

Report No.	20-128
Decision Required	

TE PUWAHA PROJECT UPDATE

1. PURPOSE

- 1.1. This item updates members on work associated with repairs to the Lower Whanganui River training structures, the Horizons operational component of the Te Puwaha / Whanganui Port Revitalisation Project. It also seeks confirmation from the Committee for arrangements as they relate to both the role of Project Director and the application of Tupua Te Kawa.

2. EXECUTIVE SUMMARY

- 2.1. With the adoption of the 2018-28 **Long-term Plan (LTP)** Horizons accepted ownership and responsibility for the various training structures that regulate the alignment of the lower reach of the Whanganui River. Those structures have, for various reasons, been neglected for many decades; their condition is poor and continuing to deteriorate.
- 2.2. The structures are, amongst other things, an integral part of an operable port for the city and accordingly Horizons has been working on a plan to repair those structures in parallel with aspirations that the **Whanganui District Council (WDC)** has for the city's port. Funding for both projects and other associated commercial projects through the **Provincial Growth Fund (PGF)** was confirmed in July of this year.
- 2.3. Overarching those plans is the 2017 Te Awa Tupua (Whanganui River Claims Settlement) Act and in particular Tupua Te Kawa – the natural law and value system of Te Awa Tupua, which binds the people to the river and the river to the people. Ensuring that the values defined by Tupua Te Kawa are imbued through the project has required a fundamentally different way of working for staff, requiring more emphasis on collaboration and engagement.

3. RECOMMENDATION

That the Committee recommends that Council:

- a. receives the information contained in Report No. 20-128.
- b. delegates to the Chief Executive the authorisation to enter into a funding agreement between Horizons, Ngā Tāngata Tiaki and Whanganui District Council that provides for both a Project Director and that allows Ngā Tāngata Tiaki to fulfil its statutory function as defined by the 2017 Te Awa Tupua (Whanganui River Claims Settlement) Act.

4. FINANCIAL IMPACT

- 4.1. As noted previously (Item PX19-137 presented to the September 2019 Committee meeting) the LTP, in its current form, has limited provision within the Lower Whanganui Scheme budget relating to repairs to the river training structures. That expenditure profile was set before discussions with central government around the prospect of obtaining PGF assistance from Central Government had shown any promise.
- 4.2. The current annual plan includes both the revised capital expenditure budget and the new PGF revenue source, with the intent of including the expanded / accelerated expenditure

profile in the updated LTP. That requires a larger revenue requirement from both targeted and regional river and drainage rates alongside the contributions from the WDC and the PGF. Total project cost is estimated to be \$15M with \$7.5M met by way of a grant from the PGF and a \$1.8M contribution from the WDC, with the balance falling to Horizons. The project (training structures) is due for completion in 2025.

- 4.3. In keeping with a project of this size and scale the estimated delivery cost covers a wide range of components across staff time, survey, design, consenting and construction. Some conservatism / margin exists within the \$15M estimate largely related to one of the biggest cost variables - rock rip-rap supply. The project requires a considerable volume (in the order of 70 to 80 thousand tonnes), with fairly demanding specifications particularly for the mole armouring / heads.
- 4.4. While handling / placement is a subset of that cost component, sourcing / carting is the most significant element and one that still has some questions around it; the ability for WDC to provide rock rip-rap from their Waitahinga Quarry that meets required specifications has yet to be determined.
- 4.5. Other sources exist but with greater haul distances – that and the emphasis on wider benefits to the local economy has meant a preference for local sources, but clearly not to the detriment of the timelines Horizons is bound by with the PGF funding agreement.
- 4.6. Costs related to both the Project Director role and the application of the principles of Tupua Te Kawa are largely unbudgeted, noting that the latter is a statutory requirement. Provision has been made for RMA-related processes – requirements related to Te Awa Tupua are expected to be offset to some degree by reduced resource consent costs (the strength of the relationships with both Iwi / Hapu and the local community that will result from the Te Awa Tupua process) but the bulk of the expenditure will rest as an additional cost.
- 4.7. The portion of the cost with these two aspects proposed to be borne by Horizons is estimated to be up to \$500k. Although at an early stage of project delivery the staff view is that these are likely to be able to be accommodated within the overall \$15M budget. In any event other Central Government funding options (both within MBIE and across other government departments) exist – part of the Project Director role will be to secure other external funding to offset those additional costs. However some risk around overall delivery cost remains.

5. COMMUNITY ENGAGEMENT

- 5.1. Engagement with Whanganui residents has, in the main, been concentrated in and around both the 2017-18 Annual Plan and the 2018-28 LTP, complemented by ongoing Scheme Liaison Committee Meetings. The Te Awa Tupua way of working will undoubtedly increase that level of engagement, already evident with the approach taken with the stockpile area intended to be located off Morgan Street.

6. SIGNIFICANT BUSINESS RISK IMPACT

- 6.1. There is no significant business risk impact with this item. Project-related risks are highlighted elsewhere in the item.

7. CLIMATE IMPACT STATEMENT

- 7.1. While the work associated with fortifying the river training structures primarily addresses deferred maintenance over many decades, clearly the work also needs to consider climate change effects; rising sea levels, more frequent storms and a changing flood frequency for the awa. The design includes those aspects and was reviewed by coastal engineering experts from engineering consultant Tonkin and Taylor, in part to ensure adequate consideration was given to climate change impacts.

8. BACKGROUND

- 8.1. The importance of a port and the evident operational complexities with a river port saw significant investment by the Harbour Board and its predecessors in training structures along the lower reach of the Whanganui River in the late 1800's and early 1900's; the moles, revetments and various groyne structures that line the lower reach of the river. The present-day value of that investment (including all of the various dividing walls and other measures that were constructed essentially from the town bridge to the mouth) is significant – as much as \$100M.
- 8.2. The decline of the port's fortunes meant little investment in those structures over the past 40 to 50 years, while part of Whanganui (particularly commercial / industrial / infrastructure) continued to develop around the alignment set by those structures. The transfer of port ownership from private owner to WDC, WDC's intent to revitalise the port and the importance of the training structures (amongst other things) to port operation put the condition / integrity of those structures back in the spotlight.
- 8.3. The level of Horizons operational involvement in Whanganui (in a river management context) has been progressively building since 2007. The most recent development with the adoption of the 2018-28 LTP is the Horizons commitment to assuming ownership of those assets; the true (facing downstream) left downstream of Landguard Bluff and the true right from the start of the Balgownie stopbank to the mouth (excluding the port area itself and the dividing walls in the main river channel).

9. TE AWA TUPUA

- 9.1. On 5 August 2014, at Ruakā Marae in Rānana, the Crown and Whanganui Iwi signed Ruruku Whakatupua, the deed of settlement for the Whanganui River. Ruruku Whakatupua has two parts – Te Mana o Te Awa Tupua and Te Mana o Te Iwi o Whanganui – which together give legal recognition to Te Awa Tupua, establishing a new legal framework for the Whanganui River (Te Pā Auroa nā Te Awa Tupua). The 2017 statute, Te Awa Tupua (Whanganui River Claims Settlement) Act enacts that framework.

10. DISCUSSION

- 10.1. Focus with project delivery at the current point in time is in two main areas – rock supply and resource consents. Staff continue to work with WDC staff on Waitahinga Quarry development to ascertain the risks associated with (both in part and in full) supply from that site. Alternatives have been identified and pending approval from the Project Governance Group (refer to Item 20-89 presented to the June 2020 Council meeting) procurement processes that put in place a blended supply arrangement will follow.
- 10.2. Consenting is the other obvious critical path (sequence of events tied to a particularly activity that dictates the completion date) for project delivery; as noted elsewhere application of the Te Awa Tupua process has a beneficial effect on that critical path, addressing some of the risks but also developing relationships that are ultimately likely to help expedite the process. As you'd expect staff are well versed with the regulatory requirements (in this instance both WDC and Horizons) with a significant amount of preparatory work completed, including a comprehensive assessment of effects on ecosystems for both the awa and the coastal marine area.
- 10.3. Two aspects related to both the inter-connected nature of the council and commercial elements of Te Puwaha and the application of Tupua Te Kawa have been identified subsequent to the PGF application prepared and submitted in 2019; they are conditions contained in the funding agreement with MBIE. The Project Director role is outlined with Item 20-89 and is a necessary element to support a complex project with many moving parts and many inter-dependencies.

- 10.4. The application of Tupua Te Kawa required by the 2017 Te Awa Tupua statute rests with **Ngā Tāngata Tiaki (NTT)**, the post-settlement governance entity for Te Awa Tupua. That leans heavily on input at a hapu / marae / whanau level to apply the principles of Tupua Te Kawa in their purest form. The project has reached a point where, understandably, NTT require a funding commitment from both councils and the commercial partner to meet the costs associated with applying those principles.

11. TUPUA TE KAWA

- 11.1. Tupua te Kawa comprises the intrinsic values that represent the essence of Te Awa Tupua, namely—

Ko Te Kawa Tuatahi

- a) **Ko te Awa te mātāpuna o te ora:** the River is the source of spiritual and physical sustenance:

Te Awa Tupua is a spiritual and physical entity that supports and sustains both the life and natural resources within the Whanganui River and the health and well-being of the iwi, hapū, and other communities of the River.

Ko Te Kawa Tuarua

- b) **E rere kau mai i te Awa nui mai i te Kahui Maunga ki Tangaroa:** the great River flows from the mountains to the sea:

Te Awa Tupua is an indivisible and living whole from the mountains to the sea, incorporating the Whanganui River and all of its physical and metaphysical elements.

Ko Te Kawa Tuatoru

- c) **Ko au te Awa, ko te Awa ko au:** I am the River and the River is me:

The iwi and hapū of the Whanganui River have an inalienable connection with, and responsibility to, Te Awa Tupua and its health and well-being.

Ko Te Kawa Tuawhā

- d) **Ngā manga iti, ngā manga nui e honohono kau ana, ka tupu hei Awa Tupua:** the small and large streams that flow into one another form one River:

Te Awa Tupua is a singular entity comprised of many elements and communities, working collaboratively for the common purpose of the health and well-being of Te Awa Tupua.

12. CONSULTATION

- 12.1. No specific consultation (other than that planned as part of project delivery) is intended with this item.

13. SIGNIFICANCE

- 13.1. This is not a significant decision according to the Council's Policy on Significance and Engagement.

Ramon Strong
GROUP MANAGER RIVER MANAGEMENT

Michael McCartney
CHIEF EXECUTIVE

ANNEXES

There are no attachments for this report.