



Summary of our report

Effectiveness and efficiency of arrangements to repair pipes and roads in Christchurch – follow-up audit



In November 2013, we published a report about how effectively and efficiently three public entities – Christchurch City Council, Canterbury Earthquake Recovery Authority, and the New Zealand Transport Agency – were managing the rebuild of Christchurch’s pipes and roads through SCIRT, the Stronger Christchurch Infrastructure Rebuild Team.

SCIRT is a temporary alliance that includes the three public entities and five construction companies. We concluded that SCIRT:

- had many of the good practice characteristics of alliancing;
- projects seemed reasonably priced, given the circumstances; and
- was delivering other benefits, including increasing the skill level of the construction workforce and fostering innovation.

We also found risks that the public entities needed to manage, including a lack of clarity about governance roles and responsibilities, limited involvement of CERA in the governance of SCIRT, and the public entities not having a common understanding of levels of service to be delivered by the pipes and roads.

Our follow-up report looks at the public entities’ progress in addressing the seven recommendations in our 2013 report. Overall, they have made good progress.

The public entities have improved the governance arrangements over SCIRT. The improvements include clearer roles and responsibilities, more effective guidance and clearer direction to SCIRT, and improvements in reporting.

The public entities faced challenges in deciding appropriate funding and levels of services for the horizontal infrastructure. In disaster recovery work, getting the balance right between competing interests is difficult.

The levels of service are now agreed, the funding arrangements are confirmed, and a second independent review of the Infrastructure Recovery Technical Standards and Guidelines has been carried out. However, the funding arrangements took up to 19 months to confirm, creating uncertainty for about 30 wastewater and stormwater projects for more than eight months.

Vital statistics:

- 56 pages
- Presented to Parliament on Thursday 12 May 2016
- Contact: reports@oag.govt.nz

While following up on the public entities' progress, we also looked at the arrangements for:

- transferring assets and information from SCIRT to the Council; and
- learning and sharing lessons from managing the rebuild of the horizontal infrastructure.

Both of these arrangements could have long-term benefits, including for the management of assets and future alliances.

As part of the rebuild, SCIRT collected a wealth of information about pipes and roads owned by the Council and New Zealand Transport Agency. SCIRT has also set up asset information systems that the Council could benefit from. The Council has a unique opportunity to improve its understanding of the condition of its assets, which will in turn improve its future management of them.

Although progress was initially slow, there has recently been promising progress in planning for the transfer of the information and preparing for the transition from SCIRT to the Council.

To realise the benefits of SCIRT's work for the people of Christchurch, we encourage the Council to sustain the recent momentum, with the support of the other public entities and SCIRT.

SCIRT has a continuous improvement culture that identifies, shares, and applies lessons and innovations. The public entities need to continue actively and systematically identifying, recording, and sharing their lessons from SCIRT and the alliance's approach, to manage the risk that their own lessons might be lost when staff leave or organisations change.

One of the figures from the report is reproduced below, showing the extent of repair work completed by SCIRT.

Figure 1
Amount of repair work completed by SCIRT by October 2013 and by April 2016

Type of repair	Amount completed by October 2013	Amount completed by April 2016
Wastewater pipes	200 km	533 km
Stormwater pipes	12 km	56 km
Freshwater pipes	42 km	91 km
Roading	279,576m ²	1,384,236m ²

Source: SCIRT.