

# FUNDING REVIEW FOR FLOOD MANAGEMENT AND DRAINAGE

COUNCILLOR WORKSHOP | 11 MAY 2026 | V1



## THE PURPOSE OF THIS WORKSHOP

The purpose of this session is to discuss the draft paper on the costs, benefits and funding options for flood management and drainage infrastructure.

This work is an essential component of the funding review for flood management and drainage, and was last updated in Project Watershed around 20 years ago

The draft paper details the approach we're taking to assess where the costs and benefits occur, and how funding can be equitably allocated

There are developments in linking this work with the Hauraki Plains Adaptation Plan, and with Te Uru Kahika on the national business case for long-term co-investment from central government, which we will brief you on

## THE NATIONAL CONTEXT

Te Uru Kahika is developing a national business case for long-term co-investment between the Crown and Regional Councils.

The business case aims to entrench the 60%/40% co-funding split that has been agreed in earlier tranches of funding

The business case proposes that the co-funding split applies to both capital investment and ongoing opex

A key part of the Te Uru Kahika business case is building cross-party consensus so the agreement continues when there are changes in the government

The business case is likely to be presented around July, and socialised with the Government and political parties after that

## THE HAURAKI PLAINS ADAPTATION PLAN

Integrating this work with the flood modelling in the Hauraki catchment will allow us to validate the approach and produce valuations.

The two projects are discussing how to use the valuation methodology within the Hauraki Plains flood modelling

This will allow the Hauraki Plains project to see where the costs and benefits of schemes occur, and start modelling possible options

The next stage of the funding review project will be accelerated by using the Hauraki Plains work, avoiding any duplication of effort

The approach is still being worked through, but assuming it is viable some initial valuations should be available before Christmas

## QUESTIONS SO FAR?

## THE SCOPE OF THIS PHASE

The current document is the proof of concept – demonstrating we can link flood events to wider economic and social impacts.

The report explains the methodology to get from floods to dollars, validates the data sources we will draw on to develop the valuations, and shows how the figures will be calculated

Importantly, the valuations have not been developed in the GIS systems as yet – that's the next phase of the work where we're looking to work with the Hauraki Plains Adaptation Plan project

## DOCUMENT WALK-THROUGH

In this section we'll walk through the structure of the document, and discuss and answer questions as we go.

The document is in four parts:

1. The first section is the document introduction
2. The second section describes the opportunities and challenges, primarily for non-technical audiences
3. The third section describes the analysis and valuation methodology
4. The fourth section discusses the equity considerations and funding possibilities

## SECTION 2: OPPORTUNITIES AND CHALLENGES

The first part of the document provides an introduction to flood management in the Waikato, and is intended for non-technical audiences.

It covers WRC's responsibilities and the legislative framework for the Council

It describes the extent and value of the assets, and how these are managed

The forecasted future investment requirements are highlighted, along with how Council raises revenue to support flood management

It outlines the challenges: legislation, affordability, costs and benefits, land use change, and climate change

It sets out the scope and intentions for the analysis that follows.

## SECTION 3: ANALYSIS METHODOLOGY

The next section steps through how the effects of flood events are modelled and valued.

It describes the analytical process, from flood modelling to impact to valuation, starting with risks and hazards

It shows how the impacts are assessed, ranging from direct tangible effects through to indirect and intangible impacts

It explains how these impacts are quantified and provides an overview of the equations we use to calculate the valuations

It covers assets, economic impacts, and social impacts from flood events.

## SECTION 4: EQUITABLE FUNDING

The next section describes the principles for equitable funding, and looks at possible funding sources.

It starts with a description of what we mean by equity and the principles that apply to it

The funding component sets out the instruments that can be used directly by WRC, the partnership approaches, and the funding sources that Council can advocate for with other stakeholders

The section then progresses to a detailed breakdown of the possible funding sources for flood management, including both private sector and public sector mechanisms.

## NEXT STEPS

The report will be finalised and will return to Council for be tabled in June.

To enable us to move forward into the next phase and integrate the work with the Hauraki Plains Adaptation Plan, we are seeking endorsement of the key principles at the June meeting

The principles are in the document supplied with the meeting agenda, and set the framework for the overall funding review of flood management and drainage

As noted, assuming the approach works as intended, we will start producing initial valuations as part of the Hauraki Plains project by the end of the year, but this is subject to confirmation

No changes to targeted or general rates from this work are planned for LTP 2026.

**FURTHER QUESTIONS?**