

MINO-806 East Coast Recovery Alliance

28 June 2023

This paper responds to a request from the office of Hon Kiri Allan for information on the establishment of the East Coast Recover Alliance, such as costs, engagement with tier 1 and 2, and other providers. This includes the nature of engagement between the Alliance and relevant iwi, Councils, and bespoke communities.

Details of the Alliance model

In response to the damage caused by Cyclone Gabrielle an Alliance framework has been established consisting of Waka Kotahi and KiwiRail as Owner Participants and Fulton Hogan, Higgins and Downer NZ as Non-Owner Participants (NOPs). The Recovery Alliance is recognised as Transport Rebuild East Coast (TREC).

The Alliance model has been chosen due to the many unknowns, the scale and complexity of such a recovery programme. The model enabled the NOPs to work with Waka Kotahi and KiwiRail through the Interim Project Alliance Agreement (PAA) phase to establish a PAA proposal. Primary professional services will be procured via a sub-alliance, with a performance framework and commercial incentives aligned with the PAA.

The TREC scope covers the business case development, design, build and maintenance of recovery and rebuild work from Opotiki to Hastings (SH2, SH35, SH38, SH5, SH50, SH51 and the KiwiRail network from Wairoa to the south of Hastings). During the first year TREC will continue to deliver recovery works to ensure the road and rail are operational.

It is important to note that the Alliance is only a delivery mechanism for recovery and rebuild. While Waka Kotahi, working alongside KiwiRail, has undertaken strategic planning work to quantify the investment required to achieve varying resilience levels of service on the transport network, the strategic outcomes will be set by the Government with input from iwi, local government and communities.

Once confirmed, TREC will commence the initial scope development and design of resilience works, with construction of the first rebuild project programmed to start within the first nine months. This work will only commence once we have meaningful and ongoing iwi and community engagement.

Engagement With Tier 1 And 2

Significant design and construction capacity is required. TREC has a strong focus on local market supply chain capacity and local stakeholder engagement and will engage the expertise of the local suppliers as priority. However, there will be insufficient local industry capacity alone to deliver the East Coast Recovery programme. For example it is estimated that approximately 250 professional design and service staff will be needed, with approximately 1,200 staff on the ground doing the rebuild work.

Three Project Design and Construction Hubs will be located in Napier, Wairoa and Gisborne, providing space for clients, contractors and consultants to co-locate and work together to produce pragmatic, resilient solutions suitable for the East Coast environment. These will be further supported by project hubs in Auckland and

Will be considered for release with redactions

Christchurch, which will provide additional capacity necessary to deliver the designs. This will also significantly reduce travel and accommodation/relocation costs, and mitigate the risk of housing market inflation.

Waka Kotahi has issued a detailed procurement strategy which includes targets for use of local contractors at a minimum of 30% and a target of 55% of the contestable direct works being delivered within the Programme region.

A key aspect of the alliance model to note is that the procurement of work to local contractors is done through the Alliance procurement team, not the Individual tier 1 contractors. As the funding and scope becomes clearer, packages of work will be let to a mix of local Tier 2 and 3 contractors, in-region Tier 1s and broader national specialists, as per the Procurement Strategy.

For the East Coast (and Tairāwhiti in particularly) Māori owned contractors will be encouraged to actively participate early in work planning, develop their management skills maturity and sustainably grow their businesses beyond the rebuild years.

The nature of engagement with relevant iwi and the alliance

We recognise the mutual benefits that could be gained through successful partnership with iwi, which includes the access to iwi-owned land to complete required works and the ability to explore opportunities for iwi from a social outcomes programme affiliated to the project. As such, it is important that efforts are made to ensure this engagement and partnership with iwi occurs, both for the benefit of all parties and to ensure alignment with the principles of Te Tiriti o Waitangi.

Engagement has been initiated by Waka Kotahi with the following affected iwi, with each providing input into the development of the strategic case:

- Ngāti Hineuru
- Mangaharuru Tangitū Trust
- Ngāti Pāhauwera
- Tatau Tatau o Te Wairoa
- Tuhoe

Waka Kotahi is also engaging with Te Tairāwhiti and Te Matau a Māui (Gisborne and Hawkes Bay) iwi to discuss recovery efforts. Conversations have started with each of the follow iwi, s9(2)(g)(i)

- Rongowhakaata
- Ngāi Tāmanuhiri
- Ta Aitanga a Māhaki
- Ngāti Porou

Each of our iwi partners in Gisborne have spoken to Waka Kotahi about their priorities, and while they are happy to be part of TREC, they will require assistance with resourcing and addressing their capacity issues. It is recognised that due to competing priorities iwi are significantly under resourced, Incoming Pou Ārahi, David Jones of Iwicomm, will help work on what such assistance may look like from a Iwi perspective.

s9(2)(g)(i)

As we move into optioneering and detailed design, iwi engagement

and involvement in the decision-making process will be critical and dictate the speed at which we progress rebuild business cases prior to implementation work. It is important these relationships continue to be developed to ensure a successful partnership across and beyond the project lifespan. We will continue to engage with iwi, including on the partnership agreements which we have started with Ngāti Hineuru, as we get a better understanding of what the main rebuild works look like.

More recently, we have engaged with Te Whānau a Ruataupare and Te Aitanga a Hauiti. While the engagement has primarily focused on Emergency Works, there was also discussion regarding the Alliance and the strategic case at the community meeting in Tokomaru Bay on 14 June.

To support the building of relationships with iwi and ensure an integrated alliance team approach, our Regional Pou Ārahi has established two Pou contracts in Gisborne and the Hawkes Bay (David Jones of Iwicomm based in Gisborne, and Lee Grace who is the former CEO of Mangaharuru Tangitū Trust).

Councils and other bespoke communities

While the current scope only includes Waka Kotahi and KiwiRail corridors, TREC has been designed to be adaptable and, once established, can incorporate local road networks should councils wish to collaborate with TREC to undertake such work at a future date. None of the six affected Councils have indicated a desire to join a recovery alliance with Waka Kotahi and KiwiRail. However, as commencement of PAA approaches, more interest is being shown including by Mayors and Chief Executives.

Recovery and Rebuild

Work to date has been funded through the National Land Transport Fund Emergency Works, and Response and Recovery funding provided by the Government (\$250M plus \$275M). Funding for Future Rebuild work is currently being considered by Treasury.

We have been working on Strategic Cases for Northland, Coromandel and East Coast which will provide high level costings for rebuild activity (which improve the resilience of the network). Once funding has been confirmed, it will be up to the Alliance to take the high-level strategic outcomes identified in the Strategic Cases and produce the Detailed Business Cases to seek funding for specific projects. In building these business cases they will need to engage with iwi, councils and local communities to co-design the detail of works taking a broader outcome perspective.

Once the PAA is finalised and approved, TREC will continue with recovery works currently being performed by the NOC's. The Response and Recovery funding provided by the Government is limited to reinstating corridors back to previous state, not improving resilience.