

Treasury Better Business Case Consultancy Assistance for Flood Risk Mitigation Aotearoa
Co-investment Business Case for Central Government funding RFP

Meeting with [REDACTED] Maven Consultants

Thursday 25 August 2022

Present: Graeme Campbell, [REDACTED] & [REDACTED]

Online: Gavin Palmer, Leigh Griffiths & Greg Ryan

Key Discussion Points included:

1. Graeme – Introduction
2. [REDACTED] - outlined Maven experience as covered in their response to RFP.
3. [REDACTED] – Government has 4 positions:
 - 1) Do nothing (the default response)
 - 2) Say going to do something then do nothing
 - 3) Do bare minimum
 - 4) Do the right thing
4. Need to get Government to adopt the Right Solution.
5. To be successful:
 - 1) Government wants one voice from sector – RM SIG/Regional Sector well positioned on this.
 - 2) Address the ‘Why’. This involves building an economic model to show the benefits, similar to those used by the insurance industry (re flooding low frequency but high impact events). Pull together already known work. We have this. Est 2 weeks to pull together this material.
6. Economic case – the hardest, including how to prioritise. Use Options process and arrive at the middle. In our case, we know much of this, and about an entire Programme. Options involve risk weightings on how fast need to move to implement (compared with further flood damages losses). Need to establish the cost of doing nothing and also document the benefit of doing the right thing.
7. Reality that Government is reasonably passive. So we need to provide a tool kit that makes it easy for them to commit and prioritise. This tool kit essentially a “straw man” with a yardstick on how to measure affects, sets out parameters.
8. A collaborative process will change over time. Government typically will provide a financial offer of what they are prepared to invest. We need to develop a framework mechanism able to readily use on how this funding can be allocated.
9. Challenge now for us is that Govt/DIA have produced a Vulnerable Communities Report that has fundamental problems to it. So question on how to deal with this.
10. Critical that we find a sponsoring Minister. Don’t forget Nash.
11. Need to get NIWA, GNS, Insurance sector and regional councils telling one coherent story.
12. Only Ministers can say Yes. Officials can say no but not yes. Regions good at expressing desire and co-funding to get things done. Critical to have a pull factor from Minister(s) as well as Regional push. Officials typically go on journeys. They are not decision makers. About lots of meetings. So much depends on Ministers who want to pull things through.

13. Need to establish a long-term programme.
14. Optioneering is critical and is cost-share and a tool kit for setting priorities – the parameters but not necessarily the list – serve a collaborative purpose
15. Importance of enrolling the Infrastructure Commission in our case. They will help get past block of DIA and Treasury
16. Maven do not do direct political engagement but work with Draper Cormac for this
17. Not a single business case – rather steps toward a business case- building alliances each step of the way
18. Is like the NLTP – but owned and driven by regional councils
19. Should play strongly on the risk of insurance withdrawal – this will have a fundamental effect on regional economics
20. Can address push-back that regional councils should pay by clearly identifying the national benefits and strategic alliances
21. Agree in the value of another round of shovel ready – as a way to keep the current pipeline alive and well – this is part of the ‘bridging solution’ – a means of buying time for the far more expensive option of managed retreat
22. Regional councils will be the inevitable lead provider of climate change resilience solutions
23. Workshopping is critical but chunked down so participants don’t burn out