Report to:	Council – Public Excluded
Date:	26 February 2025
Subject:	Progress update - Clarence Valley Access Project
Prepared by:	D Clibbery – Senior Advisor
Input sought from:	
Authorised by:	W Doughty – Chief Executive Officer

1. PURPOSE AND ORIGIN

An update is provided on progress of the Clarence Valley Access Project and further actions are proposed to advance the land acquisition process.

2. RECOMMENDATION

It is recommended that:

a) The report is received.

b) In accordance with Section 110 of the Public Works Act 1981 Council authorises an appointed surveyor or surveyors to enter and re-enter the land of Lot 3 DP 304028 (RT 16180), Lot 1 DP1191 (RT MB4B/1311) and Section 8 SO4121 (RT 16180) at reasonable times, with or without such assistance, aircraft, boats, vehicles, appliances, machinery, and equipment as are reasonably necessary for undertaking a survey of the area of land sought to be acquired for the construction and operation of the proposed new road connecting to the proposed new bridge across the Waiau Toa/Clarence River.

c) A Notice of Intention to acquire land, in accordance with Section 23 of the Public Works Act 1981, is prepared in respect of the land required for the construction and operation of the new road referenced in part b. of this recommendation, and that the owners of that land and other parties with interests in the land are served with that notice on 12 May 2025 if a voluntary agreement has not been negotiated for the acquisition of the land by that date.

d) The Council delegates the Chief Executive to determine the release of this public excluded report.

3. PROJECT UPDATE

The status of the four current key elements of the project are provided in the following sections.

Land Acquisition

At its meeting of 18 December 2024 Council resolved to commence a compulsory acquisition process under the Public Works Act 1981 ('PWA') in respect of the land required for the new access road for the Waiau Toa/Clarence Valley Access Project and authorized the Chief Executive to execute and approve service of the notices to facilitate the compulsory acquisition process.

The first of those notices – a *Notice of Desire* to acquire land under Section 18 of the Public Works Act 1981 was recently served on the owners and other parties with interests in the required private land.

[redacted]

[redacted]

[redacted]

[redacted]

Project Cost Validation

Professional infrastructure project estimators BondCM have been working with the preferred contractor in an attempt to arrive at an agreed price for the project's road construction works that offers demonstrable good value.

There was initially a large difference between the pricing being offered by the contractor and the independent estimate, with the contractors price being around 50% higher, but the contractor has subsequently made significant adjustments to their pricing and at the time of preparing this report the contractors price appears to only be 12% above the independent estimate.

BondCM is undertaking further checking of this pricing, but should this 12% difference be confirmed this would probably be considered to be a reasonable variance in the context of this relatively complex project and would appear to provide sufficient evidence of good value to avoid the need to re-tender

the work, which would create further delays and uncertainty that would probably be perceived unfavorably by NZTA.

Resource Consent Applications
Work towards preparation of applications for the required consents has continued, with preliminary feedback from ECan suggesting that there are not any serious technical issues that are likely to preclude granting of those consents.

A formal letter of support for the project from Te Runanga o Kaikoura is to be requested as part of these applications and it is hoped that will be forthcoming despite the challenges existing in respect of land acquisition.

It is currently hoped that applications for all consents will be submitted by the end of February.

NZTA Funding
At the beginning of February advice was received from NZTA that they were proposing to move towards presenting a paper to the NZTA Board at its February (as there is no March board meeting). Council's CEO advised senior staff at the agency that good progress was being made towards delivery of the project and requested that presentation of any paper to the NZTA Board regarding the project should be delayed until their April meeting, by which time further progress was hoped to be made in respect of the key issues of land acquisition, project price validation and resource consent applications.

NZTA agreed to this request on the basis that progress was being made with a further update required at the end of February. How NZTA will view the status of the project at the end of this month is still uncertain.

5. FINANCIAL IMPACTS AND RISKS

Significant uncertainty and potential financial risk continues to characterize this project, with the potential withdrawal of NZTA financial support appearing to be the greatest risk at this time.

6. COMMUNITY OUTCOMES SUPPORTED

The outcomes below are being supported:



Development
We promote and support the development of our economy



Services
Our services and infrastructure are cost effective, efficient and fit-for-purpose.



Future
We work with our community and our partners to create a better place for future generations