

Summary of findings from Waimea Community Dam investigation

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Purpose of presentation

- Key findings based on consideration of terms of reference.
 - Overall quality of the advice
 - Project risks
 - Procurement decisions
 - Peer reviews
 - Conflicts of interest
- Learnings identified as part of the investigation
 - **Please note:** *These learnings are based on hindsight and based on current practices – these may be very different from what was expected over the review period.*

Terms of reference

- Assessment of the **overall quality of the advice** received and whether the decision was robust.
- How the **project risks** were identified, appropriately allocated, communicated and considered.
- Review as to what **procurement decisions** were made and the relevance to the decision-making.
- Consider how the peer reviewer(s) were engaged relevant to the decision-making.
- How any conflicts of interest were registered.

Assessment of the overall quality of the advice received

- The reports and supporting information from 2012 to 2018 clearly demonstrated the need for the Dam with the intention to deliver on three outcomes being:
 - I. Provide a long term urban water supply.
 - II. To provide sufficient water to reduce restrictions on consumptive water users, including irrigators.
 - III. To improve the dry weather flows of the Waimea River to improve environmental outcomes.
- Outcome one is the role of a territorial authority
- Two & three are responsibilities of a regional council
- This dual responsibility was both an advantage and disadvantage and added to the complexity of the project

Assessment of the overall quality of the advice received

- The summary and analysis of options presented at Council workshops and meetings was comprehensive and thorough, and we do not consider that more needed to be done.

Assessment of the overall quality of the advice received (2)

- The information was generally robust and there was no evidence of bias in either the reports or approach by officers.
- The final decisions to proceed or not, made in August, September and November 2018 were appropriate.

Project risks

- Some risks that were identified, were reported to Council during the review period.
 - This provided an avenue for elected members to consider the appropriateness of the approach to risk.
- Construction risks were recorded, evaluated and mitigated through an extensive risk register during the Early Contractor Involvement (ECI) process.
 - We consider that these were managed in an appropriate way.

Project risks (2)

- While risks were not formally identified, they were often mitigated by the use of experts.
- However, there was no evidence of a formal wider risk register covering broader project risks that might be seen under today's best practice standards.
 - The Office of the Auditor General has made the following comments:
 - *2016 - "In our view, risk management is one of the two least mature elements of governance in the public sector. We see few examples of excellence"*
 - *2021 - "The councils we looked at are still largely using basic risk management practices"*

Procurement decisions

- External advice was obtained and followed before the ECI process began.
- There was appropriate use of a Probity Auditor.
- The appointment of the ECI contractor was robust and appropriate.

Peer reviews

It was reasonable for both officers and elected members to rely on:

1. The preferred solution – the Dam, and
2. The ECI process and Tonkin and Taylor design, because of the extensive peer reviews that had been undertaken.

- 2004 GNS peer review of hydraulic modelling of concept performance
- 2005 Landcare peer review of GNS work
- 2011-2018 Opus/WSP peer reviews of various aspects of the Dam including design and investigation features
- 2014 Beca peer review of estimates
- 2015-2018 Bond peer review of costings
- 2017 Opus peer review of seismic risk
- 2018 Mott McDonald review covering design aspects of the dam
- 2018 WSP review covering design aspects of the Dam
- 2018 Damwatch as reviewer for CIIL

Conflicts of interest

- Conflicts during the timeframe of our review, were recorded by elected members when they arose and the appropriate action was taken.
- Allegations about conflicts of interest were made and we note that the Office of the Auditor General responded on five occasions to concerns brought to it, but these concerns were found to be unfounded.

Key learnings

These are based on current best practice, not what was considered good practice between 2012 & 2018.

- A decision register or map to be developed as a evolving document.
 - Over time, it will provide a single reference point to better understand what decisions have been made, those currently needing to be made, and those anticipated in the future.
- At the beginning of any future major project, the objectives should be clearly identified, and the subsequent strategic risks are to be recorded consistent with the Council risk management policy.

Key learnings (2)

- A project management office should be established and resourced at the inception of projects of this scale going forward. The office should be led by a project manager with suitable expertise, and be separate from the project sponsor.



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