

PROVINCIAL GROWTH FUND MEMORANDUM OF UNDERSTANDING

BETWEEN

MINISTRY OF BUSINESS, INNOVATION AND EMPLOYMENT

AND

DEPARTMENT OF CONSERVATION

FOR

TARANAKI CROSSING

PART 1: KEY DETAILS

1	Parties	MINISTRY The Sovereign in right of New Zealand, acting by and through the Chief Executive of the Ministry of Business, Innovation and Employment (Ministry). RECIPIENT The Sovereign in right of New Zealand, acting by and through the Director General of the Department of Conservation (DOC).		
2	Funding Start Date	Commencement Date		
3	Commercial Information			
4	Background	Through the Provincial Development Unit, the Ministry is responsible for administering the Provincial Growth Fund, which aims to lift productivity potential in New Zealand's provinces. Its priorities are to enhance economic development opportunities, create sustainable jobs, enable Māori to reach full potential, boost social inclusion and participation, build resilient communities, and help meet New Zealand's climate change targets.		
		DOC has sought a funding contribution from the Ministry for the purposes of carrying out or procuring the Project described below. The Ministry has agreed to contribute funding on the terms and conditions of this Memorandum of Understanding (MOU).		
		Key details of this MOU are set out in this Part 1 . The full terms and conditions are set out in Part 2 . Defined terms and rules of interpretation are set out in Part 3 .		
5	Project	The Project is to develop a new experience to be called the Taranaki Crossing as a key visitor experience in the Egmont National Park. The Taranaki Crossing refers to the main track network enabling visitors to travel by foot from Dawson Falls along the slopes of the mountain, across the Ahukawakawa Swamp, and over the Pouakai Ranges to the end of Mangorei Road. The journey can be experienced as a series of one day walks, or multi-day tramps.		
		In time, the Taranaki Crossing may be a key part of a broader experience centred around the idea of 'Maunga ki Moana' – mountains-to-sea and is expressed in the Taranaki region's economic development strategy Tapuae Roa. The experience would enable visitors to travel from Dawson Falls on the southeastern slopes of Taranaki Maunga, Commercial Information The proposed broader Maunga ki Moana concept, if progressed, would extend and link existing tracks		
		managed by DOC, Taranaki Regional Council and New Plymouth District Council to create an iconic visitor experience in Taranaki providing opportunities for walking, tramping and cycling.		
		The Project undertaken as part of this MOU is part of a staged approach to the delivery of sections of the Maunga ki Moana experience that are within public		

conservation land. Noting that stages 2 and 3 as stated below are not part of this MOU.

Stage 1 will be completed under this MOU and PGF Grant:

- Stage 1 upgrade existing tracks to provide the backbone for the Taranaki Crossing. This will also allow for future commercial and cultural opportunities to leverage from:
 - Enhancement of two one-day experiences by upgrading Pouākai Crossing facilities and Pouākai Hut;
 - Improvements to popular tracks around Dawson Falls, linkages with other key visitor facilities and then through to North Egmont Visitor Centre to improve and expand the visitor experience;
 - A foundation in place that is ecologically sensitive and provides a future-proofed base to work with iwi on future aspirations; and
 - Upgrades would contribute to realising the region's aspirations for a 'Maunga ki Moana' experience if it is supported for development in the future.

On completion of the works described above, \$\(^{\text{commercial Information}}\) of the Total Funding under this MOU will be used for on-going maintenance and renewals of upgraded infrastructure for the Taranaki Crossing (**Opex**). DOC commits that the Opex funding will only be used for the Project undertaken as part of this MOU.

Stage 2 of the Taranaki Crossing project, and exclusive of this MOU but remaining as part of the total PGF Grant:

Commercial Information

Stage 2 will be dealt with in a separate Funding Agreement and initiation of Stage 2 is not dependant on the completion of Stage 1.

Note: DOC intends to evaluate Stages 1 and 2 to understand the outcomes including benefits, impacts and risks.

Stage 3 relates to the wider Maunga ki Moana concept, but is not part of this MOU and PGF Grant:

Commercial Information

Commercial Information

The benefits of the Taranaki Crossing Project include:

- A high quality and iconic visitor experience with tracks being upgraded to
 a standard suitable for day hikers with users becoming promoters of the
 experience. Up to through-walkers are expected to be walking the
 whole length by with many thousands more walking individual
 sections (e.g. projected for Pouakai Tarns track by
- Iwi opportunities: Provides an opportunity for Māori to showcase their cultural heritage and advance their economic and cultural aspirations as a key part of the tourism sector. This includes improved interpretation and storytelling to support the cultural values relating to the Maunga, enhancing Iwi, community and visitor connection with the Maunga, and potential new economic ventures for Maori by building off the improved visitor attraction.
- Employment opportunities during track upgrades and then via supporting tourism infrastructure such as cultural experiences, guiding, shuttles, food and accommodation.
- Improved safety for visitors by reducing the risk through the upgraded tracks, management of rockfall risk and improved safety education and signage.
- Reducing environmental impact through upgrades to existing infrastructure along the Crossing's route by preventing footfall damage and containing human waste.
- The investment will also allow DOC to showcase the conservation benefits realised through intensive predator control work, including the Taranaki Mounga project. Visitors will become more aware of how they can contribute to these conservation efforts.
- The New Zealand economy: An anticipated annual economic contribution in the vicinity of \$ one contribution by commercial information by commercial in the vicinity of \$ one contribution by commercial in the vicinity of \$ one contribution by commercial in the vicinity of \$ one contribution by commercial in the vicinity of \$ one contribution by commercial in the vicinity of \$ one contribution by commercial in the vicinity of \$ one contribution by commercial in the vicinity of \$ one contribution by contribu
- Benefits of accessing nature: Across the globe there is increasing recognition of the benefits of time spent in nature for people's health and wellbeing. These benefits tend to be non-quantifiable - in a traditional accounting sense.

In delivering this Project, DOC and the Ministry will work in partnership with nga iwi o Taranaki, supported by hapu. This partnership will also work with other regional and national stakeholders.

The Expected Outcomes of this Project which are aligned with the PGF objectives are:

- Increased direct employment opportunities;
- Improved viability of existing businesses and creation of new businesses;
- Increased social inclusion and participation;
- Complement existing local visitor activities;
- Better use of iwi assets and accelerate Māori economic development;
- Increased environmental sustainability; and
- Increased regional economic resilience.

6 Project Manage ment

DOC will deliver the Project via its Project Management Framework. This includes but is not restricted to the following phases:

- Initiation
- Planning
- Delivery and Implementation
- Closure

DOC will complete the following Project Milestones:

Project Phase	Gate Deliverable	Estimated timeframe for completion	Estimated MBIE/PGF Funding Contributi on Opex	Estimated MBIE/PGF Funding Contributi on Capex
Initiation	Gate 0 – Approved Indicative Business Case.	Commercial Informat	\$ ^{Commerc}	N/A
	Establishment of the Governance Group and agreed Terms of Reference.			
Minor Works Business Case (quick wins)	Gate 1 – Approved Minor Works Business Case	Commercial Information	N/A	\$ ^{Commercial}
Planning	Gate 1 – Approved Detailed Business Case(s).	Commercial Information	\$ ^{Commercial}	\$ ^{Commercial} 1
	DOC will provide the Ministry with a detailed timeline for delivery of the Delivery/Implementati on phase prior to that work commencing			

Delivery / Implementat ion	Gate 2 – Accepted project deliverables	Commercial Information	N/A	\$Up to \$ ^{Commercial Infor}
Closure	Gate 3 – Approved project closure	Commercial Information		\$ ^{Commerc}
Benefits Realisation	Gate 4 – Benefits monitoring and reporting plan	Commercial Information	N/A	\$ ^{Commerc}
Operations	Maintenance and Renewals of upgraded infrastructure	ongoing	\$ ^{Commercial Infor}	N/A
TOTAL			Up to \$ ^{commercial Infor}	Up to \$

7 Funding

The total Funding available under this MOU is up to **NZ\$** (Plus GST, if any). This is the Total Maximum Amount Payable.

A full itemised budget and schedule of works is attached as Schedule One to this MOU.

8 Reporting

DOC will provide the Ministry with the following reports:

- 1) A monthly report on or before the 20th of each month;
- 2) A Final Report at the completion of the Project aligning with the usual final wrap up report undertaken by DOC for a project of this scale; and
- 3) A Post Contract Outcomes Report within 1 year of completion of the Project.

Each monthly report must include the following information:

- (a) A 'dashboard' summary (trend, risk, overall health) of key project information such as budget, scope, resourcing, schedule and benefits
- (b) Achievements for the reporting period and plans for the next report period (not required in the final report following completion of the Project)
- (c) A summary of expenditure to date, actual against budgeted;
- (d) A summary of milestones and progress against these milestones (see section 6 of this MOU);
- (e) The number of people currently employed as a result of the Project, including by any subcontractors, and the expected of number sustained of jobs once the Project is complete;
- (f) A summary of any risks and/or issues arising or expected to arise with the Project, costs or performance of this MOU;
- (g) Any other information that is notified by the Ministry in writing to DOC.

The Post Project Outcome report must include the following information: (h) An analysis of how the Funding has enabled DOC to achieve the Key Objectives of the Project; (i) How the Funding has accelerated regional development through increasing the productivity potential of and contributing to more and better paid jobs in the region; (j) The number of jobs that were created during and resulting from the Project; (k) How the Project has increased social inclusion and participation; (I) How the Project has contributed to Māori development; (m) How the Project has increased regional and national resilience by improving critical infrastructure and/or growth and diversification of the economy; and (n) Any other information that is notified by the Ministry in writing to DOC. DOC acknowledges that the Ministry is developing an evaluation framework for the Provincial Growth Fund and is likely to receive requests for additional information from the Ministry. **Special Terms** 1) The Project will be overseen by a Governance Group that will provide core leadership and decision making. Aligning with the existing Steering Group that has overseen the Project to date, the Governance Group members will be representatives from DOC, the Ministry and local iwi. The Governance Group will determine any further membership. The Terms of Reference for the Governance Group will be signed off by the Governance Group with the members confirming acceptance of their roles and responsibilities within the Governance Group. 2) DOC will fund the annual operational shortfall of \$ DOC will fund the annual operational shortfall of undertakes to fund any pay all cost overruns of this Project. 3) DOC will prudently oversee the Project and will ensure all contractors have accountability and deliver the construction contract on time, within budget and to meet the relevant building codes, consent/Authorisation requirements, as required for such works to be undertaken. 4) The Taranaki Crossing and related assets will be maintained in accordance with best industry practice as part of the DOC's Asset Management System providing the project delivers the benefits agreed in this MOU. Where DOC transfers the ownership of any asset relating to this Project, it will require the same standard of maintenance of the asset from the new owner of the asset. 10 Contact Person Ministry's Contact Person: Recipient's Contact Person: Name: Bridget Sullivan Name: Luke Archbold **Email:** Commercial Information Email: Bridget.Sullivan@mbie.govt.nz PDUID: Commercial Information 11 Address for To the Ministry: To the Department of Conservation **Notices** 15 Stout Street, 18/32 Manners St, Te Aro PO Box 1473 PO Box 10420

	Wellington 6140	Wellington 6143
	Attention: Provincial Development Unit	Attention: Luke Archbold, National Portfolio Lead – Strategic Projects
	Email: monitorpgf@mbie.govt.nz	Email: Commercial Information
SIGNATURES	SIGNED for an on behalf of the SOVEREIGN IN RIGHT OF NEW ZEALAND by the person named below, being a person duly authorised to enter into obligations on behalf of the Ministry of Business, Innovation and Employment:	SIGNED for an on behalf of the SOVEREIGN IN RIGHT OF NEW ZEALAND by the person named below, being a person duly authorised to enter into obligations on behalf of the Department of Conservation:
	Name: Robert Pigou Position: Head of PDU, Provincial Development Unit, Ministry of Business, Innovation and Employment	Name: Lou Sanson Position: Director General, Department of Conservation Date:
	Date:	

END OF PART 1

PART 2: GENERAL TERMS

1 FUNDING AND PAYMENT PROCESS

- 1.1 The total PGF funding available under this MOU is set out in item 8 of Part 1. This is the total maximum payable by the Ministry under this MOU.
- 1.2 DOC will establish appropriations to administer the PGF funding where appropriate and ensure reporting is in place to provide transparent oversight of the fund and ensures flexibility due to the uncertain timing of operating costs and capital expenditure between the years.
- 1.3 On signing of this MOU by both parties and DOC confirming that the co-funding is available for the Project, DOC and the Ministry will seek joint Minister approval for a fiscally neutral transfer from Vote: Business, Science and Innovation to Vote: Conservation for the full amount of Funding.
- 1.4 At the expiry or earlier termination of this MOU, DOC will repay to the Ministry any PGF funding amounts transferred by the Ministry under this MOU which DOC:
 - a. has not spent or contractually committed to spend in accordance with this MOU; or
 - b. has spent or contractually committed to spend in accordance with this MOU but which DOC can, taking reasonable steps and without incurring additional cost, have refunded or released from that commitment.

2 **RECIPIENT'S RESPONSIBILITIES**

Standards and compliance with laws

2.1 DOC will comply with all applicable laws, regulations, rules and professional codes of conduct or practice.

Contractors

- 2.2 DOC will ensure that the Project is carried out:
 - (a) promptly with due diligence, care and skill, and in a manner that meets or exceeds Best Industry Practice;
 - (b) by appropriately trained, qualified, experienced and supervised persons; and
 - (c) in accordance with any directions of the Ministry, notified by the Ministry in writing from time to time.
- 2.3 DOC is responsible for the acts and omissions of any contractors.
- 2.4 DOC will ensure that all agreements it enters into with the Approved Contractor or any other party in connection with the Project are on an "arm's length" basis, provide value-for-money and do not give rise to any Conflict of Interest.

Information Undertakings

- 2.5 DOC will provide the Ministry with the reports (if any) specified in the Key Details, in accordance with the timeframes and reporting requirements set out in the Key Details.
- 2.6 DOC will provide the Ministry with any other information about the Project requested by the Ministry within the timeframe set out in the request.
- 2.7 DOC shall promptly notify the Ministry if:
 - (a) DOC (or any of its personnel or contractors) becomes aware of, or subject to, a Conflict of Interest;
 - (b) DOC becomes aware of any matter that could reasonably be expected to have an adverse effect on the Project, or result in a Termination Event or a breach of any term of this MoU by DOC.
- 2.8 DOC will keep the Ministry informed of any matter known to DOC which could reasonably be expected to have an adverse effect on the Project.

Funding, records and auditors

- 2.9 DOC will receive and manage all Funding in accordance with good financial management and accounting practices and to a high standard that demonstrates appropriate use of public funds.
- 2.10 DOC will ensure that during the term of the Project, the Co-Funding:
 - (i) is and remains secured and available to DOC to be applied towards the Project on the same terms and conditions approved by the Ministry; and
 - (ii) is applied to Eligible Costs as set out in the Key Details; and
 - (b) immediately notify the Ministry if it becomes aware of any circumstances that may result in the Co-Funding (or any part of the Co-Funding) not being secured and available to the Recipient to be applied towards the Project.

3 TERM AND TERMINATION

3.1 This MoU will be effective on and from the date this MoU has been signed by both parties (the **Commencement Date**) and will remain in operation until the End Date, unless terminated earlier by agreement of the Parties (the **Term**).

4 **CONFIDENTIALITY**

4.1 With the exception of information that is already available in the public domain, and unless stated otherwise, the Parties agree that all information communicated to one Party by the other, in any manner in connection with the MOU is Confidential Information and will be kept confidential at all times.

Permitted Disclosure of Confidential Information

- 4.2 The obligation of confidentiality at clause 4.1 does not apply to:
 - a) any disclosure of Confidential Information required by law; or
 - b) any disclosure of Confidential Information in a manner prescribed by government rules and or guidelines; or
 - c) any disclosure of Confidential Information to a Party's employees and contractors on a need-to-know-basis; or
 - d) any disclosure of Confidential Information on a need-to-know-basis:
 - i. a Minister; or
 - ii. any of that Party's advisors; or
 - iii. any other government agency.

provided that any person to whom confidential information is disclosed is bound in writing by obligations no less onerous than those contained in clause 4, prior to disclosure.

- 4.3 In any Permitted Disclosure, the Parties must take reasonable steps to ensure that electronic and hard copies of the Confidential Information are not available for viewing by personnel who do not have a genuine need-to-know.
- 4.4 The Ministry may publicise and report on the awarding of the Funding, including DOC's and any of its contractor's names, the amount and duration of the Funding and a brief description of the Project, on websites; in media releases; general announcements and annual reports.

5 MEDIA AND COMMUNICATIONS

- 5.1 Before making any media statements or press releases regarding this MoU and/or the Ministry's involvement with the Project, DOC will consult with the Ministry, and will obtain the Ministry's prior approval to any such statements or releases.
- 5.2 DOC will refer any enquiries from the media or any other person about the terms or performance of this MoU to the Ministry's Contact Person as soon as is reasonably possible. Both the Ministry and DOC will then work together to determine an appropriate timeframe for the response required on a case by case basis.
- 5.3 DOC will (and will require that the other parties working on this project for example NZTA will) acknowledge the Ministry as a source of funding in all publications (including any digital presence) and publicity regarding the Project in accordance with the PGF Funding Acknowledgement Guidelines on the website: www.growregions.govt.nz. The Recipient must obtain the Ministry's approval of the form and wording of the acknowledgement prior to including the acknowledgement in the publication or publicity (as the case may be).
- 5.4 If requested by the Ministry, DOC will establish or erect temporary and/or permanent signage (which may be in the form of a plaque) at the site of the Project acknowledging the

- Ministry as a source of funding for the Project. The Ministry may provide such signage and the Ministry will consult with DOC in respect of a suitable location for such signage.
- 5.5 All correspondence with the Ministry under this clause 5 must be directed to the Ministry's Contact Person and copied to pducomms@mbie.govt.nz.

6 **DISPUTES**

Principles

- 6.1 Each Party will use all reasonable efforts to:
 - (a) Give notice of any dispute between the Parties arising under or in connection with the MOU (MOU Dispute) promptly; and
 - (b) Meet within 5 Business Days of notice of an MOU Dispute with the purpose of attempting to resolve the MOU Dispute; and
 - (c) Use all reasonable endeavours to resolve the MOU Dispute as expeditiously as possible; and
 - (d) Ensure that any MOU Dispute that is reasonably foreseeable is dealt with at a sufficiently early stage to ensure that there is minimum impact on the ability of either Party to perform its obligations under this MOU; and
 - (e) Continue performing responsibilities and required actions under this MOU (as far as possible given the nature of the MOU Dispute) despite any MOU Dispute.

Escalation

- 6.2 Each Party will use all reasonable efforts to:
 - (a) Resolve any MOU Dispute between officials within 10 Business Days of first meeting;
 - (b) Where unable to Resolve any MOU Dispute between officials within 10 Business Days at a less than General Manger Level, escalate to General Manager level;
 - (c) Where unable to resolve any MOU Dispute at General Manager level within 10 Business Days; escalate them to a DCE or CE level.
 - (d) If the DCE or CE are unable to resolve the MOU Dispute they may escalate the MOU Dispute to each Parties' responsible Minister of Crown.
- 6.3 Wherever a MOU dispute arises, each Party agrees to liaise through the Party's Key Contact Person (clause 9) in the first instance, unless, in the circumstances, it is unreasonable to do so.

7 **CONTACT PERSONS**

7.1 All matters or enquiries regarding this MoU will be directed to each party's Contact Person (set out in the Key Details). Each party may from time to time change the person designated as its Contact Person on 10 Business Days' written notice to the other Party.

8 **GENERAL**

- 8.1 The Parties agree that this MoU is intended as a statement of mutually agreed intentions in relation to the Project. It is not intended to create legally enforceable rights or obligations. However, the Parties agree that they are bound in good faith to observe and perform their obligations under this MoU as if they were legally enforceable.
- The Parties will inform one another of any conflicts of interest in relation to this MoU. The Parties will jointly agree a management plan for any conflicts of interest that arise.
- 8.3 No Party shall have the authority to act for, or incur any obligation on behalf of the other Party.
- 8.4 This MOU can be amended by written variation signed by both Parties.

END OF PART 2

PART 3: DEFINITIONS AND CONSTRUCTION

Defined terms

In this MoU, unless the context requires otherwise:

Approved Contractor means an "Approved Contractor" specified in the Key Details.

Best Industry Practice means that degree of skill, care and foresight and operating practice that would reasonably and ordinarily be expected of a skilled and competent supplier of services engaged in the same type of undertaking as that of DOC or any contractors (as applicable) under the same or similar circumstances as those contemplated by this MOU;

Business Day means any day other than a Saturday, Sunday or public holiday within the meaning of section 44 of the Holidays Act 2003.

Commencement Date has the meaning given in clause Error! Reference source not found. of Part 2.

Conflict of Interest means any matter, circumstance, interest or activity of DOC, its personnel or contractors, or any other person with whom DOC has a relationship that:

- (a) conflicts with:
 - (i) the obligations of DOC (or its personnel or contractors) to the Ministry under this MOU; or
 - (ii) the interests of DOC in relation to this MOU and/or the procuring of the Project; or
- (b) otherwise impairs or might appear to impair the ability of DOC (or any of its personnel or contractors) to diligently and independently carry out the Project in accordance with this MOU.

Deliverable means a deliverable to be provided by DOC to the Ministry, as set out in the Key Details.

Eligible Costs means the actual costs reasonably incurred by DOC:

- (a) on or after the Funding Start Date and no later than the End Date; and
- (b) to deliver the Project.

Funding means the funding or any part of the funding (as the context requires) payable by the Ministry to DOC in accordance with the terms of this MOU, as described in the Key Details.

Key Details means Part 1 of this MOU.

Termination Event means any one or more of the events or circumstances set out in clause Error!
Reference source not found..

Construction

In the construction of this MoU, unless the context requires otherwise:

Currency: a reference to any monetary amount is to New Zealand currency;

Defined Terms: words or phrases appearing in this MOU with capitalised initial letters are defined terms and have the meanings given to them in this MOU;

Documents: a reference to any document, including this MOU, includes a reference to that document as amended or replaced from time to time:

Inclusions: a reference to "includes" is a reference to "includes without limitation", and "include", "included" and "including" have corresponding meanings;

Parties: a reference to a party to this MOU or any other document includes that party's personal representatives/successors and permitted assigns;

Person: a reference to a person includes a corporation sole and also a body of persons, whether corporate or unincorporate;

Precedence: if there is any conflict between the different parts of this MOU, then unless specifically stated otherwise, Part 2 will prevail over the Key Details, and the Key Details will prevail over any Attachments;

Related Terms: where a word or expression is defined in this MOU, other parts of speech and grammatical forms of that word or expression have corresponding meanings;

Statutes and Regulations: a reference to an enactment or any regulations is a reference to that enactment or those regulations as amended, or to any enactment or regulations substituted for that enactment or those regulations;

Writing: a reference to "written" or "in writing" includes email and any commonly used electronic document format such as .DOC or .PDF.

END OF PART 3

SCHEDULE ONE

ITEMISED BUDGET

Works Components	Operating Cost Estimate (incl Project Management)	Capital Cost Estimate (incl Project Management)
km of track where approx. 2/3 needs upgrading to day visitor standard.		\$ ^{Commercial Information}
Upgrade of Pouākai Hut		\$ ^{Commercial} Inform
Boardwalk over Ahukawakawa Swamp		\$Commercial Inform
Swing bridge over Manganui Gorge		\$Commercial Inform
Toilets		\$ ^{Commercial Inform}
Signs, shelters, consents		\$ ^{Commercial} Inform
Provisional and general allowance, escalation allowance, contractor's margin, contingency		\$ ^{Commercial} Information
Project delivery operating costs (planning phases) – including Pouakai Crossing	\$ ^{Commercial} Info	The state of the s
Ongoing operating and renewal costs for the Taranaki Crossing – including Pouakai Crossing	\$ ^{Commercial} Informat	Or .
Total Estimated operating and capital costs	\$ Commercial Informat	Commercial Information
Less DOC contribution to operating and capital costs	Commercial Informat	ior \$
Balance being sought from the PGF	Commercial Informat	Commercial Information
Total operating and capex sought from PGF		Commercial Information