



TUKITUKI WATER SECURITY LIMITED

EXCHANGE OF LAND OVERVIEW REPORT

Fast Track Approvals Act 2024

16 March 2026

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1. INTRODUCTION

1.1 PURPOSE OF THIS APPLICATION

The purpose of this application is to obtain the necessary report and recommendation under the Fast Track Approvals Act 2024 (“**FTAA**” or “**the Act**”) to exchange approximately 170 hectares of private land with approximately 29.7 hectares of land held by the Department of Conservation (“**DOC**”) to enable the substantive FTAA application and approval for construction and implementation of the dam and reservoir necessary to implement the Tukituki Water Security Project (“**TWSP**”).

The TWSP is a listed project in Schedule 2 of the FTAA. The proposed dam and reservoir, that necessitate the need for the DOC land exchange, has been previously consented following a Board of Inquiry decision in 2014, for the project known as the Ruataniwha Water Storage Scheme (“**RWSS**”).

The RWSS never proceeded, with the necessary DOC land exchange accepted by the Director-General of Conservation in 2015 but overturned by a Supreme Court decision in 2017.

Prior to lodging a substantive application under the FTAA for the proposed land exchange, the authorised person for the project must lodge a preliminary land exchange application to the Director-General of Conservation to assess the conservation values of the land concerned. This application is therefore made by Tukituki Water Security Limited (“**TWSL**”) to the Director-General of Conservation for a report and recommendation on the proposed exchange of land described above.

1.2 BACKGROUND TO THE PROJECT

Water storage and security options in Central Hawke’s Bay have been considered since the early 2000’s due to dry summers and water pumping from the Ruataniwha aquifer affecting river flows in the Tukituki and Waipawa River catchments.

The RWSS application lodged for a Board of Inquiry hearing process in May 2013, comprised of 90 million m³ reservoir¹ located in the upper Makaroro River that was promoted as a long-term water supply solution for Central Hawke’s Bay to store water during the winter months for release during the summer when the need for river environmental flows, community and irrigation water is at its highest and when people most want to swim, fish and collect kai. These low summer flows increase the concentration of nutrients in the river and, combined

¹ With ‘live storage’ of 104Mm³ of water.

with higher temperatures, grow periphyton and weeds that are detrimental to the environmental, recreational and cultural values of rivers and streams.

Eighteen resource consents were issued to the Hawke’s Bay Regional Investment Co. Ltd (“**HBRIC**”) for the proposed RWSS in June of 2014 by a Board of Inquiry (“**BOI**”) and were finally confirmed following a High Court appeal in June 2015 (an index table of those 18 consents and associated schedules is attached as Appendix 1). The decision included a 10-year lapse period within which the consents can be exercised. This lapse period expired on 19 June 2025. An application has been lodged for the lapse period to be extended.²

In 2018 HBRIC and its parent Hawke’s Bay Regional Council (“**HBRC**”) decided not to proceed with the proposed scheme due to the Supreme Court decision that the previous land exchange arrangement granted by the Director General of Conservation at the time was unlawful. The RWSS resource consents package was sold to a company called Water Holdings Hawke’s Bay Limited (“**WHHB**”). WHHB purchased the consents and all other RWSS intellectual property.

During the two years between 2019 and 2021 Hawke’s Bay suffered from two summer droughts. Tukituki river flows ran at historically low levels for extended periods which in turn had significant detrimental effects on the environment. These trends are indicative of climate change, with forecasts predicting longer, drier and hotter periods and with rainfall coming in the form of more extreme events.

Since 2021, a group of Hawke’s Bay residents formed a steering group to oversee what has now become the TWSP. Work undertaken through this rescoping process strongly reaffirmed that in combination with a range of other measures, a water storage scheme that utilised the proposed Makaroro reservoir as developed through the RWSS was the only truly viable catchment scale option which enables a durable response to climate change and Te Mana o te Wai.

The consents and intellectual property are now retained by the recently formed Hawke’s Bay Community Water Trust (“**HBCWT**”), which is represented by two members of Tamatea Pōkai Whenua, one member of the Central Hawke’s Bay District Council and one water user representing the agricultural and horticultural sectors.

The purpose of the HBCWT is to retain a strategic water storage opportunity in the Tukituki Catchment to provide water security for environmental, community, social and economic

² An application has been lodged pursuant to s125 of the RMA to extend the lapse date of these consents and a decision is currently pending. That application was lodged prior to 19 June 2025.

activity, in the face of climate change and population growth which is increasing pressure on the water resource.

Significant engagement with mana whenua has occurred through the Post-Settlement Governance Entity, Tamatea Pōkai Whenua Trust (“**TPW**”) regarding the TWSP and water security issues more generally. This has involved numerous hui³ and the establishment of a Mana Whenua Working Party (“**MWWP**”) as a vehicle for ensuring that relevant information relating to the project and the consents could be disseminated and discussed, so that an informed view could be reached. This has resulted in TPW giving its support to the extension of the lapse date for the RWSS consents (see letter attached as Appendix 2) and agreeing to be involved in a community-led trust entity with water security as a key goal. In addition, TPW has resolved to support the project in principle through the FTAA process.

With the new process under the FTAA in place the legal impediment identified by the Supreme Court under the Conservation Act 1987 has been identified and addressed by the government through an available pathway for approval through the development and passage into legislation of the FTAA.

The TWSP has been expressly scheduled as a listed project under Schedule 2 of the FTAA, and TWSL now seeks to progress the necessary land exchange under Section 42(4)(f) of the FTAA.

1.3 AMENDMENT TO SCHEDULE 2 OF THE FTAA

This TWSL land exchange application was previously lodged with the Department of Conservation on 28 November 2025 but was subsequently withdrawn on 9 January 2026 following discussions with Department of Conservation staff regarding the scope of the project as recorded in Schedule 2 of the FTAA. The project was originally listed in the FTAA under the heading ‘Approximate geographic location’ as follows:

Makaroro River and Waipawa, Tukituki, and Papanui Stream catchments, and 22 hectares at Ruahine Forest Park, Hawke’s Bay

Although the TWSP remains within the scope of the project description as listed in Schedule 2 of the FTAA, the above geographic location specifically references 22 hectares of Ruahine Forest Park, and it has now been established that it would occupy approximately 29.7 hectares of Ruahine Forest Park.

³ See Table 4 below for hui dates.

Following amendments to the FTAA coming into effect in December 2025, TWSL requested an amendment to the referencing of the project in Schedule 2 to remove the specific reference to 22 hectares of Ruahine Forest Park.

An Order in Council was made on 9 March 2026, titled '*Fast-track Approvals (Wairakei South and Other Projects) Amendments Order 2026*', which came into force on 13 March 2026. That order includes amendments to the listing of four separate projects in Schedule 2 of the FTAA, those being Wairakei South, Homestead Bay, Mt Welcome, and Tukituki Water Security respectively. Regarding the Tukituki Water Security Project, clause 4(4) of the order states:

In Schedule 2, item relating to Tukituki Water Security,—
third column, replace “a land exchange” with “land exchanges”:
fourth column, delete “and 22 hectares at Ruahine Forest Park,”.

With these amendments in place, Schedule 2 of the FTAA now reads as follows:

- > Under the heading 'Approximate geographical location':

Makaroro River and Waipawa, Tukituki, and Papanui Stream catchments, Hawke's Bay.

- > Under the heading 'Project description':

Dam the Makaroro River and create a water storage reservoir to enable regional water security and sustainability, including— ...

- > *land exchanges with the Department of Conservation*

Those amendments enable the TWSL land exchange application to be relodged with the certainty that it is within the scope of Schedule 2. This is because there are multiple separate areas of Ruahine Forest Park that comprise of the land exchange application, which is based on land within the Makaroro River catchment in Hawke's Bay. Accordingly, the proposed land exchange application is now clearly within the scope of the Schedule 2 listing.

1.4 CROWN MARGINAL STRIPS

The November 2026 version of the TWSL land exchange application included the Crown marginal strips currently adjacent the banks of the Makaroro River in several places that will become inundated by the proposed reservoir. This aspect of the previous application has been removed from this relodged application.

Upon further investigation, section 24 of the Conservation Act 1987, will result in the existing Crown marginal strips on former Crown land transferring from the Makaroro River and Dutch

Creek margins to the margins of the reservoir, upon formation of the reservoir. That land does not therefore need to form part of the exchange application.

1.5 PROJECT SCOPE

Schedule 2 of the FTAA includes the following summary of the TWSP⁴:

Project Description

Dam the Makaroro River and create a water storage reservoir to enable regional water security and sustainability, including—

- > *constructing an approximately 83-metre-high dam in the Makaroro River*
- > *creating a reservoir (of approximately 93 million cubic metres, approximately 7 kilometres long, and with a surface area of approximately 372 hectares)*
- > *releasing up to approximately 20 million cubic metres to ensure the provision of minimum flows in the Tukituki River*
- > *an irrigation footprint of approximately 20,000 to 30,000 hectares*
- > *land exchanges with the Department of Conservation*

Approximate geographical location

Makaroro River and Waipawa, Tukituki, and Papanui Stream catchments, Hawke's Bay

As explained above, the original Schedule 2 description was based on the known circumstances at the time of listing, being based on the RWSS where the DOC land exchange applied for involved 22ha of land. The additional research undertaken in preparing the current TWSL application has revealed that there is an additional 'island area' of approximately 7.3 ha in extent adjacent to the bed of the Makaroro River, that was always proposed to be inundated by the proposed reservoir but has now been identified as having Ruahine Forest Park status. At the time of the RWSS application, that land was understood to be LINZ hydro parcel as it is not distinguishable from the surrounding riverbed on the cadastral maps of the various Council online GIS platforms. This land is the southernmost of the areas identified for exchange in Figure 1 below, located adjacent to the confluence of the Makaroro River and Dutch Creek.

As the Schedule 2 project and geographic location descriptions have now been amended, the proposed land exchange, which has now been calculated as involving 29.7ha of land by The Property Group, is clearly within the scope of Schedule 2 of the FTAA.

⁴ As amended by Order in Council on 9 March 2026.

2. SUBJECT LAND

The proposed dam site is located on the upper Makaroro River approximately 1 km east of Wakarara Road and 6.4 km northwest (upstream) of the confluence of the Makaroro and Waipawa Rivers. The dam is located approximately 1 km from the Mohaka fault which also crosses the proposed dam reservoir.

The proposed reservoir will inundate approximately 29.7 hectares of land within the Ruahine Forest Park bordering the Makaroro River and a tributary known as Dutch Creek, managed by the Department of Conservation. The public conservation land (“PCL”) affected is shown in red shading on Figure 1 below.

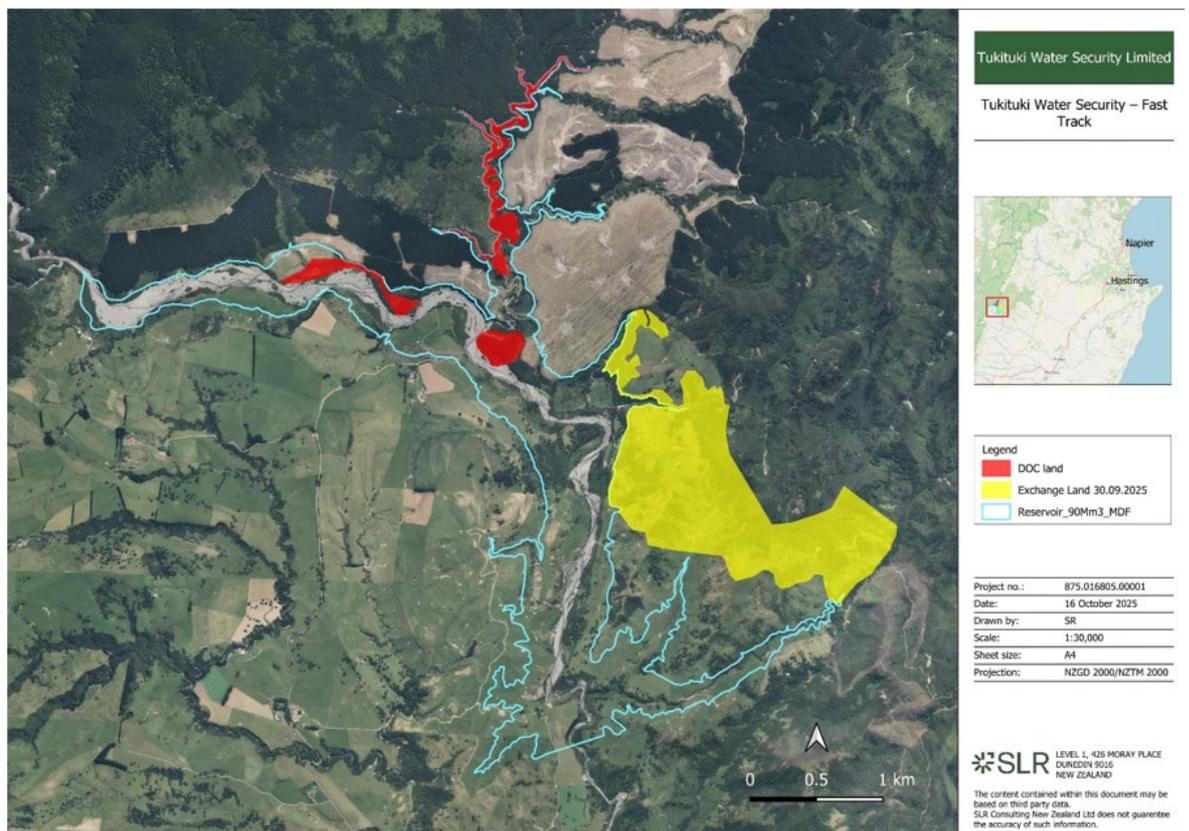


Figure 1: Location of the Tukituki Water Security Project, DOC land to be inundated, and proposed land exchange (SLR, November 2025)

To compensate for the inundation of the 29.7 hectares of public conservation land, TWSL proposes to exchange 170 hectares of land owned by Smedley Station that directly adjoins the Gwavas Conservation Area. The Smedley Station land that is proposed to be exchanged is shown in yellow on Figure 1 above.

The original RWSS proposal involved an exchange of approximately 140ha of Smedley Station land, which was increased to 170ha following advice from DOC to ensure that a better conservation outcome was achieved, which was agreed to by HBRIC as the Applicant.

To provide additional context to the land exchange, Figure 2 below is the map prepared by The Property Group showing the proposed PCL proposed to be exchanged over a topographical map. The RWSS application sought the exchange of 22ha as the additional 7.5ha island of land included in the current TWSL application was not identified at the time as being part of the conservation estate and was assumed to be part of the hydro land parcel. The approximate location of the additional 7.5ha is labelled 'F' on the map below. In addition to this a slightly greater area of land is identified as being comprised over areas 'A' – 'E' as shown on Figure 2 below, such that the total land area is 29.7ha.

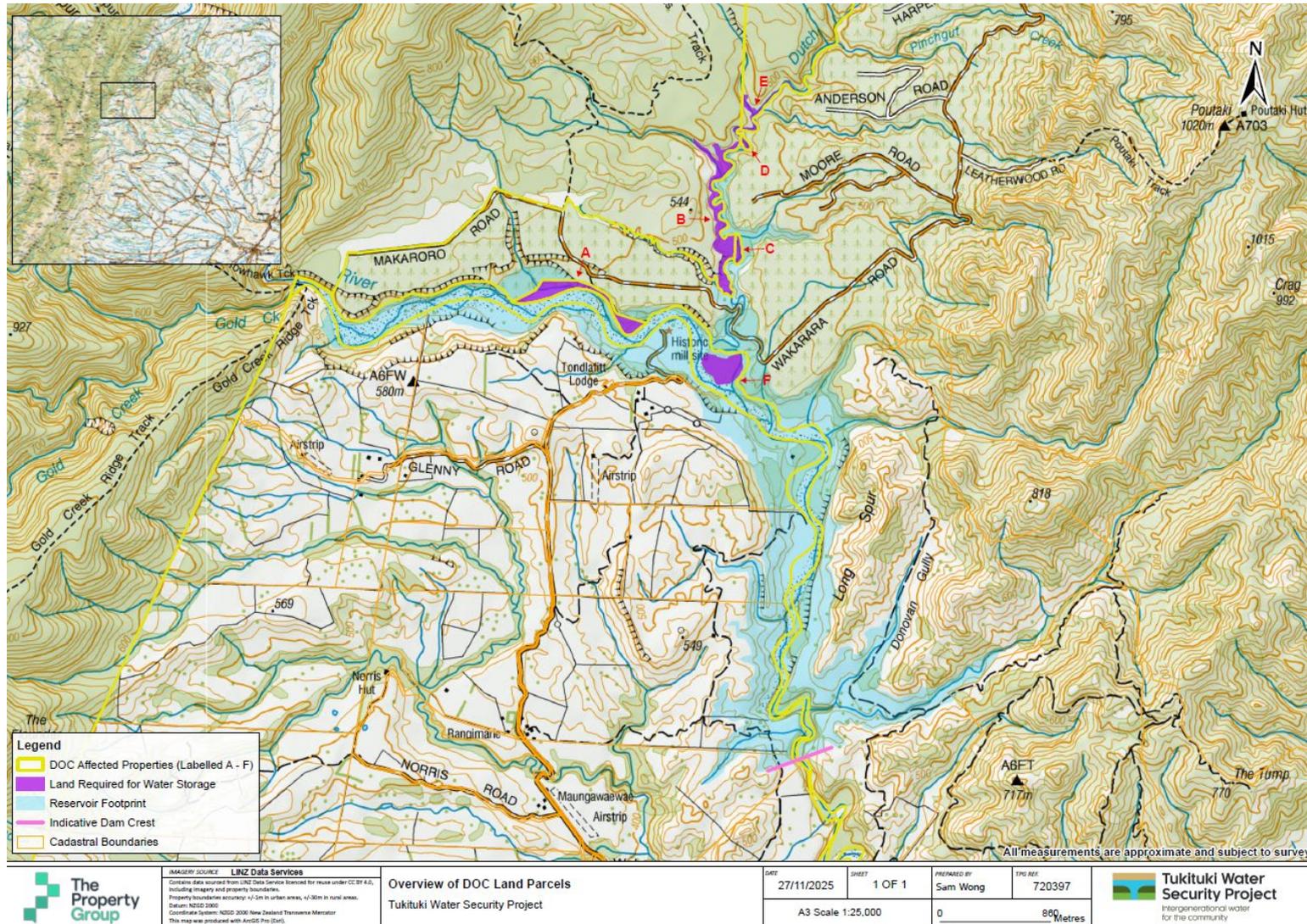


Figure 2: Map Prepared by The Property Group Showing PCL to be Exchanged

A detailed description of the vegetation types and habitat values of both the 29.7ha of Public Conservation Land (“**PCL**”) to be exchanged, and the 170ha of the proposed Smedley Station Exchange Block (“**SEB**”) is provided in the report titled ‘*Land Exchange Assessment, Tukituki Water Security – Fast Track*’, SLR Consulting New Zealand, 28 November 2025 (“**SLR Report**”), attached as Appendix 3.

3. INTERGRATED MITIGATION AND OFFSET APPROACH

The existing resource consents require a range of ‘projects’ as part of an Integrated Mitigation and Offset Approach (“**IMOA**”) to mitigate or offset adverse environmental effects of the broader project. During the development of the IMOA in 2012 and 2013, the Hawke’s Bay office of DOC was involved in discussions around the design, focus and extent of the programme and its integration with the current biodiversity and conservation management of the wider Ruahine Forest Park area. TWSL is committed to implementing the IMOA in accordance with the existing resource consents as part of its FTAA application.

This approach has been designed to address the residual biophysical effects (e.g. effects on terrestrial and aquatic ecology) around the dam/reservoir area and downstream to the intake site, that are not practicably able to otherwise be avoided, remedied, or mitigated directly or entirely. Inundation of the Makaroro Riverbed upstream of the dam will also have a permanent effect on recreation facilities and the historic Yeoman Mill site at the end of Wakarara Road. As such, the effects on recreation, landscape, heritage and cultural values have been considered also.

The IMOA is set out in Schedule 6 of the consents package for the RWSS (see Appendix 4), with Schedule 9 (see Appendix 5) including a plan identifying the public access and other aspects of the IMOA relating to the area surrounding the proposed water reservoir.

The key offset and mitigation projects from Schedule 6 are set out in Table 1 below, including a comment as to relevance with this land exchange application, are set as below:

Table 1: Component Projects of RWSS Consents Schedule 6 IMOA Package

Project	Project Summary	Relevance to DOC Land Exchange
A: Ruataniwha Reservoir Restoration Buffer and Catchment Enhancement Zone Project	This project includes five objectives: <ul style="list-style-type: none"> > Replanting and natural regeneration management of a buffer around a large portion of the new reservoir with indigenous vegetation – ‘Reservoir Restoration Buffer’; > Providing for targeted enhancement and restoration of remaining habitats on private land within the catchment upstream of the dam structure – ‘Catchment Enhancement Zone’; 	Complementary to the Land Exchange by enhancing the biodiversity values of the wider reservoir environs, including land adjacent to the proposed exchange block. As is discussed further below, the conservation land to

Project	Project Summary	Relevance to DOC Land Exchange
	<ul style="list-style-type: none"> > Protecting water quality in the reservoir through effective riparian management and sediment control; > Providing facilities for a variety of recreation types on and around the reservoir; and, > Acknowledging the mana whenua of the Makaroro catchment and the history of the Yeoman Mill site by providing public recreation space and visual displays commemorating the history of the area. 	<p>be exchanged, has limited specific recreational and historic values, but the reservoir has effects on such values in the wider area and this project is an important mitigation of those effects.</p>
<p>B: Ruataniwha Riparian Enhancement Zone (River Halo Project)</p>	<p>This project includes four biodiversity enhancement objectives, to be funded and managed as part of the water storage project, working with willing landowners for a sustained period of time. Objectives include:</p> <ul style="list-style-type: none"> > Control of willows/lupins and other braided river weeds to maintain and enhance habitat for wading birds (particularly banded dotterel) within the active channel of the Waipawa and Makaroro Rivers, to maintain indigenous vegetation, and to prevent the spread of weeds further downstream. > Assisting landowners to enhance and protect existing areas of wetland, bush and scrub within or contiguous with the 1km enhancement zone. > Protection and enhancement of riparian habitats alongside the Makaroro and Waipawa Rivers that are affected by flow fluctuations resulting from the project. > Enhancing the water quality of the Makaroro and Waipawa Rivers through the establishment of healthy riparian habitats within the Project area. 	<p>Not specifically relevant to the land exchange, but relevant to the mitigation and offsetting of freshwater ecology values generally as affected by the reservoir.</p>

Project	Project Summary	Relevance to DOC Land Exchange
<p>C: Ruataniwha Threatened Species Habitat Enhancement Project</p>	<p>This project has three components:</p> <ul style="list-style-type: none"> > Targeted assistance programme to foster research, advocacy and habitat protection/enhancement for bats and their habitats throughout Hawke’s Bay. > Predator management programme to enhance the biodiversity values of indigenous forest and riverine areas within Project A and B (around the reservoir and downstream of the dam structure, inclusive of targeting wader bird habitats down to State Highway 50). > Trap and transfer programme focusing on native fish. 	<p>Relevant to the land exchange insofar as any bat habitat that may be impacted within the 29.7ha of land to be exchanged. Also complementary to with pest control of the wider reservoir environs, including land adjacent to the proposed exchange block, and within the exchange block prior to the transfer to DOC.</p>
<p>D: Ruataniwha Plains Spring-fed Stream Enhancement and Priority Sub-Catchment Phosphorus Mitigation Project</p>	<p>The objective of this project is to protect and enhance water quality and stream habitat in priority sub-catchments and spring-fed streams that drain the lower Ruataniwha Plains (e.g. tributaries of the lower Manganuku, Kahahakuri Stream, Waipawamate Stream, Black Stream, Maharakeke Stream, Tukipo River, and Porangahau Stream etc.). These streams provide good habitat for eels and other native fish species, and some are important locations for spawning and juvenile trout rearing.</p>	<p>Not specifically relevant to this Land Exchange Application, aside from freshwater ecology values in providing offsetting for the effects of the reservoir on the Makaroro River and tributaries.</p>
<p>E: Old Waipawa River Bed and Papanui Stream Restoration Project</p>	<p>The objective of this project is to rehabilitate and enhance water quality and stream habitat in the Old Waipawa River Bed and the Papanui Stream.</p>	<p>Not specifically relevant.</p>
<p>F: Lower Tukituki Cultural Values Impact and Mitigation and Native Fish Enhancement Project</p>	<p>To contribute to baseline and effects Lower Tukituki cultural values research, monitoring, reporting and (if required additional remediation, mitigation and/or offsetting) during the life of the resource consents.</p>	<p>Not specifically relevant.</p>

4. LAND EXCHANGE APPROVAL SOUGHT UNDER THE FAST-TRACK APPROVALS ACT 2024

TWSL requires (and is seeking) a land exchange pursuant to Section 42(4)(f) of the FTAA.

Prior to making a substantive application under the Act, the authorised person for the project must first lodge a land exchange application to the Director-General of Conservation under section 33(1) of the Act that includes:

- (a) the information set out in clause 24 of Schedule 6; and*
- (b) the information relevant to the land exchange that,—*
 - (i) in the case of a listed project, is required under section 43(2);*
 - (ii) in the case of an unlisted project, was contained in the referral application; and*
- (c) any information specified by the Minister under section 27(3)(c)(ii).*

Section 5 of this application contains the information set out in clause 24 of Schedule 6 FTAA, as required by section 33(1)(a).

In the case of the information requirements set out under section 33(1)(b)(i) for a listed project as required by section 43(2), these details are set out in the accompanying DOC application form.

In terms of section 33(1)(c), the Minister of Infrastructure has not specified under section 27(3)(c)(ii) whether any information must be provided with the land exchange application.

5. LAND EXCHANGE ASSESSMENT

5.1 INTRODUCTION

Clause 34 of Schedule 6 of the Act states that the information provided for the purposes of section 33 must include:

- (a) *an assessment of the conservation values of both pieces of land, including an explanation of why the exchange would benefit the conservation estate*
- (b) *details of any improvement work to be done to provide a net conservation benefit, including how any money to be provided for improvements to the land could be spent:*
- (c) *any proposals to address impacts on existing users of the land to be disposed of by the Crown, such as proposed easements where access to private land or a culturally significant site is via the Crown land that will become private land:*
- (d) *information about financial and legal liabilities and obligations associated with the land to be acquired by the Crown:*
- (e) *if the land exchange would trigger a right of first refusal or a right of offer or return, a copy of the written agreement from the holder of the right of first refusal or right of offer or return to waive that right for the purpose of the land exchange:*
- (f) *full details of any consultation undertaken by the applicant with relevant iwi, and any others with rights or interests in the land to be exchanged by the Crown.*

The following subheadings will assess these information requirements in the same order above.

5.2 ASSESSMENT OF CONSERVATION VALUES

The Department of Conservation issued guidance for conservation values assessments for land exchanges under the FTAA in a document titled: *'For land exchanges under the Fast-track Approvals Act 2024 – Current 18 August 2025'* ('DOC Guidance Information') (see Appendix 6). The specific values which are to be assessed include the following:

- > Biodiversity values
- > Freshwater values
- > Recreational values
- > Cultural and heritage values

These values are summarised in the conservation values summary comparison matrix (refer Table 3 below).

5.2.1 Biodiversity Values

An assessment of biodiversity values of both the 29.7ha of PCL subject to the application and the proposed 170ha SEB have been assessed by SLR ecologists Gerry Kessels, Hamish Dean and Steve Rate. The findings of this assessment are included in the SLR Report, attached as Appendix 3.

The SLR Report should be referred to directly on the matter of biodiversity values.

The concluding portion of the Executive Summary of the SLR Report is extracted as follows:⁵

The proposed land exchange was assessed following the 'External Guidance for conservation values assessments for land exchanges under the Fast-track Approvals Act 2024 – Current 18 August 2025'.

The ecological survey of the SEB found that there is a greater extent of indigenous vegetation cover within the block than within the affected DOC land. Of the indigenous vegetation mapped, 101.62 ha was deemed to be ecologically significant under the Central Hawke's Bay District Plan and Hawke's Bay Regional Council Regional Policy Statement criteria. The area of indigenous vegetation recommended for a land exchange with DOC is 125 ha, which equates to an exchange ratio of 1:4.2 for DOC land lost due to the Project to indigenous vegetation on the SEB, in order to meet the 'current value' requirement.

In addition, the proposed exchange land has a number of features not readily apparent. For example, it would form a buffer and corridor along the newly formed lake and create linkages of a range of representative vegetation types with the Gwavas Conservation Area to the east of the exchange land. If stock are excluded and pests controlled within the SEB, it would provide higher quality habitat than currently exists for virtually all of the At Risk and Threatened indigenous fauna species within this locality, as well as for a range of more widespread species, such as bellbird, tui and whitehead.

In addition, to ensure that the area of exchange land remains at least as ecologically diverse and functionally intact as that which is to be lost, a number of key management actions over the SEB are required (assuming that the Department will place some form of permanent legal protection over the land) including:

- > *Fencing to exclude all stock;*
- > *Long term animal pest control (focussing on possums and deer, but also including other species such as ungulates, mustelids, rats and cats); and*
- > *Riparian planting of the Donovan Stream and adjacent wetlands, and*

⁵ SLR Report (page ii)

- > *Long term plant pest control, notably on-going monitoring and control of wildling pines.*

How this land is fenced and surveyed from the existing farm operations will require further negotiations with the landowner, the Gwavas Crown Forest Licensor and Licensee and DOC.

For additional context, the total exchange area, including areas currently in pasture cover, is 170ha which is 5.8 times larger than the area which would be flooded (subject to survey and fencing arrangements). This will provide additional long term biodiversity benefits for the SEB land as the pasture cover is eventually replaced by regrowth indigenous vegetation.

5.2.2 Freshwater Values

The SLR Report also includes assessment of freshwater values. The DOC Guidance Information suggests assessment of wetland, lake, river, or estuary presence and significance. Of relevance to this application for land exchange are wetlands and rivers. There are no lakes present to assess as part of this application however if the TWSL project is successful the reservoir would become a lake.

The SLR Report does not assess the potential freshwater values of the proposed lake but does make the following comment regarding the value of the SEB and its freshwater values potential.

Aquatic values in the SEB are lower than those that will be lost in the DOC land, however they are still considered to be of moderate to high ecological value because of the presence of three At Risk fish species. In addition, with restoration work in Donovan Gully the Donovan Stream and the wetlands there will improve. Exclusion of livestock from all waterways on the SEB will also significantly improve aquatic values.⁶

5.2.2.1 Freshwater Values of DOC Exchange Land

The SLR Report identifies the following freshwater habitats within the DOC exchange land:

- > An oxbow wetland of 0.29ha in the lower reach of Dutch Creek.
- > Gravel river (Makaroro – 0.36ha) and stream (Dutch Creek – 1.17ha) bed.

⁶ SLR Report (page 45).

5.2.2.2 Freshwater Values of the Smedley Exchange Block

The SLR Report identifies the following freshwater habitats within the SEB area:

- > Podocarp-broadleaf-small-leaved shrubland / seep zone (0.45ha).
- > Five separate wetland areas, comprising four seepage areas and one swamp area totalling 0.13ha.
- > Four streams running through the SEB referred to in the SLR Report as Donovan Stream, Middle Stream, North Stream, and South Stream.

5.2.2.3 Overall Findings on Freshwater Ecology

The SLR Report provides a comparative assessment of the freshwater values of the DOC land that will be inundated with such values in the SEB in Table 12⁷ with the DOC land scoring high and medium / high against the ecological significance criteria and the SEB area scoring medium for all criteria.

Despite the greater freshwater values associated with the Makaroro River and Dutch Creek adjacent to, and partially within, the 29.7ha of DOC land, the SLR Report provides the following overall assessment:⁸

Only parts of Dutch Creek (around 1.2 km) are within DOC land according to the aerial photos. These areas have been given appropriate weight in the following assessment. A very small part of the Makororo River bed is within DOC land and accordingly the value of the river has been given a low weight in the assessment below. The adverse effects on the Makaroro and Dutch Creek (along with other freshwater values) has been considered and addressed through the consenting process and is not part of this land exchange.

To that effect, the conditions of the RWSS consents enabling the proposed dam and reservoir⁹ include compliance with Schedule 6 IMO (attached as Appendix 4). Three of the offset projects most related to the Land Exchange proposal requires the implementation of:

- > **‘Project A: Ruataniwha Reservoir Restoration Buffer and Catchment Enhancement Zone’**, which includes measures to protect and enhance the aquatic habitat within the

⁷ SLR Report (pages 44 & 45).

⁸ SLR Report (page 44).

⁹ To which a decision on the section 125 lapse date extension is pending at the time of writing. In the event that the lapse date extension was declined then the lapsed RWSS consents and associated conditions for the reservoir and dam, would form the basis of the TWSL proposal under the FTAA.

upper Makaroro River above the dam and other reservoir tributaries such as Dutch Creek.

- > **‘Project B: Ruataniwha Riparian Enhancement Zone (River Halo Project)’**, which includes the restoration of the main stems of the Makaroro and Waipawa Rivers downstream of the dam. The restoration initiatives include protection of riparian habitats alongside these water bodies.
- > **‘Project C: Ruataniwha Threatened Species Habitat Enhancement’**, including a native fish trap and transfer programme.

Therefore, despite the SLR Report findings that there are greater freshwater values within (or immediately adjacent to) the DOC land to be exchanged compared to the SEB land, the Schedule 6 Project A-C packages will ensure that the freshwater ecology, both upstream and downstream of the dam and reservoir will be enhanced, to mitigate the effects of the reservoir.

As a general finding on freshwater values, it is observed that the freshwater component of the PCL forms a relatively minor contribution to the overall conservation values, particularly in comparison to the biodiversity values. The effects of the proposed reservoir and water storage project on freshwater values generally are however a critical consideration of the wider project, and the schedule 6 IMO A provides important mitigation and offsetting in this regard.

Separate assessment of the CMS land is provided in section 6 of this report below.

5.2.3 Recreational Values

5.2.3.1 Introduction

A comprehensive assessment of recreational values for the original RWSS was provided in a report titled *‘Ruataniwha Water Storage Scheme Recreation Assessment’*, Opus International Consultants Ltd, May 2013 (‘Opus Recreation Assessment’). This report is attached as Appendix 7.

It is noted that the Opus Recreation Assessment assesses the recreational effects of the original RWSS project including downstream of the dam and over the wider distribution network.

The scope of the report is stated as follows:¹⁰

¹⁰¹⁰ Opus Recreation Assessment (page 2).

- > *Identify and characterise the range of recreational activities undertaken in the Scheme area. Determine the context of these opportunities on the basis of the range and availability of existing outdoor recreational opportunities within Hawke’s Bay and surrounding regions as well as their proximity to people living in Hawke’s Bay.*
- > *Assess the effects of the Scheme on the identified recreational activities being undertaken in the Scheme area.*
- > *Identify and characterise any new recreational opportunities that may be created by the Scheme, and their potential benefits (in the context of the availability of existing outdoor recreational opportunities available to Hawke’s Bay residents).*
- > *Identify and report on any available and appropriate means to avoid, remedy or mitigate adverse effects on current recreational use of the Scheme area.*

For the purposes of this Land Exchange Assessment of the TWSL project, it is the recreational values and effects on those values relevant to the area of the proposed dam and reservoir that are relevant given that the 29.7ha of PCL and 12.3ha of CMS subject to the exchange would be inundated by the reservoir.

The Opus Recreation Assessment does not specifically consider the recreational values of the 29.7ha of PCL nor 12.3ha of CMS that are subject to this application, as that report was prepared for the BOI applications lodged under the RMA in 2013, prior to the previous land exchange process being agreed with DOC. The following assessment is therefore structured by firstly considering the recreation values and effects on the wider area proposed to be inundated by the water storage reservoir and then considering the specific recreation values and effects of the 29.7ha area and the recreational potential of the SEB land.

5.2.3.2 Recreational Values and Effects of the Proposed Dam and Reservoir Area

Values and Effects Identified in the Opus Recreation Assessment

A detailed assessment of the effects of the RWSS proposal on different recreational activities is provided in the Opus Recreation Assessment including a ranking of the significance of the effects on each recreation activity type at a local and regional significance level. Drawing from the executive summary, the Opus Recreation Assessment findings on the ‘Upper Scheme Area – Zone 1 (being the area affected by the proposed dam and reservoir as is also relevant to the PCL exchange) in terms of potential adverse recreation effects are:

- > *Effects on access to the Ruahine Forest Park for a range of recreation activities including tramping/ hiking, hunting, mountain biking, kayaking and fishing.*

- > *Effects on the activity of fishing, four wheel driving and kayaking in the dam footprint. The opportunity to undertake these activities in 'recreation zone' 1 will be affected.*
- > *Effects on day visits and the activities associated with scouts/Wakarara Camp at the Wakarara Road End and associated heritage and natural amenity areas. The Wakarara Road End will be affected.*
- > *The activity of camping will be affected. The private camping ground at Wakarara Road End is located within the dam footprint.¹¹*

Positive effects regarding some recreation activity types were also identified by the Opus Recreation Assessment, these being:

- > *The other key conclusion of this report is in relation to the opportunity the completed dam and reservoir will have for recreation activities. Flat water is sought after in Hawke's Bay for rowing and motor boat activities, and it is acknowledged that there is potential for these and a range of other recreational activities such as fishing, swimming and lakeside activities to be provided for at the reservoir. Proposed mitigation acknowledges the provision of these activities is a desired outcome and we recommend that work be undertaken with user groups to better understand their needs and the ability of the dam to accommodate these.¹²*

Overall, the Opus Recreation Assessment concluded that the main effect on recreation will be loss of access to recreation activities in the wider area. It recommended that alternative access to these activities be provided for in the long term.¹³ This was adopted in the Project Description of the RWSS resource consent applications and ultimately is a requirement of the conditions of the resource consents that enable the dam and reservoir as is discussed below.

The Board of Inquiry in its final decision report on the RWSS (see Appendix 8) made the following findings in regard to recreational effects, in ultimately concluding that such effects will be satisfactorily mitigated:¹⁴

By its very nature the presence of the proposed dam and reservoir will disrupt some recreational activities that were previously enjoyed. It is therefore an essential component of any mitigation package that alternative options for access are identified

¹¹ Opus Recreation Assessment (page 1).

¹² Opus Recreation Assessment (page 3).

¹³ Opus Recreation Assessment (pages 2 & 3).

¹⁴ 'Final Report and Decision of the Board of Inquiry into the Tukituki Catchment Proposal Volume 1 of 3: Report and Decisions', June 2014 (paragraphs 1111 – 1114).

so that existing tracks can be enjoyed both during the course of construction and in the long term.

Some submitters asked the Board to keep in mind the additional distance to existing recreational sites, when considering whether alternative arrangements are appropriate. As a number of submitters said, this might restrict day visit access for families and groups, thereby compromising the opportunities that should be available. The potential for recreation to occur on the reservoir (as happens in other parts of the country) was also mentioned. These include swimming, fishing, rowing and waka ama. To the extent that such opportunities are not currently available, the RWSS would deliver a positive benefit.

HBRIC has incorporated a process for identifying and mitigating the effect of the RWSS on recreation and public access. This process forms part of the conditions of consent, and experts will be utilised to progressively implement the arrangements.

The Board is satisfied that the adverse effects on recreation values and amenities will be satisfactorily mitigated and that this requirement is enshrined in conditions of consent.

Mitigation and Offset Package Initiatives Relevant to Recreation

The conditions of the various RWSS resource consents that enable the dam and water storage reservoir require compliance with Schedule 6 as has been discussed above. Project A of Schedule 6 is titled 'Ruatanuiwha Restoration Buffer and Catchment Enhancement Zone Project' and relates to the area surrounding the margins of the proposed water storage reservoir.

The Project A objectives specifically relevant to recreational values are:

- > *4. Providing facilities for a variety of recreation types on and around the reservoir; and,*
- > *5. Acknowledging the mana whenua of the Makaroro catchment and the history of the Yeoman Mill site by providing public recreation space and visual displays commemorating the history of the area.*

The Project A delivery mechanisms relevant to recreational values are:

- > *Funding for the creation of walking/cycling tracks around the reservoir, where landowners are amenable.*
- > *Construction of an access track around the top-end of the reservoir, linking to existing DoC tracks in the Ruahine Forest Park via Makaroro Road (sic).*
- > *In consultation with affected landowners and Iwi, construction of a new picnic/camping area featuring historical/cultural information about the Yeoman Mill site and surrounding landscape.*
- > *Construction of a boat ramp for public recreation access to the reservoir.*



- > *In consultation with affected landowners and Hawke’s Bay Fish and Game, construction of a fisherman’s shelter for use by trout anglers.*

Project A performance targets include completion of the access track around the top-end of the proposed reservoir by the end of the reservoir construction period.

Schedule 9 of the RWSS Consents Package is the ‘Public Access & Offset Mitigation Progress Plan’, which spatially defines the location of the above mitigation mechanisms, is extracted as Figure 3 below (a full-size version is attached as Appendix 5).

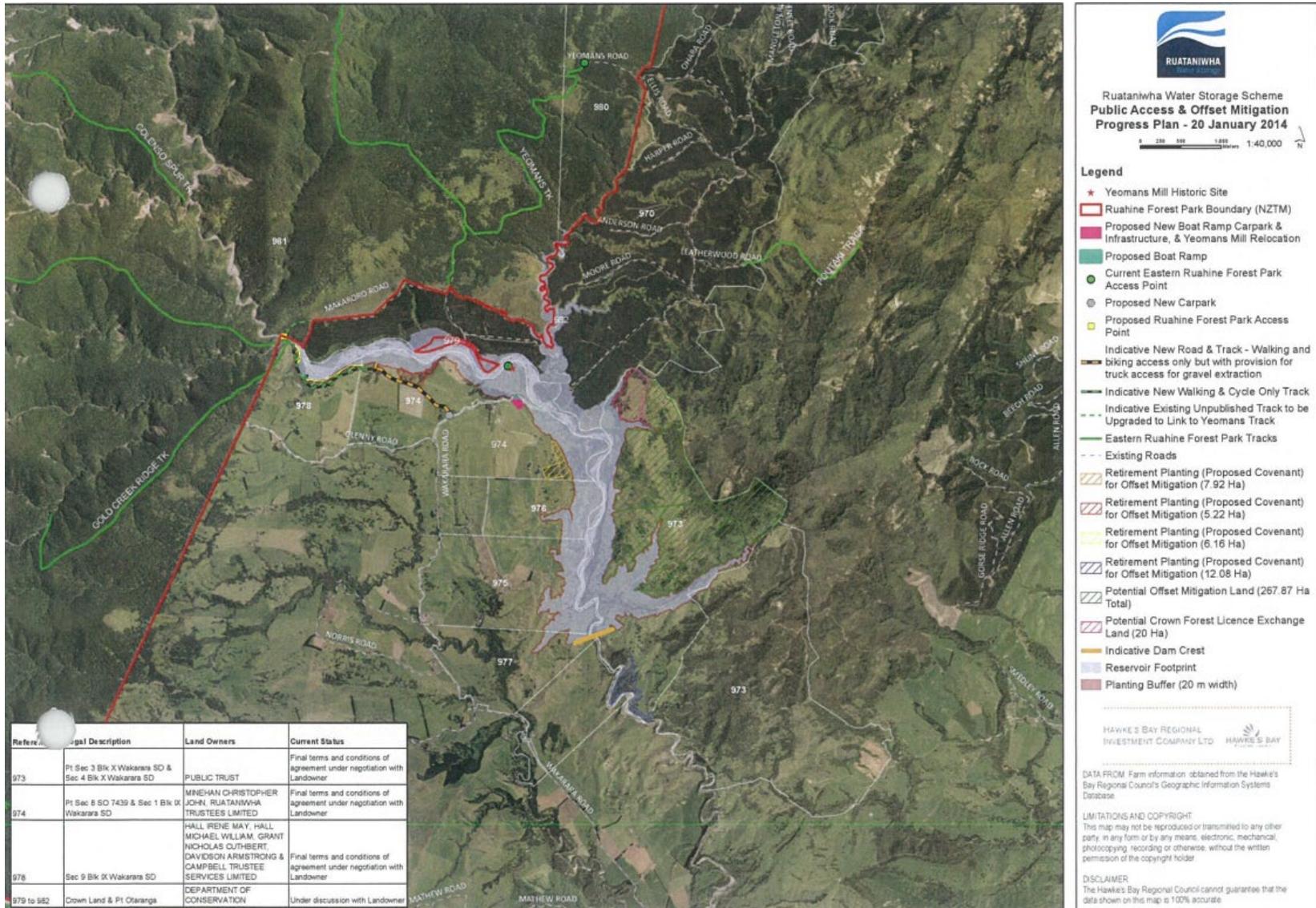


Figure 3: Schedule 9 Public Access & Offset Mitigation Project Plan

5.2.3.3 Recreational Values Assessment of the Specific Land Areas in the Exchange

Recreational Values of the DOC Land Subject to the Exchange

The three areas of Ruahine Forest Park land subject to the land exchange application are described in regard to their vegetation type in the SLR Report. Regarding recreation values, none of the three areas contain walking or other tracks nor any specific recreational facilities. That said, all three areas are adjacent to river and stream beds which are available as public access routes into the Ruahine Forest Park and the associated track network. These areas would also therefore be theoretically available for hunters or bird watchers to access from the river and stream bed.

Potential Recreational Values of the SEB Land

Potential recreational values within the SEB are set out in the SLR Report as follows:¹⁵

Thought should also be given to creating public access to the block, particularly from the newly formed lake, as there are a number of opportunities for public access, with many flat areas and glades found in the beech treeland habitats adjacent to streams in the northern portion, as well as viewpoints along the western ridge.

The Management Plan for the SEB will include, but not be limited to, details on the species to be planted, planting zones, eco-sourcing of plant stock, planting guidelines such as plant sizes, plant spacings, and timing of planting, site preparation, maintenance guidelines, and monitoring to ensure planting success. Planting of indigenous species in Donovans Gully will comprise riparian species already present in the SEB that are fast-growing such as mānuka, as well as climax species such as black beech, podocarps (matai, remi and miro), and broadleaved tree species. Kōwhai is a feature of the scrub and treeland vegetation found on the banks of the Makaroro River and Dutch Creek. Kōwhai, podocarps and Coprosma species provide important seasonal food supplies for lizards and many indigenous bird species in this locality. Plantings shall also include of high densities of Kōwhai, fruiting Coprosma species and podocarps.

A map of indicative riparian planting areas is provided in Figure 9 based on a 10 m-wide strip on each side of the stream/flow path centreline and around the adjacent wetlands. The area shown on the map covers approximately 3.5 ha, with the available planting area slightly less than this due to existing indigenous trees and shrubs and the width of the stream channel. The planting sites link several areas of existing indigenous vegetation. Planted areas will act as a source for further natural spread of indigenous vegetation in the SEB over time. Planting areas will be refined when the Management Plan is prepared.

¹⁵ SLR Report (page 49).

Weed control in the SEB will focus on wilding conifers but will include any exotic tree species that could threaten ecological values, including buddleia, Scotch broom, and grey willow which have been recorded in the Smedley Block. Weed monitoring and control will be undertaken annually.

As can be seen in Figure 1 above, the SEB land will have direct frontage to the reservoir and will therefore be accessible by boat from the proposed boat ramp (required as part of Package A of Schedule 6 – see proposed location on the Schedule 9 Plan) on the other side to the reservoir.

Relevant Strategic Objectives to Recreation Values

The ‘Ruahine Forest Park Conservation Management Plan’, DOC, February 1992, includes the following ‘management objectives’ relevant to recreation:

- > *To provide for a range of recreational opportunities that are compatible with the primary objective, ie protection of natural and historic features.*
- > *To provide recreational opportunities which complement or enhance the opportunities available elsewhere in the Hawke’s Bay and Manawatu-Wanganui Regions, and in adjoining natural areas, as far as they are consistent with the objectives for Ruahine Forest Park.*

Relevant direction from Part 2 of the RMA to recreational values includes:

- > *S6(d) - the maintenance and enhancement of public access to and along the coastal marine area, lakes, and rivers:*

The Hawke’s Bay Regional Resource Management Plan (Operative 2006)

- > *Regional Policy Statement OBJ LW 1 Integrated management of fresh water and land use and development - Fresh water and the effects of land use and development are managed in an integrated and sustainable manner which includes: ...*

13. recognising and providing for the recreational and conservation values of fresh water bodies; and ...

The Central Hawke’s Bay District Plan (Operative in Part 2024) includes the following objectives relevant to Open Space and Recreation, and Public Access respectively:

- > *OSR-O1 Open space and recreational opportunities that are accessible and appropriately located to meet the needs of residents and visitors, while avoiding, remedying or mitigating any adverse effects.*
- > *PA-O1 Practical and safe public access to and along the margins of lakes and rivers and the coast is maintained and enhanced in a way that respects private property and does not result in adverse effects on natural character, landscape, indigenous biodiversity, historical heritage or cultural values.*

The Hastings District Plan (Operative 2024) includes

- > *Objective RMO3: To create, link, maintain and enhance public access to and along the margins of the District's identified significant waterbodies in a manner that is compatible with the preservation of conservation and recreation values, management of natural hazards and adjoining land uses.*

The consistent theme of the above strategic direction relates to providing and maintaining recreational opportunities, including public access to the margins of lakes and rivers. Although the TWSP will change the nature of the recreational opportunities available in the area of the proposed dam and reservoir, the existing resource consents and conditions that form part of the TWSL FTAA proposal require public access provision to the new lake and around its margins to link up with the existing DOC track network.

Table 2: Assessment of Recreation Values - DOC Guidance Information

	PCL	Land offered
Alignment with strategic objectives/visitor network strategy	The PCL subject to the exchange does not have specific recreation access or infrastructure, albeit that it can be accessed from adjacent river and stream beds, just as all the stream edge land within the Ruahine Forest Park can be. The wider area which does have public access to a range of recreational activities from the Wakarara Road end does have strong alignment with the above strategic objectives.	The conditions of the existing consents for the project, and Schedules 6 and 9 in particular require recreational access to the edge of the proposed lake, including provision of a boat ramp carpark and recreation infrastructure that will enable recreational use of the lake. As well as another carpark from which new walking and cycle track access is available linking around the western end of the reservoir to the existing DOC access tracks. Conditions are therefore in place as part of the TWSP to ensure strong alignment with recreation strategic objectives, which in turn will ensure that public access is available to the SEB land.
Social license – for PCL, social license for exchanging away the land, and for the land offered, social license for acquiring the land	Specific to recreational values there would be lesser social licence for loss of the wider area to be inundated by the reservoir than for the specific exchange areas, as is evidenced by the Opus Recreation Assessment and the various recreational	There will be social licence for the acquisition of the SEB land on acceptance of the net benefits that it would offer to the conservation estate, including new recreational opportunities.

	PCL	Land offered
	<p>effects relevant to the wider area. In terms of the PCL land subject to the exchange, social licence would be based on the degree of acceptance to there being a net benefit of the SEB land becoming part of the conservation estate.</p>	<p>These net benefits are set out in the SLR Report as including, the SEB forming a buffer and corridor along the newly formed lake and creating linkages of a range of representative vegetation types with the Gwavas Conservation Area to the east. With stock excluded and pests controlled, the SEB land would provide higher quality habitat than currently exists for virtually all of the At Risk and Threatened indigenous fauna species within this locality, as well as for a range of more widespread species, such as bellbird, tui and whitehead.</p> <p>Also, public access to the block, can be provided from the newly formed lake, as there are a number of opportunities for public access, with many flat areas and glades found in the beech tree land habitats adjacent to streams in the northern portion, as well as viewpoints along the western ridge.</p> <p>It is also noted that a Crown Marginal Strip¹⁶ will extend along the true left bank margin of the reservoir with the Kaweka Gwavas Forest Company Ltd land, providing theoretical overland access between the SEB and Ruahine Forest Park boundary.</p>
Rarity of experience within the region	<p>As documented in the Opus Recreation Assessment, the greatest rarity of recreation experience for the wider area affected (and not specifically the PCL subject to exchange) are: day visits and associated activities such as bird watching</p>	<p>Provision is made within Project A: Ruataniwha Reservoir Restoration Buffer and Catchment Enhancement Zone for construction of a new picnic area featuring historical/cultural information about the Yeoman Mill site and surrounding landscape, which is where the boat ramps is proposed and</p>

¹⁶ Which will be required under section 24 of the Conservation Act 1987 upon formation of the reservoir.

	PCL	Land offered
	and picnicking (particularly at the Historic Yeoman’s Mill site); camping (private camp ground on Parks Peak Station); mountain biking on Yeoman’s Track; four wheel driving on river bed and adjoining private properties in area of reservoir footprint. Of these it is only bird watching that could be undertaken on the subject PCL land, with such activities also able to be undertaken on similar land within the Ruahine Forest Park.	the SEB land would be accessible from via boat. In regard to mountain biking, a new public access is required to link to Yeoman’s Track by RWSS Consents Schedules 6 and 9. Furthermore the walking access required by schedules 6 & 9 from Wakarara Road (on the true right side of the reservoir), will enable overland access into the Ruahine Forest Park track system. Currently such access is via the Makaroro River bed which can be difficult in times of higher river flows. This point is relevant to the wider project but has lesser relevance to the SEB land due to its location on the true left side of the Makaroro River.
Use level (for PCL)/anticipated use level (for land offered)	Although the Opus Recreation Assessment documents use of the PCL accessed from the Wakarara Road end for a range of recreational activities, there is no assessment of the specific PCL exchange land. As mentioned above this land does not contain any formal tracks but would be accessible from the river and stream beds.	As set out in the SLR Report the SEB land offers potential for visitors via boat access. The SEB land will be due east of the boat ramp location and so will be publicly accessible by boat. As mentioned above there is also a theoretical overland connection on the true left margin of the reservoir via Crown marginal strip to the Ruahine Forest Park ¹⁷ , albeit that topography, including stream crossings, may make such access difficult.
Level of access (eg tracks)	None of the subject PCL contains existing tracks, but is able to be accessed from the adjacent river and stream beds.	The SEB is located on the north eastern side of the proposed reservoir, to which there is no public road access. The SEB land will be accessible by boat being located directly across the reservoir from the proposed new boat ramp required by the RWSS consent

¹⁷ Which will apply to the reservoir margin under section 24 of the Conservation Act 1987 upon the formation of the reservoir.

	PCL	Land offered
		<p>conditions (and specifically Schedules 6 & 9). It will also have a theoretical overland access connection to the Ruahine Forest Park boundary via crown marginal strips as explained above.</p>
<p>Natural hazard/climate risk How do any heritage or biodiversity values affect the visitor experience (for land offered, how might heritage or biodiversity values affect the visitor experience?)</p>	<p>Access to the subject PCL land is dependent on river and stream level and therefore inaccessible in times of moderate to high river levels and flood.</p>	<p>The SEB will potentially be able to be accessed from the proposed reservoir margins with such access being less dependent on fluctuating river levels. In this regard it is noted that a Crown Marginal Strip which will be required under s24 of the Conservation Act, will extend along the margin of the reservoir with the Kaweka Gwavas Forest Company Ltd land. This will provide theoretical overland access between the SEB and Ruahine Forest Park boundary.</p>

Given the above assessment, notwithstanding that the wider project has adverse effects on recreational values, there is considered to be a significant net positive benefit in the recreational values of the proposed SEB land (if it were to become part of the conservation estate) compared to the 29.7ha of PCL land.

5.2.4 Cultural and Heritage Values

5.2.4.1 Introduction

An archaeological assessment was completed for the original RWSS in a report titled '*Ruataniwha Water Storage Scheme: Archaeological Assessment*', Clough & Associates Ltd and P Parsons, May 2013 ('RWSS Archaeological Assessment'). This report is attached as Appendix 9. As well as providing an archaeological assessment the report provides historical background information from Pat Parsons, covering Māori occupation of the wider area from the 1500's through to the time of land battles in the 1800's and subsequent land sales to the Crown.

The RWSS Archaeological Assessment considers the effects of the wider RWSS project including downstream of the dam and over the wider distribution network, however its consideration and reference in this report is focused on the area of the proposed dam and reservoir, being the location of the land exchange proposal.

In addition to the RWSS Archaeological Assessment, a report titled '*Tukituki River Catchment Cultural Values and Uses*', Te Taiwhenua o Tamatea in Partnership with Te Taiwhenua o Heretaunga, June 2012 ('Cultural Values Assessment'), was prepared for Hawke's Bay Regional Council with the stated aim "*to clarify and define key Māori environmental cultural values and their application within the Tukituki River catchment.*"¹⁸

5.2.4.2 Cultural and Heritage Values and Effects of the Proposed Dam and Reservoir Area

Findings of the RWSS Archaeological Assessment relevant to potential effects in the area of the dam and reservoir are extracted from the executive summary as follows:¹⁹

- > *No archaeological sites had been recorded in the immediate vicinity of the proposed dam and reservoir prior to the assessment, although sites including two Māori pa are recorded approximately 7-10km away. The density of archaeological sites previously recorded in the wider area around the proposed dam site is low.*

¹⁸ Cultural Values Assessment (page 4).

¹⁹ RWSS Archaeological Assessment (page iii).

- > *No Māori or other pre-1900 archaeological sites were identified during the field survey. The area of the reservoir and dam does not appear to have been a favoured location for pre-European settlement for topographic reasons, and the tangata whenua have not identified any archaeological sites of significance to them in the immediate vicinity. However, the possibility that pre-1900 subsurface archaeological remains may be encountered during earthworks cannot be completely excluded.*
- > *One archaeological site of early 20th century date was identified within the RWSS area – the site of Gardner and Yeoman’s Sawmill, located on the southern bank of the Makaroro River near Dutch Creek. Various remains of the mill operation were noted, dating from the period 1920s-1950s.*
- > *The mill site is of local historic heritage significance based on its archaeological values, its historical values and its educational potential. However, its heritage values are considered to be moderate rather than high in view of its relatively late date and limited integrity. It is not scheduled for protection on the Central Hawke’s Bay District Plan or registered as a historic place by the NZ Historic Places Trust.*
- > *The site of the mill would be permanently flooded by the RWSS.*

Overall, then the RWSS Archaeological Assessment concluded that the only known historic site that will be affected by the dam and reservoir is the Gardner and Yeoman’s Mill site. It is important to note that this site is not within the DOC exchange land.

Regarding Māori archaeological sites the RWSS Archaeological Assessment found that there were three pā sites in the wider surrounds of the scheme, none of which would be impacted by the proposed dam and reservoir.

The RWSS Archaeological Assessment concludes that it would not be possible to protect the Gardner and Yeoman Mill site in situ, and therefore provides the following mitigation recommendations, in addition to a general Accidental Discovery Protocol recommendation:²⁰

- > *Archaeological investigation and further recording of the site should be carried out prior to flooding.*
- > *A report on the history of the mill (based on oral and archival sources) and the results of the archaeological investigation should be prepared and deposited in the local museum and library and the NZHPT library.*

²⁰ RWSS Archaeological Assessment (page iv).

- > *An interpretation plan should be prepared and interpretive signage detailing the location and history of the mill should be installed in a suitable location (or locations) near the dam and reservoir that is accessible to the public. This could be associated with the existing Yeoman’s Track.*
- > *The boiler and any other significant industrial remains should be removed from the site prior to flooding and deposited in a local museum or installed on higher ground nearby in a location accessible to the public as part of the interpretation of the site.*
- > *A comprehensive Accidental Discovery Protocols should be developed in consultation with the NZHPT and tangata whenua. These would ensure that if koiwi tangata (human remains), taonga or sub-surface archaeological evidence is uncovered during construction, work would cease in the immediate vicinity of the remains so that appropriate action could be taken.*

Regarding the 4th of the above recommendations, in the meantime the Yeoman’s Mill boiler was removed under the care of the Ongaonga Historical Society and installed as a historical monument at the western entrance to Ongaonga Village in September 2024.

The Board of Inquiry in their final decision report on the RWSS made the following findings in regard to archaeological and heritage values, in ultimately concluding that such effects will be acceptable with appropriate mitigation built into the proposal:²¹

It is the Board’s view that the research already undertaken in relation to archaeological and heritage sites has been thorough, and that based on current knowledge the heritage site identified is the only site that needs to be recognised and provided for in terms of s 6 of the RMA. The Board supports the recommendations in the archaeological assessment report which have been incorporated into the IMOA.

It is of course possible that other archaeological sites might be identified during the project assessment or during construction. As stated by Dr Bickler, further research and monitoring strategies will be in place prior to construction and they will be under the supervision of the Historic Places Trust. The protocol accompanying the memorandum of 8 February 2014 will also be included with the conditions.

On that basis the Board concludes that the effects of the RWSS on archaeological and built heritage will be acceptable, and appropriate measures to mitigate these effects have been built into the RWSS.

The Māori Cultural Values Assessment was focussed on the wider values of the Tukituki catchment but does include some commentary on the proposed dam in referencing two earlier Cultural Impact Assessments (“CIA”).

²¹ ‘Final Report and Decision of the Board of Inquiry into the Tukituki Catchment Proposal Volume 1 of 3: Report and Decisions’, June 2014 (paragraphs 1089 – 1091).

The first CIA was commissioned by HBRC (Wakefield et al, 2010) to investigate eight potential dam sites, while a second Supplementary CIA (Wakefield et al, 2011) was commissioned to consider two potential dam sites, one being on the Makaretu and the other being the now chosen Mākāroro site.

The 2010 CIA concluded that there are no known wāhi tapu sites registered or unregistered specifically located within any of the eight proposed water storage sites and that marae and hapū were cautious and uncertain on what the potential benefits might be for Māori.²²

The supplementary CIA report revealed there was some support in principle for the proposed dam sites on the Makaretu and the Mākāroro. Mataweka and Tapairu marae raised concern regarding the Mākāroro site given that it is *“located in an area that is pristine, was where taonga species like tuna spawn, and still had remnants of precious native bush.”*²³

The Board of Inquiry in their final decision report on the RWSS recorded that cultural issues were primarily raised by three parties: Ngati Kahungunu Iwi Incorporated and Te Taiwhenua o Heretaunga²⁴, who oppose the RWSS, and Te Taiwhenua o Tamatea²⁵, who supports it. The concerns recorded in the decision from the opposing parties related primarily to the adequacy of consultation, effects on the lower Tukituki, and inadequacy of the mitigation and offset package.²⁶ It is the last of these matters that has relevance to the dam and reservoir site and therefore to the land exchange. The decision states: *“The Board is satisfied that the mitigation and offsetting package is adequate.”*²⁷

The various CIA reports and Cultural Values Assessment referenced above were prepared for the RWSS proposal (application lodged 2013, Board of Inquiry decision 2014) and predate the Heretaunga Tamatea Claims Settlement Act 2018. TPW is the Post Settlement Governance Entity (‘PSGE’) for the Heretaunga Tamatea Settlement. The Waipawa River and its Tributaries (which include the Makaroro River) and which in turn are tributaries to the

²² Cultural Values Assessment (page 53).

²³ Cultural Values Assessment (page 54).

²⁴ Which represents hapū in the Heretaunga (central and southern portions of Hastings District) area, including the lower Tukituki catchment.

²⁵ Which represents hapū in the Tamatea (Central Hawke’s Bay District) area, including the mid and upper Tukituki catchment, inclusive of the Makaroro and proposed dam and reservoir site.

²⁶ ‘Final Report and Decision of the Board of Inquiry into the Tukituki Catchment Proposal Volume 1 of 3: Report and Decisions’, June 2014 (paragraphs 1134 – 1135).

²⁷ ‘Final Report and Decision of the Board of Inquiry into the Tukituki Catchment Proposal Volume 1 of 3: Report and Decisions’, June 2014 (paragraph 1141).

Tukituki River²⁸ are a statutory acknowledgement area (OTS-110-31) as part of this settlement.

The TWSP is being progressed in full consultation with TPW as evidenced by the consultation documented as part of this application and as discussed in section 1 of this report above.

Given the above assessment, neither the PCL or the SEB land have any specifically identified heritage or cultural values and in regard to the wider project effects on archaeological and heritage values were considered to be acceptable and appropriately mitigated by the BOI decision. Nothing has changed in the meantime, other than one of the recommended actions relating to the boiler from the Yeoman's Mill site already being implemented.

In regard to Māori cultural values, there has been a Treaty Settlement in the meantime for which TPW are the PGSE and TWSL is progressing this project in partnership with TPW. An important part of this partnership has been the formation of the MWWP which included representative from four Tamatea marae (Rākautātahi, Tapairu, Pukehou, and Te Rongo o Tahu) and a representative from Heretaunga.

Over the course of four hui the MWWP to considered Mana Whenua interests in the TWSP's impact, and opportunities to inform the TPW Board's consideration of how it may wish to participate, going forward. The MWWP provided the following recommendations to the TPW Board:

- > Support an application to extend the lapse date of the existing resource consents.
- > In principle, provide conditional support for a Fast Track Approvals application for the rescope'd Tukituki Water Security project, subject to an acceptable plan to avoid, mitigate or offset the identified risks highlighted by a 'Worst Case' assessment.
- > Additionally, a further recommendation for the Board's consideration for the continuation of the Mana Whenua Working Party to advance Mana Whenua interests into the next phases.

The scope of the MWWP was the consideration of the wider TWSP and not specifically the proposed PCL exchange. Nevertheless, the land exchange is an important part of the wider project, for which it's in principle support is relevant (see letter in Appendix 2).

Accordingly, there are not considered to be any heritage or cultural reasons against the proposed land exchange.

²⁸ Statutory Acknowledgement Area OTS-110-30.

5.2.5 Overall Findings

Table 3: Summary Assessment of Conservation Values

	Public Conservation Land	Exchange Land (SEB)
Biodiversity values	<p>Medium</p> <p>Rationale: The SLR ecological survey found the PCL land to be exchanged to generally be of ecological significance, but comprises of a relatively small area (29.7ha in total), hence the medium rating.</p>	<p>High/Medium</p> <p>Rationale: The SLR Report sets out that there is a greater extent of indigenous vegetation cover within the block than within the affected DOC land. Of the indigenous vegetation mapped, 101.62 ha was deemed to be ecologically significant. Also, the area of indigenous vegetation recommended for a land exchange with DOC is 125 ha (of the 170ha total), which equates to an exchange ratio of 1:4.2 for DOC land lost. The SLR Report also concludes that the proposed exchange land has a number of features not readily apparent. For example, it would form a buffer and corridor along the newly formed lake and create linkages of a range of representative vegetation types with the Gwavas Conservation Area to the east of the exchange land. If stock are excluded and pests controlled within the SEB, it would provide higher quality habitat than currently exists for virtually all of the At Risk and Threatened indigenous fauna species within this locality, as well as for a range of more widespread species, such as bellbird, tui and whitehead. The SLR Report includes recommendations to ensure that the area of exchange land remains at least as ecologically diverse and functionally intact as that which is to be lost. TWSL adopts those recommendations as part of the project as detailed in section 5.3 below.</p>
Freshwater values	<p>Low</p> <p>Rationale: The margins of the PCL land incorporate portions of the adjacent Makaroro</p>	<p>Low</p> <p>Rationale: According to the SLR Report the combined area of seeps and wetlands only comprises some 0.58ha of the SEB land.</p>

	Public Conservation Land	Exchange Land (SEB)
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riverbed and Dutch Creek streambed, which along with a 0.29ha oxbow wetland contribute to an estimated total area of 1.82ha of the total 29.7ha PCL as contributing to freshwater values. These stream and riverbed margins are indistinguishable from the general hydro parcel areas of stream and riverbed to be inundated by the reservoir. The effects on the freshwater values of the stream and river beds to be inundated by the proposed reservoir are addressed through the conditions and the Schedule 6 IMOA projects. Hence the low rating, as it is the terrestrial ecological values that occupy a much greater area of the PCL land.

Four small streams also traverse this land but there are no area calculations of those streams included in the SLR Report. Again, terrestrial ecological values occupy the vast majority of the SEB land, with the freshwater values being comparatively low.

Despite this the SLR Report identifies the potential for improved Freshwater Ecology on the SEB land:

With exclusion of livestock, planting of Donovan Stream and recovery of the riparian vegetation along the other streams, it is expected that the SEB streams will continue to improve in quality and ecological value.²⁹

Recreational values	<p>Low</p> <p>Rationale: Does not include any recreational tracks or infrastructure, albeit that the land could be accessed from the adjacent river and stream.</p>	<p>Medium</p> <p>Rationale: Boat access directly across reservoir. SEB land includes flat and open areas and glades found in the beech tree land habitats adjacent to streams in the northern portion, as well as viewpoints along the western ridge, all of which would have value for walking, picnicking, and bird watching activities.</p>
Cultural and heritage values	<p>Low</p> <p>Rationale: No specific archaeological, heritage or Māori cultural values have been recorded as applying to the subject PCL.</p>	<p>Low</p> <p>Rationale: No specific archaeological, heritage or Māori cultural values have been recorded as applying to the subject SEB land.</p>

²⁹ SLR Report (page 39)

On the basis of the above assessment, and the greater biodiversity and recreation values of the SEB land over the PCL subject to the exchange, it is considered that there is an overall net benefit in terms of the conservation values of the proposed land exchange.

5.3 DETAILS OF IMPROVEMENT WORK

5.3.1 Introduction

The FTAA, Schedule 6, clause 34 requires:

(b) details of any improvement work to be done to provide a net conservation benefit, including how any money to be provided for improvements to the land could be spent:

Firstly, this land exchange application is made on the basis that the 170ha of the SEB will provide a significant net conservation benefit in exchange for the 29.7ha of PCL. Accordingly, no money is proposed to change hands as part of the exchange but improvements to the land are proposed to take place prior to the land being exchanged, detailed as follows in terms of both direct improvements relating to the SEB land and indirect improvements relating to the wider project that will contribute to the conservation values of the SEB land.

5.3.2 Direct Improvements

It is proposed that the land exchange would take place within two years of construction of the dam commencing, tentatively before 31 December 2030, (being approximately 2 years before filling of the reservoir commences).

Within one year of construction starting on the dam, tentatively before 31 December 2029, and prior to the land exchange occurring, the following improvement works are proposed by TWSL:

- > Stock proof fencing of the proposed new boundary of the SEB with the remaining Smedley Station land.
- > Pest control work across the 170ha of the SEB, that is additional to the pest control required under Project C of the RWSS consents, Schedule 6 IMOA package.³⁰ The pest control on the SEB will take place from the commencement of construction and be in

³⁰ Project C requires - Intensive animal pest control operation targeting (at least) 160ha of land, wetland and reservoir margin to be restored under Project A (over 30 years), including annual budget provision of \$10,000 (to be inflation adjusted from \$NZ 2014 to a current equivalent value).

accordance with the recommendations in the SLR Report, which includes preparation of a Management Plan to address³¹ :

- > *Fencing to exclude all stock to prevent browsing of indigenous vegetation, pugging, and soil compaction, allow natural regeneration of indigenous species, and improve water quality.*
 - > *Long term pest animal control (focussing on possums, but also including other species such as ungulates (particularly deer), mustelids, rats and feral cats) to improve the quality of indigenous vegetation and indigenous fauna habitats by reducing browsing and predation by exotic mammals.*
 - > Long term pest plant control, notably on-going monitoring and control of wildling pines, to prevent spread of weeds and displacement of indigenous vegetation.
- > Restoration planting of the Donovan’s Gully area of the SEB is also proposed, in accordance with the recommendations of the SLR Report. This planting is additional to that required by the existing consents Schedule 6, Project A requirements of “enrichment planting of 97,000 plants over 10 years.”

TWSL also offer as part of this land exchange application, that prior to construction of the dam commencing, a management plan would be prepared by a suitably qualified terrestrial ecologist setting out the details of the proposed fencing, pest control, and restoration planting which shall include details of planting for the enhancement of wetland areas and seeps as well as for dry land planting in the Donovan’s Gully area.

5.3.3 Indirect Improvements

Indirect improvements include those matters referenced in the recreation values assessment above that will retain the desirability of the area for recreational users, and enable access to the SEB land and its recreational values. Boat access from the required new visitor area and boat ramp will provide the most direct access option to the SEB land.

³¹ SLR Report, pages 47-48

These improvements are itemised as follows:³²

- > Construction of new historic interpretation/picnic/camp site (once dam construction complete) (\$30,000 budget \$NZ 2014 to be inflation adjusted to current) – this will help ensure the Wakarara Road end continues to be a visitor destination once the existing road end is inundated. Those visitors may then choose to access the SEB land on the other side of the reservoir.
- > Construction of access track around top-end of reservoir (budget not specified)
- > Development of walking/cycling tracks around reservoir (over 5 years) (\$150,000 budget \$NZ 2014 to be inflation adjusted to current)
- > Construction of boat ramp (once dam construction complete) (\$25,000 budget \$NZ 2014 to be inflation adjusted to current)
- > Construction of fisherman’s hut shelter (post-dam construction) (\$30,000 budget \$NZ 2014 to be inflation adjusted to current)

5.4 ADDRESSING IMPACTS ON EXISTING USERS

FTAA, Schedule 6, clause 34 requires:

- (c) any proposals to address impacts on existing users of the land to be disposed of by the Crown, such as proposed easements where access to private land or a culturally significant site is via the Crown land that will become private land:*

There are no specifically identified users of the 29.7ha of the PCL land to be exchanged, however that land is available for use by hunters or bird watchers for example. The Opus Recreation Assessment attached as Appendix 7 provides a recreational effects assessment of the wider project as is explained in section 5.2.3 above.

As is concluded in the above assessment the wider project has impacts on existing recreational users with mitigation to provide new recreational opportunities associated with the proposed water storage reservoir and in retaining existing recreational opportunities with new road end recreation facilities and access options to the Ruahine Forest Park. The proposed new access and recreation infrastructure (as required by the existing consent conditions, Schedule 6) are itemised under section 5.3.3 above.

The PCL that will become private land as part of the reservoir extent, does not currently provide access to any private land or significant sites, therefore no easements are proposed in that regard.

³² All itemized improvements are requirements of Project A of RWSS Consents Schedule 6.

As explained above however, new access linkages are required as conditions of the existing consents via Schedules 6 & 9. Further to these the Crown Marginal Strips that will transfer from the existing river margins to the reservoir margins under section 24 of the Conservation Act will also provide public access around the reservoir margins to the Ruahine Forest Park in addition to the more direct access routes required from the public road end and as set out in Schedule 9 of the existing consents (see Figure 3 above and Appendix 5 attached).

5.5 FINANCIAL AND LEGAL LIABILITIES / OBLIGATIONS

FTAA, Schedule 6, clause 34 requires:

- (c) *information about financial and legal liabilities and obligations associated with the land to be acquired by the Crown:*

There are no financial nor legal liabilities and obligation associated with the SEB land to be acquired by the Crown, that will apply at the time of the exchange.

As is explained in the SLR Report, an open area at the north western end of Smedley land (outside of, but adjoining the 170ha SEB) is proposed to be exchanged with the Kaweka Gwavas Forest Company Ltd (“**KGFC**”) and an access to connect that land with the existing KGFC land is proposed that will result in a portion of the SEB land being bisected by this accessway. See Figure 4 below. The proposed land exchange with KGFC however is not part of this land exchange application and any resource consent required to remove indigenous vegetation to provide this access will form part of TWSL substantial FTAA application. On that basis no assessment of this aspect of the proposal is required as part of this preliminary land exchange application.

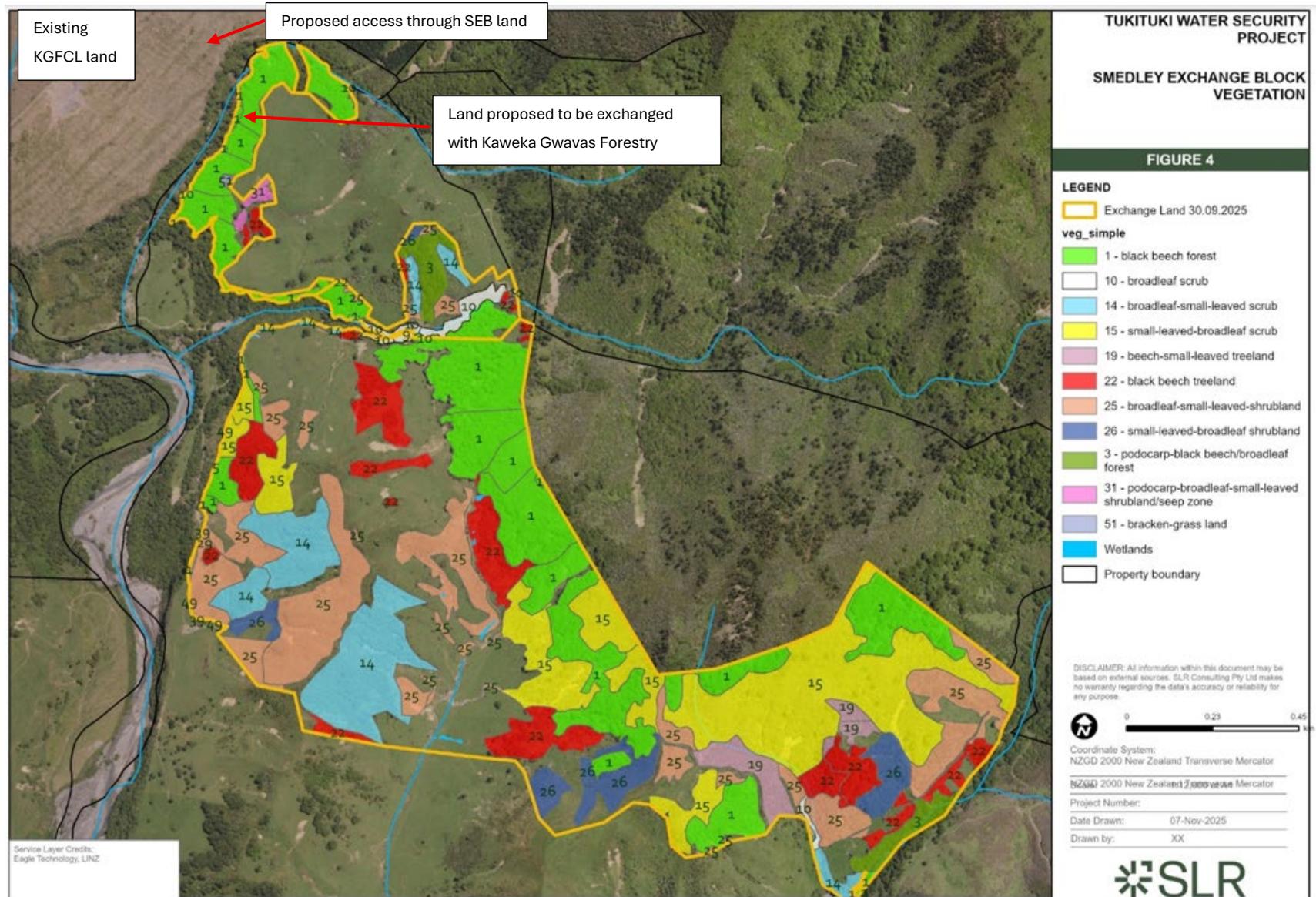


Figure 4: SLR Vegetation Mapping of SEB Block with Gwavas Forestry Exchange Land Identified

5.6 REDRESS LAND

FTAA, Schedule 6, clause 34 requires:

- (e) *if the land exchange would trigger a right of first refusal or a right of offer or return, a copy of the written agreement from the holder of the right of first refusal or right of offer or return to waive that right for the purpose of the land exchange:*

The public conservation land to be exchanged does not involve any land that would trigger a right of first refusal, or a right of offer or return.

5.7 CONSULTATION

FTAA, Schedule 6, clause 34 requires:

- (f) *full details of any consultation undertaken by the applicant with relevant iwi, and any others with rights or interests in the land to be exchanged by the Crown.*

The following table sets out a record of consultation and engagement on the TWSP undertaken by, or involving, TWSL Director, Mike Peterson, including with Tamatea Pōkai Whenua (“TPW”), Ngati Kahungunu Incorporated (“NKII”) and Central Hawke’s Bay District Council (“CHBDC”).

Table 4: Record of Mana Whenua and General Consultation on the TWSP

Date	
17 August 2022	Meeting with Bayden Barber (NKII Chair) at NKII Office, Hastings.
7 September 2023	Meeting with Bayden Barber and NKII representatives at NKII.
16 February 2024	Meeting with CHBDC and Pohatu Paku (TPW) and Bayden Barber (NKII).
19 April 2024	Project update and briefing with Bayden Barber, Darryn Russell (CE of TPW) and others at Mr Apple Office.
29 May 2024	Meeting with Steering Group, CHBDC, TPW and NKII meeting at TPW for project update.
16 August 2024	TWSP Funding and Update meeting with Bayden Barber and others via Zoom.
31 January 2025	First meeting of the Tukituki Water Security Project Mana Whenua Working Party.

14 February 2025	Second meeting of the Tukituki Water Security Project Mana Whenua Working Party.
6 March 2025	Meeting with Darryn Russell and Di Smith (TPW) to discuss project and update.
11 March 2025	Meeting with Bayden Barber and NKII and ANZ CEO at Pakowhai Road to discuss project, finance and land issues.
14 March 2025	Third meeting of the Tukituki Water Security Project Mana Whenua Working Party .
27 March 2025	Meeting with TWSP and TPW and Koau staff to discuss funding for TWSP.
28 March 2025	Meeting with Bayden Barber and key staff at NKII.
4 April 2025	Final meeting of the Tukituki Water Security Project Mana Whenua Working Party.
29 May 2025	Meeting with Darryn Russell and TPW at TPW for project update.
29 July 2025	Meeting with NKII board members.
25 August 2025	Meeting with NKII Board and representatives/advisors from TPW at NKII
17 and 18 September 2025	Public meetings in Waipawa and Havelock North with representatives from both TPW and NKII in attendance.
19 September 2025	Update hui with TPW and NKII in attendance at TPW.
10 November 2025	Meeting with TPW for update at TPW.
16 December 2025	Meeting with NKII Chair, Bayden Barber and others.
27 January 2026	Meeting with TPW board members discussing project governance and TPW oversight, project progress and coordination with the Heretaunga water storage project.

6. CONCLUSION

Given the above assessment, the proposed PCL exchange provide a significant increase in land area, 29.7ha v 170ha. That 170ha includes 125 ha of indigenous vegetation, which equates to an exchange ratio of 1:4.2 for DOC land lost due to the Project to indigenous vegetation on the SEB.

The net benefits of the exchange land over the existing PCL land are however secured by the stock fencing, restoration planting, and pest control that is proposed for the SEB land as part of this application and as recommended in the SLR Report. Those proposed enhancement activities will ensure that the existing biodiversity values of that land will enhance significantly over time, from its current state (which still includes some 102ha of significant indigenous vegetation).

The SLR Report also sets out additional benefits of the SEB land including that it would form a buffer and corridor along the newly formed lake and create linkages of a range of representative vegetation types with the Gwavas Conservation Area to the east. It would provide higher quality habitat than currently exists for virtually all of the At Risk and Threatened indigenous fauna species within this locality, as well as for a range of more widespread species, such as bellbird, tui and whitehead.

The recreation values of the proposed SEB exchange land will be greatly enhanced by the requirements of the existing RWSS consents (that are now part of the TWSL proposal), via the Schedule 6 IMOA requirements. The required actions include:

- > Construction of new historic interpretation/picnic/camp site at the Wakarara Road end at the margin of the proposed reservoir.
- > Construction of access track around top-end of reservoir.
- > Development of walking/cycling tracks around reservoir.
- > Construction of boat ramp (once dam construction is complete).
- > Construction of fisherman's hut shelter (post-dam construction).
- > Reservoir margin fencing and 20m buffer restoration, where adjacent to livestock farmland.

The recreational potential for the SEB land benefits from these actions insofar as the Wakarara Road end will remain a visitor destination for recreation, including for walkers, mountain bikers, bird watchers, hunters, fishermen, and picnickers and will become a destination for boat users. The proposed new boating facilities and reservoir will result in the SEB land being accessible by boat, and available to walkers from the boat access. As observed by the SLR Report, there are a number of recreational opportunities for visitors,

with many flat areas and glades found in the beech tree land habitats adjacent to streams in the northern portion, as well as viewpoints along the western ridge.

This TWSL FTAA land exchange application is therefore made on the basis that there are strong net benefits for the proposed PCL exchange with the SEB land.