

OC240183

21 March 2024



Tēnā koe 

I refer to your email/letter dated 26 February 2024, requesting the following briefings under the Official Information Act 1982 (the Act):

- *“OC230638 Air Navigation System Review - Initial Actions*
- *OC230825 Improving the Resilience of Franz Josef*
- *OC230762 Managing Access to the Milford Road*
- *OC230624 Final report: Haumarū Tangata Ki Uta Ki Tai Recreational Safety and Search and Rescue – Review”*

Of the four briefings you requested, one is released to you and three are refused. The documents are listed in the document schedule attached as Annex 1.

Certain information is withheld and full documents are refused under the following sections of the Act:

- | | |
|---------|---|
| 9(2)(a) | to protect the privacy of natural persons |
| 18(d) | the information requested is or will soon be publicly available |

The following explanatory notes should be read in conjunction with the released briefing:

- The West Coast Regional Council revised its proposed original scope of work for the Franz Josef (Waiho River Stopbank protection) project in response to an Infrastructure Reference Group (IRG) Ministerial request to focus work on the northside of the Waiho River. In mid-2021, IRG Ministers gave final approval for central government to contribute up to \$9,218,597 towards a revised project (Waiho River Stopbank protection) project - Phase 1, which involved work principally along the northside of the Waiho River. The \$8.755m refers to the total cost estimated by council at the time, to carry out work on stopbanks on the southside of the river, considered by council to be necessary to delay while a long-term solution was worked through.
- The difference between the total amount of funds approved in principle for all 4 projects proposed by council under the programme and projects given final approval by IRG Ministers was \$2,706,404 which represents the actual sum returned to IRG contingency fund. The \$8.775m represented the sum estimated by council back in 2021 as the total amount required to carry out work on the southside of the river.

With regard to the information that has been withheld under section 9 of the Act, I am satisfied that the reasons for withholding the information at this time are not outweighed by public interest considerations that would make it desirable to make the information available.

You have the right to seek an investigation and review of this response by the Ombudsman, in accordance with section 28(3) of the Act. The relevant details can be found on the Ombudsman's website www.ombudsman.parliament.nz

The Ministry publishes our Official Information Act responses and the information contained in our reply to you may be published on the Ministry website. Before publishing we will remove any personal or identifiable information.

Nāku noa, nā



Hilary Penman
Manager, Accountability & Correspondence

Annex 1 - Document Schedule

Doc#	Reference	Document	Decision on release
1	OC230638	Air Navigation System Review – Initial Actions	Refused under Section 18(d). The document starts on page 271 of this link: https://www.transport.govt.nz/assets/Uploads/22BriefingsfromSeptember2023.pdf
2	OC230825	Improving the Resilience of Franz Josef	Released with some information withheld under Section 9(2)(a).
3	OC230762	Managing Access to the Milford Road	Refused under Section 18(d). The document starts on page 194 of this link: https://www.transport.govt.nz/assets/Uploads/22BriefingsfromSeptember2023.pdf
4	OC230624	Final Report: Haumaru Tangata Ki Uta Ki Tai Recreational Safety and Search and Rescue – Review	Refused under Section 18(d). The document starts on page 22 of this link: https://www.transport.govt.nz/assets/Uploads/TenBriefingsfromSeptember2023.pdf

Joint Briefing

Department of Internal Affairs – LG202301148; Te Manatū Waka - OC230825

Hon Kieran McAnulty
Minister of Local Government

Hon David Parker

Minister of Transport, Associate Minister of Finance

Copy to: Hon Damien O'Connor – Minister of Agriculture, Associate Minister of Transport

Title: **Improving the Resilience of Franz Josef**

Date: 26 September 2023

Key issues	
This briefing seeks Ministerial agreement to reconvene the Franz Josef Ministers Group in early 2024, to provide officials with direction on next steps for the Franz Josef township. This is a joint briefing by the Department of Internal Affairs and Te Manatū Waka, with input from Kānoa and Waka Kotahi.	
Action sought	Timeframe
Hon Kieran McAnulty, Minister of Local Government	
Agree to reconvene the Franz Josef Resilience Ministers Group in early 2024, with the intent of providing officials with direction on next steps. Agree to communicating this decision to affected stakeholders in Franz Josef.	29 September 2023
Hon David Parker, Associate Minister of Finance	
Note advice from Waka Kotahi recommends that the remaining \$8.775m of IRG funding not be offered to Waka Kotahi Note that officials have been directed to not provide options for the reallocation of these funds and therefore these funds should be returned to the IRG Programme Contingency. Note that Kānoa will provide a further paper to IRG Ministers seeking confirmation of this decision to return the remaining \$8.775m of IRG funding to the IRG Programme Contingency	29 September 2023

Contact for telephone discussions (if required)

Agency	Name	Position	Contact Number
DIA	Warren Ulusele	Director Local Government Branch, Department Internal Affairs	s 9(2)(a)
MOT	Jack Alison	Senior Adviser, Te Manatū Waka	

Return electronic document to:	Jorge Bolanos Lopez, jorge.bolanoslopez@dia.govt.nz ;
Cohesion document reference	FAAEC301-D35D-4D9D-8342-D5F672D52FEA
Ministerial database reference	LG202301148

Purpose

1. This briefing seeks Ministerial agreement to reconvene the Franz Josef Ministers Group in early 2024, to provide officials with direction on next steps for the Franz Josef township. The briefing also recommends that the \$8.775m of IRG funding is not offered to Waka Kotahi. This is a joint briefing by the Department of Internal Affairs and Te Manatū Waka, with input from Kānoa and Waka Kotahi.

There is a history of Ministerial interest in Franz Josef vulnerabilities

The vulnerabilities of Franz Josef are well known, and work began to improve resilience

2. The Franz Josef community remains exposed to a range of hazards, as revealed by the Waiho River flooding in 2019. Initial findings from a Technical Advisory Group, recently established by the West Coast Regional Council (WCRC), indicate a significantly higher risk profile of the Waiho River since 2019. This highlights the urgency for a solution to the township's hazard exposure.
3. In 2019, the Franz Josef Ministers Group (Ministers Group)¹ sought options to improve the resilience of the Franz Josef township. The recommended method suggested a Two-Phase Approach, with short-term resilience measures implemented in Phase One and a masterplan for longer-term resilience measures developed in Phase Two.
4. Officials continue to support this approach, as it acknowledges the need for a coordinated all of Government effort, led by affected local Government stakeholders, to manage the complex nature of Franz Josef's vulnerabilities.

Agencies have informed Ministers of the need for direction on next steps

5. The onset of COVID-19 saw Ministerial direction diverted from the longer-term resilience work. Officials have not received direction on whether to, or how to, progress with the masterplan.
6. In November 2022, the Department of Internal Affairs (DIA) provided the Associate Minister for Local Government with advice relating to the Franz Josef Resilience Project. It raised the lack of progress towards a longer-term approach, and recommended reconvening the Ministers Group to provide officials with direction. Ministers were unable to reconvene in December 2022 due to scheduling conflicts.
7. In August 2023, Kānoa provided Infrastructure Reference Group (IRG) Ministers² with advice relating to the Franz Josef Waiho River Stop-bank Protection Project (Tranche 19 refers). It also raised the lack of progress towards a longer-term resilience approach, and recommended IRG Ministers reallocate the currently unspent \$8.775m that is allocated to Franz Josef (Waiho River Stopbank Protection) to existing projects facing cost-pressures.

¹ Ministers of/for Local Government (Lead); Finance; Infrastructure; Environment; Land Information; Economic Development; Regional Development; Emergency Management; and Conservation.

² The Infrastructure Reference Group (IRG) Ministers is made up of the Minister for Infrastructure (Lead), the Minister of Finance, and all Associate Ministers of Finance. The IRG Ministers are responsible for decisions on funding allocated from the IRG Programme, including the funding allocated to Waiho River resilience work.

The Associate Minister of Finance has proposed funding part of the long-term work

8. Of the \$3b allocated towards Infrastructure Investment through Budget 2020,³ Kānoa oversee \$700m of funding, which includes \$200m for the Climate Resilience and Flood Protection Programme. In 2020, from these funds, \$18m was approved in principle towards Climate Resilience work on the Waiho River as part of the Franz Josef Resilience Programme. This funding was split into two phases with the Phase One funding of \$9.225m further approved in April 2021 towards stopbank raising and construction on the Waiho River. The Phase Two funding of \$8.775m has yet to receive the required further approval for work to commence.
9. In September 2023 IRG Ministers asked Kānoa, in response to officials Tranche 19 recommendations, to offer the \$8.775m to Waka Kotahi for land purchases to enable the release of the Waiho River's southern stopbanks. This step would support longer-term resilience by reducing the town's exposure to rising river levels.
10. Waka Kotahi is of the position that they should not be offered the \$8.775m for land purchases. Without a master planning exercise completed, it is unknown how much land, or even what land, would need to be purchased for the realignment of State Highway 6. Determination of how the river may be managed has far broader implications on the township, community, and ultimately where a resulting state highway may be aligned to. Once these determinations are made, Waka Kotahi would need to complete a business case before discussions on land purchases can commence. Costs are likely to far exceed \$8.775m.
11. Under the direction of the Minister of Finance's office, officials have been directed not to provide further options for the reallocation of the remaining \$8.775m, such as funding master planning to support Phase Two recommendations. Given that the \$8.775m offer to Waka Kotahi is not recommended, the direction from Ministers suggest this funding be returned to the IRG Contingency.
12. Therefore, Kānoa officials intend to provide a paper to IRG Ministers for consideration of the \$8.775m being returned to the IRG Programme Contingency. However, this would forgo the purpose of this funding to deliver flood protection and resilience for vulnerable communities on the West Coast.

Implications of this decision

13. Officials highlight the increased flood risk profile of the Waiho River identified by WCRC. In the absence of an identified long-term solution for townships, and the short-term risk reduction from measures such as stopbank redevelopment, Franz Josef remains significantly vulnerable to natural hazard risks.
14. Kānoa advises that if the \$8.775m is returned to the IRG Programme Contingency then there is no funding currently available for progressing a potential long-term plan for Franz Josef. There has been a significant funding shortfall since 2020 estimates, which suggested over \$110m was required for a long-term solution to the Waiho River/Franz Josef resilience. Returning the \$8.775m would mean no funding would be currently available for potential solutions, in particular the immediate need to bolster existing flood protection infrastructure required to provide time for a long-term solution.

³ These funds were intended to support economic recovery from COVID-19, to be monitored by Crown Infrastructure Partners (CIP), delivered by delivery agencies including Kānoa, and directed by the Infrastructure Reference Group (IRG) Ministers.

There has been limited progress since 2019 recommendations were made

Work is underway on the short term 'Phase One' component

15. Construction work to strengthen and upgrade the Waiho River's northern stopbanks is progressing in accordance with the "Phase One" project plan, which will protect the township and critical infrastructure.⁴ Upgrading stopbanks along the southern approach to State Highway 6 Bridge is scheduled to commence later in the 2023/24 construction season. Commencement of work was initially delayed due to settlement of historical legal matter holding up consent approval from one affected party.

There are risks if officials are not operating within a defined strategic direction

Known vulnerabilities will persist

16. The risk of severe natural hazard events in Franz Josef, including flooding and alpine fault earthquakes, is permanent. Without a proactive approach to risk management and mitigation, these risks will eventuate and pose a substantial threat to Franz Josef.
17. Preparedness can mitigate the fear, anxiety, and losses associated with the potential floods that threaten the areas. The absence of preparation is likely to result in higher economic costs, as well as wellbeing issues for the local community.

The relationship between local and central Government will strain

18. Affected local and regional councils have a responsibility to lead the development and implementation of a masterplan, and they support this. However, these councils have limited resources and are unlikely to start its development without certainty that central government will support its implementation. Central Government commitment and financial support for master-planning is key to this work.

It will be difficult to take advantage of opportunities to improve resilience as they present themselves

19. In 2021 when "Phase One" of the Franz Josef/Waiho Flood Protection project was approved it was anticipated this work could provide up to 15 years protection based on flood modelling scenarios at that time, noting this protection could be overwhelmed by a significant flood event. The purpose of this work was to provide time for a long term flood protection solution to be delivered. However, revised flood modelling in response to recent changes to the Waiho River system suggest the duration of protection is in the vicinity of 5 years or less without protective intervention.
20. WCRC has signalled to Kānoa that it will seek a variation to its scope of work and a budget increase. They would seek flood resilience funding towards progressing a council/community led masterplan for the Franz Josef Township's adaptation to revised flood modelling scenarios.

⁴ Critical infrastructure to be protected include a heliport, northern approach to State Highway 6 Bridge, and the local water treatment plant.

Officials continue to endorse a long-term solution by developing a masterplan

Department of Internal Affairs position

21. The Department of Internal Affairs highlights that councils have agreed to the development of a masterplan to work towards the mitigation of severe weather events in Franz Josef. However, this is not likely to progress if they do not have reassurance from central government that financial resources will be available for the implementation of their masterplans.

Kānoa position

22. Kānoa supports considering a portion of the \$8.775m be directed to fund a council community led masterplan for Franz Josef Township based on a clearly defined scope of work, deliverables, and budget aligned to the broader objectives of relevant agencies. Kānoa notes a considerable amount of work has already been done following the 2019 flood event in relation to future options and that any work should build on previous completed and regionally approved work.
23. Kānoa, with overview from the Climate Resilience Advisory Board, also supports reallocation of the \$8.775m to other WCRC projects facing cost pressures for delivery, as identified by WCRC. Kānoa note this is consistent with other processed variations and with the IRG Ministers guidelines for variations to deliver climate resilience and flood protection infrastructure.
24. IRG Ministers have delegated decision making to Kānoa with overview from the Climate Resilience Advisory Board (Tranche 10 refers) to agree some variations to projects, subject to the variations meeting certain criteria.⁵ In accordance with these criteria, Kānoa has previously approved several proposed variations to reallocate funds within a council's funding envelope to ensure completion of flood protection projects.
25. WCRC flood resilience and protection projects are well advanced, but some face funding challenges due to inflationary pressures on materials and construction costs. WCRC has identified a need to reallocate funds from the \$8.775m Franz Josef/Waiho River "Phase Two" project to offset increased costs for the following projects:
 - 25.1 Mawhera (Quay) Grey River flood protection stage 2 - \$1.5m
 - 25.2 Hokitika River flood protection project - \$4.0m
 - 25.3 Franz Josef/Waiho River "Phase One" - \$2.0m
 - 25.4 Franz Josef masterplan - \$1.2m
26. In August 2023 Kānoa requested IRG Ministers (Tranche 19) consider WCRC's request to either
 - a) agree to direct the *Phase Two* funding of \$8.775m towards other projects within WCRC's programme of Climate Resilience and Flood Protection works facing cost pressure consistent with decisions made for other councils, or;
 - b) direct funding towards reinstating stopbanks on the southside of the Waiho River, or;

⁵ Maintains acceleration of flood resilience; Increases provision of flood protection and climate resilience; Meets IRG criteria and previous approval for funding; Increases post Covid regional economic recovery; Increases social procurement, and; Resides within council's current long-term plan

- c) return the \$8.775m to the IRG Contingency Fund.
27. Ministers did not agree to any of these recommendations and requested Kānoa to offer the \$8.775 to Waka Kotahi, which has been declined (see paragraph 10). Various agencies are now considering the opportunities to fund a masterplan for Franz Josef.
28. If IRG Ministers were to consider the \$8.775m of IRG funding be used for master plan development, Kānoa would work with relevant agencies to prepare advice to the IRG Ministers.⁶ However, noting the direction given to officials (see paragraph 11), at this stage no further advice would be prepared for IRG Ministers.

Waka Kotahi position

29. Waka Kotahi is of the view that the long-term approach to Franz Josef resilience needs to be formally agreed by Government and communicated before infrastructure works are progressed. Waka Kotahi supports short term investment into the stop banks while a long-term resilience approach is progressed given the risk to the community.

Officials support in principle the Two-Phased recommendation

30. Officials still recommend that a masterplan for the township be considered the first step to enabling longer-term actions, and that this should ideally be locally lead, regionally coordinated, and centrally enabled. Officials from all agencies support the longer-term actions that need to be completed, including land purchase, state highway realignment, southern stopbank removal, and incremental town migration north.
31. These actions are not owned by a single agency, there is a specific sequencing required, and without a coordinated all of Government effort there is a risk the resilience benefits of these projects will not be realised.
32. Officials need direction from Ministers if they wish us to pursue other funding options to develop the masterplan. Possible options that could be explored include future tranches of the National Resilience Plan funding, or a bespoke budget bid.

We recommend the Franz Josef Ministers Group agree to reconvene in 2024

33. Agencies recommend that Ministers seek to reconvene in early 2024 to provide officials with direction on progressing a long-term solution for Franz Josef, including potential funding for developing a masterplan. We recommend communicating this decision to the Franz Josef community and councils.

Next steps

34. Should you agree, your office will coordinate with relevant Ministers to reconvene the Franz Josef Resilience Ministers Group in 2024, with the expectation that this Group will receive advice from officials and provide them with direction. Kānoa will provide a paper to IRG Ministers on next steps regarding returning the remaining \$8.775m to the IRG Programme Contingency.

Consultation

35. This is a joint briefing by the Department of Internal Affairs and Te Manatū Waka, with input from Kānoa and Waka Kotahi.

⁶ This would be provided through Crown Infrastructure Partners (CIP) as the Schedule 4A Company responsible for ministerial relations on this fund.

Recommendations

36. We recommend that you:

Hon Kieran McAnulty		
a)	Agree to reconvene the Franz Josef Resilience Ministers Group in early 2024, with the intent of providing officials with direction on next steps.	Yes/ No
b)	Agree to communicating this decision to affected stakeholders in Franz Josef	Yes/ No
Hon David Parker		
a)	Note advice from Waka Kotahi recommends that the remaining \$8.775m of IRG funding not be offered to Waka Kotahi	
b)	Note that officials have been directed to not provide options for the reallocation of these funds and therefore these funds should be returned to the IRG Programme Contingency.	
c)	Note that Kānoa will provide a further paper to IRG Ministers seeking confirmation of this decision to return the remaining \$8.775m of IRG funding to the IRG Programme Contingency	

Department of Internal Affairs	Te Manatū Waka Ministry of Transport
	
26 / 09 / 2023	26 / 09 / 2023
Warren Ulusele Director Local Government Branch, Department of Internal Affairs	Richard Cross Acting Deputy Chief Executive, System Performance and Governance
Hon Kieran McAnulty Minister of Local Government	Hon David Parker Minister of Transport, Associate Minister of Finance
/ /	/ /