



**PROVINCIAL GROWTH FUND  
MEMORANDUM OF UNDERSTANDING**

**BETWEEN**

**MINISTRY OF BUSINESS,  
INNOVATION AND EMPLOYMENT**

**AND**

**DEPARTMENT OF CONSERVATION**

**FOR**

**UPGRADE OF THE OPARARA ARCHES AT  
KARAMEA PROJECT**

## PART 1: KEY DETAILS

1 <b>Parties</b>	<p><b>MINISTRY</b> The Sovereign in right of New Zealand, acting by and through the Chief Executive of the Ministry of Business, Innovation and Employment (<b>Ministry</b>).</p> <p><b>RECIPIENT</b> The Sovereign in right of New Zealand, acting by and through the Director General of the Department of Conservation (<b>DOC</b>).</p>
2 <b>Funding Start Date</b>	Commencement Date
3 <b>End Date</b>	Commercial Information
4 <b>Background</b>	<p>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.</p> <p>The Oparara Basin in Kahurangi National Park is home to the largest limestone river caves in Australasia and has significant conservation values. Around 15,000 visitors a year visit the site, which is 25km from Karamea. The access road is 13kms of unsealed road. The Oparara Arches are identified as a strategic attraction in the Tourism West Coast strategy as there is no road further north – meaning visitors will stay longer and see more of the West Coast. This will open up opportunities to encourage visitors to visit other places, particularly DOC sites, in the Karamea area.</p> <p>Tourism West Coast, New Zealand and the Oparara Valley Trust sought funding from the Ministry for the purposes of delivering the project described below. (Note: the project and costing were developed by the Oparara Valley Trust. The Ministry has agreed to fund DOC to deliver the project as per the terms and conditions of this Memorandum of Understanding) (<b>MOU</b>).</p> <p>Key details of this MOU are set out in this <b>Part 1</b>. The full terms and conditions are set out in <b>Part 2</b>. Defined terms and rules of interpretation are set out in <b>Part 3</b>.</p>
5 <b>Project</b>	<p>This Project is to upgrade the deteriorating McCallums Mill Road and reroute the Oparara archway walking track away from falling rocks and the most sensitive plant life. Safety improvements will be made to the Moria Gate access and security for the internationally significant Honeycomb Hill Caves Specially Protected Area will be improved. Upgrade of the toilet facilities in the upper car park and construct a new walking track from the upper carpark to the lower carpark to remove visitor walking along the current narrow road.</p> <p>The purpose of the Project is to provide a controlled experience, ensure visitor safety and provide enduring protection for the environment.</p>

In delivering this Project, DOC will work in partnership with:

- Ngati Waewae;
- Oparara Valley Trust;
- Tourism West Coast, New Zealand

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

- increased direct employment opportunities;
- delivers benefit to the community;
- increased utilisation and returns of Maori asset base;
- enhanced sustainability of natural assets;
- mitigation of climate change effects

**6 Project Deliverables**

DOC will complete the following Project Deliverables for the Project:

Project Phase	Gate Deliverable	Estimated timeframe for completion	Estimated MBIE/PGF Funding used to complete phase
Initiation	Gate 0 – Approved Indicative Business Case	Commercial Information	\$ Commercial Info
Planning	Gate 1 – Approved Detailed Business Case(s)	Commercial Information	\$ Commercial Inform
Delivery / Implementation (as detailed in the table below)	Gate 2 – Accepted project deliverables	Commercial Information	\$ Commercial Information
Closure	Gate 3 – Approved project closure	Commercial Informatio	\$ Commercial Info
Benefits Realisation	Gate 4 – Benefits monitoring and reporting plan	Commercial Informatio	\$ Commercial Info
<b>TOTAL</b>			<b>Up to \$5,700,000</b>

<b>Deliverable</b>	<b>Brief Description</b>
<b>Oparara Arch track upgrade</b>	Upgrade of walking track from Basin car park to Arch to improve safety and preservation of the site
<b>Security for the Honeycomb Caves</b>	Installation of remote cameras & sensors which feedback to manned roster system with river level and weather/early warning system
<b>Moria Gate access upgrade</b>	Installation of safety handrail and short section of stairs - safety feature
<b>Mirror Tarn Loop Track</b>	Loop track of approx. 300m along the river bank to return to the car park - improve visitor experience & safety
<b>Mirror Tarn Jetty</b>	Construct a cable stay structure over the Mirror Tarn to improve visitor experience and protect the lake edge from trampling & erosion
<b>Toilet upgrades in upper car park</b>	Installation of flushing toilets in the upper car park
<b>Orientation Outlook</b>	Lookout point on the McCallums Mill Access road at old log-dump site with map interpretation board
<b>Development of the Oparara Story</b>	Enrich the visitor experience by development of the story – history, cultural footprint, ecology, environment & biodiversity including Ngati Waewae and Ngai Tahu stories
<b>Development Costs</b>	Project Management, Geotech surveys, Engineering Design Costs, completion of AEE, cultural impact and other legislative compliance costs
<b>McCallums Mill Road Access upgrade of all Culverts</b>	Upgrade of all Culverts, potential lengthening, installing various types of scour treatment options (rock walls, wingwalls, retaining structures, flumes)
<b>McCallums Mill Road Access upgrade safety features &amp; signage</b>	Improve safety features -additional vegetation clearing, earthworks, targeted road widening and swale drains & targeted pull offs, laybys & widening of corners to reduce head on risks,

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<p>7 <b>Funding</b></p>	<p>The total Funding available under this MOU is up to <b>NZ\$5,700,000</b>. This is the Total Maximum Amount Payable.</p> <p>A full itemised budget is attached as Schedule One to this MOU.</p>						
<p>8 <b>Co-Funding</b></p>	<p>The total project value is \$ <span style="background-color: #cccccc; padding: 2px;">Commercial Information</span></p> <p>The Oparara Valley Trust has secured the below funding as their contribution to the project. DOC will work with the Trust to allocate this funding against project deliverables that is agreeable to both DOC and the Trust as part of the detailed planning phase.</p> <table border="1" data-bbox="483 792 1463 1025"> <thead> <tr> <th data-bbox="483 792 971 860">Co-Funding Source</th> <th data-bbox="971 792 1463 860">Amount \$NZD</th> </tr> </thead> <tbody> <tr> <td data-bbox="483 860 971 927"> <span style="background-color: #cccccc; padding: 2px;">Commercial Inform</span> </td> <td data-bbox="971 860 1463 927">                     \$ <span style="background-color: #cccccc; padding: 2px;">Commercial Informat</span> </td> </tr> <tr> <td data-bbox="483 927 971 1025"> <span style="background-color: #cccccc; padding: 2px;">Commercial Information</span> </td> <td data-bbox="971 927 1463 1025">                     \$ <span style="background-color: #cccccc; padding: 2px;">Commercial Informat</span> </td> </tr> </tbody> </table>	Co-Funding Source	Amount \$NZD	<span style="background-color: #cccccc; padding: 2px;">Commercial Inform</span>	\$ <span style="background-color: #cccccc; padding: 2px;">Commercial Informat</span>	<span style="background-color: #cccccc; padding: 2px;">Commercial Information</span>	\$ <span style="background-color: #cccccc; padding: 2px;">Commercial Informat</span>
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<p>9 <b>Reporting</b></p>	<p>DOC will provide the Ministry with the following reports:</p> <ul style="list-style-type: none"> <li>(a) A monthly report on or before the 20<sup>th</sup> of each month;</li> <li>(b) 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</li> <li>(c) A Post Contract Outcomes Report within 1 year of completion of the Project.</li> </ul> <p><b>Each monthly report</b> must include the following information:</p> <ul style="list-style-type: none"> <li>(a) A ‘dashboard’ summary (trend, risk, overall health) of key project information such as budget, scope, resourcing, schedule and benefits;</li> <li>(b) Achievements for the reporting period and plans for the next report period (not required in the final report following completion of the Project)</li> <li>(c) plans for the next report period (not required in the final report following completion of the Project);</li> <li>(d) a summary of expenditure to date, actual against budgeted;</li> <li>(e) a summary of milestones and progress against these milestones (see section 6 of this MOU);</li> <li>(f) a summary of any risks and/or issues arising or expected to arise with the Project, costs or performance of this MOU;</li> <li>(g) any other information that is notified by the Ministry in writing to DOC.</li> </ul>						

	<p><b>The Post Contract Outcome</b> report must include the following information:</p> <ul style="list-style-type: none"> <li>(a) an analysis of how the Funding has enabled DOC to achieve the Key Objectives of the Project;</li> <li>(b) how the Funding has accelerated regional development through increasing the productivity potential of and contributing to more and better paid jobs in the region;</li> <li>(c) the number of jobs that were created during and resulting from the Project;</li> <li>(d) how the Project has increased social inclusion and participation;</li> <li>(e) how the Project has contributed to Māori development;</li> <li>(f) how the Project has increased regional and national resilience by improving critical infrastructure and/or growth and diversification of the economy; and</li> <li>(g) any other information that is notified by the Ministry in writing to DOC.</li> </ul>	
<p><b>10 Special Terms</b></p>	<ul style="list-style-type: none"> <li>(a) The Project will be overseen by a Project Governance Group who will provide core leadership and governance.</li> <li>(b) 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.</li> <li>(c) Upon completion of the Project, DOC will ensure the maintenance of and maintain the completed Project and related assets and facility in accordance with best industry practice, in any way necessary to be maintained in good and substantial repair and condition and, as appropriate, in good working order.</li> <li>(d) DOC is a Road Controlling Authority (RCA) and their relationship with NZTA is covered under the Land Transport Act 1998 and the Ministry acknowledges that DOC will carry out this project in accordance with this relationship. DOC acknowledges the Memorandum of Understanding that exists between the NZTA, Ministry of Transport and Provincial Development Unit of the Ministry for transport-related projects being funded by the PGF. This three-party MoU includes requirements of Approved Organisations (which includes DoC) to use the NZTA's TIO system for roading projects, should the project and its funding necessitate it as agreed between DOC and NZTA. If there is any lack of clarity of what should go through TIO, DOC will engage with NZTA and agree on the most appropriate approach on a case by case basis.</li> </ul>	
<p><b>11 Contact Person</b></p>	<p>Ministry's Contact Person:  Name: Penny Bicknell  Email: <a href="mailto:Penny.bicknell@mbie.govt.nz">Penny.bicknell@mbie.govt.nz</a>  Contract ID <small>Commercial Information</small></p>	<p>Recipient's Contact Person:  Name: Luke Archbold  Email: <small>Privacy of natural persons</small></p>

<p>12 <b>Address for Notices</b></p>	<p>To the Ministry:          15 Stout Street,          PO Box 1473          Wellington 6140          Attention: Provincial Development Unit          Email: <a href="mailto:monitorpgf@mbie.govt.nz">monitorpgf@mbie.govt.nz</a>          PDU ID: <small>Commercial Information</small></p>	<p>To the Department of Conservation          18-32 Manners St          PO Box 10420          Wellington 6143          Attention: Luke Archbold, National Portfolio Lead – Strategic Projects          Email: <small>Privacy of natural persons</small></p>
<p><b>SIGNATURES</b></p>	<p><b>SIGNED</b> for an on behalf of the <b>SOVEREIGN IN RIGHT OF NEW ZEALAND</b> by the person named below, being a person duly authorised to enter into obligations on behalf of the Ministry of Business, Innovation and Employment:</p> <hr/> <p>Name:          Position:          Date:</p>	<p><b>SIGNED</b> for an on behalf of the <b>SOVEREIGN IN RIGHT OF NEW ZEALAND</b> by the person named below, being a person duly authorised to enter into obligations on behalf of the Department of Conservation:</p> <hr/> <p>Name: Lou Sanson          Position: Director General, Department of Conservation          Date:</p>

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, 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.

#### **Information Undertakings**

- 2.4 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.

- 2.5 DOC will provide the Ministry with any other information about the Project requested by the Ministry within the timeframe set out in the request.
- 2.6 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 a breach of any term of this MoU by DOC.
- 2.7 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**

- 2.8 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.
- 2.9 DOC will ensure that during the term of the Project, the Co-Funding:
- (a) 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](http://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](mailto: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.
- 8.2 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 3.1 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.

*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.

**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;

*END OF PART 3*

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

**SCHEDULE ONE**

**ITEMISED BUDGET**

<b>Track and amenities upgrade</b>	
Oparara Arches track and Moria Gate access upgrade, Mirror Tarn Loop Track and Viewing platform	\$ <small>Commercial Inform</small>
Security for Honeycomb Caves and Toilet upgrades in upper carpark	\$ <small>Commercial Inform</small>
<b>McCallums Mill Road access</b>	
Upgrade safety features & signage, all culverts and orientation outlook	\$ <small>Commercial Information</small>
<b>Interpretation</b>	
Development of the Oparara Story	\$ <small>Commercial Inform</small>
<b>Sub-total Cost Estimate</b>	\$ <small>Commercial Information</small>
<i>Geotech surveys, engineering design costs, AEE, cultural impact and other legislative compliance costs</i>	\$ <small>Commercial Inform</small>
<b>Total Cost Estimate</b>	<b>\$5,700,000</b>