

# Kenepuru & Central Sounds



Kenepuru & Central Sounds Residents Association Inc.

The Chair

Mr Scott Adams

Marlborough Regional Transport Committee

C/- Marlborough District Council

Blenheim

Email: [mdc@marlborough.govt.nz](mailto:mdc@marlborough.govt.nz)

*Andrew Caddie*

*President KCSRA*

*c/- PO Box 5054*

*Springlands*

*Blenheim 7241*

*email: [president@kcsra.org.nz](mailto:president@kcsra.org.nz)*

*WWW: [kcsra.org.nz](http://kcsra.org.nz)*

1 May 2024

Dear Sir

## **Submission – Marlborough Regional Land Transport Plan 2024/2034**

1. This submission concerns selected aspects of the Council consultation process re the proposed Marlborough Regional Land Transport Plan 2024/2034 (**RLTP**). This submission is made on behalf of the Kenepuru and Central Sounds Residents' Association (**Association**).

### **Background**

2. **Who are we:** We are a voluntary community organization with few resources, other than the experience and skills of our Committee members. Since incorporation in 1991 the Association has endeavored to represent the interests of our many members (currently around 300, mainly household members) on a variety of local issues.

3. **Why are we interested:** The main road into our region is the Kenepuru Road Network. With side roads the Kenepuru Rad Network is well over 100km, with both sealed and unsealed sections. It is a road of prime importance to this region. Accordingly, a core work stream, since incorporation, for the Associations elected voluntary Committee has been the delivery of a safe, efficient and reliable Kenepuru road network.

4. **Marlborough Council Roding administrative structures:** From about 2016 the then Committee became aware that the competent and timely delivery of road maintenance and repair operations for the Kenepuru Road Network was becoming problematic. In due course, in order to try and address these concerns, we closely engaged with Council, Councillors and the contractor to whom, it transpired, Council had contractually delegated its maintenance and roading obligations – the Marlborough office of the New Zealand Land Transport Agency (**NZTA/Waka Kotahi**) better know locally as Marlborough Roads (**MR**). MR in turn sub-contracts the delivery of the road repairs and maintenance work to, currently, a joint venture of Fulton Hogan and HEBs. (**JV**).

5. **Storm Events:** In 2020 the change of the MR contractor to the JV enabled us to encourage the

uptake of a new approach we had been championing – the cyclic work crew. It was clear that if adopted this approach – the modern equivalent of the local Roadman of old – would achieve greater efficiencies and outcomes for the likes of the Kenepuru Road network. Unfortunately the very damaging, to both the State and Council Marlborough road networks, storm events of July 2021 and again in August 2022, then struck the Marlborough Region.

6. As Council down graded the repair of the Kenepuru Road network in its recovery priorities, many of the event sites of July 2021 are still awaiting repair. This has savagely impacted on the well being of a very large community (over 900 ratepayers) dependent on the Kenepuru Road Network. Accordingly, you will appreciate that the Committee has been very engaged in coming to grips with, and to try and remedy, this unfortunate situation. In this endeavor the Association is most fortunate to have two very experienced civil contractors and a roading professional on the current Committee.

7. **Why we are submitting:** Accordingly, it is against this back ground that in addition to a full effort by the Committee on the Councils proposed Sounds Road Funding Repair options currently out for consultation, we decided it would be prudent to review the RTLP which is concurrently being consulted on by Council. Following that review we decided a submission was both appropriate and desirable.

## **Focus of this submission**

8. The RLTP is a Regional Plan and accordingly, there is much in this plan (as there should be) that is not of primary relevance to the users of the Kenepuru Road Network. Further as a voluntary organization we are significantly constrained as to both capacity and capability, to say nothing of our other commitments, to look beyond the relatively narrow lens we have adopted in this submission. Accordingly, we apologize in advance for focusing on aspects of the RLTP that we see of more direct relevance to rural roads and in particular the 10 percent or so that the Kenepuru Road network represents of the Council local road networks.

## **Structure of the RLTP**

9. As we see it the RLTP is divided into four main sections or Parts. Upon review we decided for reasons outlined above that our submission would focus (albeit briefly) on **Part C**. This Part C being identification of the short (three years) to medium (up to 10 years) Transport Priorities. We pull into our discussion related points/comments from our review of **Part A** of the RLTP - the Strategic Context section.

10. For completeness sake we also note that the Executive Summary suggests that the RLTP needs to be read in conjunction with another document. Upon enquiry we were advised that this was the Draft Marlborough Transport Activity Management Plan 2024 – 2034 (**TRAMP**) and were directed to a suite of five documents spanning some 180 pages. We are not sure if the TRAMP is to be (or is being) consulted upon. In any event, for the reasons outlined above our review and comments are kept to the more manageable, but not inconsiderable, 45 pages of the draft RLTP.

11. Again, we apologize in advance if the comments, suggestions and submissions we make here might be addressed in the TRAMP suite of documents.

## **Part C of the RLTP – Ten-Year Transport Priorities**

12. **Transport Priorities** - Section 15 under the heading “**Transport Problems**” identifies four broad immediate priority areas - Resilience, Network Efficiency, Maintenance and Safety. It then identifies under each sub-heading **Priority Investment** areas. We comment on selected topics in the latter as follows.

## Transport Priority Area 1 - Resilience

13. **Priority Investment area - FAS PBC** - The first priority investment area is said to be the programme of works associated with the Marlborough Sounds Future Access Study PBC.

14. The Kenepuru Road Network was damaged by the two storm events but repair funding was pulled after the August 2022 event and as noted much remains to be done to repair the damage inflicted by both storm events and thus to restore a fragile and damaged network to say nothing of the well being of the community. To put it colloquially, the repair of the Kenepuru Road Network is in an unfortunate **tail end Charlie position**.

15. Accordingly, but subject to what we say below when taking a finer grained look at the associated “*programme of works*“, we submit in support of this being a top priority investment area of the RLTP. Clearly implementation of the FAS PBC programme of works will improve resilience, network efficiency and safety. However, we note that the FAS PBC programme of works covers **three work streams** - Road Repairs, Road Improvements and Marine studies and improvements. We submit some differentiation can be made here in terms of urgency of the RLTP Investment priorities.

16. **Road Repairs:** Firstly, repair of the damage to the network from the two storm events. We submit **repair** of the storm(s) damage on the Sounds road network and the Kenepuru in particular will significantly, of itself, improve resilience. It is thus appropriate for the road repair work stream to be the **top investment priority** in terms of the RLTP short to medium term goals under Part C. We also note the indicative support from NZTA of a Financial Assistance Rate (**FAR**) of 71%. This is not guaranteed **and some urgency** is needed we respectfully submit to get the usual funding application to NZTA. We submit that the RLT Committee can usefully apply its weight here.

17. **Road Improvements:** The second work stream of the FAS PBC is road improvements. This is targeted at upgrading the storm water network. This has been costed on the basis of at least large-scale culvert upgrade and replacement programme and we estimate averages around \$100,000 per km or say 5 culvert replacements per km of the whole Kenepuru Road Network<sup>1</sup>.

18. The Association strongly supports better water management on Sounds roads. We submit that this as an important and often overlooked aspect of lifting the resilience of the rural road networks and thus the focus here is admirable. Nevertheless, we see this as part of the more usual road maintenance effort and thus coming second after FAS PBC road repairs - noting that the usual NZTA FAR for works of this type is 51%.

19. **Marine Studies and Improvements:** Thirdly, \$40 million dollars of marine studies and improvements to existing marine infrastructure is proposed and to be funded 100% by Council (ratepayers). Over 50% of the proposed expenditure has been allocated to the Kenepuru study area.<sup>2</sup> We have **real concerns** at the need for such a massive Council (ratepayer) expenditure and note that no substantive basis for this estimates was made available to BondCM when peer reviewing these cost estimates for this last category<sup>3</sup>.

20. Further, we query giving prominence to this work stream at the expense of the first two given, for example, that following the July 2021 event improvements to marine infrastructure were made and worked well subsequently<sup>4</sup>. In the Kenepuru, account needs to be taken of the extensive barge ramp and marshaling area recently consented at Mills Bay. We submit that the Mills Bay development will

---

<sup>1</sup> See Appendix U of the FAS PBC.

<sup>2</sup> See page 18 of the Councils LTP consultation document.

<sup>3</sup> See page 4 of the cost review of the FAS PBC undertaken for Council by specialist Consultant Company BondCM dated 11 August 2023.

<sup>4</sup> We refer, for example, to the new barge ramp and associated facilities speedily installed by Council emergency event managers at Fish Bay post July 2021.

obviate the need for the FAS PBC proposed **\$4.5 million** marine hub facility around the corner at Goulter Bay.

21. Accordingly, we **do not support and submit against** the RLTP being used to give the same priority to this FAS PBC work stream as to the other two. Either way we submit the marine improvements aspect should be subject to some serious costing analysis and cost/benefit analysis and take into account the developments we have noted above.

22. **Priority Investment Area - Sea Level Rise Response:** This is an area the Association successfully championed for the proposed Marlborough Environment Plan to have a specific and new policy requiring Council to carry out a review of the impact of Climate change on vulnerable Council infrastructure, such as roading exposed, to sea level rise. We were pleased to see that Council has now moved in this area.

23. However, we were a little disappointed that the initial NIWA commissioned study on sea level rise used the out dated and simplistic “bath tub” method to assess sea level rise impacts. Pleasingly, the NIWA report acknowledged the shortcomings of this assessment approach and suggested further work was required.

24. Subject to more detailed consideration being given to the terms of reference for any future consultancy work. we submit in support of this aspect being a priority investment area re the potential vulnerabilities of parts of the Regional Land Transport network,

### **Transport Priority Area 2 - Network Efficiency**

25. We restrict our comment on this section to noting that implementing of the programme of road repair works as contemplated by the Sounds FAS will, we submit, improve the Sounds Road network efficiency for both business and ordinary public users.

### **Transport Priority Area 3 - Maintenance**

26. **Priority Investment areas – Drainage:** We strongly submit in support that road maintenance in terms of drainage (water management) is a critical investment priority area for the Sounds road network.

27. However, it is not enough we submit for funding to be made available. Rather we also want the operational application of that funding to result in outcomes that are efficient, timely and competent. In this regard we have a number of finer grained points to make by reference to various comments made in Part A of the RLTP. In particular those relating to the efficacy (or not) of the current structure and maintenance contract arrangements for maintenance and repair of Council roads.

#### **Efficacy of the Road Maintenance Outcomes from the current Contractual arrangements**

28. In the introduction section of Part A of the RTLTP at page two there is a succinct section setting out how the road network is managed. With all due respect the tone and tenor generally gives the impression that the delegation of the Councils road network maintenance and repairs obligations is performing most satisfactorily. From our hard won experience and up skilling over the last six years and, in the context of rural roads, **the Association begs to differ** and submits that we also represent the widely held view of many in the Sounds communities.

29. For example, I well recall at one of the Public FAS meetings a Santec employee commenting that at every public meeting she had attended the community was raising time and time again concerns about the supply (or not) of timely competent, efficient maintenance and repair works.

30. The Association can also point to too many examples as to why we beg to differ: too many delays

as to promised work starting; poor work methodology and practices not being pulled up eg the failure in the July 2021 storm of aspects of the then recently completed Solomon retaining wall area due to poorly sited drainage works: a long running reluctance to use locally based contractors v's the JV (and its predecessors) preferring the inefficient and costly approach of sending crews from Blenheim out to the Kenepuru for the day and so on.

31. We also believe this structure, contractual philosophy and arrangements are actually exacerbating these issues. In this section we go into a little more of the detail as to why and how we have arrived at our recommendation below.

**32. Review Recommended:** For the reasons outlined above and below we submit that, in order to effectively deliver the RTLP Transport Priority Area 3 – Maintenance, an **independent review by a specialist experienced independent company** such as BondCM should be commissioned.

33. The purpose of such review would be to assess the efficacy of current contractual arrangements in terms of delivering timely, competent, outcomes for standard maintenance and repair of rural roads such as the Sounds Road network. Where appropriate the reviewers report should make recommendations as to change. We **stress** that would this is very much in line with the new Government's thinking behind the creation of a road efficiency group to:

*“finding efficiencies in road maintenance, standardizing maintenance protocols, reducing expenditure on temporary traffic management, and reviewing maintenance contracts”*

#### **Discussion – the Whys**

34. New Zealand Transport Authority /Waka Kotahi (**NZTA**) is responsible for the State Road network in Marlborough. Council has a statutory obligation as to the maintenance of the integrity of the balance of the roading network in Marlborough.

35. As noted in our introduction Council has contractually delegated its maintenance and roading obligations – to the Marlborough office of the New Zealand Land Transport Agency (**NZTA/Waka Kotahi**) better known locally as Marlborough Roads (**MR**). MR in turn sub contracts the delivery of the work to, currently, a joint venture of two large companies - Fulton Hogan and HEBs. (**JV**). Council is not a party to those contractual arrangements between the JV and MR.

**36. Stringy Contract set up:** There are obvious potential stress points arising from this relatively convoluted and stringy structure. In other words, as matters pass backwards and forwards along this lengthy chain the possibility of poor communication and drop off increases. We submit this is in actual fact here, more than a possibility.

**37. Different Priorities:** We submit that from time to time NZTA (the prime contractor) will inevitably find it must choose between meeting its statutory functions re State roads ahead of responding to the needs of the Council network. This is not ideal.

**38. No internal independent advice within Council:** It is quite common for statutory organizations like Council to outsource operational delivery of core work streams. Council does this in relation to Waste and various Legal services for example. However in each case Council has retained significant in house and expert advice- there are at least two waste engineers and in addition to an in-house legal counsel there are a number of legally qualified Council staff.

39. The Association has submitted that Council needs to fund a qualified and experienced roading engineer on a number of occasions at Annual Plan time. This year we also set out the case more fully in a separate submission concerning the Association's response to the current Long Term Plan consultation document. We submit the RLT Committee should support such an initiative as it is in keeping with achieving its investment priorities in this area.

40. **The NOC Contract-hands off supervision:** The contract between MR (NZTA) is known as a Networks Outcome Contract (NOC). From various discussions with both MR and Council staff we understand the focus is thus on good outcomes as opposed to being overly concerned or prescriptive as how the Contractor (the JV) organizes itself to achieve this. In other words, a high trust low supervision approach relying on periodic auditing.

41. We get that the auditor needs to review both road maintenance work undertaken in the audit period as well as areas of the Marlborough road network where no work has been undertaken. However, we submit that the sampling methodology as to deciding what to audit needs to be revisited. In other words rather than sample equally across the network (some 1820 km of State and Council roads) a “bigger” sample needs to be taken of work operations undertaken within the audit period as opposed to the sample of the condition of the networks where no work has been undertaken.

42. However you cut it, an audit is generally **after the event** and for that reason, in the context of construction work such as road maintenance; excessive reliance on a stretched auditor has obvious deficiencies.

43. **Long term Contract:** The NOC is a long-term contract around seven (7) years. An obvious problem can be that, after the initial enthusiasm of winning the contract dies down, then disenchantment sets in as to the agreed pricing terms. This was freely admitted by MR staff as having become real issue with the predecessor to the JV.

44. With hindsight the decline in maintenance standards observed by the Association started around the time the then contractor became concerned at the bargain. After all the NOC approach means fixing a pot hole in Blenheim is the same return to the JV as travelling out to the Sounds to do the same maintenance work in. In other words it is easier for the operations contractor to prioritize work closer to base and downgrade the more expensive rural work.

45. **Contract reviews:** In long term contracts (seven years plus) it is usual to find fairly robust two way periodic review arrangements. Accordingly, we were most disappointed to eventually learn that the three yearly review MR assured us was part of the NOC contract was quite restricted in scope. In essence it is an opportunity for the JV to seek to adjust (sometimes with good reason and sometimes not) the contract price(s) rather than a review of the effectiveness of their operations in terms of the outcomes for the Council road network.

46. We submit for, and recommend, shorter-term contracts (three years) or at the very least more substantive “two way” contract review provisions.

47. **The downside of the lean staffing out MR:** The small MR team is often noted approvingly as saving costs. We say and submit that our experience is this “saving” is at the expense of proper supervision of maintenance operation. They are too stretched to adequately cover an extensive rural road network like in Marlborough. Further this places excessive reliance on the JV doing the right thing.

48. The obvious remedy is for Marlborough Roads to have more of a hands on supervisory role and capability. A bigger staff will also make the MR operation less vulnerable to changes in staffing (eg the recent departure of the experienced mid level manager Lucan Orchard has created real gaps in an already stretched team)

49. **Conclusion and Recommendation:** We have spent a little time on this section. This reflects the many, many hours the Committee has spent internally and with Council/MR staff debating and discussing why we cannot seem to get more efficient timely delivery of vital, but not complex, road maintenance operations for rural networks like the Kenepuru road.

50. We submit there is a strong case that it will greatly assist the RTL committee achieving its priorities under this section of the RLTP by supporting our recommendation as to a review of the

effectiveness of the NOC arrangements.

## Transport Priority Area 4 – Safety

51. We submit in support of those priority investment areas covering – Speed Management Plan Implementation and a Heavy vehicle safety review for the Sounds road network. We submit that this review should be extended to road integrity impact issues from logging rucks on the more fragile Sounds Roads networks – particularly given the messages coming from Council as to its desire to reduce some Sounds road service levels going forward.

## Some General Submissions/Comments on Part A

52. We submit in support of the overall vision statement in the introduction section of Part A. However, we note the detailed definition of what constitutes “*sustainability*” in that vision statement. We submit that part of that definition referring to “Economy” should also refer to “...*developing and maintaining transport infrastructure*....”

53. On page 5 of the RTLP we note with concern the statement “ NZTA provided a FAR rate of 95 percent to assist with the July 2021 recovery works, **however the FAR rate for the August 2022 is only 71 percent**”(emphasis added).

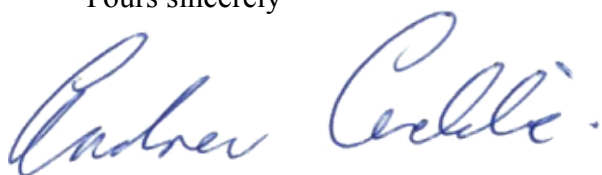
54. The words we have bolded are **factually wrong**, we respectfully submit, and should be corrected. The well presented and efficiently produced funding application prepared by MR back in 2023 resulted in NZTA agreeing to fund the \$52.4 million programme at a of **FAR of 95%, not 71 percent**<sup>5</sup>. We are also surprised at the use of the phrase “...**only 71 %**”. This is the FAR rate the Council’s FAS PBC actually stated as its base assumption **or bottom line**<sup>6</sup>. The funding short fall to the ratepayer, we submit, was baked in from the get go.

55. We submit in support of the statement at page 11 of the RTLP that there is considerable public concern about logging trucks (HPMV status) operating on the Sounds Roads. We submit in support of the need for a review of road safety on this concern. We further submit that the terms of such review extend to **road integrity issues** resulting from sustained heavy HPMV vehicle use over relative concentrated periods as harvesting operations commences.

## Attendance at Hearing

The Association thanks the Council for the opportunity to make submissions on the Regional Land transport Plan 2024 - 2034. The Association would be delighted – subject to availability of appropriate Committee members - to talk to the above submissions at any hearing.

Yours sincerely



Andrew Caddie,

President, Kenepuru and Central Sounds Residents’ Association

---

<sup>5</sup> See Council Media statement of 1 June 2023.

<sup>6</sup> See page xii of the Executive summary of the FAS PBC and the table of assumed FAR’s.