

## Awatarariki Debris Flow Risk Management: Project Update



Subject: **AWATARARIKI DEBRIS FLOW RISK MANAGEMENT:  
PROJECT UPDATE**

To: **PROJECTS AND SERVICES COMMITTEE**

Meeting Date: **THURSDAY, 31 AUGUST 2017**

Written by: **STRATEGIC PROJECT MANAGER**

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### 1 REASON FOR THE REPORT

The purpose of this report is to present the Indicative Business Case associated with the Awatarariki Fanhead retreat package to the Committee.

A summary of the key concepts from the Draft IBC is summarised below for the Council's consideration.

### 2 BACKGROUND

The business case adopts the Better Business Case methodology required by Treasury for any project seeking significant funding from Government.

On 15 December 2016 the Council received a report on the Awatarariki Indicative Business Case (IBC) and resolved:

1. **THAT** the report "Draft Indicative Business Case: A way forward for Awatarariki Fanhead" be received;
2. **THAT** the Council notes the progress of the Awatarariki Fanhead Indicative Business Case;
3. **THAT** the Council agrees to the objectives and key concepts of the Draft Indicative Business Case as outlined in the report; and
4. **THAT** the Council agrees to formally engage with the Bay of Plenty Regional Council and central government to further develop the Draft Indicative Business Case, particularly in relation to funding arrangements with key partner agencies.

The IBC has subsequently been peer-reviewed by a Treasury-approved IBC reviewer and by Bay of Plenty Regional Council (BOPRC) staff members. Feedback from the reviewers has been incorporated into the IBC. The final draft of the IBC is appended to this report.

In summary, the IBC provides compelling reasons for BOPRC and central Government to partner WDC to invest in this project. It recognises the national and regional resource management policy framework around disaster risk reduction and confirms that the project will deliver a sustainable long-term solution. The primary focus of the solution is to protect the life safety of residents of the Awatarariki Stream fanhead from another, inevitable debris flow event.

Running in parallel with the finalisation of the IBC are two RMA plan changes, one relating to the District Plan and other to the Regional Land and Water Plan. The purpose of the District Plan Change is to give effect to the Regional Policy Statement and formally recognise the debris flow risk in the District Plan. The objective is to rezone the high debris flow risk area from 'Residential' to a zone that better recognises the natural hazard risk, such as a natural hazard zone or coastal reserve zone.

The purpose of the Regional Plan Change is to give effect to the Regional Policy Statement and formally recognise the debris flow risk in the Regional Land and Water Plan. The objective is to reduce the level of risk to existing uses, namely 16 properties in the high risk area with dwellings. The Council also approved preparation of a Regional Plan Change application on 29 June 2017. Consultation on the combined Plan Change discussion document is currently occurring through one-on-one and group meetings held in Matatā and at the Council offices. WDC and BOPRC planning staff are both represented at the meetings, which are being well attended by fanhead property owners.

### **3. DISCUSSION**

#### **3.1 Decision Summary**

Peer review feedback included a suggestion to include a summarised flow chart of the key decisions and timeline that reflected the decision-making journey the Council has been through in relation to this project. The flow chart forms Appendix IX of the IBC and reinforces the substantial public policy challenges the Council has been faced with in endeavouring to deliver a solution to the residents of the Awatarariki fanhead.

#### **3.2 Engagement with Government**

Following a request from the Mayor to the Hon. Anne Tolley in February 2017, the Minister was arranging for a number of Ministers to meet with a WDC and BOPRC delegation to discuss the Awatarariki and Integrated Wastewater IBCs. Unfortunately, cyclones Debbie and Cook interrupted the scheduled meetings. Subsequently, a briefing was provided to Ministers Anne Tolley (Minister of Local Government, Minister of Social Development, and Minister for Children) and Nathan Guy (Minister of Civil Defence, Minister of Primary Industries) on 19 July 2017, following which Minister Tolley advised the Government's ministerial point of contact for this project is the Minister for the Environment, the Hon. Dr. Nick Smith, who is also the Minister for Building and Construction. The Mayor has written to the Minister enclosing the IBC and has asked Minister Tolley to arrange a meeting for WDC and BOPRC to discuss the IBC and its implementation. A date for this meeting has not been confirmed at the time of writing this report.

#### **3.3 Engagement with BOPRC**

BOPRC staff were provided with a copy of the draft IBC on 31 March 2017 to peer review. A joint council peer review workshop was held on 19 July 2017. Feedback from the workshop has been incorporated into the IBC.

A presentation was made to BOPRC councillors in April 2017 on the District Plan Change discussion document *Plan Provisions for Natural Hazard Management on the Awatarariki Fanhead, Matatā – Issues and Options*. The presentation resulted in BOPRC staff being directed to prepare a confidential paper that was considered by BOPRC on 1 June 2017. BOPRC referred the matter to its Audit and Risk Committee which considered a confidential paper on 13 June 2017. The Audit and Risk Committee reported back to BOPRC on 29 June 2017. BOPRC resolved that the change to the Regional Plan should be carried out at the same time as WDC is proposing its District Plan changes, and that WDC should prepare and lodge an application for a Regional Plan change.

A further presentation was made to BOPRC councillors in August 2017 on the IBC, after which the following resolutions were made:

That the Regional Council:

1. Receives the report, Whakatāne District Council - Awatarariki Fanhead Business Case;
2. Notes the Whakatāne District Council Business Case and supports its presentation to Central Government, on a Without Prejudice basis.

The three main workstreams moving forward are:

1. Complete the District Plan Change community consultation; summarise and consider comments; report to Council in October 2017;
2. Complete the Regional Plan Change Request community consultation; summarise and consider comments; report to Council in October 2017;
3. Engage with central Government over the IBC.

Another piece of work has been to respond to property owners who purchased their properties over the last 4 years and, after receiving indicative voluntary retreat proposal offers, considered the provisions of the Council's Acquisition Strategy treated them unfairly. Specifically, the property owners asked for a review of the appropriateness of clause 5.1.9 of the Acquisition Strategy taking into account the personal circumstances behind the purchase of their property. The Property Group has provided some considered guidance on this matter, which will be reported to Council separately.

### **3 ASSESSMENT OF SIGNIFICANCE**

The decisions or matters of this report are part of a process to arrive at a decision that may be significant in accordance with section 3.3 of the Council's Significance and Engagement Policy. This states that a matter shall be determined to be significant if/when the impact or consequences of the proposal or decision on the affected persons (being a number of persons) will be substantial, or when the financial implications of the proposal or decision on the Council's overall resources are substantial. If funding arrangements with BOPRC and the government can be realised, an assessment will be required against the Significance Policy criteria to determine whether or not public consultation will be required. The intention is for certainty to be reached on funding prior to the next LTP.

### **4 COMMUNITY INPUT AND PUBLICITY**

There has been regular contact between staff and property owners through provision of update reports, phone conversations, and more recently, engagement over the two Plan Change proposals.

#### **RECOMMENDATIONS**

1. **THAT** the report "Awatarariki Debris Flow Risk Management: Project Update" be received.

Attached to this report:

- Debris Flow Risk: A Way Forward for the Awatarariki Fanhead, Indicative Business Case

Report Authorisation

Report writer:	Jeff Farrell	Strategic Projects Manager
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