

Regional Council

Reports circulated under separate cover for the Extraordinary Council meeting on Friday, 17 April 2020 commencing at 9.30 am

Agenda Item 9.2: COVID-19: Economic Recovery Plan (includes a separate Public Excluded only attachment regarding Rangioru Business Park)

Agenda Item 10.2 COVID-19: Financial Update (Public Excluded section only)

This meeting is open to the public and will be live streamed to the Bay of Plenty Regional Council Youtube Channel.

Council

Membership

Chairperson	Chairman Doug Leeder
Deputy Chairperson	Cr Jane Nees
Members	All Councillors
Quorum	Seven members, consisting of half the number of members
Meeting frequency	Six weekly or as required for Annual Plan, Long Term Plan and other relevant legislative requirements

Purpose

- Enable democratic local decision-making and action by, and on behalf of, Bay of Plenty communities.
- Meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- Set the overarching strategic direction for Bay of Plenty Regional Council as an organisation.
- Hold ultimate responsibility for allocating financial resources across the Council.

Role

- Address Local Electoral Act matters and Local Government Rating Act matters.
- Oversee all matters relating to identifying and contributing to community outcomes.
- Consider and agree on matters relating to significant new activities or areas of involvement such as infrastructure which are not the responsibility of a specific committee.
- Provide regional leadership on key issues that require a collaborative approach between a number of parties.
- Review and decide the Council's electoral and representation arrangements.
- Consider issues of regional significance which are not the responsibility of any specific standing committee or that are of such regional significance/high public interest that the full Council needs to decide on them.
- Adopt Council's Policy on Significance and Engagement Policy.
- Develop, adopt and implement the Triennial Agreement, Code of Conduct and Standing Orders.

- Consider and agree on matters relating to elected members' remuneration.
- Appoint the Chief Executive, and review their contract, performance and remuneration at least annually.
- Approve all delegations to the Chief Executive, including the authority for further delegation to staff.
- Oversee the work of all committees and subcommittees.
- Receive and consider recommendations and matters referred to it by its committees, joint committees, subcommittees and working parties.
- Approve membership to external bodies and organisations, including Council Controlled Organisations.
- Develop, adopt and review policies for, and monitor the performance of, Council Controlled Organisations.
- Monitor and review the achievement of outcomes for the Bay of Plenty Community.
- Review and approve strategic matters relating to the sale, acquisition and development of property for the purposes of meeting Council's organisational requirements and implement Regional Council policy.
- Address strategic corporate matters including property and accommodation.
- Consider and agree on the process to develop the Long Term Plan, Annual Plan and Annual Report.
- Adopt the Long Term Plan, Annual Plan and budgets variations, and Annual Report.
- Adopt Council policies as required by statute (for example Regional Policy Statement and Regional Land Transport Strategy) to be decided by Council or outside of committee delegations (for example infrastructure policy).
- Develop, review and approve Council's Financial Strategy and funding and financial policies and frameworks.
- Institute any proceedings in the High Court that are not injunctive proceedings.
- Exercise the powers and duties conferred or imposed on Council by the Public Works Act 1981.

Delegations from Council to committees

- Council has a role to monitor the functioning of all committees.
- Council will consider matters not within the delegation of any one Council committee.
- Council may at any time, revoke or modify a delegation to a Council committee, either permanently, for a specified time or to address a specific matter, if it considers there is good reason to do so.
- The delegations provided to committees may be further delegated to subcommittees unless the power of further delegation is restricted by Council or by statute.
- It is accepted in making these delegations that:
- The committees, in performing their delegated functions, powers or duties, may, without confirmation by the Council, exercise or perform them in a like

manner and with the same effect as the Council itself could have exercised or performed them.

- The delegated powers given shall at all times be subject to their current policies and principles or directions, as given by the Council from time to time.
- The chairperson of each committee shall have the authority to exercise their discretion, as to whether or not the delegated authority of the committee be used where, in the opinion of the chairperson, circumstances warrant it.

Powers that cannot be delegated

Under Clause 32 Schedule 7 of the Local Government Act 2002, Council must make the following decisions:

- Make a rate.
- Make a bylaw.
- Borrow money or purchase or dispose of assets, other than in accordance with the long-term plan.
- Adopt the long-term plan, annual plan, or annual report.
- Appoint a chief executive.
- Adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the long-term plan or developed for the purpose of the local governance statement.
- Adopt a remuneration and employment policy.

Public Forum

1. A period of up to 15 minutes may be set aside near the beginning of the meeting to enable members of the public to make statements about any matter on the agenda of that meeting which is open to the public, but excluding any matter on which comment could prejudice any specified statutory process the council is required to follow.
2. The time allowed for each speaker will normally be up to 5 minutes but will be up to the discretion of the chair. A maximum of 3 public participants will be allowed per meeting.
3. No statements by public participants to the Council shall be allowed unless a written, electronic or oral application has been received by the Chief Executive (Governance Team) by 12.00 noon of the working day prior to the meeting and the Chair's approval has subsequently been obtained. The application shall include the following:
 - name of participant;
 - organisation represented (if any);
 - meeting at which they wish to participate; and matter on the agenda to be addressed.
4. Members of the meeting may put questions to any public participants, relevant to the matter being raised through the chair. Any questions must be asked and answered within the time period given to a public participant. The chair shall determine the number of questions.

Recommendations in reports are not to be construed as Council policy until adopted by Council.

Agenda Reports Circulated Under Separate Cover

1 Reports Circulated Under Separate Cover

1.1 COVID-19: Economic Recovery Plan (Item 9.2 of main agenda) 13

APPENDIX 1 - A. Economic Recovery Plan April 2020 - BOPRC - COVID 19 - Economic Impact March2020 23

APPENDIX 2 - B. Economic Recovery Plan April 2020 5195 Economic Recovery Plan April 2020 (002) 29

APPENDIX 3 - C. Economic Recovery Plan April 2020 CIP 33

APPENDIX 4 - E. Economic Recovery Plan April 2020 Sample of regional green projects 67

2 Public Excluded Section 71

Resolution to exclude the public

THAT the public be excluded from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General Subject of Matter to be Considered	Reason for passing this resolution in relation to this matter	Grounds under Section 48(1) LGOIMA 1987 for passing this resolution
9.1 COVID-19 Financial Update (<i>Item 10.2 of main agenda</i>)	To carry out commercial activities	Good reason for withholding exists under Section 48(1)(a)
9.2 Appendix 5 - Attachment to Economic Recovery Plan April 2020 - Rangiuru CIP (<i>separated from publicly available report</i>)	To carry out commercial activities	Good reason for withholding exists under Section 48(1)(a)

2.1 COVID-19 Financial Update (Item 10.2 of main agenda) 73

APPENDIX 1 - Bancorp - Market Update 15 April 2020 85

2.2 Appendix 5 Attachment to Economic Recovery Plan April 2020 - Rangiuru CIP 89

Reports circulated under separate cover)



Report To: Regional Council

Meeting Date: 17 April 2020

Report From: Namouta Poutasi, General Manager, Strategy & Science

COVID-19: Economic Recovery Plan

Executive Summary

The challenges of COVID-19 are unprecedented in scale, by meeting these as a region we can ensure we are best placed to help our economy and our communities to recover and thrive. These circumstances give us the opportunity to consider where the region is headed, what our future looks like and the role of everyone in this to achieve better outcomes for our communities.

Significant work is already underway to plan for our region's economic and social recovery in the short, medium and long term, but we know to be successful, we need a unified approach across national, regional and local authorities, Maori, industry and community groups.

As a regional council, we are currently focused on our role as caretakers for the environment and we are committed to our communities, recognising that we play a critical role in supporting and protecting the people and the environment in our rohe.

Regional Council is well positioned to assist with a regional role to support recovery and has developed an initial Economic Recovery framework for approval. A key component of our plan is to work with our partners and key stakeholders in the development of a broader regional recovery plan once an analysis of COVID-19 implications are known. This will be reported back to Council in September to inform the Long Term Plan reset.

We are currently heavily focused on key projects to stimulate our economy. Staff are seeking approval of the Regional Council Crown Infrastructure Projects: Rangitāiki Floodway employing 50 people at a cost of \$13.7M; Flood protection and resilience projects employing 80 FTEs at a cost of \$17.5M, and Bay of Plenty's agricultural drainage network modernisation \$21M. Staff also recommend Council endorsing the Rangiuru Business Park Public Infrastructure Crown Infrastructure Proposal which was submitted by Western Bay of Plenty District Council on 14 April.

Further Green Work projects have been identified to deliver employment to the region which have substantial environmental co-benefits including: pest control, biodiversity enhancement and environmental infrastructure, such as wetland development. Approval is also sought to work with central government to seek funding opportunities to initiate the Green Projects identified in this report.

Working with and supporting Iwi, Māori business entities and economic development agencies to identify opportunities for the Māori Economy and those in the social sector will

be important. Staff seek approval to progress these discussions to identify further opportunities for Central Government funding.

Recommendations

That the Regional Council:

- 1 Receives the report, COVID-19: Economic Recovery Plan;**
- 2 Endorses Bay of Plenty Regional Council Crown Infrastructure Projects: Rangitāiki Floodway project, Flood Protection Resilience Projects, and the Bay of Plenty's scheme drain network**
- 3 Endorses the Rangiuru Business Park Public Infrastructure Proposal**
- 4 Agrees to seek central government funding to initiate the Green Projects identified in this report**
- 5 Agrees to seek expressions of interest from Iwi Partners and community stakeholders on other Green Projects that could be considered for central government funding and regional delivery**
- 6 Adopts the initial Regional Economic Recovery Framework**
- 7 Agrees for further work to be done on developing a regional recovery plan working closely with key partners and stakeholders and report back to Council in September to inform the Long Term Plan reset**

1 Background

The challenges of Covid-19, both today and in the time to come, are of an unprecedented scale; by meeting these challenges as a region we can ensure we are best placed to help our economy and our communities to recover and prosper.

There is the opportunity for the Bay of Plenty region to not only recover well from the COVID-19 shock, but to ensure our communities thrive by building in transformational change that delivers against critical challenges facing the region, in partnership with central government.

Significant work is already underway to plan for our region's economic and social recovery in the short, medium and long term, but we know to be successful, we need a unified approach across national, regional and local authorities, Maori, industry and community groups.

This paper highlights work done to date. It will be further developed and progressed over coming weeks with input from key partners and stakeholders.

2 COVID-19 Impacts

It will take some time to understand the full impact of COVID-19 on the Bay of Plenty economy. However, a preliminary assessment of expected impacts is described below.

Primary industries and primary manufacturing, except forestry, are not expected to be significantly disrupted given they continue to operate as essential services and international demand is expected to return to relatively normal levels as countries control the spread of the virus. They are still experiencing and likely will continue to encounter logistical challenges due to ongoing disruptions in other parts of the economy and other countries.

Growth in construction and rental/hiring/real estate are likely to slow down due to a virtual halt in immigration (a key driver) as a result of border restrictions which are expected to remain in place for many months. The impact on the construction sector may be mitigated by central government's anticipated large infrastructure programme.

Owner-occupied property operation (e.g. holiday home rental), retail, accommodation and food/beverage services are likely to be severely impacted by the halt in foreign tourism due to border restrictions and lower domestic demand resulting from employment losses and the ongoing requirement for social distancing. The lockdown period will also have significant impacts.

With regards potential impact on the sub regions. Rotorua and Taupō (especially) and Tauranga will face significant impact due to halt in overseas tourism (accommodation, retail, food & beverage), and domestic tourism is likely to be slow to recover. Tourism in Whakatāne is likely to have slowed prior to COVID due to the Whakaari eruption. High population growth in Tauranga City, Western Bay District, and Rotorua City has been behind significant growth in construction and rental/hiring/real estate and retail trade. With no immigration driving population growth due to closed borders and increased economic uncertainty, activity in these industries is likely to decline significantly too. The impact on the (mostly rural) Eastern Bay still needs to be determined, it is likely to have significant implications on people's welfare due to higher pre-existing levels of deprivation. The same would apply in highly deprived areas of the Western Bay and Rotorua District.

A large number of Iwi organisations and land trusts are heavily invested in tourism, agriculture, aquaculture and forestry sectors, as well as international share markets. Tourism and forestry took a significant decline both before and after the COVID-19 Level 4 lockdown, while the other sectors will also be impacted to a certain extent and will have significant reductions in cash flow as a result. Māori unemployment is predicted to spike.

Further regional impacts are described in the COVID – 19: Economic Impact report contained in Appendix A.

3 Canterbury Earthquake Lessons Learnt

Pionero Blue provided a summary of key lessons learnt form the Canterbury earthquake recovery which can also be applied here, including:

- Acknowledging that it always takes longer
- The event becomes the culprit for everything
- The world has changed – this is 'normal'
- Someone will always disagree
- Good decisions take time – but last longer

- Build and maintain partnerships
- Decisions give clarity and direction
- Focus on the future
- Communications need to be clear, honest and simple
- Rotate your key staff – watch for burn out

4 Regional Economic Recovery Framework

The key outcome of this Bay of Plenty recovery framework as aligned with our vibrant region – Toitū te rohe community outcome is:

A vibrant connected region that has recovered quickly and well

The Bay of Plenty Regional Council is proposing a multipronged approach to economic recovery:

1. Survive – help businesses and communities
2. Drive – economic stimulus through increased employment opportunities
3. Thrive – Rebuilding a vibrant region

Core framework principles include:

- Partnerships are fundamental to success
- Decisive leadership
- Future focused
- Clear communications
- This is the new normal – the world has changed
- Good decisions take time and last longer

Further details about each stage is contained below and a summary one page plan is contained in Appendix B.

4.1 Survive (Now)

Our region is facing a new challenge as a result of the COVID19 pandemic. Moving to Alert Level 4 in particular has created an immediate impact on the way we live, work, learn and play/ interact.

Regional Council is committed to our communities and recognise that we play a critical role in our rohe. We remain open for business, and will keep delivering essential services to protect human health and our environment and facilitate the movement of essential service staff via public transport.

The key essential public services we will continue to provide include:

- Civil Defence emergency management – our Civil Defence functions have been activated and our organisation is supporting the Ministry of Health as the lead agency for the pandemic response.
- Sampling and analysis of drinking water for public safety
- Public transport (following guidance from Central Government). Working with the New Zealand Transport Agency/Waka Kotahi we are providing free Public Transport for essential services. We have adapted a number of routes to cater for essential service workers and/or to provide access for communities to health care providers/hospitals. Further this week we have also made total mobility fare free.
- Ensuring maritime navigational safety
- Incident and pollution response
- Maintenance of biosecurity
- Controlling lake levels
- Natural hazard event monitoring, response and recovery (for example our flood and drought monitoring and management programmes).
- Operation and maintenance of flood protection and land drainage infrastructure
- Planning, consenting and compliance, where these functions are required to
 - enable and/or support essential services, or
 - address immediate health or life safety risks, or
 - prevent serious environmental harm
- Monitoring our State of the Environment network

In order to lessen the impact on our communities Regional Councillors also made the unanimous resolution to work towards a zero percent general rates increase in the 2020/21 financial year. Council expects to make final decisions on its Annual Plan 2020/21 and set rates for 2020/21 at its Council meeting scheduled for 25 June.

A critical part of this phase of response is Regional Council through its Bay of Connection arm working with key partners and stakeholders to ultimately support the community particularly those most affected by helping through navigation, coordination, provision of data and information and general support.

4.2 **Drive Economic Stimulus Increased Employment (Now – Next 6 months/year)**

During this phase we are likely to see large jumps in unemployment as indicated by Treasury Modelling (April). Major face to face businesses such as tourism, hospitality and retail will be hit hardest. Central government are wanting to fund projects to get people back to work. This period is also characterised by more online commerce and a faster move to digital economy.

For Regional Council our critical immediate focus area is on the development and coordination of regional economic stimulus projects. Numerous Central Government organisations are approaching Councils, Economic Development Agencies, consultancies and other key stakeholders to identify key projects which provide immediate employment opportunities.

These projects sit under a number of banners:

1. **Crown Infrastructure Projects** which are 6 month construction ready, infrastructure in nature with public benefit, of a material size >\$10M, and which provide wide benefits to the region. Applications to this fund closed on 14 April. Regional Council has submitted the following proposals:
 - to fund the completion of the Rangitāiki Floodway capital works improvements for the Rangitāiki Tarawera Flood Protection Scheme at a cost of \$13.7m, creating approximately 50 jobs.
 - Flood Protection Resilience Projects across all four river schemes including Nongotaha, and floodbank work on the Whakatāne River and improvements to the Waioeka River, supporting the Ōpōtiki and Whakatāne Provincial Growth Fund projects. It is anticipated these projects will employ over 80 FTEs at a cost of \$17.5M.
 - Modernising the Bay of Plenty's agricultural drainage network with key employment opportunities for earthwork machine operators, planting teams and fencing labourers and a project cost of \$21M.

This paper seeks the endorsement of these projects. Further details are contained in Appendix C.

Endorsement is also sought to install the major Rangiuru Business Park Public Infrastructure (interchange, local roads, water supply, wastewater, stormwater, recreational) at a cost of \$128M employing potentially 1,500 people. Further details are contained in confidential Appendix D.

2. Potential '**Regional Green Work**' projects deliver employment and substantial environmental co-benefits. There are limited Regional Council funds currently allocated to fund some of these projects. These include wetland development, predator control, regional parks and track creation. Further details are contained in Appendix E.
3. A number of **Regional Transport Projects** are proposed via variations to the Regional Land Transport Plan. These projects will be considered by the Regional Transport Committee on 8 May.
4. A range of potential **Public Transport Projects**, are at the conceptual/development stage. These include: park and ride facilities, transport hubs, and rail opportunities. These projects would help advance a multi-modal future for transport. These projects will be considered at the Public Transport Committee later this year.
5. A number of projects put forward to central government by Smart Growth for the Western Bay sub region focused on **critical infrastructure for growth corridors**. These projects were forwarded to the Ministry of

Housing and Urban Development on 3 April.

6. We have a key focus on supporting **Māori Economic Development**. We are building connections with Iwi-Māori business owner/operators, Māori and non-Māori Economic Development Agencies, and drawing on our relationships with Iwi to identify opportunities. Some projects we could support for example are: Māori lead Kaitiaki work (eg: pest control), monitoring and compliance, river maintenance, Papakāinga development, land restoration, supporting Iwi RMA capacity and IT infrastructure initiatives (internet capability).
7. Projects and initiatives put forward from **Social Sector** providers.

Next step is to develop a framework to analyse and assess the benefits of these projects and to work with Central Government seeking opportunities for investment.

To further support this 'drive' phase of work we are proposing to develop a Regional Recovery Plan working closely with key partners and stakeholders. In order to focus on recovery reset we need to be able to analyse the current and future impact of COVID-19. Working with key partners, real time data information, monitoring, collation, analysis and interpretation is an important step to this phase. In looking at how we monitor the economic and environmental impact of COVID-19, we have built a GIS spatial tool to support Emergency Operation Coordination centres and Group Emergency Coordination Centre which contains important information spatial and social infrastructure data. In addition Regional Council has commissioned BERL to review economic risks faced by the region and districts and to develop scenarios to illustrate the likely depth and duration of the impact of COVID-19. Once the impact is properly understood then a regional recovery plan can be tailored to address these issues. Staff proposed to report back to Council in September to inform the Long Term Plan reset.

4.1 Thrive – Rebuilding a Thriving Region (One year plus)

The wider Bay of Plenty region already has a number of existing competitive advantages – that remain clear opportunities for fast-tracking the region's economy in a post COVID-19 recovery. These include access to renewable energy (sun, water, geothermal), strong primary sectors, a market-ready domestic tourism offering and a growing Māori Economy.

For the region to thrive, a key market focus will be to build on the abundance of flat fertile land as a **food basket** – strong primary and horticultural sectors. The other key advantage of this region is **domestic tourism**, given people may not want to travel far due to the lasting impact of COVID-19 -nor will they be able to for financial and border control reasons.

With Tourism and Hospitality brought to a halt, these industries are currently in survival mode. We will work with our key partners to assist industries from a Regional level, to look at marketing opportunities to support and entice domestic travel and recreation as opposed to international travel.

Finally, the region is well-positioned to ensure its economic recovery can be achieved alongside a transition to a low carbon economy. This builds on Regional Council's Climate Change Declaration in 2019, and is consistent with recent MfE direction. The region has access to water, sun and geothermal to support traditional industries adapt

and innovate in a low carbon environment, while the region is also home to some of the world's leading researchers and expertise in this area. COVID-19 provides an opportunity to learn a number of lessons about the way we can operate which will be taken forward and we will be reviewing the Climate Change Commissioners 6 principles to guide recovery and looking at how to best apply them to this work.

For Regional Council this phase will be characterised by implementation of the recovery plan.

We will utilise the Bay of Connections – the regional development group - to support this work, connect the region and help achieve enhanced outcomes for all.

Guided by an independent Leadership Group consisting of Maori and business leaders from across the rohe, the Bay of Connections is well placed to support this regional effort. It has existing networks across the region with EDAs, Councils, industry groups, Maori organisations and more, as well as critical networks in central Government agencies – both those representatives located in the Bay of Plenty, and those in Wellington.

5 Implications for Māori

The impact of COVID-19 has seen Iwi-Māori demonstrating leadership and collaboration across the region and within respective rohe. Iwi Authorities and their commercial arms are combining support for their members, alongside Māori Health Providers. The integration of Tikanga Māori is central to preserving cultural imperatives, whilst protecting well-being. Māori have exercised tikanga Māori to advocate for increased support for their communities, such as providing care packages for kaumatua and those in need. Along with support from Governance agencies and local authorities, ongoing support will inevitably be funded from Iwi Authorities and Māori Entities.

There is also the challenge of business as usual for Iwi entities. Council and staff recognise and are cognisant of not adding undue pressure through consultation and engagement processes, particularly at a time when the limited resources of Iwi-Maori are further drawn on by COVID-19 response and recovery.

Larger Māori Land Trusts and business entities will be expediting damage control recovery strategies and actions to cushion the impact on cash flows and shareholder confidence. Small to medium Māori businesses/operators will be the hardest hit. As unemployment escalates, so too will social and welfare issues. Our responsibilities to foster and build Iwi capacity will be needed now more than ever.

Māori have a substantial asset base, significant under-utilised land, wide-ranging business interests and an increasing share of the workforce through its high youth population. Their leadership role in rebuilding the health and wellbeing of Māori communities is crucial. Our relationships with key Māori leaders will enable economic stimulus opportunities to be collectively pursued.

6 Council's Accountability Framework

6.1 Community Outcomes

Economic Recovery directly contributes to A Vibrant Region community outcome in the Council's Long Term Plan 2018-2028.

Current Budget Implications

Where there are current year budget implications from delivering Regional Economic Recovery staff will provide specific reports through to Council.

Future Budget Implications

There are no future budget implications at this stage, however as this work progresses we will need to revisit the potential impact.

Namouta Poutasi
General Manager, Strategy & Science

15 April 2020

APPENDIX 1

A. Economic Recovery Plan April 2020 - BOPRC - COVID 19 - Economic Impact March 2020

COVID – 19: Economic Impact

This paper is premised on the basis that people to people contact, particularly international will be severely curtailed for the next 12-18 months. The working assumption is that borders will remain open to sea freight. The restricted access to New Zealand is likely to persist for many months after any improvement in the health situation, due to caution and the complexity of re-opening without re-exposing New Zealand. Human nature will also make New Zealanders very sensitive to greater risk exposure and delay re-engagement.

The nationwide shutdown will severely curtail economic activity and cause a serious decline in business activity, generally. Firms will focus on survival and despite government support, there are likely to be a significant number of business failures. The concept of “non-essential” work is hard to define and will be increasingly stretched as the economy suffers stress. This paper focuses beyond that immediate downturn.

Medium Term Economic Impact

New Zealand’s primary exports are largely food – such as dairy and meat. These are largely recession proof, given the need to eat. China is the major market for these goods and appears to be stabilising. The rapid decline in the New Zealand dollar will also improve farmgate returns. This will cushion the shock on the wider economy of downturn. This will be particularly important for the BoP region where 7.2% of GDP is derived from agriculture compared to 4.2% for the national average. Economic theory would also suggest it will be some months before this effect will kick into gear. The impacts will be felt very unevenly across regions and sectors of the economy.

The major shock to the economy is the restriction in people movement, which will present the most serious shift in demand patterns. The government is attempting to offset this loss in demand, with boosts to benefits and tax credits. For this stimulus to work, the consumers need to spend this money. This may not be the case as the major drop in consumer confidence will reduce daily spend. In a recessionary environment, households look to increase savings to protect against further shocks.

A key impact will be the disruption to air freight movement. Only very high value exports are sent this way and air cargo operations took advantage of the regular passenger trade - with the end of that movement - that volume will largely cease. Airfreight rates are typically 10 – 20 times the cost of sea cargo but are only about 30 per cent of the effective rate per kg for passenger services. These high value products are time sensitive and represent about 17 per cent of the total value of foreign trade. This will impact on high value seafood.

On the import side of trade, New Zealand is reliant on imported parts and machinery for its economy to operate. The disruption to air freight could impact on the reliability and serviceability of key networks. This is particularly relevant if there is widespread illness in the population, restricting the capacity of service technicians.

Sectoral Analysis

The impacts of the downturn will be most pronounced on industries that rely on person to person contact – retail, hospitality and tourism activities.

The decline in retail expenditure will be pronounced as the public avoids contacts in malls and general interaction. This decline will not apply evenly, as household expenditure in supermarkets may increase and fuel and motor vehicles will decline but not as severely due

to the essential nature of this spend. Discretionary household expenditure will decline severely. For consumer goods this will be exacerbated by the steep decline of the New Zealand dollar against the US dollar. This will impact on imported clothing and consumer durables such as furniture and whiteware. Households often delay the replacement or upgrade of such products in a recession.

Retail sales in the BoP turned \$6 billion in 2019. Retailers were already operating in a highly competitive environment and the average margin for retail businesses was 3.7% in 2017. Many will close their doors permanently in coming months. The trend toward online purchase will be increased by the change in operating conditions.

Retail is a large employer, accounting for almost 10% of New Zealand's workforce. The sector is dominated by small to medium sized enterprises. 89% currently employ fewer than 10 people. However, the largest retail businesses employ almost half of the retail work force.

The café and restaurant sector are significantly impacted. The number of hospitality businesses nationwide exceeds 17,000 and employs almost 130,000 people. The implementation of social distancing and end of international tourism trade will cause a major shift in the industry. There will be moves away from in-house dining, but this may be partially offset by food delivery. Impacts on the workforce are unclear as there has been a tendency to using backpackers and a young casual workforce. They are the most capable of relocating and adapting. Most at risk are small business owners.

Tourism will face a severe downturn, and this will have major follow on impacts to other sectors in tourism-reliant regions. Tourism is considered New Zealand's biggest export industry, contributing 21% of foreign exchange earnings. For the year ended March 2019, total tourism expenditure was \$40.9 billion, of which international tourism expenditure was to \$17.2 billion, and contributed 20.4% New Zealand's total exports of goods and services.

International visitors take between 30 – 40% of guest nights in BoP accommodation. The accuracy of this data is diluted by the growth of AirBnB. International visitors spend on average of \$200 dollars a day. This average has declined as backpackers have taken a bigger share. Chinese tourist had been spending in excess of \$400 per day.

MBIE regional estimates in the year ended January 2020 for the Tourism BoP were that the annual regional tourism spend was \$1.121 billion, of which \$250m had come from international tourists. This was a higher proportionate domestic spend than many regions. However, in the Destination Rotorua area total spend was \$500 million of which 70% was from international tourists.

Over 230,000 people were directly employed in tourism nationwide, while many came from overseas, this represents a very large workforce which earned large low wages. It was a strong source of secondary, part time or temporary employment.

Other Challenged Sectors

There has been a steep decline in demand for forestry and prices. This is leading to severe worker dislocation and associated industries such as haulage will suffer. It is unclear if this will persist given the potential recovery of the Chinese economy and the lower New Zealand dollar.

Horticulture will see a small decline in demand, but its biggest challenge will be supply through the loss of the season harvesting workforce. About 30,000 workers were needed for harvesting and pruning work, with about a third of those workers from the Recognised

Seasonal Employer Scheme (RSE), which allowed up to 12,850 overseas seasonal workers to work in New Zealand during the 2018/19 season.

Health and Aged Care is a major employer of New Zealanders. The pandemic will create great stress on the workforce.

Secondary Impacts

The impact will be most keenly felt by people to people business, but there will be other impacts as the economy contracts. Businesses that provide services to other business and the associated workforce. This will be particularly pronounced in centres which have a large reliance on the tourism sector such as Rotorua.

There will also be a major decline in business investment as firms defer decisions, rather than take risks in a time of severe uncertainty. This will have major consequences for the economy. This lack of investment will impact in many areas such as new cars sales and purchase of machinery and plant.

This will also impact on discretionary business expenditure, where cost control will have severe impact on marketing, travel and new equipment purchases. These B2B business will be hit hard. This will further impact on the services sector. Winners will be business that can assist e-commerce development and out of office IT productivity. Distribution and fulfilment of online purchasing will grow as the services sector of the economy goes increasingly online.

Certainty and timely supply will be impacted as freight transport become less reliable. “Just in Time” stock management will be less popular and there will be a need to build up stocks of key parts.

The restrictions in people movement will impact on workforce management. There will also be increased sick leave requirements this winter, as there will be a greater emphasis on preventative action. This might not mean COVID-19 cases but any health issue in general.

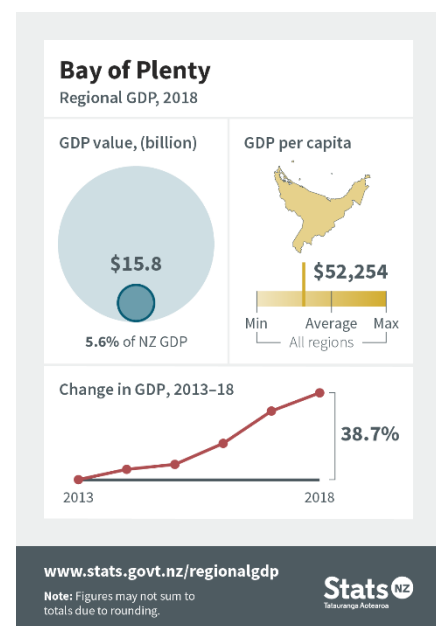
The downturn will likely cause delays in advancement of new builds in the private sector, particularly for office accommodation. Longer term, business will become more capable of working from dispersed locations, making office space less of a priority. Distribution centres will be an exception. Construction is likely to decline from existing high levels.

The transport patterns will change. Commuters will be less inclined to use public transport; this may be offset by a greater use of working from home and flexible working hours.

Regional Impact

Regional GDP has been growing rapidly but is likely to contract. Currently the regional unemployment rate is 4.1% inline with the national statistics. This is likely to rise dramatically.

23 March 2020



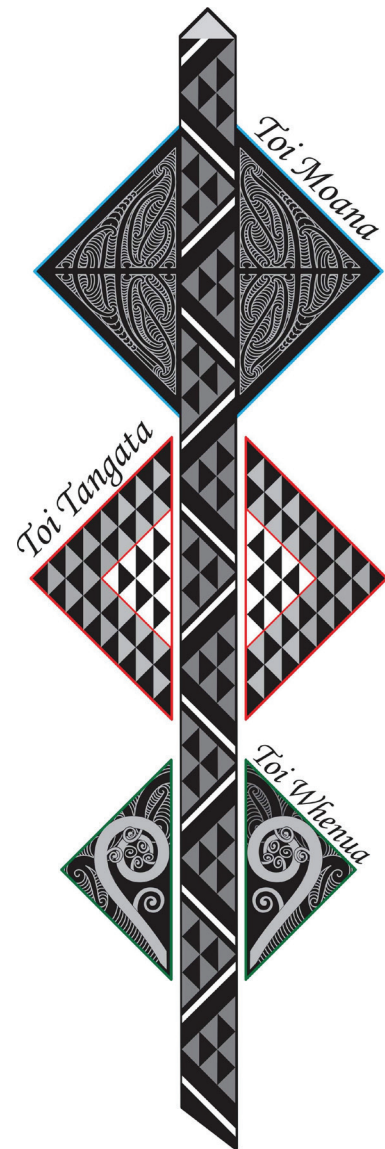
APPENDIX 2

B. Economic Recovery Plan April 2020 5195 Economic Recovery Plan April 2020 (002)

Economic Recovery Plan *April 2020*



Outcome = A vibrant connected region that has recovered quickly and well.



Survive

Help businesses & communities

Drive

Economic Stimulus
Increased Employment

Thrive

Rebuild a
Vibrant Region

Focus areas for now

- Developing a regional plan to working with partners and key stakeholders to develop a regional economic recovery plan
- Regional Recovery Planning
- Coordinate development of economic stimulus project proposals:
 - Crown Infrastructure Partners - large 'shovel-ready' infrastructure
 - Regional joint projects, e.g.:
 - a) Pest Control
 - b) Conservation - Arboretums
 - c) Delivering Biodiversity - planting

Opportunities

Employment

- Flood management
- Pest control
- Wetland dvpt
- Wilding pine control
- Regional Parkstracks
- Stimulus package support - RLTP

Data & Information

- Sharing information
- Collation and analysis of data focus on economic and environmental

Domestic Markets

- Food basket focus - production pipeline
- Eventually domestic tourism

Māori Economic Development

- Working and supporting Iwi, Māori business entities and economic development agencies to identify opportunities for the Māori Economy

Key stakeholder & Community

- Working with key stakeholders to identify areas for support

Low Carbon Economy

- Investigate learnings opportunities
- Develop a plan to transition to low carbon economy

Principles

- Partnerships are fundamental to success
- Decisive leadership
- Future focused
- Clear communications
- This is the new normal - the world has changed
- Good decisions take time and last longer

We work with:

**TRUST
MANAAKITANGA**

**INTEGRITY
KOTAHITANGA**

**COURAGE
WHANAUNGATANGA**

APPENDIX 3

C. Economic Recovery Plan April 2020 CIP

‘Shovel ready’ Infrastructure Projects: Project Information Form

About this Project Information Form

The Government is seeking to identify ‘shovel ready’ infrastructure projects from the Public and certain Private Infrastructure sector participants that have been impacted by COVID 19.

Ministers have advised that they wish to understand the availability, benefits, geographical spread and scale of ‘shovel ready’ projects in New Zealand. These projects will be considered in the context of any potential Government response to support the construction industry, and to provide certainty on a pipeline of projects to be commenced or re-commenced, once the COVID 19 Response Level is suitable for construction to proceed.

The Infrastructure Industry Reference Group, chaired by Mark Binns, is leading this work at the request of Ministers, and is supported by Crown Infrastructure Partners Limited (CIP).

CIP is now seeking information using this Project Information Form from relevant industry participants for projects/programmes¹ that may be suitable for potential Government support. The types of projects we have been asked to consider is outlined in Mark Binns’ letter dated 25 March 2020.

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Please submit one form for each project that you consider meets the criteria set out in the Guidelines. If you have previously provided this information in another format and/or as part of a previous process feel free to submit it in that format and provide cross-references in this form.

Please provide this information by 5 pm on Tuesday 14 April 2020.

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¹ We refer to “projects” throughout. This term includes programmes of work in all cases.

Section 1: Key Information [Criteria 2 and 3]

1. Project Title: Modernising Bay of Plenty’s regional farm drainage infrastructure

2. Please provide your details:

Organisation Name:	Bay of Plenty Regional Council		
Entity Type:	Local Government		
Contact Name and Role:	Chris Ingle, General Manager, Integrated Catchments		
Email Address:	Chris.Ingle@boprc.govt.nz	Telephone:	027 200 6509

3. Please provide a very brief description of the infrastructure project:

[Briefly outline the project and confirm that it is an infrastructure project that provides a clear public benefit. You can include links to / sources of other project information]

Background

The [Bay of Plenty Regional Council](#) is responsible for the management of a network of over [500 km of farm drains](#) and canals for the purposes of providing land drainage and flood protection to an area of 8,000 km². Established in the 1970’s under government initiatives, the ongoing maintenance of this drainage infrastructure is costly but integral for the operation of some of the region’s most productive lowland dairy farming enterprises, and thus contributes significantly to the overall regional economy. Land use intensification within drainage districts has however come at the detriment of water quality, especially where sensitive and culturally significant receiving environments such as estuaries are involved. Implementation of the NPS-FM and Essential Freshwater Package to date in the region has confirmed that our freshwater resources are under heavy pressure as a result of land use activity through mostly diffuse sources. There is now a concerted national effort underway to address the water quality and ecological impacts associated with our most highly productive agricultural land which depends on effectively managed Council drainage schemes.

Proposal

We propose a significant but essential step-change shift in the current environmental performance of the Bay of Plenty’s scheme drain network and associated lowland dairy farms, delivered through a major upgrade and modernizing of all drains and canals to meet the dairy industry’s best management practice guideline standard for drains (see Figure 1). Key features would include full livestock exclusion from drains with permanent fencing, adequate fence set-backs, appropriate vegetation, and suitably excavated drain profiles. This package of work would provide upgraded infrastructure, employment opportunities, significant environmental and water quality benefits, and complement the Council’s wider delivery of the NPS-FM that is already underway with the community, but would not otherwise be possible without substantial co-funding support. Implementation of this work in stages or at a scaled approach would be plausible depending on availability of resources, but it is expected that commencement of works could be possible within the next 6 months. The project aligns with the [Flood Protection and Drainage Bylaw review](#) currently underway, and other Council guidelines and programmes such as the ‘Environmental Code of Practice for River and Drainage Maintenance Activities’ and the Integrated Catchment Management ‘Focus Catchments’ work. A cost-share arrangement with the Crown Infrastructure Fund could see a Council contribution towards works of up to 1/3 of the total costs (subject to Council approval).

In accordance with DairyNZ and others’ recommendations, our proposal would see that all drains be fenced with at least 3 wire electric fencing to ensure cattle of all ages are excluded, and 9-wire fencing for the rare occasions where sheep or goats are grazed. Fence set-backs from the top of drain banks should be a minimum of 1.5 meters to allow for a vegetated grass filter strip on one side (from which the drain can be maintained with machinery), and with a wider 3+ meter native planted strip on the other side to provide drain shading, which cools water and minimises weed growth (reducing maintenance requirements). Drain banks should be battered to a 1:1 or 45° slope creating a ‘V’ profile, which concentrates low flows during summer and minimises weed growth, as well as

maximising capacity in floods. This profile also helps to reduce bank slumping, and provides a gentle sloped buffer which grass can establish on, with more opportunities to strip sediments. For example, grass buffers have been shown to remove up to 90% of suspended sediments and up to 80% of phosphorus, as well as faecal bacteria associated with agricultural run-off. All works would be conducted with consideration to the operative Bay of Plenty Council Natural Resources Plan, which has been prepared under the Resource Management Act 1991. Implementation of these relatively simple works at the large scale of an entire drainage scheme would likely have significant benefits on water quality and in-drain ecology, as well as maximising the hydrological performance of the systems.

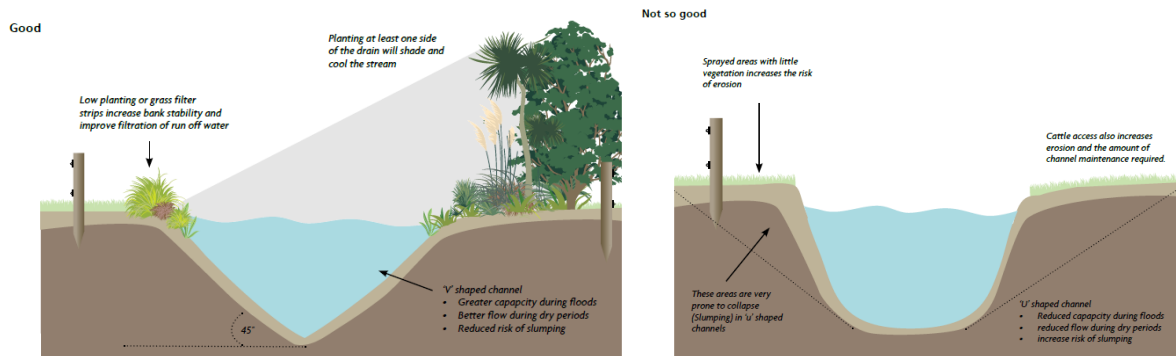
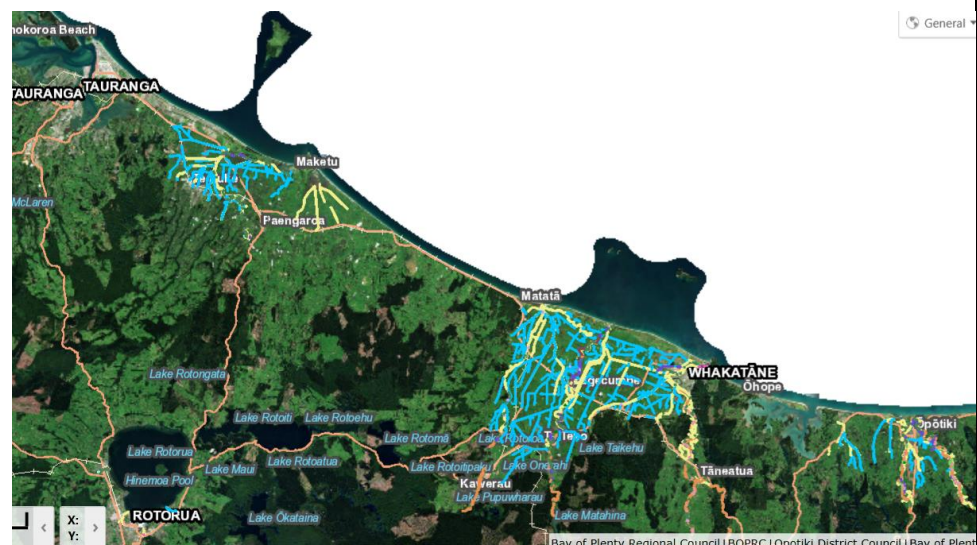


Figure 1: As recommended by DairyNZ, key features of the proposed industry ‘best-practice’ upgrade of Council scheme drains (left), and common ‘current state’ of most scheme drains (right).

Council managed drainage schemes operating across the Bay of Plenty (Figure 1) include the lower-Kaituna Catchment with 99 km of drains ultimately feeding the Maketū Estuary, the Waihi Estuary (120 km of drains), Rangitāiki (369 km) and Waioeka-Otara (26 km). The Waihi Scheme is managed by the Waihi Drainage Society under-written by Western Bay of Plenty District Council with the remainder of the schemes operated by the Bay of Plenty Regional Council. Increasing operating costs to maintain these historic drainage schemes at agreed levels-of-service, coupled with intensive farm systems, often means that hydrological efficiency of drains and ensuring maximum land area is available for pasture production are key points of focus for management, but it is clearly evident that this is not environmentally sustainable in the long term, and significant water quality gains could be achieved through greater investment into the drainage schemes. Such an upgrade of entire drain networks to the best-practice standard would likely be the first of this scale in New Zealand, but is a key step required alongside other mitigation and policy initiatives if we are ever to strike a balance between sustaining our most productive lowland dairy farms and meeting increasing community expectations for water quality.

Figure 1: Location of the major river and drainage schemes operated in the Bay of Plenty, including Kaituna, Waihi, Rangiatiki and Waioeka-Otara (blue and yellow lines, noting that more detailed maps are available).



4. This project will be located in which Territorial Authority: Western Bay of Plenty, Whakatāne and Ōpōtiki

5. Please confirm the project sector, category and type of infrastructure:

Project Sector	<input checked="" type="checkbox"/>
Accommodation	<input type="checkbox"/>
Agriculture, Horticulture and Forestry	<input checked="" type="checkbox"/>
Alcohol Availability	<input type="checkbox"/>
Bioscience and Biotechnology	<input type="checkbox"/>
Construction	<input type="checkbox"/>
Energy	<input type="checkbox"/>
Film and Television	<input type="checkbox"/>
Imports and Exports	<input type="checkbox"/>
Information communications and technology	<input type="checkbox"/>
Manufacturing and Production	<input type="checkbox"/>
Retail Trade	<input type="checkbox"/>
Tourism	<input type="checkbox"/>
Wholesale Trade	<input type="checkbox"/>
Central Government	<input type="checkbox"/>
Local Government	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>

Project Categories	<input checked="" type="checkbox"/>
Three waters	<input type="checkbox"/>
Transport	<input type="checkbox"/>
Buildings and Structures	<input type="checkbox"/>
Other infrastructure	<input checked="" type="checkbox"/>

Project Type	<input checked="" type="checkbox"/>
Critical infrastructure	<input type="checkbox"/>
New infrastructure	<input type="checkbox"/>
Replacement/refurbished infrastructure	<input checked="" type="checkbox"/>
Repurposed infrastructure	<input type="checkbox"/>

6. What is the total cost of the project (NZ\$M): \$20.9 million

7. Provide a high-level breakdown of this spend (e.g. construction costs, professional fees, land, other etc.):

The following provides a high-level estimate of the main costs associated to upgrade each major drainage scheme in the Bay of Plenty to the industry best practice standard, including new fencing with greater fence set-backs, planting, and re-battering banks to a 1:1 profile. Costs are estimated from examples of recent works completed locally. A project management component has also been estimated and would be expected to cover all associated management/staffing, including landowner consultation, consenting, procurement, contract management, H&S, incidentals etc. as well as a portion of the ongoing maintenance of works. An example cost share arrangement between project partners proposes that 50% of project costs would come from the Crown Infrastructure Fund, with the remainder from Council, landowners and industry (subject to confirmation).

Modernising Bay of Plenty's regional farm drainage infrastructure to best practice standard			
Drainage Scheme & Upgrade Action	Total Length of Drains in Scheme (km)	Unit Cost/km	Total Cost
Kaituna Catchment Control Scheme	99		
Re-batter drains with 1:1 @ \$2,000/km		\$ 2,000	\$ 198,000
Fence both sides 3 w/e @ \$9,000/km		\$ 9,000	\$ 891,000
Native planting one side only 3,000 stems/km (3 rows 1x1m spacing) @ \$16,500/km		\$ 16,500	\$ 1,633,500
Project management cost (25% of overall works cost)			\$ 680,625
Total Cost for Scheme	99 km		\$ 3,403,125
Waihi Estuary Drainage Scheme* (Western Bay of Plenty District Council)	120		
Re-batter drains with 1:1 @ \$2,000/km		\$ 2,000	\$ 240,000
Fence both sides 3 w/e @ \$9,000/km		\$ 9,000	\$ 1,080,000
Native planting one side only 3,000 stems/km (3 rows 1x1m spacing) @ \$16,500/km		\$ 16,500	\$ 1,980,000
Project management cost (25% of overall works cost)			\$ 825,000
Total Cost for Scheme	120 km		\$ 4,125,000
Rangaitaiki Drainage Scheme	369		
Re-batter drains with 1:1 @ \$2,000/km		\$ 2,000	\$ 738,000
Fence both sides 3 w/e @ \$9,000/km		\$ 9,000	\$ 3,321,000
Native planting one side only 3,000 stems/km (3 rows 1x1m spacing) @ \$16,500/km		\$ 16,500	\$ 6,088,500
Project management cost (25% of overall works cost)			\$ 2,536,875
Total Cost for Scheme	369 km		\$ 12,684,375
Waioeka-Otara Rivers Scheme	26		
Re-batter drains with 1:1 @ \$2,000/km		\$ 2,000	\$ 52,000
Fence both sides 3 w/e @ \$9,000/km		\$ 9,000	\$ 234,000
Native planting one side only 3,000 stems/km (3 rows 1x1m spacing) @ \$16,500/km		\$ 16,500	\$ 429,000
Project management cost (25% of overall works cost)			\$ 178,750
Total Cost for Scheme	26 km		\$ 715,000
Total Cost to Upgrade all Bay of Plenty Regional Council Managed Drainage Schemes	494 km		\$ 16,802,500
Total Cost to Upgrade Waihi Estuary Drainage Scheme (*managed by Waihi Drainage Society under Western Bay of Plenty District Council)	120 km		\$ 4,125,000
Grand Total for all Bay of Plenty Schemes	614 km		\$ 20,927,500
Potential Cost-Share			
Bay of Plenty Regional Council contribution (subject to Council approval)		30%	\$ 6,278,250
Landowner and industry contribution		20%	\$ 4,185,500
Crown Infrastructure Partnership Fund contribution		50%	\$ 10,463,750
		100%	\$ 20,927,500

<https://objective.envbop.net/id:A3518182/document/versions/latest>

8. Briefly outline the value the project will deliver in terms of employment contribution.

[Briefly describe the employment contribution the project will make (whether directly or within the supply chain). Further information can be provided in section 3]

This project will make direct employment contributions across the region through the management and delivery of the physical works required to modernize the drain network to best-practice standard, including involvement of earthworks operators, fencing contractors, nurseries, planting labours, and these industry's associated supply chains (e.g. posts and fencing materials).

As an estimation for employment, the scale of works required could include:

- >9,000 hrs of earthworks machine operator time to re-batter drains (assuming 15 hrs/km of drain)
- >6,000 hrs fencing labour or 1,228 km of new fencing (assuming 10 hrs/km drain).
- 122,800 posts for fencing
- 1,842,000 nursery grown native plants
- >9,000 hrs native planting labour (assuming 200 plants/hr)

- + Project management time

9. Briefly describe how the project is currently/ intended to be funded:

The Bay of Plenty Councils rivers and drainage schemes are managed under the Soil Conservation and Rivers Control Act 1941 in line with the “Rivers and Drainage Asset Management Plan 2018-2068” and associated “Environmental Code of Practice for Rivers and Drainage Maintenance Activities 2018”. Targeted rates contribute to 80 – 100% of scheme costs.

This proposal to upgrade the drainage network to best practice standard would be considered well ‘above and beyond’ the current drainage maintenance level of service provided, and is currently limited by the scale and cost of works that would be required to achieve the significant environmental performance improvement and community benefit that this fund could deliver.

A cost-share partnership with the Crown Infrastructure Fund could consider up to 1/3 of the total costs being contributed to by Council (subject to approval by Council). It is expected that landowners (and industry) would also make contributions through a combination of land retired from production, in-kind labour, and cash co-funding.

In terms of jobs created per dollar invested, this project will yield a high return compared to other infrastructure projects.

10. Has this project previously applied for funding with any part of Government? Yes: No:

- If Yes, please describe which part of government (i.e. PGF, NZTA FAR etc.), the outcome of the discussions and who such discussions were with (what Ministry and official).

Section 2: Construction Readiness [Criteria 1]

11. Please briefly explain the status of the project including confirmation that the project will fall into one of the three categories of readiness (see 12 below).

[Briefly describe project status]

This proposal has been developed in response to the Infrastructure Partnership Fund project request, as works are above and beyond the current level of service provided by Council. The project is likely to be ‘Status B’, with planning, landowner consultation, procurement and physical works able to start within the next 6 months if funding was approved.

12. Confirm which of the following categories the project best falls into.

Status	✓	Further commentary (briefly set out barriers to commencement)
---------------	---	--

<p>A. Projects which currently are (or were) in the construction phase but have been put on hold due to COVID 19 and are likely not to progress, or to progress at a much slower rate or scale/scope, if not supported post COVID 19</p>	<input type="checkbox"/>	<p><i>[Insert your relevant commentary here]</i></p>
<p>B. Projects which have a high expectation of commencing the construction phase within the next six months (by 31 October 2020), but are unlikely to do so due to COVID 19</p>	<input checked="" type="checkbox"/>	<p><i>Barriers to commencement include Council approval of co-funds to implement works and landowner/industry buy-in to works occurring.</i></p>
<p>C. Projects which could have been expected to commence the construction phase within the next 12 months (by 30 May 2021), but are unlikely to do so due to COVID 19</p>	<input type="checkbox"/>	<p><i>[Insert your relevant commentary here]</i></p>

13. Confirm the status of key milestones

Status		✓	Expected Date
Procurement	<i>Suitable tender complete</i>	<input type="checkbox"/>	
	<i>Tender evaluation in progress</i>	<input type="checkbox"/>	
	<i>Request for Tender in the Market</i>	<input type="checkbox"/>	
	<i>Ability to both scale-up in-house works delivery capacity and contract out works</i>	<input checked="" type="checkbox"/>	4-8 weeks after confirmation of funding
Detailed Design	<i>Detailed Design Complete (noting local variations to be negotiated with landowners)</i>	<input checked="" type="checkbox"/>	Design as per industry standard
	<i>Detailed Design Underway</i>	<input type="checkbox"/>	
	<i>Detailed Design to commence</i>	<input type="checkbox"/>	
Designations/Consents	<i>Approved (in most cases these works can be completed as a permitted activity under both Regional and District Plans)</i>	<input checked="" type="checkbox"/>	
	<i>Lodged</i>	<input type="checkbox"/>	
	<i>In preparation</i>	<input type="checkbox"/>	
Land Acquired	<i>Yes (not applicable, as land acquisition is not required)</i>	<input checked="" type="checkbox"/>	
	<i>Being negotiated under PWA (please indicate stage below)</i>	<input type="checkbox"/>	
	<i>Has not commenced</i>	<input type="checkbox"/>	
Business Case or Investment Case	<i>Approved</i>	<input type="checkbox"/>	
	<i>Draft</i>	<input checked="" type="checkbox"/>	TBC
	<i>Underway</i>	<input type="checkbox"/>	
	<i>None</i>	<input type="checkbox"/>	

14. Briefly outline any other comments on the key project timetable or key milestones

[Please briefly cover:

- *Key barriers / risks to the project being 'shovel ready'*
- *Expected timeframes and processes for acquiring necessary resource consents*
- *Any other additional information as required above*
- *Expected construction completion date.]*

Works could be progressed within 6-12 months if funding was confirmed. A detailed proposal for implementation could be completed within 3 months. Consents may be required.

Key barriers/risks to the project include:

- Ensuring that proposed works don't compromise the effective operation of the drainage scheme
- Seeking Council endorsement of this proposal and the co-funding contributions required
- Landowner willingness/buy-in and their co-funding contributions for works to occur on private property
- Local availability of contactors and materials to deliver the scale of works

Given these conditions, it is expected that physical works could commence within 4 weeks of confirmed funding at the easiest sites. There is likely to be an 18-30 month pipeline of work created by this project.

If implemented, this project would likely act as a catalyst for landowners to similarly upgrade their private drainage infrastructure feeding into the Councils' scheme drains, in which case the scale of works would be significantly higher.

Section 3: Overall Benefits and Risks [Criteria 4]

Please advise at a high level whether a project brings real value (in an economic, social and/or environmental sense) to New Zealand as a whole or the region in which it is located in line with Treasury's Living Standards Framework² and Sustainable Development Goals³. Please take into account, where relevant, the draft 2021 Government Policy Statement on land transport, available at <https://www.transport.govt.nz/multi-modal/keystategiesandplans/gpsonlandtransportfunding/gps-2021/>, and the priorities that it establishes.

15. Briefly outline the social, environmental and economic benefits of the project to the local region and New Zealand and overall value for money.

[Include reference to any Business Case/Investment Case or an assessment that can demonstrate any contribution to the Government's wider goals with respect to social, environmental and economic objectives and value for money]

This project aligns the economic and social aspects of the Bay of Plenty's key primary industries (dairying, and to a lesser degree kiwifruit growing) with current national direction and community expectations around environment and water quality. Ensuring that lowland dairying within drainage schemes is economically and environmentally sustainable in the long term is key to our economy. Through delivery of this project, a significant contribution can be made towards the overall objectives of the Essential Freshwater Package, including stopping further degradation and loss of freshwater resources, while providing employment opportunities and bringing our drainage schemes into the required 21st century standard. This work is above and beyond current BAU for both Council and landowners, and is currently resource limited.

² <https://treasury.govt.nz/information-and-services/nz-economy/higher-living-standards/our-living-standards-framework>

³ <https://www.mfat.govt.nz/en/peace-rights-and-security/work-with-the-un-and-other-partners/new-zealand-and-the-sustainable-development-goals-sdgs/>

16. What is the expected contribution to local/ national employment?

[Provide estimated number of jobs. Cross refer to question 8 as required]

See question 8

17. What are the risks associated with the project? Each risk should be ranked as high, medium or low and include a short explanation as to why it was given that risk rating.

Risk	Low/ Med/ High	Further commentary on risk
A. The risk of the project not commencing within the advised timescale	Low	<i>Within 6 months, the Council could prepare and begin to implement a robust plan to modernise the drainage scheme network if the required support was available.</i>
B. The risk the project will not be completed on time, to cost or to specification	Low	<i>This project can easily be scaled as required to meet resourcing availability and time delivery is not critical. Given the nature of works proposed cost estimates are likely to remain current for the foreseeable future</i>
C. Risk the project will not realise the benefits outlined above	Low	<i>The delivery of this project objective to upgrade scheme drains to best practice standard will have significant water quality benefits and contribute to the ongoing sustainability of lowland dairying in the region.</i>

18. Are there any other key project risks or any other information which would be useful background or context at this stage?

[Outline any other key project risks not covered above.

Provide additional information which may be of use to us at this stage]

See key risks identified in Section 14.

This project to modernise our drains realises just one of many proven mitigation measures to address water quality in these areas, so when coupled with other mitigations, incentives, and policies in development, there is a real opportunity to contribute to national objectives.

Section 4: Impact of COVID-19

19. Please briefly comment on the likelihood and timing of the project recommencing once the COVID 19 Response Level is suitable for construction to proceed

[For example when the Government moves away from level 4 restrictions will you be able to immediately commence/ restart the project?

What are the key conditions or barriers to commencing/ restarting the project? Please include cross reference to Q21 response (below) if Government support is required for the commencement/restart]

The initial planning, consultation and procurement stages of this project could proceed as soon as resources and other support permits, with physical works possible for commencing within 6 months. Physical works would build over time as capacity and processes grew, likely leading to an 18-30 month pipeline of work to complete.

20. What is the best estimate of the impact (financial/social/environmental) COVID 19 has had on the project and on local industry associated with the project?

[Please provide the best estimate in \$ amount (or ranges) and unemployment numbers, and describe the nature of those impacts]

The new employment opportunities and related supply chain generated by this project could help locally with COVID 19 recovery, as the construction / earthworks, fencing, plant supply, labourer and weed control markets will have all taken a hit.

21. Has this project already, or is likely to benefit from already announced Government led financial support for businesses (e.g. wage subsidy scheme/business finance guarantee scheme) Yes: No:

- If Yes, please describe the scheme and extent of the support you have received/expect to receive.

22. Briefly outline the top 2-3 things that the Government can do to help progress this project. Please consider both financial and non- financial levers such as lowering regulatory barriers, adjusting Government procurement practices, fast-tracking resource consent processes.

[Top 2-3 actions (financial and non- financial) that Government can do to help progress or remove barriers to the project.]

The main action that government could take is to provide secure funding to allow for the project to proceed. Government policy under development (eg NES-FW) also supports the objectives of this proposal. This project could be scaled down to match funding, and still yield substantial employment, environmental and infrastructural benefits.

Please indicate clearly whether you consider any information you have provided in this form to be confidential. Confidential information will not be publically released, other than in anonymised form, except to the extent that any release is required by law.

‘Shovel ready’ Infrastructure Projects: Project Information Form

About this Project Information Form

The Government is seeking to identify ‘shovel ready’ infrastructure projects from the Public and certain Private Infrastructure sector participants that have been impacted by COVID 19.

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The Infrastructure Industry Reference Group, chaired by Mark Binns, is leading this work at the request of Ministers, and is supported by Crown Infrastructure Partners Limited (CIP).

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¹ We refer to “projects” throughout. This term includes programmes of work in all cases.

Section 1: Key Information [Criteria 2 and 3]

1. Project Title: Rangitāiki River Community Resilience and Flood Protection

2. Please provide your details:

Organisation Name:	Bay of Plenty Regional Council		
Entity Type:	Local Authority		
Contact Name and Role:	Chris Ingle, General Manager Integrated Catchments		
Email Address:	Chris.ingle@boprc.govt.nz	Telephone:	0800 884 881 x8362


3. Please provide a very brief description of the infrastructure project:

Note that this project has also been listed as one of the projects in the River Management for Flood Protection ‘Shovel Ready’ Projects Package submitted to CIP 13 April by the Regional and Unitary District Councils leadership.

The Rangitāiki Floodway project has been initiated as a multi-stage project to divert the peak flood flows in the Rangitāiki River from the area from upstream of Edgecumbe to the river mouth. It is part of the wider Rangitāiki River Scheme Sustainability Project which is a 100 year Sustainable River Management Strategy which achieves:

- A reduction in flood risk for Bay of Plenty region.
- Environmentally and economically sustainable land use practices.
- Adapting to climate change.
- Community stakeholders support and engagement.
- Affordability for ratepayers.

The Floodway project raises the Level of Service (or protection) to 1% AEP (one in one hundred year flood) incorporating the projected impacts of climate change. It does this through an integrated and future focused approach which uses the ‘making room for rivers’ concept. The specific stage of the project for which funding is sought is Stage 6. This includes increasing the capacity of the floodway and construction of a Lower Fixed Crest Spillway (incorporating radial control gates) which manages the flows entering the floodway from the Rangitāiki River above Edgecumbe.



The diagram illustrates the relationship between the Rangitāiki River and the Rangitāiki Floodway. It features a light blue background. At the top, a large blue arrow points to the right, labeled 'Rangitāiki River 620cumec capacity'. Below this, a smaller, greyish-blue arrow also points to the right, labeled 'Rangitāiki Floodway 190cumec capacity'. To the left of the floodway arrow, there is a small, rounded rectangular box labeled 'Spill way'.

This is an infrastructure project with very clear public benefit. It is part of a sustainable, whole-of-catchment approach that balances affordability and community acceptance and includes the ongoing implications of climate change. The predicted effects of climate change, more frequent and more intense extreme events, are already coming to bear in the Bay of Plenty. The region is particularly vulnerable to ex-tropical cyclones. In April 2017 ex-Cyclone Debbie struck an already saturated region, and the Rangitāiki River inflows to Lake Matahina were 20% above those of the 2004 flood (in line with predicted increase in intensity of events).



4. This project will be located in which Territorial Authority: Whakatāne District

5. Please confirm the project sector, category and type of infrastructure:

Project Sector	<input checked="" type="checkbox"/>
Accommodation	<input type="checkbox"/>
Agriculture, Horticulture and Forestry	<input type="checkbox"/>
Alcohol Availability	<input type="checkbox"/>
Bioscience and Biotechnology	<input type="checkbox"/>
Construction	<input checked="" type="checkbox"/>
Energy	<input type="checkbox"/>
Film and Television	<input type="checkbox"/>
Imports and Exports	<input type="checkbox"/>
Information communications and technology	<input type="checkbox"/>
Manufacturing and Production	<input type="checkbox"/>
Retail Trade	<input type="checkbox"/>

Project Categories	<input checked="" type="checkbox"/>
Three waters	<input type="checkbox"/>
Transport	<input type="checkbox"/>
Buildings and Structures	<input type="checkbox"/>
Other infrastructure	<input checked="" type="checkbox"/>

Project Type	<input checked="" type="checkbox"/>
Critical infrastructure	<input checked="" type="checkbox"/>
New infrastructure	<input type="checkbox"/>
Replacement/refurbished infrastructure	<input type="checkbox"/>
Repurposed infrastructure	<input type="checkbox"/>

Tourism	<input type="checkbox"/>
Wholesale Trade	<input type="checkbox"/>
Central Government	<input type="checkbox"/>
Local Government	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>

6. What is the total cost of the project (NZ\$M):

\$38,948M total. \$13.7M in this application

7. Provide a high-level breakdown of this spend (e.g. construction costs, professional fees, land, other etc.):

The majority of the spend will be in actual construction cost per se to increase the capacity of the floodway and to construct the spillway.

By work type:
Works - \$11.4M
Geotechnical works - \$1.6M
Design and project management - \$0.7M

By stage:
Floodway capacity works – \$10.9M
Fixed Crest Spillway with radial gates - \$2.8M

8. Briefly outline the value the project will deliver in terms of employment contribution.

[Briefly describe the employment contribution the project will make (whether directly or within the supply chain). Further information can be provided in section 3]

The project will deliver direct employment as the successful contractors scale up to complete the project and supporting works are also completed – approximately 54 FTEs

The project will also provide associated employment (e.g. design and project management).

9. Briefly describe how the project is currently/ intended to be funded:

The project thus far has been funded via rates collected by the Bay of Plenty Regional Council: 20% general rates and 80% from targeted rates on the scheme.

Current Council budgeted funding is insufficient to complete Stage 6 and the spillway and Crown assistance is essential to complete the project.

10. Has this project previously applied for funding with any part of Government? Yes: No:

- If Yes, please describe which part of government (i.e. PGF, NZTA FAR etc.), the outcome of the discussions and who such discussions were with (what Ministry and official).

In 2018 New Zealand's 16 regional authorities jointly prepared a report titled 'Central Government Co-investment in River Management for Flood Protection.' It outlined the case for central government co-investment, alongside regional communities and directly-benefiting property owners, in river management and flood protection schemes.

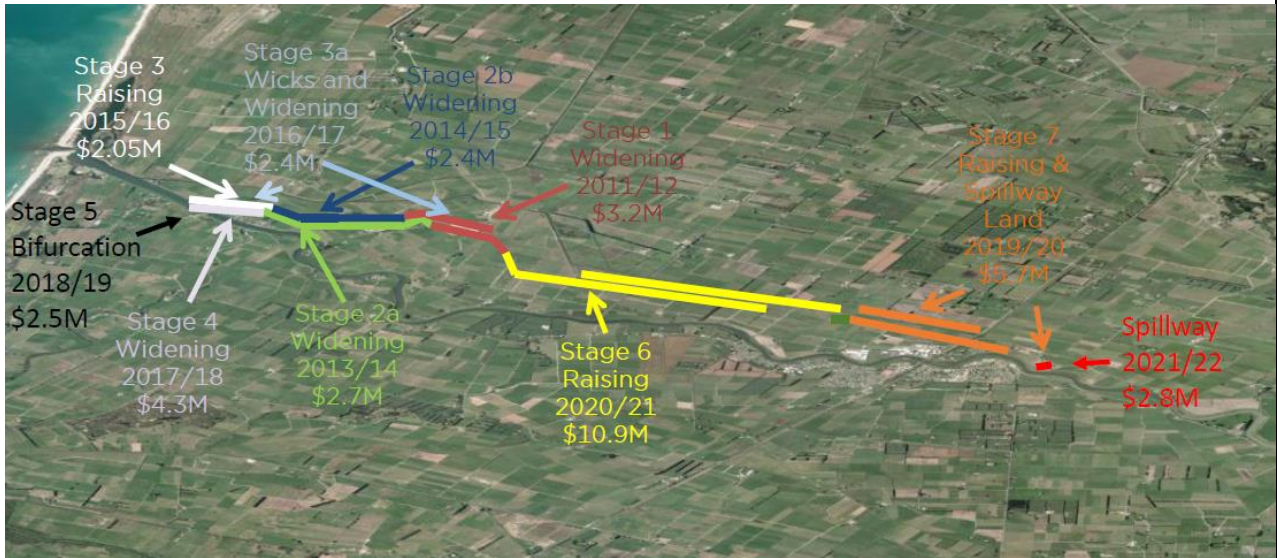
An application was submitted to the Provincial Growth Fund for this project, in the context of the case made for co-investment in flood protection. This application was unsuccessful.

Section 2: Construction Readiness [Criteria 1]

11. Please briefly explain the status of the project including confirmation that the project will fall into one of the three categories of readiness (see 12 below).

[Briefly describe project status]

Previous stages of the project have been completed over the last seven years under the existing resource consent for the works. The project is ready to be put out to tender in August and for construction to start in September/October once funding is secured. Note the red and yellow stages below are the subject of this application.



12. Confirm which of the following categories the project best falls into.

Status	✓	Further commentary (briefly set out barriers to commencement)
A. Projects which currently are (or were) in the construction phase but have been put on hold due to COVID 19 and are likely not to progress, or to progress at a much slower rate or scale/scope, if not supported post COVID 19	<input type="checkbox"/>	
B. Projects which have a high expectation of commencing the construction phase within the next six months (by 31 October 2020), but are unlikely to do so due to COVID 19	<input checked="" type="checkbox"/>	<i>The construction of the spillway and the stage 6 works to increase the capacity of the floodway are at risk due to the local targeted ratepayers (80% funded) and general ratepayers being overburdened with the cost of completing this public good works. This affordability barrier is greatly accentuated by COVID-19.</i>

C. Projects which could have been expected to commence the construction phase within the next 12 months (by 30 May 2021), but are unlikely to do so due to COVID 19	<input type="checkbox"/>	<i>[Insert your relevant commentary here]</i>
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13. Confirm the status of key milestones

Status		✓	Expected Date
Procurement	<i>Suitable tender complete</i>	<input type="checkbox"/>	
	<i>Tender evaluation in progress</i>	<input type="checkbox"/>	
	<i>Request for Tender in the Market</i>	<input type="checkbox"/>	
	<i>About to put out a Request for Tender to the market</i>	✓	August 2020
Detailed Design	<i>Detailed Design Complete</i>	<input type="checkbox"/>	
	<i>Detailed Design Underway</i>	✓	Underway
	<i>Detailed Design to commence</i>	<input type="checkbox"/>	
Designations/Consents	<i>Approved</i>	✓	Consent in place but requires variation for spillway design change
	<i>Lodged</i>	<input type="checkbox"/>	
	<i>Consent variation in preparation</i>	✓	Underway
Land Acquired	<i>Yes – Spillway land was purchased by Council in July 2019.</i>	✓	Land use agreements
	<i>Being negotiated under PWA (please indicate stage below)</i>	<input type="checkbox"/>	
	<i>Has not commenced</i>	<input type="checkbox"/>	
Business Case or Investment Case	<i>Approved</i>	<input type="checkbox"/>	
	<i>Draft</i>	✓	
	<i>Underway</i>	<input type="checkbox"/>	
	<i>None</i>	<input type="checkbox"/>	

14. Briefly outline any other comments on the key project timetable or key milestones

[Please briefly cover:

- *Key barriers / risks to the project being 'shovel ready'*
- *Expected timeframes and processes for acquiring necessary resource consents*
- *Any other additional information as required above*
- *Expected construction completion date.]*

A potential barrier to the project progressing (aside from securing funding) is landowner approval for the floodway capacity increase works, which are mostly on private land. This risk is being mitigated through relationships formed with these landowners. Previous stages 1-5 all had this same risk apply, and in all cases it has been worked through with landowners to their satisfaction and access arrangements agreed to.

The land for the spillway construction at 266 Hydro Road has already been purchased by the Regional Council to mitigate this risk, as this land is project-critical.

If funded, the floodway capacity works are expected to be completed in the 2020/2021 financial year and the Spillway construction in the 2021/2022 financial year.

Section 3: Overall Benefits and Risks [Criteria 4]

Please advise at a high level whether a project brings real value (in an economic, social and/or environmental sense) to New Zealand as a whole or the region in which it is located in line with Treasury’s Living Standards Framework² and Sustainable Development Goals³. Please take into account, where relevant, the draft 2021 Government Policy Statement on land transport, available at <https://www.transport.govt.nz/multi-modal/keystategiesandplans/gpsonlandtransportfunding/gps-2021/>, and the priorities that it establishes.

15. Briefly outline the social, environmental and economic benefits of the project to the local region and New Zealand and overall value for money.

[Include reference to any Business Case/Investment Case or an assessment that can demonstrate any contribution to the Government’s wider goals with respect to social, environmental and economic objectives and value for money]

The project will contribute to community and economic resilience in the Eastern Bay of Plenty. The damage that resulted from the 2017 Edgumbe flood event was in excess of \$45m, solely to repair damage to the region’s river schemes. The Insurance Council estimates wider costs at \$109M. In the long-term people respond to flood risk through: reduced investment in land based assets, business owners reducing investment in their businesses, and generally reduced investment in the community. Completion of the project will allow the management of flood risk and to provide certainty for community and economic development.

There are seven main industries in the catchment, which are based on the natural assets of land and water. Over half of the land in the catchment is in Māori ownership. Each of these industries is vulnerable to flood damage and increasing vulnerable given the projections of climate change. The highest and the fourth highest contributors to local GDP and employment (dairy processing and dairy farming) are located in the lower catchment floodplain, which this project would protect. (Source: Socio-economic baseline: Rangitāiki & Kaituna-Pongakawa-Waitahanui Water Management Areas. BOPRC. March 2018.)

The seven main industries in the catchment generated an estimated output of \$1.9 billion in 2012-13. Of this, \$489 million was direct value-added, which in turn generated an indirect impact to the wider regional economy of \$680 million and an induced impact of \$186 million. Dairy product manufacturing (i.e. Fonterra plant in Edgumbe) generated the most economic value, followed by electricity generation, forestry and logging, and dairy farming.

Several Bay of Plenty Iwi identify with the river including Ngāti Manawa, Ngāti Whare, Ngāti Tuwharetoa, and Ngāti Awa. The Rangitāiki River Forum was established under treaty settlement legislation in 2012 and it published its Te Ara Whanui O Rangitāiki – Pathways of the Rangitāiki river document in 2014. The seventh objective of this document seeks enhanced naturalness for the river and fish passage, alongside the managing of flood risk. This project starts to move the pendulum away from hard infrastructure to make room for the river, via a spillway and floodway, while still managing flood risk. The River Document can be found at <https://www.boprc.govt.nz/media/415902/4417-pathways-of-the-rangitaiki-river-document-final-web-version.pdf>

The project builds resilience across each of the four capitals in the Living Standards Framework: it increases the natural capital of the Rangitāiki River by using the ‘making room for river’ concept which marries naturalness with flood protection, it increases community resilience by providing a level of certainty that enables society and institutions to flourish through public good infrastructure, it increases human capital by providing new employment and protecting existing employment from flood risk, and it provides resilience for physical capital by protecting this capital from flood risk. It also contributes to community well-being through the domains of: safety and security,

² <https://treasury.govt.nz/information-and-services/nz-economy/higher-living-standards/our-living-standards-framework>

³ <https://www.mfat.govt.nz/en/peace-rights-and-security/work-with-the-un-and-other-partners/new-zealand-and-the-sustainable-development-goals-sdgs/>

subjective well-being, jobs and income, environment, and cultural identity.

The project also contributes specifically to New Zealand’s contribution to Goal 11 of the Sustainable Development Goals: Sustainable Cities and Communities. MFAT describe that “we want all New Zealanders to work, live and play in safe, affordable and resilient communities where spaces and materials are used in ways that preserve value and conserve natural resources.” This project contributes to resilient communities in a way that uses a natural form of flood protection.

<https://www.mfat.govt.nz/assets/VNR-for-SDGs-Draft-Progress-Report-2019.pdf>

16. What is the expected contribution to local/ national employment?

[Provide estimated number of jobs. Cross refer to question 8 as required]

See question 8

17. What are the risks associated with the project? Each risk should be ranked as high, medium or low and include a short explanation as to why it was given that risk rating.

Risk	Low/ Med/ High	Further commentary on risk
A. The risk of the project not commencing within the advised timescale	L	<i>If funded, risk is low due to experience the project team have in getting to this stage of the overall project.</i>
B. The risk the project will not be completed on time, to cost or to specification	L	<i>Costs and specifications for the stage of the project applied for here were updated in March 2020.</i>
C. Risk the project will not realise the benefits outlined above	L	<i>Considerable modelling, design, and community engagement provides confidence the benefits will be realised.</i>

18. Are there any other key project risks or any other information which would be useful background or context at this stage?

[Outline any other key project risks not covered above.]

Provide additional information which may be of use to us at this stage]

See section 14

Section 4: Impact of COVID-19

19. Please briefly comment on the likelihood and timing of the project recommencing once the COVID 19 Response Level is suitable for construction to proceed

[For example when the Government moves away from level 4 restrictions will you be able to immediately commence/ restart the project?

What are the key conditions or barriers to commencing/ restarting the project? Please include cross reference to Q21 response (below) if Government support is required for the commencement/restart]

The project could begin construction in September / October, once funding is confirmed.

20. What is the best estimate of the impact (financial/social/environmental) COVID 19 has had on the project and on local industry associated with the project?

[Please provide the best estimate in \$ amount (or ranges) and unemployment numbers, and describe the nature of those impacts]

The local construction industry will be in hiatus with Level 4 lockdown and under pressure to find secure work.

21. Has this project already, or is likely to benefit from already announced Government led financial support for businesses (e.g. wage subsidy scheme/business finance guarantee scheme) Yes: No:

- If Yes, please describe the scheme and extent of the support you have received/expect to receive.

22. Briefly outline the top 2-3 things that the Government can do to help progress this project. Please consider both financial and non- financial levers such as lowering regulatory barriers, adjusting Government procurement practices, fast-tracking resource consent processes.

[Top 2-3 actions (financial and non- financial) that Government can do to help progress or remove barriers to the project.]

The first key action government could take is to provide secure funding to allow for the project to proceed.

The second key action is any ability to fast track consenting for works which will take place on private land.

Please indicate clearly whether you consider any information you have provided in this form to be confidential. Confidential information will not be publically released, other than in anonymised form, except to the extent that



any release is required by law.

‘Shovel ready’ Infrastructure Projects: Project Information Form

About this Project Information Form

The Government is seeking to identify ‘shovel ready’ infrastructure projects from the Public and certain Private Infrastructure sector participants that have been impacted by COVID 19.

Ministers have advised that they wish to understand the availability, benefits, geographical spread and scale of ‘shovel ready’ projects in New Zealand. These projects will be considered in the context of any potential Government response to support the construction industry, and to provide certainty on a pipeline of projects to be commenced or re-commenced, once the COVID 19 Response Level is suitable for construction to proceed.

The Infrastructure Industry Reference Group, chaired by Mark Binns, is leading this work at the request of Ministers, and is supported by Crown Infrastructure Partners Limited (CIP).

CIP is now seeking information using this Project Information Form from relevant industry participants for projects/programmes¹ that may be suitable for potential Government support. The types of projects we have been asked to consider is outlined in Mark Binns’ letter dated 25 March 2020.

CIP has prepared Project Information Guidelines which outline the approach CIP will take in reviewing and categorising the project information it receives (Guidelines).

Please submit one form for each project that you consider meets the criteria set out in the Guidelines. If you have previously provided this information in another format and/or as part of a previous process feel free to submit it in that format and provide cross-references in this form.

Please provide this information by 5 pm on Tuesday 14 April 2020.

As an initial task the Infrastructure Industry Reference Group has been asked to prepare a report on infrastructure projects/programmes that are ready for construction and could, if the Government deemed it appropriate, be deployed as part of a stimulatory package. It should be noted that the full impact of COVID 19 on the economy will not be known for some time, and the Government’s decision to accelerate any construction-related spend will be determined by its assessment of priorities at the time. This information is being sought in good faith, but no undertaking can be made that the criteria or any other considerations will not change or that any projects coming forward from the Reference Group will be accelerated, or any of the Reference Group’s recommendations adopted. This situation we all find ourselves in is truly dynamic.

This document relates to the gathering of project information only and is not a Notice of Procurement. It does not form part of any procurement process. It does not commit the Government or CIP to take any further steps, or provide any financial or other assistance, in connection with any information in response to this document or the projects to which that information relates.

¹ We refer to “projects” throughout. This term includes programmes of work in all cases.

Section 1: Key Information [Criteria 2 and 3]

1. Project Title: Bay of Plenty River Schemes Flood Resilience Project

2. Please provide your details:

Organisation Name:	Bay of Plenty Regional Council		
Entity Type:	Local Authority		
Contact Name and Role:	Chris Ingle, General Manager Integrated Catchments		
Email Address:	Chris.ingle@boprc.govt.nz	Telephone:	0800 884 881 x8362

3. Please provide a very brief description of the infrastructure project:

[Briefly outline the project and confirm that it is an infrastructure project that provides a clear public benefit. You can include links to / sources of other project information]

While the Rangitāiki Floodway project addresses specific flood risk arising from that river, this project looks to address similar risks arising in the Ngongotahā Stream (Rotorua District), Whakatāne River (Whakatāne District) and the Waioeka River (Ōpōtiki District).

1. Implementing Ngongotahā Stream Independent Review Recommendations

This project addresses flood risk in the Ngongotahā Stream in Rotorua District. The Ngongotahā township suffered a flood in April 2018 resulting in 38 houses being declared insanitary and requiring extensive repair work. The Regional and District Councils initiated an independent review of the event, then appointing a Community Reference Group to work through the recommendations of the Independent Review. The first annual report of this Group has been completed and most of the Review's recommendations have been addressed. The Reference Group are currently shortlisting structural engineering solutions, designed to prevent another such event flooding homes in the township. After selecting a preferred option, the costs of construction will need to be addressed. It is estimated that these costs will lie between \$1M and \$2M. Another recommendation suggested construction of detainment bunds in the upper catchment, which can help to smooth the peak flows in a flood. The first tranche of these bunds are estimated to cost approximately \$0.7M. A further recommendation is to remove at risk trees close to the stream in the upper catchment (\$1M).

2. Whakatāne river stopbank raising

This project addresses stop banks on the Whakatāne River, protecting the town of Whakatāne. Following the April 2017 flood event the hydrological analysis of the Whakatāne River flows has demonstrated that the stopbanks now need to be raised, adjacent to the town, in order to continue to meet the 1% Annual Exceedance Probability flood level. This work needs to be conducted and timed in a way that complements the PGF funded Whakatāne Riverfront Revitalisation Project. The design work will commence in the next month or two and construction costs are estimated to lie in the range of \$3M – \$4M, over three years. This work is also intended to complement the work on the other side of the river at the new Whakatāne boat harbour proposal, another PGF project.

3. Waioeka Estuary Restoration and Floodway Enhancement Project

This project proposes a new floodway constructed on the left side of the Waioeka River to relieve the flood pressure from Ōpōtiki township stopbanks to the right side of the river. This proposal would see the purchase of farmland for the floodway, removing stopbanks, and planting the wetter areas with native wetland plants. This will result in estuary habitat restoration with whitebait spawning benefits as well as flood resilience benefits for the town. This reflects the 'room for the river' concept that Council is now adopting wherever possible. This work is complementary to the Ōpōtiki Harbour PGF project, also financially supported by the Regional Council. The land purchase, earthworks and enhancement planting is

expected to cost \$3.5M-\$4M, over two years.

4. Kaituna mole upgrade and surrounding amenity enhancements

This project proposes to replace / upgrade the Kaituna mole (groyne) located at the Kaituna river mouth at Maketū. This Kaituna river scheme structure represents significant flood management and recreational value in the lower Kaituna catchment area. The project is expected to cost \$2.5M and will deliver a range of benefits including flood management, as well as benefits associated with the recreational value of the Kaituna mole including kai moana gathering and popular use of this site as an amenity area.

5. Rangitaiki floodwall resilience mitigation

This project addresses flood wall structures on the Rangitāiki River, downstream of where the breach occurred in April 2017. The Independent Review of the April 2017 flood event (The Cullen Review) made several recommendations. One of these recommendations is to investigate the structural integrity of the flood wall structures downstream of the breach site at College Rd. Geotechnical investigations are already complete and we are now nearing the construction stage. Construction costs are estimated to be \$3M.

Strategic plan development – river scheme assets

To complement these projects 1-5, Council would like to conduct a comprehensive strategic planning process that addresses climate change risk, room for the river opportunities, and natural habitat enhancement opportunities that arise for the four river schemes that council is responsible for maintaining for our communities. These approaches reflect the findings of the Cullen Review which looked into the April 2017 flood event that affected the Eastern Bay of Plenty and particularly Edgecumbe.

4. This project will be located in which Territorial Authority:

Western BOP, Rotorua, Whakatāne and Ōpōtiki Districts

5. Please confirm the project sector, category and type of infrastructure:

Project Sector	<input checked="" type="checkbox"/>
Accommodation	<input type="checkbox"/>
Agriculture, Horticulture and Forestry	<input type="checkbox"/>
Alcohol Availability	<input type="checkbox"/>
Bioscience and Biotechnology	<input type="checkbox"/>
Construction	<input checked="" type="checkbox"/>
Energy	<input type="checkbox"/>
Film and Television	<input type="checkbox"/>
Imports and Exports	<input type="checkbox"/>
Information communications and technology	<input type="checkbox"/>
Manufacturing and Production	<input type="checkbox"/>
Retail Trade	<input type="checkbox"/>
Tourism	<input type="checkbox"/>
Wholesale Trade	<input type="checkbox"/>
Central Government	<input type="checkbox"/>
Local Government	<input type="checkbox"/>
Other	<input type="checkbox"/>

Project Categories	<input checked="" type="checkbox"/>
Three waters	<input type="checkbox"/>
Transport	<input type="checkbox"/>
Buildings and Structures	<input type="checkbox"/>
Other infrastructure	<input checked="" type="checkbox"/>

Project Type	<input checked="" type="checkbox"/>
Critical infrastructure	<input checked="" type="checkbox"/>
New infrastructure	<input type="checkbox"/>
Replacement/refurbished infrastructure	<input type="checkbox"/>
Repurposed infrastructure	<input type="checkbox"/>

6. What is the total cost of the project (NZ\$M):

Approximately \$17.5M over 2 -3 years.

7. Provide a high-level breakdown of this spend (e.g. construction costs, professional fees, land, other etc.):

1. Preferred flood mitigation option for protecting homes in **Ngongotahā** from 1%AEP flood, estimated Construction costs \$1M - \$2M which includes project management and technical support; construction costs of 19 detainment bunds in upper catchment \$0.5M; geotechnical advice to support this work \$0.2M; clearing at risk trees from upper catchment \$1M.
2. **Whakatāne Stopbank raising** construction costs estimated at \$3M - \$4M over three years, includes technical and project management costs which can be provided using in-house Council resources.
3. **Waioeka River floodway & estuary enhancement project** survey and related costs \$0.3M; land purchase [REDACTED] civil construction work \$0.3M; planting of native wetland plants \$0.4M
4. **Kaituna mole upgrade project** construction costs are \$2.5M and would commence within 6 months;
5. **Rangitāiki floodwall resilience project** construction costs are estimated at \$3M over the next three years.
6. Professional (consultant) costs for the **strategic plan development** is estimated to be approximately \$0.3M

8. Briefly outline the value the project will deliver in terms of employment contribution.

Employment creation from these three projects will be significant with at least 80 FTEs created at the peak of the project work. This includes the contracting companies that tender for the substantive civil works, professional work (eg design, modelling QS) and project management, and native planting work for those jobs that require it. The Waioeka River Estuary planting project (50ha) and Ngongotahā tree clearing work will involve contractors from around the Bay of Plenty region winning work that will almost certainly require them to employ significant numbers of additional staff. These new jobs are likely to be ongoing due to other regional council work coming on stream over the next 2-3 years that also requires these skill sets. Some of this work may be relatively short term while other work will likely extend across multiple years.

9. Briefly describe how the project is currently/ intended to be funded:

The river scheme works that Council normally funds are loan funded and repaid 80% from targeted rates paid by land owners within the river scheme catchment, and 20% from general funds raised across the whole region. However, the five construction projects identified are either not in the Regional Council's Long Term Plan, or are insufficiently funded, so for these projects to proceed Crown funding is required. Council expects to require ratepayers to fund a portion of the costs for all five construction projects. For the Ngongotahā project, Rotorua Lakes Council may also be prepared to contribute and for the Whakatāne work the District Council has some LTP funding and PGF funding that may complement this work.

10. Has this project previously applied for funding with any part of Government? Yes: No:

- If Yes, please describe which part of government (i.e. PGF, NZTA FAR etc.), the outcome of the discussions and who such discussions were with (what Ministry and official).

While two of these proposed projects are complementary to existing PGF funded projects (Whakatāne and Ōpōtiki) these proposals do not rely on those PGF projects and stand independently to them.

Section 2: Construction Readiness [Criteria 1]

11. Please briefly explain the status of the project including confirmation that the project will fall into one of the three categories of readiness (see 12 below).

[Briefly describe project status]

The Ngongotahā stream Independent Review recommendations work could be expected to commence in the second half of 2020 for the tree clearing work, as no consents are needed, just landowner agreement on a property by property basis. Detention bund work is similar, with immediate commencement. For other work design and resource consents work is still needed so the timeframe for works commencing will be longer.

The Whakatāne River stopbank raising work is on a longer timeframe with physical works scheduled for commencing in May 2021. These timeframes are due to consenting requirements and the need to sequence this work in with the PGF funded township revitalisation project work.

The Waioeka Floodway/estuary enhancement project could begin immediately in terms of land purchase negotiations followed by estuary restoration plantings commencing. There will be consent needed for the civil works which are expected to commence later in 2020 or early 2021.

The Kaituna mole upgrade project could begin immediately if funds were secured. Detailed design phase of the project has been completed and construction could commence in the coming months.

The Rangitāiki floodwall work can begin this winter/spring, because the geotechnical work has already been completed and detailed design is already underway with expected design completion in June 2020.

The strategic planning work that addresses climate change risk, room for the river opportunities, and natural habitat enhancement opportunities that arise for the four river schemes could also begin immediately.

12. Confirm which of the following categories the project best falls into.

Status	<input checked="" type="checkbox"/>	Further commentary (briefly set out barriers to commencement)
A. Projects which currently are (or were) in the construction phase but have been put on hold due to COVID 19 and are likely not to progress, or to progress at a much slower rate or scale/scope, if not supported post COVID 19	<input type="checkbox"/>	<i>[Insert your relevant commentary here]</i>
B. Projects which have a high expectation of commencing the construction phase within the next six months (by 31 October 2020), but are unlikely to do so due to COVID 19	<input checked="" type="checkbox"/>	See above – most of the projects/works fit this category.
C. Projects which could have been expected to commence the construction phase within the next 12 months (by 30 May 2021), but are unlikely to do so due to COVID 19	<input checked="" type="checkbox"/>	Whakatāne stopbank raising and Ngongotahā civil works

13. Confirm the status of key milestones

Status	<i>See description on page 5 – each project differs, some do not require detailed design, nor consents, nor land acquisition. It is difficult to complete this table given this variability in the five projects.</i>	✓	Expected Date
Procurement	<i>Suitable tender complete</i>	<input type="checkbox"/>	
	<i>Tender evaluation in progress</i>	<input type="checkbox"/>	
	<i>Request for Tender in the Market</i>	<input type="checkbox"/>	
	<i>About to put out a Request for Tender to the market</i>	<input type="checkbox"/>	
Detailed Design	<i>Detailed Design Complete</i>	<input type="checkbox"/>	
	<i>Detailed Design Underway</i>	<input type="checkbox"/>	
	<i>Detailed Design to commence</i>	<input type="checkbox"/>	
Designations/Consents	<i>Approved</i>	<input type="checkbox"/>	
	<i>Lodged</i>	<input type="checkbox"/>	
	<i>In preparation</i>	<input type="checkbox"/>	
Land Acquired	<i>Yes</i>	<input type="checkbox"/>	
	<i>Being negotiated under PWA (please indicate stage below)</i>	<input type="checkbox"/>	
	<i>Has not commenced</i>	<input type="checkbox"/>	
Business Case or Investment Case	<i>Approved</i>	<input type="checkbox"/>	
	<i>Draft</i>	<input type="checkbox"/>	
	<i>Underway</i>	<input type="checkbox"/>	
	<i>None</i>	<input type="checkbox"/>	

14. Briefly outline any other comments on the key project timetable or key milestones

[Please briefly cover:

- Key barriers / risks to the project being ‘shovel ready’*
- Expected timeframes and processes for acquiring necessary resource consents*
- Any other additional information as required above*
- Expected construction completion date.]*

The five constructions projects are likely to progress at different speeds, due to the relative simplicity of some (eg Kaituna mole) compared with the Whakatāne stopbank project, where the nature of the work is much more complex. The Waioeka might proceed very quickly, or not, depending on how two key land purchase negotiations proceed.

It is expected the Kaituna, Rangitāiki and Waioeka projects will be completed within 2 years, with the Whakatāne and Ngongotahā project taking a little longer to complete.

Section 3: Overall Benefits and Risks [Criteria 4]

Please advise at a high level whether a project brings real value (in an economic, social and/or environmental sense) to New Zealand as a whole or the region in which it is located in line with Treasury’s Living Standards Framework² and Sustainable Development Goals³. Please take into account, where relevant, the draft 2021 Government Policy Statement on land transport, available at <https://www.transport.govt.nz/multi-modal/keystrategiesandplans/gpsonlandtransportfunding/gps-2021/>, and the priorities that it establishes.

15. Briefly outline the social, environmental and economic benefits of the project to the local region and New Zealand and overall value for money.

<p><i>[Include reference to any Business Case/Investment Case or an assessment that can demonstrate any contribution to the Government’s wider goals with respect to social, environmental and economic objectives and value for money]</i></p> <p>All of the projects will contribute to community and economic resilience in Rotorua and the Eastern Bay of Plenty. The damage that resulted from the 2017 Edgcumbe flood event was in excess of \$45m, solely to repair damage to the region’s river schemes. The Insurance Council estimates wider costs at \$109M. The Ngongotahā event the following year was small but still 38 houses were declared insanitary and required extensive repair work. In the long-term people respond to flood risk through: reduced investment in land based assets, business owners reducing investment in their businesses, and generally reduced investment in the community. Completion of the project will provide more certainty for community and economic development.</p> <p>Several Bay of Plenty Iwi groups identify with the rivers identified in this application, including Te Arawa, Whakatohea, and Ngāti Awa. The regional Council has strong relationships with these iwi groups and if granted the works will be conducted in conjunction with the relevant iwi or hapū.</p> <p>The projects build resilience across each of the four capitals in the Living Standards Framework: it increases the natural capital of the rivers by using the ‘making room for river’ concept which marries naturalness with flood protection, it increases community resilience by providing a level of certainty that enables society and institutions to flourish through public good infrastructure, it increases human capital by providing new employment and protecting existing employment from flood risk, and it provides resilience for physical capital by protecting this capital from flood risk. It also contributes to community well-being through the domains of: safety and security, subjective well-being, jobs and income, environment, and cultural identity.</p> <p>The projects also contribute specifically to New Zealand’s contribution to Goal 11 of the Sustainable Development Goals: Sustainable Cities and Communities. MFAT describe that “we want all New Zealanders to work, live and play in safe, affordable and resilient communities where spaces and materials are used in ways that preserve value and conserve natural resources.” This project contributes to resilient communities in a way that uses a natural form of flood protection.</p> <p>https://www.mfat.govt.nz/assets/VNR-for-SDGs-Draft-Progress-Report-2019.pdf</p>	<p><i>[Include ref to the Gove money]</i></p>
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16. What is the expected contribution to local/ national employment?

² <https://treasury.govt.nz/information-and-services/nz-economy/higher-living-standards/our-living-standards-framework>

³ <https://www.mfat.govt.nz/en/peace-rights-and-security/work-with-the-un-and-other-partners/new-zealand-and-the-sustainable-development-goals-sdgs/>

[Provide estimated number of jobs. Cross refer to question 8 as required]

It is expected an additional 80 FTEs will be employed at the peak of this work.

17. What are the risks associated with the project? Each risk should be ranked as high, medium or low and include a short explanation as to why it was given that risk rating.

Risk	Low/ Med/ High	Further commentary on risk
A. The risk of the project not commencing within the advised timescale	L-M	<i>Some of the projects are low risk and can be expected to commence quickly, while with others there may be unexpected delays.</i>
B. The risk the project will not be completed on time, to cost or to specification	L	<i>The work will be completed to specification. The bigger risk is of delays. If there is scope creep it will be managed appropriately (the Council has considerable experience managing large capital projects to completion).</i>
C. Risk the project will not realise the benefits outlined above	L	<i>Considerable modelling, design, and community engagement provides confidence the benefits will be realised.</i>

18. Are there any other key project risks or any other information which would be useful background or context at this stage?

[Outline any other key project risks not covered above.

See section 14

Section 4: Impact of COVID-19

19. Please briefly comment on the likelihood and timing of the project recommencing once the COVID 19 Response Level is suitable for construction to proceed

[For example when the Government moves away from level 4 restrictions will you be able to immediately commence/ restart the project?

What are the key conditions or barriers to commencing/ restarting the project? Please include cross reference to Q21 response (below) if Government support is required for the commencement/restart]

These are all new projects. Though some have been in preparation for some months.

*The **Ngongotahā works** could be expected to commence in the second half of 2020. Land owner agreements are needed and resource consents for the civil works, but initial indications are that landowners are not opposed to the works (many will benefit directly from the works). The tree clearing work can begin immediately as no consents are needed, just landowner agreement on a property by property basis. Detention bund work is similar.*

*The **Waioeka Floodway/estuary enhancement project** could begin immediately in terms of land purchase negotiations followed by estuary restoration plantings commencing. The civil works can commence later and are a minor part of these works.*

*The **Whakatāne River stopbank raising** work has a slightly longer timeframe with construction works not commencing till 2021, due to consenting requirements and the need to work in with the PGF funding township*

regeneration project work.

*The **Kaituna mole upgrade project** could commence as soon as COVID-19 alert levels allow, due to no consenting requirements and detailed designs having been completed.*

*The **Rangitaiki floodwalls** resilience work similarly already has geotechnical investigations complete and detailed design is nearing completion.*

*The **strategic planning work** that addresses climate change risk, room for the river opportunities, and natural habitat enhancement opportunities that arise for the four river schemes could also begin immediately.*

20. What is the best estimate of the impact (financial/social/environmental) COVID 19 has had on the project and on local industry associated with the project?

[Please provide the best estimate in \$ amount (or ranges) and unemployment numbers, and describe the nature of those impacts]

The local construction industry will be in hiatus with Level 4 lockdown and under pressure to find secure work. Many local civil construction companies are concerned about their ability to continue to trade after the lockdown ceases. There is considered to be an urgent need in the Bay of Plenty to ensure there is employment available to stimulate the local economy, post COVID. This funding proposal has the benefit of stimulating the economy in four separate areas within the Bay of Plenty: Ōpōtiki, Whakatāne, Te Puke and Rotorua. This will hopefully assist several smaller contracting firms to get back on their feet after a period of economic inactivity.

21. Has this project already, or is likely to benefit from already announced Government led financial support for businesses (e.g. wage subsidy scheme/business finance guarantee scheme) Yes: No:

- If Yes, please describe the scheme and extent of the support you have received/expect to receive.

22. Briefly outline the top 2-3 things that the Government can do to help progress this project. Please consider both financial and non- financial levers such as lowering regulatory barriers, adjusting Government procurement practices, fast-tracking resource consent processes.

[Top 2-3 actions (financial and non- financial) that Government can do to help progress or remove barriers to the project.]

The key to these projects going ahead is to fund them. There is likely to be local co-funding available but without a significant proportion of Crown funding, these projects may not occur, or not within the timeframes indicated here. If left to local/regional council funding alone, some projects would likely be deferred. This would obviously not achieve the short term economic stimulus effect that government is seeking.

The procurement processes Regional Council follows are robust, but relatively rapid, as we have a panel contract system in operation with many pre-qualified contractors available at relatively short notice.

The consenting timeframes can be unpredictable but at this stage we have no reason to expect that consent timeframes would cause inordinate delay to any of these projects.



Please indicate clearly whether you consider any information you have provided in this form to be confidential. Confidential information will not be publically released, other than in anonymised form, except to the extent that any release is required by law.

The cost estimates related to land purchase (Waioeka River floodway/estuary enhancement project proposal) are best kept confidential at this stage. All other information is considered to be acceptable to be made public.

APPENDIX 4

E. Economic Recovery Plan April 2020 Sample of regional green projects

The following table provides a sample of the nature and scale of BOPRC-led projects that could commence to stimulate the economy through the provision of employment opportunities within a short timeframe (6-12months from funding approval with the exception of projects that require land purchasing). These projects may either have BOPRC funds already committed with the balance being sought from a co-funding partner, or require the full amount of funding in order to commence.

This is not a full and final list of projects.

Project name	Project description	Estimated total cost	Estimated number of jobs created (FTE)
Pest Plant Control Service Delivery	Free service offered to landowners to assist with RPMP compliance and enhancing either biodiversity and/or productivity of their properties. This would be an optional programme and require Landowner agreement to carrying out maintenance control.	\$400,000	10
Wallaby Containment Fence	Establish a wallaby-proof around the Wallaby Containment to prevent wallaby dispersal from the core infestation to new areas.	\$5.5M	10
Wilding pine control	Wilding pine control in various locations along Rangitaiki River (in particular around Lake Matahina, Waiohau, Minginui, Upper Rangitāiki), Mt Tarawera and other locations to improve biodiversity values and reduce threat of future spread.	\$1M	30
Access track maintenance for biodiversity enhancement work	Track upgrading for improved access to complete biodiversity enhancement work to high priority sites such as Manawahe, Ohope Whakatane Kiwi Reserves, Onekawa te Mawhai Regional Park, Uretara Island, Putuaki and other locations.	\$500,000	20
Pest animal control programmes	Filling bait stations and checking traps on private properties such as within the Manawahe corridor.	\$5,000	2
Kaituna mole (groyne) upgrade*	Undertake flood protection upgrades on the existing structure and enhance surroundings including carpark and amenity area	\$2.5M	40

Detainment bund construction	Construction of Detainment Bunds at priority sites	\$1M	15
Priority tree removal*	Felling of priority trees along the Ngongotahā Stream upstream of State Highway 5	\$1M	10
Kaimai Mamaku Ranges Integrated Animal Pest Control Plan	Five specific pest control blocks (or hubs) within the Kaimai Mamaku ranges.	\$3M	30
Maketū Estuary enhancement initiatives	Water quality and biodiversity enhancement initiatives at the margins and within tributary catchment feeding into Maketū estuary	\$5M	30
Waihi Estuary enhancement initiatives	Water quality and biodiversity enhancement initiatives at the margins of and within tributary catchments feeding into Waihi estuary	\$5M	30
Te Maru o Kaituna action plan delivery	Fast tracked delivery of the Te Maru o Kaituna action plan	\$1M	15

**Also included within BOPRC's Crown Infrastructure Partners application.*