforcement clarity: ambiguity around roles made enforcement harder at Pourēreere than other sites.
- System gaps: post ballot coordination and onsite consistency needs improvement.
- Unfunded operational pressures: current freedom camping activity generates operational costs that are not sustainable e.g portaloos, and bins. Officers implementing changes to mitigate this
- Admin burden: manual ballot processing placed significant demand on staff time. Officers are exploring digital solutions to streamline this process and improve sustainability.



Were to from here?

- Debrief with Council (today)
- Debrief with Pourēre Camping Committee – reflect on the season, address misalignments, and rebuild shared understanding.
- Explore technology options – assess tools that can streamline bookings, automate ballots, and support compliance.
- Right-size our operational approach – ensure future investment, staffing, and service levels are sustainable and proportionate.
- Seek clear feedback from elected members – confirm Council’s preferred management approach moving forward.
- Prepare for 2025/26 season – integrate lessons learned and set clear roles, systems, and expectations ahead of summer.



