

Report No.	21-88
Information Only - No Decision Required	

TE PŪWAHA 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 Pūwaha / Whanganui Port Revitalisation Project.

2. EXECUTIVE SUMMARY

- 2.1. With the adoption of the 2021-31 **Long-term Plan (LTP)** Horizons has not yet accepted ownership for the various training structures that regulate the alignment of the lower reach of the Whanganui River. Their ownership remains with Whanganui District Council (WDC) but Horizons has assumed responsibility for ongoing maintenance and repair works. 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 WDC has for the city's port. Funding for both projects and other associated commercial projects through Kānoa was confirmed in July of 2020.
- 2.3. Overarching those plans is the Te Awa Tupua (Whanganui River Claims Settlement) Act 2017 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. 21-88.

4. FINANCIAL IMPACT

- 4.1. 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 Kānoa assistance from central government had shown any promise.
- 4.2. The current Long-term Plan includes both the revised capital expenditure budget and the new Kānoa 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 Kānoa. Total project cost is estimated to be \$15M with \$7.5M met by way of a grant from Kānoa A and a \$1.8M contribution from the WDC, with the balance falling to Horizons. The project (training structures) is due for completion in March 2025.

11 August 2021

- 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. Tenders for North Mole rock supply close at the end of July; hence, a greater accuracy of rock price will be known at that time.
- 4.5. 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.
- 4.6. The portion of the cost with these two aspects proposed to be borne by Horizons is estimated to be up to \$500k. The view of the project delivery team is that these costs are unlikely to be accommodated within the overall \$15M budget and therefore will not be matched by the 50% funding from Kānoa. Budget over expenditure remains a risk and these overruns will have to be worn by Horizons over coming years.
- 4.7. The costs incurred prior to the signing of the funding agreement, dating back to 2018, have been confirmed eligible for 50% funding by Kānoa and will be claimed at the first payment milestone. These costs are estimated to be approximately \$358k.

5. COMMUNITY ENGAGEMENT

- 5.1. An extensive work programme has been completed to place Te Awa Tupua at the heart of the Te Pūwaha programme in a way that has established a unique partnership model between Horizons, WDC, Whanganui Iwi, central government, private business and the Whanganui community.
- 5.2. Te Pūwaha is the first truly community-led exercise for a project under the legal status of the Whanganui River as Te Awa Tupua and the North Mole repair is the first component. As such, the fundamental approach has been to kick-start a fresh and ongoing way of working together, built on widespread community engagement that means we are truly focused on how to empower our community, improve our collective wellbeing, and create economic and recreational opportunities for our people. This partnership model will ensure that Tupua Te Kawa becomes an innate way of working within all Te Pūwaha activities.
- 5.3. Previous projects have taken a consents-led approach where the community is largely restricted to making submissions, and it has often become an adversarial process. Under Tupua Te Kawa, the partnership model is multi-faceted and aims to work simultaneously at various levels to ensure, with the community, we examine the environmental, social and other implications, find solutions and then lodge resource consents as a technical detail.
- 5.4. Te Mata Pūau have demonstrated, through frontloading our engagement, efforts to listen and reflect on how we can address community concerns and aspirations, but most importantly, it has been about relationships. The Te Pūwaha Project provides a unique opportunity for people to connect with the land and the environment and to ensure the construction of the project in accordance to Tupua Te Kawa while creating opportunities for tangata whenua and the wider community.

11 August 2021

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 consultancy 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.

9. DISCUSSION

- 9.1. Focus with project delivery, in parallel with community and iwi engagement, is currently centred on three main areas – rock supply, resource consent and construction of the North Mole.
- 9.2. Request for tenders for the North Mole rock supply were released on 25 June and closed on 26 July. Significant interest from prospective suppliers was shown through attendance at the meeting of tenderers on 9 July. Upon award of a rock supply contract, Horizons will have satisfied all conditions precedent within the funding agreement and the first instalment of funding will be made available by MBIE.
- 9.3. As noted elsewhere, the application of the Te Awa Tupua approach has had a beneficial effect, addressing some of the risks but also developing relationships that are ultimately likely to help expedite the process. A resource consent application was filed on 16 July to Horizons as the governing regulatory body. The notification type is still to be advised, although it is anticipated that limited notification is the most likely. Horizons, as the applicant believe that the comprehensive community engagement, alongside strong partnership with iwi and hapu will ensure timely approval of a resource consent for construction commencing late in 2021.
- 9.4. Construction tender documents are currently being compiled and will be directly linked to the pending rock supply contract. It is critical to ensure the accuracy of the content and methodology within these documents to allow a working relationship between the two

11 August 2021

contracts and effective construction. Construction work on the North Mole is scheduled to commence in November 2021 and conclude in November 2022.

- 9.5. 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 hapu mandated group Te Mata Pūau has formed to be the voice of local hapu and to lead the funded project partners to a greater understanding of their obligations to Te Awa Tupua and Tupua Te Kawa.
- 9.6. Upholding Tupua Te Kawa has introduced a change in mindset from one where we have traditionally mitigated or offset negative construction effects; to now, where we attempt to enhance or implement where we can, any positive effects or benefits. The term mouri ora, mouri awa and mouri tangata describes the betterment of wellbeing, the river and people and is the model we are working to within Te Pūwaha. It allows iwi and hapu at place to be centre of all decision making and provides an opportunity to achieve broader outcomes that aren't necessarily directly focused on the project objectives.

10. TUPUA TE KAWA

- 10.1. Under the legally defined status of Te Awa Tupua, a set of innate values called Tupua Te Kawa, now guides all decision-making in respect of the Whanganui River.

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.

11 August 2021

11. CONSULTATION

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

12. TIMELINE / NEXT STEPS

- 12.1. As previously mentioned, current delivery team efforts are focused on refining the physical technical aspects of the North Mole construction. Rock supply tender evaluation is scheduled for 29 July and this will inform more accurate financial project forecasting.
- 12.2. A public community meeting is to be held on the evening of 10 August in Castlecliff, Whanganui. The purpose of this is to communicate wider Te Pūwaha project information, including the training structures and port precinct development (WDC and Q-West), but also to present concept plans for the surrounding North Mole area that have been developed through community feedback and with key members of the Castlecliff Community. It is important to note that the work being proposed here is not directly funded through Kānoa, instead it is an example of community collaboration and the opportunities that enhancement seeks to provide.
- 12.3. Stage 2 of the Horizons component of work sets to upgrade the South Mole and reinstate the Tanae Groyne. Engagement of surveyors, designers and ecologists is currently being progressed to commence the co-design process alongside Te Mata Pūau.

13. SIGNIFICANCE

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

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ANNEXES

There are no attachments for this report.