

# ‘Shovel ready’ Infrastructure Projects: Project Information Form River Management for Flood Protection

## 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/programmes<sup>1</sup> 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.*

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<sup>1</sup> We refer to “projects” throughout. This this term includes programmes of work in all cases.

**Section 1: Key Information [Criteria 2 and 3]**

1. Project Title: River Management for **Flood Protection** 'Shovel Ready' Projects Package

2. Please provide your details:

<b>Organisation Name:</b>		Regional and Unitary District Councils – noting the content of this template has been prepared by a leadership group under the guidance and authority of the Regional Chief Executives Group and the Regional Sector Group of LGNZ	
<b>Entity Type:</b>		Regional Authorities and Unitary District Councils	
<b>Contact Name and Role:</b>	Privacy of natural persons and Privacy of natural persons		
<b>Email Address:</b>	Privacy of natural persons Privacy of natural persons	<b>Telephone:</b>	Privacy of natural persons Privacy of natural persons

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

**River Management for Flood Protection: Shovel Ready Infrastructure Projects**

Regional Councils from throughout New Zealand, together with LGNZ, have assembled a single package of 58 river management for flood protection projects that will further protect vital towns, communities and businesses from flooding and help accelerate New Zealand’s recovery from Covid-19.

Flooding is the most common natural hazard we all face in New Zealand. In most cases New Zealanders have been protected from the full force of flood events by river management and flood protection schemes. These schemes provide safety and security to around 1.5 million hectares of our most productive and intensely used land and to over 100 towns and cities. They also protect the families and communities living alongside our rivers. In total, these schemes currently provide an estimated annual benefit of over \$11 billion each year. This is over five times their capital replacement value. Flood protection schemes provide the infrastructure that underpins regional economies, protects other infrastructural investments and provides communities with the security they need against unnecessary stress and worry.

There is an urgent and compelling need for river management and flood protection schemes to be substantially re-purposed and upgraded, or renewed, to meet contemporary challenges, including adaptation to cope with more frequent and intense climate change-induced flood events. The schemes must now also satisfy a wider spectrum of community, environmental, cultural and economic objectives than in the past. There is a major step change in investment required. Government assets receive substantial benefits from rate funded flood protection and there is a clear national interest in the maintenance and improvement of flood protection across New Zealand.

Our expectation is that many, if not all, of the close to <sup>Commercial</sup> persons who will be employed or sub-contracted to assist with construction of the 58 listed flood protection projects are now being supported by the Government’s Covid-19 assistance programme. Many of these companies / sub-contractors may be on the verge of insolvency. Certainty about future flood protection contracts is likely to be more than enough for banks to have the security to keep these businesses in operation

The intensity and frequency of recent climate change-induced weather events is placing stress on the integrity and risk reduction capabilities of existing schemes. The West Coast floods and more recently Southland, and South Canterbury floods (December 2019), are a case in point. The Edgecumbe April 2017 flood is also an example of this stress with the Cullen Review Report (2018) urging more focus on faster implementation of identified preventative work plans.

The 58 listed ‘spade ready’ projects will cost a total of <sup>Commercial Information</sup> to implement. To get them started, regional councils and LGNZ request a contribution of \$ <sup>Commercial Information</sup> from the funds to be made available for allocation by the

Infrastructure Industry Reference Group or from the PDU PGF. We note that many of the projects in this package of projects will be completed within Commercial Information and others will be completed within Commercial Information.

Regional councils and LGNZ have a specialist interest group of river managers and others capable of working together with you to ensure the immediate, speedy and low risk implementation of the listed projects.

For the above reasons, we strongly urge that investment be made in these projects, at this time. This is exactly the right thing to do as we attempt to accelerate New Zealand's recovery from Covid-19.

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

The 58 listed projects will be in regions covered by fourteen of the sixteen regional authorities of New Zealand. Regional authorities include regional councils and unitary district councils (all referred to as 'regional councils' in this document).

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

Project Sector	✓
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 checked="" type="checkbox"/>
Other	<input type="checkbox"/>

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

Project Type	✓
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):

£ Commercial Information

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

Earthworks, construction, labour and equipment deployment for the placement of culverts, piping, earth works, rock rip rap, concrete pouring, pump station construction, mechanical engineering work and site restoration / native and exotic planting components make up an average cost of Comm% to Comm% of the total cost of flood protection projects with the remaining C min% to C min% of costs being for engineering design and project management including surveying.

Only a very small quantity of land procurement is required to be completed across all these projects as, in almost all cases, this has now been completed.

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

Close to <sup>Commercial Information</sup> direct jobs (current estimate <sup>Commerc</sup> jobs) will be created plus a significant number of associated indirect jobs (company support staff, accounting and management etc.). These projects will provide employment benefits spread across each of the regions involved.

Most of these jobs are with local contractors, mostly earthworks and associated culvert, piping, construction, pumping station construction, mechanical and site restoration / fencing planting and pasture restoration companies.

Individual projects will each generally directly involve <sup>Comm</sup> to <sup>Comm</sup> jobs, with the larger projects, including those with pumping stations, involving up to <sup>Comm</sup> jobs.

These are mostly in provincial towns and smaller cities that have been hard hit by job losses from the impacts of Covid-19. Examples of direct jobs include: Kaitaia <sup>Comm</sup>; Rangitaiki River Edgecumbe Whakatane <sup>Comm</sup>; Gisborne <sup>Comm</sup>; Piako River Scheme Mugeridge <sup>Comm</sup>; Wairoa <sup>Comm</sup>; Putiki Pa Whanganui <sup>Comm</sup>; Otaki <sup>Comm</sup>; Ruamahanga River Masterton <sup>Comm</sup>; Lower Motueka <sup>Comm</sup>; Wairau River Blenheim <sup>Comm</sup>; Westport <sup>Comm</sup>; Hokitika <sup>Comm</sup>; Franz Josef Harihari <sup>Comm</sup>; Rangitata Ashburton <sup>Comm</sup>; West Taieri Mosgill <sup>Comm</sup>; Invercargill (2 projects) <sup>Comm</sup>.

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

The projects are currently funded through local government funding via loans or rates on property owners or by regional / area rates.

The projects are only partially funded and are intended to be funded by co-investment from the PGF or via the Infrastructure Industry Reference Group with <sup>Comm</sup>% of the funding coming from regional councils and <sup>Comm</sup>% coming from central government funding.

On their part, regional and unitary authorities have substantially lifted rate funding for scheme improvements in recent times. In many cases this has involved double digit rate increases with associated community resistance and challenging Local Government Act processes. There remains a substantial gap in the funding required to make the changes required.

We are conscious that Covid-19 response actions have placed local government revenue under even more significant pressure. Planned rate increases for 2020 -21 are now likely to be reduced to the low end of single figures. Council balance sheets are and will be in a stressed state because of Covid-19-induced reduced rate takes.

Despite regional council year-on-year ramp-up of their investment in flood protection, Covid-19 has made the tough task of funding this critical task, even tougher. Central government Covid-19 recovery funding is the critical means of getting these essential projects going.

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).

Proponents of most of the projects have not applied to date for central government funding, with the exceptions listed below.

- Four of the 58 projects listed **Commercial Information** have previously applied for PGF funding (November 2018).
- One other project (**Commercial Information**) applied for PGF consideration on 3 April 2020.
- One project (**Commercial Information**) may secure a **Commercial Information**

Regional Councils welcomed the invitation, as extended to **Privacy of natural persons** by PGF Investment Manager Eliot Linforth-Hall on 2 April 2020, to present a full suite of pan-Regional Council spade-ready food protection projects suited to Provincial Growth Funding. A copy of the 58 listed projects, together with a supporting business case, was submitted to Mr Linforth-Hall on 8 April 2020.

We note Minister Shane Jones has asked the Provincial Development Unit to also work through current PGF applications and projects to see where PGF money can be repurposed for initiatives deemed more critical to fighting the economic impacts of the COVID19 pandemic, than general regional economic development initiatives. We remain confident flood management projects well-satisfy the PGF criteria, and even more so when a Covid-19 recovery lens is applied. We also note and welcome the clear Government signals that the need to favour 'surge' regions no longer applies, as before i.e. all New Zealand regions are now surge regions.

We are aware that, together with this Regional Council flood protection sector-wide response, many local authorities are also in the process of each preparing applications to be forwarded to CIP. They may also be associated with grouped-up applications forwarded in partnership with other local authorities in their regions.

We also note that for completeness, we have also submitted information about the 58 projects to you using the multi-project spread sheet distributed by the CIP Ltd on 8 April 2020.

**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).

Overall summary: The beauty of the listed flood protection projects is they are ‘spade ready’. Design has been completed. Resource consents have been obtained. Regional sources of co-funding have been clearly earmarked.

As soon as PGF or Infrastructure Group funding is secured, all that remains to be undertaken is the selection and contracting of appropriate providers – and this is not expected to be a difficult task.

- Projects ready for **Commercial Information** : <sup>Comm</sup> Projects - total Jobs <sup>Commerc</sup>
- Projects ready to start during **Commercial Information** : <sup>Comm</sup> Projects – total Jobs <sup>Commerc</sup>

This gives a total of <sup>Comme</sup> projects with a total of <sup>Commerc</sup> jobs that can be started by **Commercial Information** .

- Projects ready to start during **Commercial Information** : <sup>Comm</sup> Projects – total Jobs <sup>Commerc</sup>

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	✓	
B. Projects which have a high expectation of commencing the construction phase within the <b>Commercial Information</b> (by <b>Commercial Information</b> ), but are unlikely to do so due to COVID 19	✓	<sup>Comm</sup> projects with a total of <sup>Commerc</sup> direct jobs that can be started by <b>Commercial Information</b>
C. Projects which could have been expected to commence the construction phase within the <b>Commercial Information</b> (by <b>Commercial Information</b> ), but are unlikely to do so due to COVID 19	✓	<sup>Comm</sup> projects with a total of <sup>Commerc</sup> direct jobs that can be started by <b>Commercial Information</b>

13. Confirm the status of key milestones

Status		✓	Expected Date
Procurement	<i>Suitable tender complete</i>	✓	
	<i>Tender evaluation in progress</i>	✓	
	<i>Request for Tender in the Market</i>	✓	
	<i>About to put out a Request for Tender to the market</i>	✓	
Detailed Design	<i>Detailed Design Complete</i>	✓	
	<i>Detailed Design Underway</i>	✓	
	<i>Detailed Design to commence</i>	✓	
Designations/Consents	<i>Approved</i>	✓	
	<i>Lodged</i>	✓	
	<i>In preparation</i>	✓	
Land Acquired	<i>Yes</i>	✓	
	<i>Being negotiated under PWA (please indicate stage below)</i>	✓	
	<i>Has not commenced</i>	<input type="checkbox"/>	
Business Case or Investment Case	<i>Approved</i>	✓	
	<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

(see responses provided below)

Procurement:

All the regional councils associated with the identified projects can finalise procurement for their listed project using the local contractors they regularly use at the dates specified above. Most regional councils already have in place preferred contractor arrangements enabling rapid procurement and deployment.

Detailed Design:

Those projects ready for immediate start have completed detailed design work. The other projects that can start by **Commercial Information** either already have detailed design work completed or have this well advanced. In several instances, work was and is proposed to start in **Commercial In** when seasonal conditions are more suitable for earthworks to get underway.

Designations/Consents:

Immediate start projects and other projects that can start by **Commercial Information** already have consents in place or are well-advanced toward finalising these, with a high level of confidence these will be in place in time.

Many of the projects are expected to continue for up to three years before being completed. Some projects may need additional consents, beyond those already approved, during the later stages of construction. Regional council experience with projects of this type give a high level of confidence of these being finalised in a timely manner to enable the full project to be completed within the set timeframe.

The remaining projects that can start between **Commercial Information** generally are well advanced with their project planning Consent processes will be finalised to fit with their works timetable. These councils are highly experienced in these matters. Regional council long history with these matters provides evidence and confidence that flood protection is something that generates strong community support.

Land Acquired:

Almost all the listed projects have land that is already local authority or Crown land or will make use of land secured under long-term lease arrangements.

Business case or investment case:

The projects put forward are already included in regional council Long Term Plans. Inclusion of projects in regional council Long Term Plans always involves the preparation of a business plan for each project.

A full business case covering the general value of investment in the river management for flood protection projects was completed in August 2018 and is available here hot link



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### 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 Framework<sup>2</sup> and Sustainable Development Goals<sup>3</sup>. 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.

Background – previous business case assessment

Over the last two years, Regional Councils have made a solid investment in a range of initiatives seeking central government co-investment in river management for flood protection schemes.

- **Co-investment business case:** In August 2018 a robust report was prepared by regional councils outlining the business case for central government co-investment in river management. A **Commercial Information** assessment (April 2018) of the state, cost and benefit of flood protection schemes provided extensive input information for this report.
- **PGF applications.** In December 2018, four ‘grouped-up’ PGF applications were prepared and forwarded to MBIE’s Provincial Development Unit seeking funding for proposed flood protection enhancement works for schemes located in Northland, Gisborne, Manawatu / Whanganui and Bay of Plenty. These PGF applications provided robust business cases for each project
- **Ministerial and Officials Resilience Committees:** A Ministerial ‘Resilience Committee’ has been established. An Advisory Committee is in the closing stages of working with DIA to prepare a ‘Flood Risk Issues and Options’ paper for consideration by this Ministerial Committee. The Committee’s objective is to seek various policy changes and funding to help make New Zealand more resilient to the effects of climate change, with a focus on the effects of flooding. Regional Council and LGNZ officers have contributed to this ‘resilience’ paper. The paper provides valuable information supporting the business case for investment in flood protection projects.

With comprehensive Covid-19 response and mitigation actions now in place, regional councils are united in agreeing that priority attention should now be directed toward immediate investments capable of accelerating Covid-19 economic recovery actions. Funding of spade-ready river management / flood protection projects will significantly contribute to this objective.

As noted previously in our responses to the questions posed in this template, regional councils welcomed the invitation, as extended to **Privacy of natural persons** by PGF Investment Manager Eliot Linforth-Hall on 2 April 2020, to present a report containing 58 pan-regional-council spade-ready flood protection projects suited to Provincial Growth Funding. The appendix to the report prepared for Mr Linforth-Hall provides details, including information about the business case, for each of these projects hot link



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

<sup>3</sup> <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/>

We note Minister Shane Jones (press release 7 April 2020) has asked the Provincial Development Unit to also work through current PGF applications and projects to see where PGF money can be repurposed for initiatives deemed more critical to fighting the economic impacts of the Covid-19 pandemic, than general regional economic development initiatives. We remain confident the four flood management projects submitted to the PDU in December 2018 well-satisfy the PGF criteria, and even more so when a Covid-19 recovery lens is applied. We also note and welcome the clear Government signal, that the need to favour 'surge' regions, no longer applies i.e. all New Zealand regions are now surge regions.

#### Overall benefits of river management for flood protection projects

Flooding is the most common natural hazard we all face in New Zealand. In most cases New Zealanders have been protected from the full force of flood events by river management and flood protection schemes. These schemes provide safety and security to around 1.5 million hectares of our most productive and intensely used land and to over 100 towns and cities. They also protect the families and communities living alongside our rivers. In total, these schemes currently provide an estimated annual benefit of over \$11 billion each year. This is over five times their capital replacement value.

There is an urgent and compelling need for river management and flood protection schemes to be substantially re-purposed and upgraded, or renewed, to meet contemporary challenges, including adaptation to cope with more frequent and intense climate change-induced flood events. The schemes must now also satisfy a wider spectrum of community, environmental, cultural and economic objectives than in the past.

The intensity and frequency of recent climate change-induced weather events is placing stress on the integrity and risk reduction capabilities of existing schemes. The West Coast floods and more recently Southland, and South Canterbury floods (December 2019), are a case in point. The Edgecumbe April 2017 flood is also an example of this stress with the Cullen Review Report (2018) urging more focus on faster implementation of identified preventative work plans.

Lawrence et al (2013) suggest that what is considered a 40-year return period flood event now, will be reduced to the equivalent of an 8-year return period event by 2090 because of climate change. Practical intervention measures, to successfully adapt to climate change, are urgently called for.

Improving flood protection is a critical 'first step' climate change adaptation action to generate investor confidence in undertaking economic enterprise. Better and more appropriate protection will underpin and de-risk private and public sector business investment and will proactively improve community safety and resilience within a post COVID19 environment.

The confidence of New Zealanders in the protection of the places where they live, and work, needs to be restored. New Zealanders do not need to carry the worry, concern, stress and loss of confidence that comes from a concern about the risk of their houses and properties being inundated by flood water. Investment in flood protection will do that.

Integrated and sustainable land management or 'whole-of-catchment' approaches are the ideal answer and have always been a core part of Regional Council approaches to river management. More substantial investment in whole-of-catchment solutions, including planned community withdrawal from some of the areas affected by flooding, will be required.

These are intergenerational solutions that are an important part of preparing for a new and better tomorrow. However, intergenerational solutions cannot on their own, provide the protection needed without complementary downstream flood risk management schemes. It is these schemes which are the focus of the current applications. They provide immediate value to the community.

Repurposed and enhanced schemes would have vastly reduced the damages experienced by communities during and after the recent Edgcumbe, West Coast, Southland and Canterbury floods. Necessary upgrades will only happen slowly unless Government assists to make the required step change.

Details about why co-investment by central government is appropriate

Further details about the value to be derived from central government co-investment in river management for flood protection schemes include the following:

- **Making good use of regionally based civil engineering companies and employees:** Planned river management and flood control works will make use of those regional and local companies who may otherwise be significantly at risk because of the economic impact of Covid-19. By comparison, large transport infrastructure projects tend to make extensive use of the four or five very large and highly experienced road construction companies and or related consortia available throughout New Zealand. It is these companies who will likely undertake most of the works as part of the \$12b infrastructure investment programme announced in February 2020. Government has a duty to help secure the future for the smaller provincial companies too.
- **Protecting land-based industries, the farming, horticultural and viticulture sectors and associated industries and communities i.e. much of rural New Zealand:** In the face of significant COVID19 impacts on New Zealand’s \$41b tourism sector, the export of primary sector products will become even more fundamentally important to New Zealand’s future economic well-being. Investments that protect the productive potential of land are therefore critical.
- **Providing for certainty:** Investment in flood protection schemes will provide the necessary certainty and confidence for private sector business growth and the sustenance of the regions. This confidence will lift productivity and wages in the locations that are most in need.
- **Providing for community well-being:** Flooding events cause great community harm. Investment in flood protection provides for community well-being by destressing and expunging the sometimes long-lasting personal and family concerns arising when floods strike.
- **Demonstrating government is prepared to take concrete action in adapting to the effects of climate change:** Investment in flood protection schemes will provide a concrete demonstration of government’s willingness to act, alongside the mitigation measures outlined in the Climate Change Amendment Act 2019, to the challenge of adaptation against the effects of climate change. This will help build a more resilient future for New Zealanders.
- **Protecting critical infrastructure:** Enhanced river management schemes will protect existing national investments in rail and road infrastructure, lifeline infrastructure (power lines and water supply and sewage networks), some airports, communication services, schools, hospitals, universities and public conservation land. Protection of these assets will be critical to the security required to recover from the economic effects of COVID19 response measures.
- **Ensuring projects are capable of immediate implementation / genuinely spade ready:** The beauty of the listed river management projects is they are ‘spade ready’. Design has been completed. Resource consents have been obtained. Regional sources of co-funding have been secured. As soon as PGF or Infrastructure Group funding is secured, all that remains to be undertaken is the selection and contracting of appropriate providers – and this is not expected to be a difficult task.
- **Reflecting regional co-investment commitments:** The listed flood protection projects reflect varying levels of local co-investment and thereby, strong local and regional commitment to doing what needs to be done.
- **Providing for iwi and the Maori economy and providing for equity matters:** Many of the proposed flood protection projects are in areas with a high percent of Maori in the local community.
- **Minimising project risks:** Key barriers / risks to the project being ‘shovel ready’ have been removed – necessary consent, community and landowner consultation, design and co-funding arrangements are largely in place or can be put in place in a very short timeframe.

In summary, we are confident the listed projects strongly reflect and satisfy funding criteria and principles supporting central government co-investment. They will:

- Create jobs, leading to sustainable economic growth.
- Increase social inclusion and participation.
- Enable Māori to realise aspirations in all parts of the economy.
- Encourage environmental sustainability and help to respond to climate change.
- Support productive use of land, water and other resources.
- Improve resilience and protect critical infrastructure.
- Facilitate diversification of our economy.
- Accelerate New Zealand’s recovery from the effects of Covid-19 response actions.

Wider goals with respect to social, environmental and economic objectives and ‘value for money’ are clear. Regional civil construction businesses have been significantly affected by Covid-19 responses. They are ready and waiting to get back to work.

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

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

Commercial In direct jobs locally plus additional indirect jobs.

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	Project planning work has been completed. Regional councils have a strong history of successfully managing projects of this type. A pan-regional-council group of experienced regional council river managers is in place to ensure all the projects are delivered as promised.
B. The risk the project will not be completed on time, to cost or to specification	Low	Project planning work has been completed. Regional councils have a strong history of successfully managing projects of this type. A pan-regional-council group of experienced regional council river managers is in place to ensure all the projects are delivered as promised.
C. Risk the project will not realise the benefits outlined above	Low	Full cost benefit work has been completed for the listed projects. Regional councils are very experienced in assessing the benefits arising from projects of the type described. They are confident the identified benefits will be achieved.

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

Additional project risks are minimal. Regional council professional officers are very experienced in these matters and are more than able to manage these risks if they arise.

#### 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

As soon as co-investment funding is available, regional councils can put the final administrative / procurement details in place to enable construction of the projects to proceed with certainty.

Regional councils have a highly developed network of professionals capable of working collaboratively with each other and with central government to support the delivery of the listed projects.

Without government co-investment, only a small proportion of the projects will proceed soon as Councils consider the overall impact on their local economies and redefine affordability and priorities related to the full suite of their activities. It is likely, at best that many flood protection projects will be delayed because of the economic uncertainty that is likely to follow the Covid-19 pandemic

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?

Planned river management and flood control projects will make use of those regional and local companies who have been forced to cease operations because of the economic impact of Covid-19. These are mostly small to medium sized regional operations with sub-contractor networks involving regional families who are at the heart of provincial New Zealand.

Our expectation is that many, if not all, of the close to <sup>Commercial</sup> persons who will be employed or sub-contracted to assist with construction of the 58 listed flood protection projects are now being supported by the Government's Covid-19 assistance programme. Many of these companies / sub-contractors may be on the verge of insolvency. Certainty about future flood protection contracts is likely to be more than enough for banks to have the security to provide necessary bridging finance until the work commences, post Covid-19 lock-down.

In the face of significant Covid-19 impacts on New Zealand's \$41b tourism sector, the export of primary sector products will become even more fundamentally important to New Zealand's future economic well-being and recovery from Covid-19 response actions. Investments that protect land-based industries, the farming, horticultural and viticulture sectors and associated industries and communities i.e. much of rural New Zealand are therefore more critical than ever before.

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.

Our expectation is that many, if not all, of the close to <sup>Commercial</sup> persons who will be employed or sub-contracted to assist with construction of the 58 listed flood protection projects are now being supported by the Government's Covid-19 assistance programme.

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.

1. Approval for the requested co-investment funding will enable the 58 listed projects to immediately commence and thereby restore the confidence and trust of many of the small to medium sized civil engineering and earthworks companies of provincial New Zealand who are currently at significant risk of becoming insolvent.
2. Provision of a clear Government signal that co-investment in flood protection is a priority action for helping communities adapt, thrive and have confidence, in the face of the increasing magnitude and frequency of climate-change induced flood events, has the double benefit of not only improving community / economic resilience, it will also accelerate recovery from the economic effects of necessary government Covid-19 response actions.
3. Partnership with regional councils, who are ready to operationalise the listed low-risk flood protections projects, will provide re-assurance that Covid-19 response initiatives can be recovered from at speed and certainty, with the same style, clarity of leadership and decisiveness that has been inherent in Government's initial response decisions.

**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.** No information provided in this form is viewed as being confidential.