

CLIFTON TO TANGOIO COASTAL HAZARDS STRATEGY 2120

MINUTES OF THE SOUTHERN CELL ASSESSMENT PANEL WORKSHOP 10 HELD AT THE HB REGIONAL COUNCIL, DALTON ST, NAPIER, AT 5.00 P.M. ON THURSDAY 2 NOVEMBER 2017

PRESENT

Panel Members:

Martin Bates, Mike Harris, Te Kaha Hawaikirangi, Brent McNamara, Keith Newman, Aki Paipper, Jagwinder Pannu, Jamie Thompson, Maurice Smith, Mark Mahoney.

Facilitation Team:

Peter Beaven (Chair), Stephen Daysh, Simon Bendall, Monique Thomsen (Minutes), Aramanu Ropiha (Kaitiaki o te Roopu).

Observers:

Tom Belford, Mark Clews, Larry Dallimore, Graeme Hansen, Rod Heaps, Tania Huata, Gary Clode, Ann Redstone, Dean Moriarty, Bruce Allan, Caroline Thomson, Trudy Kilkolly.

Technical Advisors:

Emma Ryan and Judy Lawrence (Edge Research Team), Jon Clarke (Tonkin & Taylor), Adolf Stroombergen (Infometrics).

WELCOME AND KARAKIA

The Chairman welcomed those present and acknowledged Bruce Allan of Hastings District Council and Adolf Stroombergen of Infometrics who were presenting to the panel. Aramanu Ropiha opened the meeting with a karakia.

APOLOGIES

Tom Evers-Swindell, Paul Hursthouse, Bruce Meredith, Duncan Powell, Waylyn Tahuri-Whaipakanga, Dave Wells, Connie Norgate, Peter Kay, Stephen Daysh (for lateness).

Motion: That the apologies be accepted.

The motion was moved (Keith Newman), seconded (Jamie Thompson) and carried.

CONFIRMATION OF MINUTES

Minutes of the Workshop 9 were circulated prior to the meeting.

Motion

That the Minutes of Workshop 9 be confirmed as a true and correct record.

The motion was moved (Martin Bates), seconded (Brent McNamara) and carried.

Matters Arising

There were no matters arising.

Mr Bendall provided an overview of the agreed actions table and updated members on the progress, noting some actions had been completed and others were in the process of being completed. An updated action list is included at the end of these minutes. Two items under general business being Cape View Corner Letter and Clifton Revetment Consent were discussed as part of the actions.

5.16 pm – Stephen Daysh arrived.

Cape View Corner Letter

1. At the request of Panel members, a letter had been drafted to the Hastings District Council and Hawke's Bay Regional Council Chief Executive's on erosion protection at Cape View Corner, requesting the Councils work together to install short term coastal erosion mitigation measures as a matter of urgency while the Strategy identifies a long term solution.
2. The draft letter was circulated to the Panels by TAG however there was not a consensus agreement for the letter to be sent [10 supported, 6 no reply and 2 not supported]. Simon outlined the issues those who opposed the letter had. It was agreed the letter would be put on hold as the Panel were close to completing the process.

Clifton Revetment Consent

1. A letter was drafted from the panel members to the Processing Officer at Hastings District Council in support of the application for resource consent lodged by Hastings District Council for a rock revetment wall at Clifton.
2. Simon added he had discussed the letter with Paul Hursthouse (absent from the workshop 10) who made a suggestion to remove the word 'generally' in the letter. The panel agreed to remove the word and noted the application had been lodged with Hawke's Bay Regional Council but had not yet been notified.

Motion

That the draft letter had full support of the panel and can be finalised and circulated to Hastings District Council.

The motion was moved (Keith Newman), seconded (Maurice Smith) and carried.

GENERAL BUSINESS

1. The Chairman provided an overview of the presentations on the agenda, once the presentations had been given Simon would circulate a *Summary of MCDA Scores and Economic Analysis* sheet capturing the details presented and that would assist the panel with finalising their preferred pathway recommendations.
2. Keith queried whether the Napier City Council had pulled out of this process as there had been some talk of this; the Chairman explained that the TAG had met with Councils and held a funding workshop, Hastings District Council had agreed in principle to the splits, and Napier City Council had requested further information before making a final decision on the splits. It was highlighted that the Napier City Council were fully supportive of and committed to this process and were not pulling out.

COSTING THE PATHWAYS – JON CLARKE, TONKIN & TAYLOR

1. Jon Clarke provided a powerpoint presentation on the high level cost estimates for the pathways.

Note: *pathways on the MCDA summary sheet in the agenda pack were not the same order to the pathways shown on screen.*
2. Jon discussed the coastal defence options which have been assessed for all pathways in each unit over the three time periods, identifying that for the purposes of costings, the timing of the works begins in year 1 and the costs are based on the whole unit coverage.
3. The high level scheme design costs are based on similar projects in the Hawke's Bay region and from T&T's experience on projects in other parts of the country, and were based on the council rates for similar and proposed work, historic reports and cost estimates.

4. Jon explained the figures did look high but as an example the current cost of works at Westshore are approximately \$200,000 per year, that works out to be an equivalent to; \$4 million over 20 years, \$10 million over 50 years and \$20 million over 100 years.

5. The high level costs for each pathway in the units were shown on screen (refer to presentation material).

Action: provide hard copies of the costs – too hard to view on screen.

6. Hastings District Councillors Ann Redstone and Rod Heaps queried the figures for the pathways in Clifton as being quite different to what was in the Hastings District Council LTP. Jon explained that differences and offered to provide further information on the maintenance work costs, length of the options.

Action: Jon to provide further information to Ann and Rod in regards to the cost estimates for the Clifton unit.

7. The panel noted that the figures did not seem too high once they were broken down per year.

8. It was noted that costs for Haumoana were based on a range of 6-12 groynes being constructed.

9. WOW had provided Jon with some reports outlining costings and designs and he was able to consider and contrast those numbers with what T&T had developed. The numbers were not that different, WOW looked at 25 years and Jon had looked at 20 years. Jon explained the renourishment in WOW's figures was for a maintenance of the existing beach profile, where T&T had costed and additional capital expenditure for building up the profile to provide additional protection from erosion and inundation. For the groynes the capital costs are set out for 50 years then gravel topping up costs over 50 years, these are comparable to WOW rates.

10. It was agreed that the H21 would benefit from some of the options, but had not been considered in all options as the costs for including protection for them would increase total scheme costs significantly for some options. This remains a matter for the Panel's to revisit.

11. The costs of Managed Retreat are difficult to estimate and could be developed in a number of different ways. The minimum cost estimate of \$50,000 per section would allow for making good of the section by demolition of building and disposal of materials, removal and capping of utilities to planning and landscaping. The medium cost estimate of \$150,000-\$250,000 per section would provide for the purchase and servicing of a new section to enable a relocation. The top end cost estimate is to simply use the full capital value of each section affected by managed retreat.

12. Jon confirmed the dollar values presented are today's dollar value (i.e. have not been discounted over time).

13. Keith raised consenting costs around groynes and importing shingle and queried if there was flexibility to use shingle from further up the coast (i.e. recycling gravel) if excess quantities were available (e.g. with the end of gravel extraction at Awatoto) and if consents process could be streamlined so the costs and process reduced.

14. Stephen commented on the consenting costs; depends on the success of the process, but we have previously discussed that options to streamline the consenting for works identified under the Strategy needs to be considered as part of implementation and this is on TAG's radar.

REAL OPTION'S ANALYSIS RESULTS – ADOLF STROOMBERGEN, INFOMETRICS

1. Adolf Stroombergen provided a powerpoint presentation

2. Adolf used an example of the ROA on Unit L (Clifton) to show the process he went through and the results. He showed the maximum of inundation loss or erosion loss and the pathway investment costs setting out figures for the short, medium and long term, noting the figures included capital and maintenance costs.

3. The Dynamic Adaptive Policy Pathways approach allows for transition between pathways, this was important to note as the chosen pathway could be revised and changed to another option at the set review points (i.e. every 10 years) in response to new information / data etc.
4. To test the validity of the 6 pathways chosen in each unit, Adolf re-tested the different permutations of options to form pathways. For Unit L, this resulted in 16 additional pathways but Adolf found that the 6 pathways in Unit L identified by the panels were still considered to be preferred pathways.
5. MCDA example of the Clifton pathways showed that the pathway 5 had the highest MCDA score & lowest cost per MCDA point - so represents the best Value for Money. Pathway 6 which the ROA analysis suggests is the best choice, had the second lowest cost per point even though it's MCDA score was low.
6. Adolf noted that for managed retreat he used the full capital value of assets being relocated and did not use the \$50,000 per section figure Jon mentioned in his presentation.
7. Adolf concluded his presentation by noting that, from a strictly economic perspective, for some units it was better to 'do nothing' for a few decades; the least cost pathway from the ROA process may not be the most flexible option; and the most favoured pathway under MCDA may not be least cost, nor most flexible. There is chance to review options every 10 years, or indeed whenever a trigger point is reached and he advised the panel to think carefully before committing resources to expensive and/or inflexible protection pathways.
8. Mike raised the risk and uncertainty of groundwater levels in around Haumoana specifically impacting the lagoon area. It was noted that there was further work to be done in this space and TAG did not yet have groundwater information from GNS. Judy Lawrence and Dr Rob Bell from the Edge have secured some funding to look into this and would be working alongside GNS.

The panel took a break 6:45–6:55 pm

Simon circulated a hard copy of the *Summary of MCDA Scores and Economic Analysis* sheet and provided some commentary on what the figures in each column referred to. The sheet incorporated the findings from the MCDA, Real Options Analysis and Costings work and was provided to assist the Panels to make decisions about their pathway recommendations.

Stephen acknowledged the process the panels have undertaken and the complex economics and that it was best to leave the costs out first and work through the process and to then bring it all together, this way has added an extra level of sophistication to the process that is leading edge in New Zealand.

Simon provided a brief introduction on the considering affordability presentation by Bruce Allen from HDC which is to discuss how the costs of various pathways could affect individual ratepayers, this would make the costs more 'real' and understandable than a total cost figure.

CONSIDERING AFFORDABILITY – BRUCE ALLAN, CFO, HASTINGS DISTRICT COUNCIL and APPORTIONING COSTS: BASE CASE PUBLIC/PRIVATE SPLITS AND THE MODIFICATIONS PROPOSED – SIMON BENDALL

1. Bruce Allan provided a powerpoint presentation on the funding assessments, outlining the funding principles, TAG assessment of the public and private benefits and the financial model showing the indicative rating impacts that would be put onto the community.
2. The funding principles;
 - Intergenerational - consideration of the length of loan; it is recommended the maximum length of loan be 25 years as any longer and interests costs become very high and uneconomic. However if the length of the period of the benefit is less than 25 years then the maximum period of the loan should be of the benefit period.
 - Expenditure, allocation between: private good – targeted rates; and public good – general rates.

3. The Technical Advisory Group held a funding workshop with the Councillors of the Hastings District Council who have provided support in principle to the public and private splits.
4. Bruce outlined the costings to date that have been based on the following assumptions: midpoint of costs between low & high, costs for first 50 years – first two parts of pathway, classes of private good based on 2065 and 2120 probability lines, loan period of between 20 and 25 years, interest rate of 5.5%, managed & retreat the line still needs to be priced although not included in any of the short term pathways, and consideration of providing inducement payment or just clean up and make good costs.
5. Bruce then discussed the private and public split which assesses what would be impacted and what would be protected, taking into consideration the social impacts. The panel discussed the base case recommendations and the percentages for the private and public splits for each of the options, they then looked at those figures in regards to all of the pathways in each cell.
6. Bruce presented the findings from the financial model. These showed the indicative rating impacts for each pathway, outlining the capital and annual maintenance figures, the loan period and private and public splits as presented earlier. Depending on where your property was located based on the 2065 and 2120 probability lines, there were 3 areas ratepayers were split into; area 1 properties at high risk or fronting a road at risk, area 2 properties next in line just behind properties in area 1, and area 3 remaining properties in the unit. He noted the costings only included for short to medium term pathways and the immediate rating cost is for the short term options only. The panels looked at the rating impact of each pathway in each unit.

CONFIRMING PANEL RECOMMENDATIONS

1. Peter and Simon spoke through how to confirm the preferred pathways and panel recommendations.
2. Noting that the initial MCDA assessment had produced an order of preference of pathways in each unit, this had not considered cost or economic assessment.
3. Now that costs and economics has been presented, the panel were now to confirm if the current preferred pathway based on MCDA was still the preference, or to change to a different preferred pathway.
4. Panels should also consider what to do with the 2 extra potential pathways identified by Adolf through the ROA process, and whether these were valuable and should be considered through MCDA.
5. Using the summary of *MCDA Scores and Economic Analysis* sheet the panels discussed each unit in detail, looking closely at the MCDA ranking, the cost of each of the options and the pathways value for money.
6. The panel identified their preferred pathways;
 - **Clifton:**
Pathway 5: Sea Wall – Sea Wall – Managed Retreat
Note: this pathway was ranked 1 in MCDA, 2 in cost + loss and 1 in value for money.
 - **Te Awanga:**
Pathway 3: Renourishment + Control Structures - Renourishment + Control Structures - Renourishment + Control Structures
Note: this pathway was ranked 1 in MCDA, 1 in cost + loss and 1 in value for money.
 - **Haumoana:**
Pathway 2: Renourishment + Control Structures - Renourishment + Control Structures – Managed Retreat
Note: this pathway was ranked 1 in MCDA, 2 in cost + loss and 3 in value for money.
 - **Clive/East Clive:**
Pathway 1: Status Quo - Renourishment + Control Structures – Retreat the Line / Managed Retreat

Note: this pathway was ranked 1 in MCDA, 3 in cost + loss and 3 in value for money.

The panels did consider changing to pathway 2 which was ranked 2 for MCDA and 1 for cost + loss and value for money, pathway 2 was the same apart from the long term option was renourishment + control structures, taking everything into account the panel decided pathway 1 was the best option.

7. Simon outlined the process from here; a drop in session would be scheduled to present the preferred pathway to the community for their feedback, the final workshop 11 the draft report be presented for panel recommendations to the 3 Councils and the Panel would confirm its final recommendations. The Councils will have their own processes to adopt and that would flow into their Annual Plans and Long Term Plans. Stage 4 of the Strategy would then produce an implementation plan.

EDGE EVALUATION SHEET

1. Evaluation sheets were handed out, with a reminder that the survey was also available for on-line completion.

NEXT STEPS

1. In line with the Terms of Reference, Stephen advised the panel he, Graeme Hansen and Judy Lawrence of the Edge were attending a Decision Making under Deep Uncertainty annual workshop in Oxford, London, where they will be presenting and having a poster display on the coastal hazards project and the work of the panels. There was no objection from the panel to having this presented. Stephen and Judy would report back at workshop 11.

Action: *Stephen and Judy to report back at the workshop 11.*

2. The results of tonight's workshop would be presented at a drop-in community session where the panels would seek feedback on their draft recommendations from the community. Simon confirmed there would be advertising via social media, community newspaper ads, billboards would be erected and a flyer would be available for panel members to circulate. It was encouraged that panel members spread the word and let their community know of the meeting.
3. The drop in session would be held on Wednesday 22 November 2017 between 5.30-7.30pm at the Haumoana Hall.

Action: *Monique to schedule a drop in session in diaries.*

4. Simon flagged the date for the workshop 11 being Tuesday 5 December 2017 and gave a brief overview of what would be presented at that final workshop.

Action: *Monique to schedule workshop 11 into diaries.*

Aramanu Ropiha highlighted to correct pronunciation of Te Awanga and Haumoana in Te Reo and closed the meeting with a karakia.

The meeting closed at 8.25 p.m.

AGREED ACTIONS:

Task	Meeting / Agenda Item	Actions	Resp.	Status/Comment
1.	Workshop 7, CONFIRMATION OF MINUTES	Emma to circulate a copy of the report on the survey to the panel once available.	Emma / Edge	A summary of the findings had been circulated, the Edge are aiming to circulate the wider community survey report to the panels before the public meeting.
2.	Workshop 7, PRESENTATION: T&T AND EDGE – OPTION SCREENING AND RECOMMENDED OPTIONS SHORT LIST & RECOMMENDED PATHWAYS FOR EACH PRIORITY UNIT	TAG to chase up the questions and answers from the EIT Supplementary session.	Simon	Completed.
3.	Workshop 8, SCORING FOR TECHNICAL CRITERIA – 5, 6, 7. Natural Environment Impacts	Chairman to draft a letter from the Panel to HDC supporting HDCs application to HBRC for a rock revetment wall at Clifton.	TAG	Letter submitted.
4.	Workshop 8, SCORING FOR TECHNICAL CRITERIA – 5, 6, 7. Haumoana Coastal Unit	Further investigation on wetland creation required, possibility in the reserve land between Te Awanga and Haumoana.	TAG	Completed.
5.	Workshop 8, SCORING FOR TECHNICAL CRITERIA – 5, 6, 7. Haumoana Coastal Unit	Information on managed retreat to be circulated to panel members.	TAG	Completed.
6.	Workshop 8, SCORING FOR TECHNICAL CRITERIA – 5, 6, 7. Haumoana Coastal Unit	TAG to follow up with a draft submission for Panel Members to review in regards to the HDC Reserves Management Plan.	TAG	Completed.
7.	Workshop 8, SCORING FOR TECHNICAL CRITERIA – 5, 6, 7. Clive Coastal Unit	Cerasela Stancu to follow-up regarding Hohepa have signaled they propose to move from the area.	Simon	Ongoing conversation – to report back to Panel on any further update.
8.	Workshop 9, CONFIRMATION OF MINUTES	Report on Cultural Values Assessment to be re-circulated.	TAG	Completed.
9.	Workshop 9, REVIEW OF TECHNICAL CRITERIA SCORING FOR ALL PATHWAYS	Te Awanga Pathway 6 – change sea wall to rock or concrete revetment.	TAG	Completed. Action: updated sheet to be circulated to the panel.
10.	Workshop 9, REVIEW OF TECHNICAL CRITERIA SCORING FOR ALL PATHWAYS	The panel agreed a letter should be prepared to go to both the HDC and HBRC outlining the urgent need for protection of public property and infrastructure at Cape View Corner essential to the community. Solid rocks and maintenance of the crest were suggested. Draft to be forwarded to the panel in the first instance.	TAG	Letter to HDC/HBRC is on hold.
11.	Workshop 9, REVIEW OF TECHNICAL	Simon Bendall to work out when discussions on H21 can be fitted into the process.	TAG	To be discussed at workshop 11.

	CRITERIA SCORING FOR ALL PATHWAYS			
12.	Workshop 9, REVIEW OF TECHNICAL CRITERIA SCORING FOR ALL PATHWAYS	MCDA scoring sheets to be completed and forwarded to panel members in the coming week.	TAG	Completed.
13.	Workshop 9, REVIEW OF TECHNICAL CRITERIA SCORING FOR ALL PATHWAYS	A Doodle poll will be held to fix the date for the next meeting, with the 6 September workshop being cancelled.	TAG	Completed.
14.	Workshop 10, COSTING THE PATHWAYS	Provide hard copies of the high level cost tables to the panel.	ALL	Completed.
15.	Workshop 10, COSTING THE PATHWAYS	Provide further information to Ann and Rod in regards to the cost estimates for the Clifton unit.	Jon	Completed.
16.	Workshop 10, NEXT STEPS	Stephen and Judy to report back at the workshop 11 on their presentation at the Decision Making under Deep Uncertainty annual workshop in Oxford, London.	Stephen Judy	On workshop 11 agenda.
17.	Workshop 10, NEXT STEPS	Schedule a drop in session in diaries for Wednesday 22 November 5.30-7.30pm	Monique	Completed.
18.	Workshop 10, NEXT STEPS	Schedule workshop 11 into diaries for Tuesday 5 December 2017 5.00-8.00pm.	Monique	Completed.