



AGENDA

Ordinary Council Meeting Wednesday, 30 August 2023

Date: Wednesday, 30 August 2023

Time: 10.30 am

**Location: Ngā Hau e Whā, William Fraser Building,
1 Dunorling Street, Alexandra**

(A link to the live stream will be available on the Central Otago District Council's website.)

**Dylan Rushbrook
Interim Chief Executive Officer**

Notice is hereby given that a Council Meeting will be held in Ngā Hau e Whā, William Fraser Building, 1 Dunorling Street, Alexandra and live streamed via Microsoft Teams on Wednesday, 30 August 2023 at 10.30 am. The link to the live stream will be available on the Central Otago District Council's website.

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Members His Worship the Mayor T Cadogan (Chairperson), Cr N Gillespie, Cr T Alley, Cr S Browne, Cr L Claridge, Cr I Cooney, Cr S Duncan, Cr S Feinerman, Cr C Laws, Cr N McKinlay, Cr M McPherson, Cr T Paterson

In Attendance D Rushbrook (Interim Chief Executive Officer), L Fleck (General Manager - People and Culture), N McLeod (Acting Group Manager - Business Support), L Webster (Acting Group Manager – Planning and Infrastructure), A Longman (Acting Group Manager – Community Vision), D Scoones (Group Manager - Community Experience), W McEnteer (Governance Manager)

1 APOLOGIES

2 PUBLIC FORUM

3 CONFIRMATION OF MINUTES

Ordinary Council Meeting - 19 July 2023

**MINUTES OF A COUNCIL MEETING OF THE CENTRAL OTAGO DISTRICT COUNCIL
HELD AT NGĀ HAU E WHĀ, WILLIAM FRASER BUILDING, 1 DUNORLING STREET,
ALEXANDRA
AND LIVE STREAMED VIA MICROSOFT TEAMS ON WEDNESDAY, 19 JULY 2023
COMMENCING AT 10.30 AM**

PRESENT: His Worship the Mayor T Cadogan (Chairperson), Cr S Browne, Cr I Cooney, Cr S Duncan, Cr S Feinerman, Cr C Laws, Cr M McPherson, Cr T Paterson

IN ATTENDANCE: L van der Voort (Interim Chief Executive Officer), L Fleck (General Manager - People and Culture), S Righarts (Group Manager - Business Support), D Rushbrook (Group Manager - Community Vision), D Scoones (Group Manager - Community Experience), J Muir (Three Waters Director), G Robinson (Property Manager), A Longman (Head of Destination), A Crosbie (Senior Policy Advisor), R Williams (Community Development Advisor), D McInnes (Senior Water Services Engineer) and W McEnteer (Governance Manager)

Note: His Worship the Mayor gave a karakia to start the meeting.

1 APOLOGIES

RESOLUTION

Moved: Duncan

Seconded: Laws

That apologies from Cr Alley, Cr Claridge, Cr Gillespie and Cr McKinlay be received and accepted.

CARRIED

2 PUBLIC FORUM

Sharyn and Noel Miller – Road Stopping at Branhholm Street, Roxburgh.

Mr and Mrs Miller spoke to their road stopping application in Branhholm Street, Roxburgh. They then responded to questions.

3 CONFIRMATION OF MINUTES

RESOLUTION

Moved: Paterson

Seconded: McPherson

That the public minutes of the Ordinary Council Meeting held on 28 June 2023 be confirmed as a true and correct record.

CARRIED

4 DECLARATION OF INTEREST

Members were reminded of their obligations in respect of declaring any interests. There were no further declarations of interest.

5 REPORTS

Note: Cr Duncan assumed the Chair as the Roading portfolio lead.

23.7.2 ADDITIONAL INFORMATION FOR BRANXHOLM STREET

To consider further information requested regarding the stopping of part of Branhholm Street.

After discussion it was agreed that Council should follow policy and agree to stop the road for the market value of the land that was to be purchased.

RESOLUTION

Moved: Paterson
Seconded: Feinerman

That the Council

- A. Receives the report and accepts the level of significance.

CARRIED

RESOLUTION

Moved: McPherson
Seconded: Paterson

- B. Agrees to stop an unformed portion of Branhholm Street, being the 268 square metres of legal road identified as Section 1 in figure 1, subject to:

- The applicants paying all costs associated with the stopping.
- The land identified as Section 1 in figure 1, being transferred to the applicants for market value.
- The applicants obtaining the consent of the owner of Lot 1 DP 7225.
- The land being amalgamated with record of title OT400/197 (Lot 1 DP 4138).
- The stopping being approved by the Minister of Lands.
- The final survey plan being approved by the Chief Executive Officer.

- C. Authorises the Chief Executive to do all that is necessary to give effect to the resolution.

CARRIED

Note: Cr Feinerman assumed the Chair as the Community Vision and Experience portfolio deputy lead.

23.7.3 CROMWELL MEMORIAL HALL AND MUSEUM

To consider and note the recommendations from Cromwell Community Board in relation to the Cromwell Memorial Hall and Museum.

RESOLUTION

Moved: McPherson
Seconded: Laws

That the Council

- A. Receives the report and accepts the level of significance.
- B. Approves the demolition of the existing hall building and appropriate salvaging.
- C. Notes the district review of museum funding includes the Cromwell Memorial Hall project in the review.

CARRIED

23.7.4 DESTINATION MANAGEMENT UPDATE

To provide an update on the Central Otago Destination Management Plan implementation and Tourism Central Otago workstreams.

RESOLUTION

Moved: Cooney
Seconded: Browne

That the report be received.

CARRIED

Note: Cr Laws assumed the Chair as the Three Waters and Waste portfolio deputy lead.

23.7.5 WASTEWATER COMPLIANCE STATUS UPDATE

To consider progress on achieving regional council consent compliance for Central Otago District Council wastewater activities.

RESOLUTION

Moved: Duncan
Seconded: Feinerman

That the report be received.

CARRIED

Note: His Worship the Mayor resumed the Chair.

23.7.6 OTAGO WELLBEING BASELINE REPORT

To provide an update on Central Otago District Council's involvement in the Otago Regional Council Otago Wellbeing Baseline Report.

After discussion it was agreed that the report should go on to the website if that was possible.

RESOLUTION

Moved: Browne
Seconded: Duncan

That the report be received.

CARRIED

23.7.7 2024 REPRESENTATION REVIEW

To consider the process for conducting the 2024 Representation Review.

RESOLUTION

Moved: Laws
Seconded: Feinerman

That the report be received.

CARRIED

6 MAYOR'S REPORT**23.7.8 MAYOR'S REPORT**

His Worship the Mayor spoke to his report before responding to questions.

RESOLUTION

Moved: Cadogan
Seconded: Duncan

That the Council receives the report.

CARRIED

7 STATUS REPORTS**23.7.9 JULY 2023 GOVERNANCE REPORT**

To report on items of general interest, receive minutes and updates from key organisations, consider Council's forward work programme, business plan and status report updates.

The Quarterly Business Plan had been mistakenly missed from the Governance Report and was tabled at the meeting.

RESOLUTION

Moved: Cadogan
Seconded: Paterson

That the Council receives the report.

CARRIED

Attachments

1 Quarterly Business Plan - April to June 2023

8 COMMUNITY BOARD MINUTES

23.7.10 MINUTES OF THE TEVIOT VALLEY COMMUNITY BOARD MEETING HELD ON 15 JUNE 2023

RESOLUTION

Moved: Duncan
Seconded: Paterson

That the unconfirmed Minutes of the Teviot Valley Community Board Meeting held on 15 June 2023 be noted.

CARRIED

23.7.11 MINUTES OF THE CROMWELL COMMUNITY BOARD MEETING HELD ON 20 JUNE 2023

RESOLUTION

Moved: Duncan
Seconded: Paterson

That the unconfirmed Minutes of the Cromwell Community Board Meeting held on 20 June 2023 be noted.

CARRIED

9 DATE OF NEXT MEETING

The date of the next scheduled meeting is 30 August 2023.

10 RESOLUTION TO EXCLUDE THE PUBLIC

RESOLUTION

Moved: Cadogan
Seconded: Browne

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
Confidential Minutes of Ordinary Council Meeting	<p>s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p> <p>s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
23.7.12 - Wastewater Generators Tender	s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
23.7.13 - Interim Chief Executive Officer	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
23.7.14 - July 2023 Confidential Governance Report	s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
23.7.15 - Confidential Minutes of the Cromwell Community	s7(2)(i) - the withholding of the information is necessary to enable Council to carry on,	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting

Board Meeting held on 20 June 2023	without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
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CARRIED

The public were excluded at 12.02 pm and the meeting closed at 12.37 pm.

4 DECLARATIONS OF INTEREST

23.8.1 DECLARATIONS OF INTEREST REGISTER

Doc ID: 1205928

1. Purpose

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

2. Attachments

Appendix 1 - Declarations of Interest [↓](#)

Name	Member's Declared Interests	Spouse/Partner's Declared Interests	Council Appointments
Tamah Alley	Manuherikia Irrigation Co-operative (shareholder) Cliff Care Ltd (family connection) Aviation Cherries Ltd (Director) Tenaya New Zealand Ltd (Director and Shareholder) Central Otago Queenstown Trails Network Trust (Trustee)	Manuherikia Irrigation Co-operative Society Ltd (shareholder) Emergency Management Otago Group Controller (employee) Aviation Cherries Ltd (Director)	Alexandra Community House Trust Central Otago Wilding Conifer Control Group Destination Advisory Board
Sarah Browne	Anderson Browne Construction and Development (Director and Shareholder) Infinite Energy Ltd (Shareholder) Central Otago Sports Turf Trust (Trustee) Central Football and Multisport Turf Trust (Trustee) Sutherland Architecture Studio Ltd (Employee)	Anderson Browne Construction and Development (Director and Shareholder) Infinite Energy Ltd (Employee)	Cromwell Youth Trust Tarras Community Plan Group
Tim Cadogan	Business South Central Otago Advisory Group (member) Alexandra Squash Club (member) LGNZ National Council (member)	Two Paddocks (Employee) Alexandra Blossom Festival (Committee)	Manuherikia Exemplar Group Eden Hore Steering Committee Major Projects Reference Group Airport Reference Group
Lynley Claridge	Affinity Funerals (Director)	Affinity Funerals (Shareholder)	
Ian Cooney	Monteith's Brew Bar (Manager)		

Stuart Duncan	Penvose Farms - Wedderburn Cottages and Farm at Wedderburn (shareholder) Penvose Investments - Dairy Farm at Patearoa (shareholder) Fire and Emergency New Zealand (member) JD Pat Ltd (Shareholder and Director)	Penvose Farms - Wedderburn Cottages and Farm at Wedderburn (Shareholder) Penvose Investments - Dairy Farm at Patearoa (shareholder)	Otago Regional Transport Committee Maniototo Ice Rink Committee Maniototo Curling International Inc
Sally Feinerman	Feinerman's Ltd, 109 Scotland Street (Owner / Director) Roxburgh Pool Committee (Chair) Sally Feinerman Trust (Trustee) Feinerman Family Trust (Trustee) MPI Teviot Valley Community Hubs group	Breen Construction (Employee / Builder)	Ida MacDonald Charitable Trust Teviot Prospects Teviot Valley Walkways Committee
Neil Gillespie	Contact Energy (Senior Specialist - Hydro Sustainability) Clyde & Districts Emergency Rescue Trust (Secretary and Trustee) Cromwell Volunteer Fire Brigade (Chief Fire Officer) Cromwell Bowling Club (patron) Otago Local Advisory Committee - Fire Emergency New Zealand Returned Services Association (Member)		Tarras Hall Committee
Cheryl Laws	The Message (Director) Wishart Family Trust (Trustee) Wooing Tree (Assistant Manager -	Otago Regional Council (Councillor) The Message (Director)	Cromwell Resource Centre Trust Old Cromwell Incorporated

	Cellar Door) Daffodil Day Cromwell Coordinator		
Nigel McKinlay	Transition To Work Trust (Board member) Gate 22 Vineyard Ltd (Director) Everyday Gourmet (Director) Central Otago Wine Association (member) Long Gully Irrigation Scheme (member) CODC (employee) (Granddaughter)		Cromwell Hall Reference Group Cromwell Town Centre Reference Group Major Projects Governance Group
Martin McPherson	Alexandra Blossom Festival	CODC (employee) CODC (employee) (Daughter)	Alexandra and Districts Youth Trust
Tracy Paterson	Matakanui Station (Director and shareholder) Matakanui Development Co (Director and shareholder) A and T Paterson Family Trust (trustee) A Paterson Family Trust (trustee) Central Otago Health Inc (Chair) Bob Turnbull Trust (Trustee / Chair) New Zealand Wool Classers Association (vice chair) Central Otago A&P Association (member) Maunherikia Exemplar Governance Group (member)	Matakanui Station (director and shareholder) Matakanui Development Co (director and shareholder) A Paterson Family Trust (trustee) A and T Paterson Family Trust (trustee) Federated Farmers (on the executive team) Omakau Irrigation Co (director) Matakanui Combined Rugby Football Club (Committee) Manuherikia Catchment Group (member) Omakau Domain Board Omakau Hub Committee (Chair) Manuherikia Valley Community Hub Trust (Trustee) Southern Cross Sheep Ltd (Director)	Omakau Recreation Reserve Committee Ophir Welfare Association Committee Central Otago Health Incorporated

		Mt Stalker Ltd (Trustee) Mt Stalker Pastoral Ltd DKIL Ltd (Shareholder)	
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5 REPORTS

23.8.2 APPOINTMENT OF ENGINEER TO CONTRACT WATER SERVICES OPERATIONS AND MAINTENANCE CONTRACT 2022

Doc ID: 1200719

1. Purpose of Report

To consider appointing an external consultant to the role of Engineer to the Contract for the Three Waters Operations and Maintenance Contract 2022.

Recommendations

That the Council

- A. Receives the report and accepts the level of significance.
 - B. Appoints Neil Jorgensen BE (Civil) CPEng, MInstD as Engineer to Contract for the Three Waters Operations and Maintenance Contract 2022.
-

2. Background

Council considered a report regarding the contractual arrangements for delivering three waters operations and maintenance on 8 December 2021.

The previous contract was due to expire on 30 June 2022 with no further mechanism for extension. Legislation had been passed which moved responsibility for the management of water, wastewater, and stormwater operations to a new water services entity from 1 July 2024.

A new maintenance contract was required for two years to enable council to deliver the required physical works from 1 July 2022 to 30 June 2024. Council agreed to directly negotiate with the incumbent contractor, Fulton Hogan, for an initial two-year contract with the ability for three one-year extensions subject to the agreement of the contractor and the new water entity.

Council was provided a further report on the 1 June 2022 which provided an outline of the benefits of the new contract format and noted that pricing information was not available for inclusion into the report. Council agreed to enter the new negotiated contract, subject to the final contract arrangements and price being within the existing approved budgets.

A revised specification and basis for payment was drafted jointly between Council and Fulton Hogan. External technical support was engaged from Morrison Low to facilitate this. The new Three Waters Operations and Maintenance Contract 2022 (the Contract) was signed with Fulton Hogan on 29 June 2022.

The standard conditions of contract used for Councils fixed-term maintenance contracts is New Zealand Standard (NZS) 3917 - 2013. Under these conditions of contract there is an Engineer to Contract role. The role of the Engineer as defined in NZS3917 is:

The dual role of the Engineer in the administration of the Contract is:

- (a) *As expert adviser to and representative of the Principal, giving directions to the Contractor on behalf of the Principal, and acting as agent of the Principal in*

receiving payment claims and providing Payment Schedules on behalf of the Principal; and

- (b) Independently of either contracting party, to fairly and impartially make the decisions entrusted to him or her under the Contract, to value the work, and to issue certificates.*

There is also an Engineer's Representative role under the contract. This role is typically undertaken by the Water Services Manager. Under NZS3917-2013 this is defined as:

The Engineer's Representative may exercise any of the powers vested in the Engineer under the Contract except:

- (a) The reviewing of matters in dispute;*
- (b) The valuing of Variations, the provision of Payment Schedules, the issuing of a Certificate on Expiry or a Final Completion Certificate, and any changing of the Drawings or Specifications, unless expressly authorised by the Engineer by written notice to the Contractor; and*
- (c) Any other powers excluded by the Engineer by written notice to the Contractor.*

Councils Delegations Register delegates responsibility for Engineer to Contracts under NZS3910, 3916, and 3917 to the Three Waters Director, and Group Manager – Planning and Infrastructure.

The Three Waters Director has been undertaking a more direct operational management role on the Contract since May 2023. This followed the resignation of the Three Waters Manager, and several contractual performance issues occurring with the new negotiated contract. This more detailed involvement is supporting the operational team in achieving better outcomes.

There is an increasing likelihood that the Engineer to Contract will need to make decisions relating to disagreement between the contracted parties. Due to their current direct operational involvement with the contract the Three Waters Director is unable to provide decisions that are independent of either the Council or Fulton Hogan as the two contracted parties.

It is therefore appropriate that Council appoints a new Engineer for the Contract to ensure that any disputes are resolved independently of either contracting party.

3. Discussion

Given the complexities occurring on both delivery and financial matters associated with this contract it is advisable to appoint a person who has had training in the use of NZS 3917 Conditions of Contract and has experience with operations and maintenance contracts.

Neil Jorgensen is a chartered professional engineer who works for consultants Rationale Ltd. Prior to joining Rationale, he spent 12 years at the Waitaki District Council as the Assets Group Manager during which time he has managed primarily the 3 Waters, Transportation, Property, Recreation and Emergency Management teams. He has also managed Information Technology and GIS as well as the Planning team. In the last 3 years at Waitaki he was the Deputy Chief Executive as well as a Civil Defence Controller. Neil also spent four years as

the General Manager of District Assets for the Gore District Council, after starting his career in the Projects Team at Nelson City Council.

He is located in Cromwell which will enable him to be available for meetings with Fulton Hogan and council staff and will reduce travel costs.

There are other consultants who could also undertake this role, however these do not have the same level of prior local government experience and are not located within the district.

4. Financial Considerations

There will be an additional cost to engage external support to fulfil the Engineer to Contract role. This will be dependent on the amount of time required to resolve any issues and is expected to range between \$1,280 and \$6,400 per month.

This is expected to be accommodated within the existing budget for consultants for three waters activities.

The Engineer to Contract will authorise the Contract Payment Schedules. The Engineers Representative will continue to be responsible for:

- approving programs of work within Councils approved budgets; and
- processing the authorised payments,

in accordance with council's financial delegations.

5. Options

Option 1 – (Recommended)

Appoint Neil Jorgenson as Engineer to the Contract for the Three Waters Operations and Maintenance Contract 2022.

Advantages:

- Provides an independent Engineer to the Contract.
- Is familiar with the requirements of the Engineer to Contract role, is easily accessible within the district, and has local government experience in the delivery of infrastructure operations and maintenance contracts.
- Has capacity to allocate the required time to the role.

Disadvantages:

- Additional cost to provide an external resource for this role.

Option 2

Appoint an alternate person as Engineer to Contract for the Three Waters Operations and Maintenance Contract 2022.

Advantages:

- This may be a less costly option.

Disadvantages:

- The only person in council's delegations does not have capacity or training in the legal requirements of NZS 3910 or experience in the management of contractual disputes of this nature.

6. Compliance

Local Government Act 2002 Purpose Provisions	This decision promotes the social, cultural, economic, and environmental wellbeing of communities, in the present and for the future by supporting the delivery of safe and efficient water supplies and wastewater services.
Decision consistent with other Council plans and policies? Such as the District Plan, Economic Development Strategy etc.	Under Councils' procurement policy the direct appointment of a consultant to provide Engineer to Contract services may occur when only a single supplier has the required goods or services available in the time required. Due to the qualifications and experience required, and the location of the proposed consultant, it is unlikely that there would be any other supplier who could provide better value for money.
Considerations as to sustainability, the environment and climate change impacts	Effective and efficient delivery of the Contract is necessary to minimise environmental impacts and meet environmental standards.
Risks Analysis	<p>Effective and efficient delivery of the Contract is necessary to ensure water supplies are safe.</p> <p>The appointment of an independent Engineer to Contract, who is not a council employee will address potential legal risks associated with resolution of disputes on the Contract.</p>
Significance, Consultation and Engagement (internal and external)	Appointment of an Engineer to Contract is not a significant decision and does not require community consultation or engagement. This has been discussed with Fulton Hogan who are supportive of the proposal.

7. Next Steps

Subject to the proposal being approved, Neil Jorgenson will be engaged to provide Engineer to Contract services on the Water Services Operations and Maintenance Contract 2022. The Three Waters Director will be appointed Engineer's Representative. Formal notice of this change will be provided to Fulton Hogan.

8. Attachments

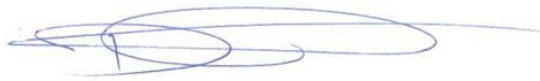
Nil

Report author:



Julie Muir
Three Waters Director
8/08/2023

Reviewed and authorised by:



Dylan Rushbrook
Interim Chief Executive Officer
21/08/2023

23.8.3 SUPPLY OF WATER TO LARGE RESIDENTIAL LOTS

Doc ID: 1057902

1. Purpose of Report

To consider the management of demand for water on subdivisions with large residential lot sizes.

Recommendations

That the Council

- A. Receives the report and accepts the level of significance.
 - B. Directs staff to undertake further analysis to support consultation on changing the proportion of the uniform annual charge and the volumetric charges for water use in the 2024 Long-term Plan.
 - C. Agrees in principle, subject to further work, that volumetric charging be used as a demand management tool for water use on large residential lots >1100m².
-

2. Executive Summary

A request has been received from the developer of Shannon Farm at Ripponvale for an on-demand water supply for 170 large residential lots which range from 1500m² - 6000m². This triggered a series of conversations of how water could be provided to the consent holder in a manner that satisfies Councils need to meet future demand for treated water and to also provide irrigation to the properties. This has resulted in the proposal for a separate reticulated irrigation supply for these properties, fed from a private bore, and an irrigation agreement for each lot purchaser to avoid having a water restrictor and tank on each property.

The Central Otago District volumetric charge for metered water is the lowest volumetric charge applied in New Zealand. As a result, there is minimal incentive for property owners who can afford to pay to reduce their use of treated water as an irrigation source. At the same time the treatment requirements for treated domestic water supplies and the cost to provide this is increasing significantly.

High residential irrigation use occurs over the hottest summer months. This is the same time that peak population driven demand occurs. The Cromwell water supply is under pressure because of growth, and treatment plant upgrades to meet New Zealand Drinking Water Standards and forecast peak demand are costly.

Policy direction is required from Council to identify if a review of the current proportion of uniform annual charge (UAC) to volumetric charging is achieving the demand management outcomes required. Direction is sought regarding the practise of requiring restrictors on large residential lot developments for demand management.

3. Background

In 1996 Council included properties over 1100m² as extraordinary users in its water supply bylaw. This recognised the potential of those properties to have higher non-domestic use of treated water. These properties were able to be metered, prior to universal metering and volumetric charging being introduced in 2012.

In 2005 the Cromwell Community Board required large lots in the Bell Ave area of Cromwell to be metered recognising the likelihood of higher water demand from those properties. This followed an initial investigation that showed larger water use on those large lots than on smaller sections in Cromwell.

There are currently 2635 properties that are connected to the urban water supply networks which are larger than 1100m², 1536 of these are residential properties. Approximately 200 of these properties have restrictors on them.

Physical flow restrictors are currently used on networks that supply rural properties or large lots that are outside the urban supply area. These include the Patearoa rural properties (domestic and stock water), Ripponvale, and rural properties adjacent to the pipeline between Roxburgh and Lake Roxburgh Village. Restrictors have also been required on lifestyle subdivisions and properties on the fringes of networked supplies but outside the urban supply area. Examples of these are Earnsclough Road Alexandra, Waikerikeri Valley Road in Clyde, and Gilligan's Gully Road in Alexandra.

A restrictor is a metal disk with a hole in it fitted in the property water connection. This allows a preset flow, usually 1000 litres per 24-hour period, to trickle into a tank on the property for later use. The tank is required to provide sufficient flow and pressure to operate mains pressure appliances on the property. The tank is the responsibility of the property owner. The tank has a dual purpose on rural/residential properties also acting as an on-site reserve for firefighting.

In some cases, a restrictor is used because of constraints on the network. This may be because the reticulation is a low-pressure network, the pipe sizes are not large enough to support an on-demand supply or the physical location on the edge of the supply network means on-demand flow and pressure is not consistently available.

There are challenges with the use of restrictors. Property owners sometimes tamper with the restrictor to increase the flow into their property, and there is an additional operational cost to have contractors regularly check the restrictors. Properties with restrictors are also often not metered and are charged based on taking the full water volume allocated to them. This reduces the incentive for these property owners to manage their water demand. Those who use less than their allocation will be charged for more than they are using.

As rural residential areas become more populated and available servicing improves, more rural residential residents have a desire for urban level servicing. This includes on-demand (unlimited) water supply and reticulated firefighting. Ripponvale residents, some residents on Richards Beach Road and most recently the developer of the Shannon Farm subdivision on Ripponvale Road have expressed a preference for on-demand rather than restricted water supply.

The developer of Shannon Farm has requested on-demand connections and reticulated firefighting rather than restricted connections with the associated requirement for a tank on each section. This development comprises approximately 170 lots with most sections sized between 1500m² and 6000m².

There are multiple drivers for effective demand management. Capacity limitations exist on the Cromwell water network which has the highest demand for large lots to be connected to urban water supplies. The Vincent Spatial Plan also has the potential for significant large lot development in the area between Clyde and Alexandra. There is an expectation that this area will in time be connected to the treated water supply which if not appropriately managed will add significant demand.

Private water supplies are required to meet the New Zealand Drinking Water Standards by 2027. It is likely that some private supplies which service rural residential areas may become part of the council supplied networks from 2027.

The costs to provide treated water are increasing significantly as treatment plants are upgraded to meet the New Zealand Drinking Water Standards. This cost is influenced by the volume of water that needs to be treated.

The Otago Councils made a combined submission on the Otago Regional Councils Regional Plan:Water - Plan Change 7 in 2021. When considering this submission, the Environment Court focussed on the quantity of water used by different property types, what it was being used for, and how council manages demand. A strong message was provided by the court that demand management would be a significant consideration in future community water take consent applications and consent conditions.

Central Otago District Council staff met with Otago Regional Council staff involved in preparing the new Otago Regional Land and Water Plan in mid-August. Regional Council staff confirmed that councils would need to demonstrate that there would be a greater emphasis on water demand management on community water supplies under the new Regional Land and Water Plan.

4. Current Charging Structure

Two types of water charges apply to properties with an on-demand connection to the urban water supply.

- A uniform annual charge (UAC) applied on the rates account to each connected or serviceable property across the district.
- A volumetric charge calculated on actual water used through the meter and billed twice a year.

Until 2016 each water scheme was funded only by the properties connected to it and the UAC was different for each supply. From 1 July 2016 the UAC was harmonised across the district meaning every property pays the same UAC.

Financial Year	Uniform Annual Charge	Volumetric Charge
2016 - 2017	\$344.04	58c/m3
2017 - 2018	\$361.76	58c/m3
2018 - 2019	\$323.46	60c/m3
2019 - 2020	\$357.23	60c/m3
2020 - 2021	\$433.11	60c/m3
2021 - 2022	\$358.84	60c/m3
2022 - 2023	\$361.69	60c/m3
2023 - 2024	\$499.70	60c/m3

The UAC has increased by 45% in the seven years since harmonisation in 2016. The volumetric charge has only increased by 3% (2 cents) in the 13 years since it was introduced in 2012.

A comparison has been made of councils from the Water NZ National Performance Review 2021-22 that have more than 90% of connections metered. This shows the volumetric charge for water in Central Otago is the lowest.

Most connections in Central Otago District (75%) use less than the average amount of water of 379m³/annum, with the median being 225m³/annum.

Council	Fixed Charge (UAC)	Volumetric Charge \$/m ³	Comparative cost of 379 m ³ a year (CODC average use)	Comparative cost of 225 m ³ a year (CODC median use)	% difference in cost for average and median user
Watercare	0	\$1.998	\$757.24	\$449.55	68%
Tauranga	0	\$3.40	\$1,288.6	\$765.00	68%
Whangarei	\$38.00	\$3.21	\$1,254.59	\$760.25	65%
Carterton	\$147.00	\$2.98	\$1,276.42	\$817.50	56%
Nelson City	\$228.24	\$1.99	\$982.45	\$675.99	45%
Whakatane	\$229.58	\$1.77	\$900.41	\$627.83	43%
Tasman	\$290.00	\$1.55	\$877.45	\$638.75	37%
Selwyn District	\$308.00	\$0.80	\$611.20	\$488.00	25%
Thames Coromandel	\$401.95	\$1.55	\$989.40	\$750.70	32%
Central Otago District	\$499.70	\$0.60	\$727.10	\$634.70	15%

Carterton, Nelson and Tasman Councils all have different charges for high water use over a specified threshold.

5. Discussion

When Council introduced universal volumetric charging in 2012, an initial reduction in water consumption of approximately 30% was reported.

The Shannon Farm developer has requested an on-demand potable water supply for this development, fed from the Cromwell water network. Rather than have a restricted supply, they propose installing a separate reticulated irrigation water supply to be fed from a bore.

Having an alternative irrigation source does not mean property owners will not use their potable water supply for irrigation if there is no restriction or cost implication of doing so.

The Cromwell water supply is under pressure due to high growth. A new treatment plant is currently in the design phase. If higher than average water use occurs due to many large lots, this will increase the capacity required at the plant. Alternatively, the capacity to connect other properties will reduce.

The Cromwell water take consent is nearing capacity. An increase to the consented volume will be needed to meet growth needs when it is renewed in 2028. Council will need to demonstrate the measures it is taking to manage non-potable water use by consumers on this supply when applying for the new consent, and there will be consent conditions imposed regarding demand management that Council will need to meet.

The only current mechanism for managing the increased demand that comes from larger properties has been to require a restrictor on the connection. This requirement has not been applied consistently, and a requirement for this on new developments could be considered inequitable.

Central Otago District Council currently has the highest UAC and lowest volumetric charge of the ten councils surveyed. This provides a cost benefit to the smaller number of higher use properties. Reducing the UAC and increasing the volumetric charge would financially benefit properties with lower water use and would incentivise improved demand management by larger water users.

6. Financial Considerations

The Local Government Rating Act 2005 Section 19 states:

19 Targeted rate for water supply

(1) A local authority may set a targeted rate in accordance with its funding impact statement for the quantity of water provided by the local authority.

(2) A targeted rate under subsection (1) may be calculated—

- (a) as a fixed charge per unit of water consumed or supplied; or*
- (b) according to a scale of charges.*

Council needs to collect sufficient income from water rates (the UAC plus volumetric charge) to meet the costs of delivering the water service to the community.

In 2018 BRANZ prepared the report “Residential Water Tariffs in New Zealand”. This identified six key principles that should be accounted for when developing water tariffs:

- Economic efficiency – water should be used in the most efficient way at the lowest possible social cost from a financial and environmental perspective.
- Fairness – tariffs should treat all consumers equally. The system of subsidies should not interfere with economic incentives. Cross subsidy needs to be limited to a last-resort tool.
- Social – guaranteed provision of water rights to all consumers, regardless of income.
- Cost recovery – tariffs must produce sufficient revenue to meet the financial needs of the service, including operations, maintenance, and administration.
- Financial stability – tariffs should minimise the risk of unexpected revenue fluctuations.
- Water conservation – tariffs should encourage water conservation by the delivery of the service itself, and by the consumers.

As the costs of delivering water have increased, the revenue collected through the UAC has increased by 45% in the last seven years, while the volumetric charge has only increased by

3% (two cents) over 13 years. While this has provided financial stability, a review is needed to consider the other non-financial principles.

7. Options

Option 1 – (Recommended)

Use charging as a demand management tool for large residential lots. Review the proportion of rates collected through volumetric charges to ensure this meets both financial and non-financial objectives.

Advantages:

- Provides a consistent means of addressing future development requests for large lots.
- Provides an opportunity for existing restrictors to be removed when infrastructure upgrades enable this.
- Provides evidence of demand management action to support consent applications to take water for community supply.
- Provides a means to manage high water demand from properties that are or may be supplied through private networks.
- Ensures that treated water is valued appropriately and is not a lower cost than alternative irrigation supplies.
- Enables economic efficiency, fairness, social outcomes, cost recovery, financial stability and water conservation outcomes of the funding approach to be reviewed.

Disadvantages:

- Increasing the proportion of revenue collected through volumetric charging has some associated risk. The volume of water that is used may vary which could cause a funding shortfall. Sensitivity analysis would need to be undertaken to ensure this risk was managed.
- There is a high public interest and sentiment regarding volumetric charges. An increase in volumetric charge is expected to be offset by a reduction in the fixed uniform annual charge.
- Consultation will need to be undertaken regarding any future change. Property owners need to understand the implications and have opportunity to provide feedback before decisions are made.
- Restrictors limit the volume of water that can be taken regardless of ability to pay. This provides increased certainty regarding demand for network design.
- Parts of the network that have restrictors are unable to provide an on-demand supply. There are infrastructure issues which would need to be addressed to provide an on-demand supply to some properties.

Option 2

Require restrictors to be installed on all lots greater than 1100m³ on new developments. This has been at council discretion and has been inequitably applied. Do not revisit the proportion of charges applied through uniform annual charge and volumetric charges.

Advantages:

- Higher level of confidence in the revenue that will be collected.
- Restrictors limit the volume of water that can be taken. This provides increased certainty regarding demand for network design.
- There would be no change for properties already on restrictors.

Disadvantages:

- There will be a high level of public dissatisfaction from property owners that want an on-demand supply.
- There is no ability for property owners to provide feedback on the status quo to inform decision making.
- Properties that are larger than 1100m³ and don't have restrictors will continue to have unlimited access for a low cost.
- There will be no mechanism to better manage demand from other high residential water users. This includes properties that are or may be supplied through private networks.
- Treated water may be being supplied at a lower cost than alternative irrigation supplies.
- Does not enable economic efficiency, fairness, social outcomes, cost recovery, financial stability, and water conservation outcomes of the funding approach to be reviewed.

8. Compliance

Local Government Act 2002 Purpose Provisions	<p>This decision promotes the social, cultural, economic, and environmental wellbeing of communities, in the present and for the future by providing for a review of the proportion of UAC to volumetric charge components for water supply.</p> <p>This review will ensure that the pricing applied meets the four wellbeing requirements.</p>
Decision consistent with other Council plans and policies? Such as the District Plan, Economic Development Strategy etc.	Yes
Considerations as to sustainability, the environment and climate change impacts	Improved demand management of water use has environmental benefits and will provide improved resilience to drought which is a climate change impact.
Risks Analysis	<p>Increasing the proportion of revenue collected though volumetric charging has an associated risk as the volume of water that is used may vary which could cause a funding shortfall. Sensitivity analysis would need to be undertaken to ensure this risk was managed.</p> <p>There is a high public interest in volumetric charges. Communication will be required to make clear that an increase in volumetric charge is offset by a reduction in the fixed uniform annual charge.</p> <p>Communication will also be required demonstrating the implications of any change on examples of properties with different water use.</p>

Significance, Consultation and Engagement (internal and external)	Changes to the proportion of the uniform annual charge and the volumetric charges for water use is a significant decision which affects a large number of people. This would require consultation as part of the 2024 Long-term Plan.
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9. Next Steps

It is proposed that consultants Rationale Ltd be engaged to undertake analysis of the different UAC and volumetric charging options. This includes the implications of the options against economic efficiency, fairness, social outcomes, cost recovery, financial stability and water conservation.

10. Attachments

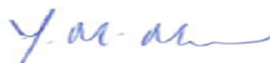
Nil

Report author:



Janis Quiding
Senior Water Services Planner
18/08/2023

Reviewed and authorised by:



Julie Muir
Three Waters Director
18/08/2023

23.8.4 AUGUST WASTEWATER COMPLIANCE STATUS UPDATE

Doc ID: 1200315

1. Purpose

To consider progress on achieving Otago Regional Council Consent compliance for Central Otago District Council wastewater activities.

Recommendations

That the report be received.

2. Discussion

Council has seven wastewater treatment plants located at Cromwell, Alexandra, Lake Roxburgh Village, Roxburgh, Omakau, Ranfurly and Naseby. The Omakau and Lake Roxburgh Village plants are operating within the consent limits. The remaining plants are operating under abatement notices.

The annual audit of wastewater treatment plants was undertaken by the Otago Regional Council (ORC) in January 2023. Several issues were identified during the audit which require action to address.

This report is a standing report provided to each Council meeting to provide an update on progress to address these issues.

Council Resourcing

Sufficient internal resourcing capacity has been identified as a critical requirement to ensuring that Central Otago District Council is able to deliver on its obligations with respect to delivery of wastewater services. Attracting and retaining the required technical capabilities remains challenging in an environment of national shortages of three waters staff.

The Regional Three Waters Director is currently working 4-5 days per week solely for Central Otago District Council to provide leadership oversight to the delivery of three waters activities within Central Otago. This arrangement is to be reviewed in November.

All roles within the three waters area have now been filled. There is a delay in start dates for two positions until October to accommodate travel. Three other staff have also been on extended leave during July. This has meant the team has been down five staff in July, which is 29% of staff unavailable for the month.

During this period the annual reports for Naseby and Omakau have been submitted. Requests for extensions to abatement notices for Naseby and Cromwell have also been submitted to ORC.

Site audits have not been undertaken in July due to reduced resourcing but have been re-initiated in August. These are focussed on wastewater treatment sites, with audits of water treatment sites commencing in September.

Beca staff were on-site for three days to collate information to inform advice they are providing. During this time, they provided audit training on two of the wastewater sites to one of the new staff members. They will provide further on-site training in October when other staff have commenced.

Funding Provisions

Detailed forward work programs have been developed for Roxburgh, Cromwell and Naseby to underpin applications to ORC for extensions for abatement notice dates. The program for the Ranfurly site is well advanced and will be submitted to ORC by end of September.

These programs include budget requirements for individual items of work and expected start and completion dates. Quarterly reporting on progress is provided to ORC. The plans cover more than just the issues raised in the abatement notice and provide a comprehensive program to address issues identified on the sites, and to inform work programs, asset management plans and Long-Term Plan budgeting.

Cromwell and Roxburgh

The work required to be undertaken prior to 30 June 2024 at Cromwell and Roxburgh can be delivered within existing approved budgets.

Further investment of approximately \$7 million will be required in the 2024 Long Term Plan to implement an additional treatment process at Cromwell to provide increased nitrogen removal. The need for this investment was identified in the 2018 and 2021 Infrastructure Strategies and Long-Term Plans. The timing for this was dependent on population growth and in 2020 it was anticipated to be required in 2028-29. This work is now expected to be brought forward to 2024-25.

There is work being undertaken at Roxburgh this year that may address the current nitrogen breaches that occur across the colder winter months. This will need to be completed, and then monitoring undertaken next winter to identify if further treatment processes will be required at Roxburgh.

Naseby and Ranfurly

The initial advice provided by Beca is that the treatment processes at the Naseby and Ranfurly sites are sufficient to meet the consent requirements provided they are operated appropriately. These sites will require funding for desludging to be programmed into operational budgets in the 2024 Long Term Plan.

Naseby and Ranfurly both require renewal of the concrete wavebands around the tops of the ponds. The estimated cost to undertake this work is \$700k, and has been programmed in the 2024/25 financial year. It is expected that this work would be funded as routine renewals which are funded from depreciation.

Investigations are currently underway to determine if further work is required to de-sludge and replant the wetlands at Ranfurly and renew the filter material on the Naseby infiltration beds. If required then this work will need to be undertaken this financial year and is likely to require a report to Council for additional funding. The scope of work required and likely cost is expected to be available by November.

Further work will be required to improve fencing of the Ranfurly site. While there is secure fencing around the ponds, the wetlands, sludge drying beds, and Imhoff tank only have basic stock fencing in place. Options regarding this will also be available for November.

Alexandra

The gearbox on the centrifuge broke in late June. The new gearbox from Germany was installed in late July. Installation is now complete. The increased operational costs during this period, and the installation cost is estimated to be \$65,000. This will be accommodated within existing budgets but reduces the funding available for any other plant issues during the 2023/24 financial year.

Operations and Maintenance Contract Management and Performance

The existing Water Services Operations and Maintenance Contract includes requirements for inspection, planning, programming, and undertaking routine and programmed maintenance and minor renewals for the Central Otago wastewater network.

The Otago Regional Council annual audit identified issues with the delivery of expected work under this contract. Central Otago District Council has implemented a monthly audit regime to improve oversight of the contractor's delivery and performance under this contract.

Senior Council and Fulton Hogan staff have met and changes are being made to the structure of the Contract Governance Group for the Operations and Maintenance Contract. This includes bringing in an independent Engineer to the Contract, and the Fulton Hogan National Water Manager joining the Contract Governance Group.

Fulton Hogan have undertaken a significant amount of work on the Ranfurly and Naseby wastewater treatment sites, and these are now operating more effectively. This includes updating the operations manuals.

There has been an issue at the Naseby wastewater treatment site where the SCADA telemetry system malfunctioned following work undertaken on 5 October 2022. This resulted in two breaches in the consented wet weather discharge volumes between 5 October and 29 June 2023 as a result of the flow exceedance alarm having been disabled during the initial work. This has now been addressed.

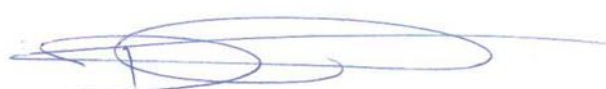
Fulton Hogan have had a dedicated operator on the Alexandra wastewater treatment site since early 2023, and this has resulted in a significant improvement in the performance of this site. The most recent audit noted a drop in the performance on this site while this person has been on leave.

3. Attachments

Appendix 1 - Council Status Update August 2023.docx [↓](#)

Report author:

Reviewed and authorised by:



Julie Muir
Three Waters Director
11/08/2023

Louise van der Voort
Interim Chief Executive Officer
21/08/2023

Roxburgh Wastewater Treatment Site – Forward Works Programme

Roxburgh WWTP	Budget	Start Date	End Date	Status August 2023
New Monitoring Bore				
ORC resource consent for new monitoring bore		May-22	Jun-22	
New monitoring bore installed downstream of basins	\$6,500	Jul-22	Aug-22	Complete
Power supply to site	\$200,000		3-Jul-23	Complete
Easement for power supply across private land agreed by CODC		Dec-21	14-Nov-22	Complete
Easement agreed by Aurora		14-Nov-22	1-Feb-23	Complete
Aurora Pole replaced, cable laid, transformer installed along public road and easement by Delta for Aurora		3-Apr-23	17-Apr-23	Complete
Aurora to issue ICP		17-Apr-23	30-Jun-23	Complete
Electrician does connection			3-Jul-23	Complete
Monthly effluent monitoring				Ongoing
New influent flow meter Roxburgh Bridge Pump Station	\$36,000	1-Jun-22	1-May-23	Flow meter ordered in June 2022, installed in February 2023, wired in May 2023.
New effluent outflow meter	\$13,883		30-Jun-23	Needs to be installed following connection of electricity
New screen	\$282,130		4-Jul-23	Complete
Sludge Survey	\$12,000		17-Mar-22	Complete
Desludging (both ponds)	\$500,000			
Funding approval by Council			25-Jan-23	\$500k of funding to undertake this work by Council on 25 January 2023.
Investigation of options		24-Mar-23	30-May-23	Beca have completed this work
Resource consent application		30-May-23	7-Sep-23	ORC have confirmed resource consent is not required
Prepare tender documents		2-Aug-23	1-Oct-23	Tender documents will be completed by end of September

Procurement		1-Oct-23	17-Dec-23	Eleven week tender and tender evaluation and award period
Construction		17-Dec-23	30-Apr-24	Takes into account Christmas period
Install aerator on pond 1	\$50,000	30-Apr-24	15-May-24	Desludging needs to be completed before this can occur. Re-using smaller aerators being replaced at Cromwell so no material lead-in time.
Consider nitrogen removal options & investment requirements for 2024 LTP	\$30,000	Oct-22	Jun-24	A nominal sum of \$2mill has been programmed in 2025/26 in initial plans for NTU and CODC LTP
Review plant performance over winter months 2024		May-24	Sep-24	Following desludging of ponds and installation of aerator
Finalise nitrogen removal option		Sep-24	Nov-24	Three month investigation period
Prepare tender documents		Nov-24	Mar-25	Four month design time
Procurement		Mar-25	Jun-25	Twelve week procurement period
Construction		Jun-25	Jun-26	1 year - Could be long lead-in times on materials
Total funding spent or allocated prior to 30 June 2024	\$ 1,130,513			
Tentative funding requirement for 2025/26 for nitrogen removal	\$2,000,000			

Cromwell Wastewater Treatment Site – Forward Works Programme

Cromwell WWTP	Budget	Start Date	End Date	Status August 2023
Appointment of dedicated consent compliance officer		22-Feb-21	N/A	Ongoing
Establishment of technical review group	220,000	1-Jun-21	30-Jun-23	Review group winding up in July, Business Case work taking over
Increased sampling of pond - weekly		2-Nov-21		Ongoing
New screen installed	\$280,000	1-Mar-22	1-Oct-22	Completed
Sludge survey	\$23,000	Apr-22	Aug-22	Desludging will be programmed into LTP future work plan between 2024 and 2027.
Aerators				
Electricity installed	\$86,900	25-Jan-23	30-Aug-23	Completed
Aerators supplied & installed	\$460,000	8-Feb-23	30-Aug-23	Completed
Old Aerators removed	\$20,000		30-Aug-23	Completed
Old Aerators relocated to Roxburgh & Naseby			30-Sep-23	Costs covered under Roxburgh and Naseby Sites
New inlet flume and flow meter	\$54,000	27-Jan-23	30-Aug-23	Flume installed, awaiting material delivery for flow meter
Membranes replaced	\$675,000	25-Jan-23	1-Apr-23	Completed
Increase size of membrane backwash line	\$60,000	25-Jan-23	12-May-23	Completed
New flow meter on bypass/overflow line	\$27,000	25-Jan-23	12-May-23	Completed
New flowmeter on effluent line	\$36,000	19-Jun-23	15-Dec-23	Price received, and approved, work progressing
Business Case considering longer term requirements for capacity, and discharge options for Cromwell	\$45,000	Jul-23	Dec-23	Consultant engaged
Total funding spent or allocated prior to 30 June 2024	\$1,986,900			

New inlet structure between ponds to improve pond level management			Dec-24	Design completed by Stantec, contractor pricing
Nitrogen Removal				
Consider nitrogen removal options & investment requirements for 2024 LTP	\$30,000	Jul-23	Sep-23	Funded in 2023/24
Finalise nitrogen removal option		Apr-24	Jun-24	Three month detailed investigation period
Prepare tender documents	\$500,000	Jul-24	Oct-24	Six month design time
Procurement		Oct-24	Jan-25	Twelve week procurement period
Construction	\$7,000,000	Jul-25	Jun-26	1 year - Could be long lead-in times on materials Nominal Draft budget has been provided based on package plant
	\$ 9,516,900			

Naseby Wastewater Treatment Site – Forward Works Programme

(Note – cost estimates not currently available for all work items, hence budget information not completed)

Naseby WWTP	Budget	Start Date	End Date	Status August 2023
Installation of new Inlet screen		May-22	Jul-22	Completed
Beca review of plant performance and capacity	\$16,200	Apr-23	Nov-23	Underway
Beca training of CODC staff for auditing of operations and maintenance contract		Mar-23	Jun-23	New staff members appointed, all roles to be filled by 5 October 2023.
Operational Improvements				
Update O&M manuals		Mar-23	Oct-23	Underway
CODC staff undertaking monthly audits of sites against O & M manuals to ensure required maintenance is being undertaken, including maintenance of infiltration basins		Apr-23	ongoing	
Implement software for recording of audits and follow-up actions	\$3,500	Jul-23	Nov-23	Software implemented, first round of audits using this will be August, reporting to be customised
Appointment of Business Analyst to monitor maintenance logs, audit actions and O&M manual personnel and contact changes.		Jul-23	Oct-23	Appointment made, start date October
Implement short interstage sampling program to better understand the performance of process units		Jul-23	Nov-23	Beca to provide program by 7 July 2023, then CODC provide instruction to FH. No program received from Beca yet.
FH technical expert to provide oversight of infiltration bed maintenance and operations (cleaning or replacement of media)		24-Jul-23	14-Aug-23	Site visit occurring last week of July
Implementation of Lutra software will create sampling schedules which are aligned with consent conditions and notifications to the contractor. It will immediately	\$120,000	Jun-23	Oct-23	Tasks required in each consent have been provided to Lutra, who are loading this into the software.

flag where requirements are missed to enable council to follow up with the contractor.				
Council is following up on contractual failures by contractor to meet sampling requirements.			Aug-23	Documented outline of requirements that have not been met to be provided to FH Senior Management by CODC.
Ponds/Wavebands				
Construct stormwater drain. SW runoff runs down slope and into the ponds (screen end of Pond 1)		Aug-23	Oct-23	Some work done, more work required
Estimates for waveband renewal provided	\$391,027		May-23	Completed
Funding for waveband renewal provided in Long Term Plan			Jun-24	Underway
Construction work procured and delivered		Jul-24	May-25	
Sludge survey	\$13,000		1-May-22	Complete
Desludging (both ponds)				
Investigation of options		1-Aug-23	1-Nov-23	Beca to be engaged to do this
Resource consent application		1-Nov-23	1-Feb-24	
Prepare tender documents		1-Feb-24	1-Apr-24	Two months
Procurement		1-Apr-24	17-Jun-24	Eleven week tender and tender evaluation and award period
Construction		17-Jun-24	30-Oct-24	20 weeks
Provide program and funding for future periodic desludging of ponds in 2024-2054 period		Jul-24		Underway
Review power supply to site and get recommendations for required upgrades		Aug-23	Oct-23	To be done
Arrange power supply upgrade		Nov-23	Mar-24	Dependent on what issues are identified in review
Install aerator	\$50,000	30-Oct-24	30-Nov-24	Re-using smaller aerators being replaced at Cromwell so no material lead-in time. Needs power to be done first, and may

				need sludge to be removed before installing.
Infiltration basins				
Review discharge valve programming and valve operation		24-Jul-23	14-Aug-23	Site visit by FH technical expert occurring last week of July
Repair valves to ensure beds are operating as designed				Completed
Take ponding infiltration beds offline and physically check for blinding		1-Aug-23	30-Sep-23	
Test pits on infiltration beds to understand effectiveness		1-Aug-23	30-Sep-23	
Consider variation to consent to allow for ponding across infiltration on beds		1-Aug-23	30-Sep-23	
Allocation of funding for replacement of infiltration beds if required			1-Jul-24	
Renewal of infiltration beds if required		18-Jul-24	30-Nov-24	
Wetland				
Define the purpose of the wetland		1-Aug-23	30-Sep-23	Beca undertook original design and have been engaged to review this
Review original consent application		1-Aug-23	30-Sep-23	
Undertake Environmental Impact Assessment of reclassifying wetland and ponding on infiltration beds		30-Sep-23	30-Mar-24	
Apply for consent variation application of wetland if adding no environmental benefit, and/or infiltration basin ponding		30-Mar-24	30-Jun-24	
If wetland is still required, then reinstate		30-Sep-23	30-Mar-24	
Inflow and Infiltration				
Prepare stormwater I&I management plan, incorporating consideration of backwash on water treatment plant during storms into I&I calculations			Aug-24	To be prepared by internal water planning staff.

Identify pipe renewal requirements		May-24	Aug-24	Districtwide pipe renewal program
Tender pipe renewal contract		Aug-24	Sep-24	
Award contract		Sep-24	Oct-24	
Complete 2024-25 districtwide pipe renewal work		Nov-24	May-25	

23.8.5 TEVIOT VALLEY SPATIAL PLAN - ENGAGEMENT DOCUMENT

Doc ID: 1013698

1. Purpose of Report

To provide Council with an update on the development of the Teviot Valley Spatial Plan and the draft Engagement Document to be released for feedback.

Recommendations

That the Council

- A. Receives the report and accepts the level of significance.
 - B. Agrees to publicly notify the engagement document for feedback.
-

2. Background

A spatial plan is an evidence-based, future-focused strategy that provides a guide to where development might occur in the future.

The development of the Teviot Valley Spatial Plan is a collaboration between Central Otago District Council (CODC), the community and other stakeholders. Its development rests on key planning principles relating to our environment, the character of our place, how we manage growth in a sustainable way, accessibility, housing choice and infrastructure.

The Teviot Valley Spatial Plan is the third spatial planning project Central Otago District Council has undertaken, following the development of the Cromwell and Vincent Spatial Plans.

Engagement with the community started with feedback received from the annual community survey. The feedback formed the basis of a discussion with the targeted key stakeholder Issues and Options workshop in Roxburgh, to define the issues for the Teviot Valley community. The key stakeholder group included iwi representatives and members of the local community, including local businesspeople and community board members.

In September and October 2022, a series of facilitated Issues and Options meetings were held in Lake Roxburgh Village, Millers Flat and Ettrick, to help further understand the priorities for those communities.

An initial draft plan was then discussed with the key stakeholder group.

3. Discussion

Central Otago is one of New Zealand's fastest growing regions. Growth projections for the Teviot Valley Ward indicate that between 2021 and 2054 the population will increase by 668 people, meaning an additional 360 houses will be needed by 2054.

When presented at the key stakeholder meetings and given the low numbers involved, the community participants chose to provide for a more ambitious 'transformational' growth scenario, which is 50% on top of those indicated by a medium growth projection. The draft

spatial plans have been developed to provide for an additional 540 new homes over a 30-year period.

Accommodating growth in a way that protects our environment and provides for the social, economic and cultural needs of the community can be challenging. Issues such as ensuring housing affordability and availability, a lack of land suitable for future development, and the effects of residential development moving into productive rural areas need to be carefully managed, particularly in relation to the Teviot Valley. The spatial planning process provides an opportunity to step back and consider providing for growth in a managed way for the future.

The pressures of population growth has the potential to adversely affect our rural and urban areas. Demand for housing is driven in part by growth but also by a change in demographics, reduced household sizes and housing affordability, factors which are likely to result in greater total numbers of dwellings being built to meet the demand.

The Teviot Valley and around Roxburgh has a number of natural hazards identified in the Otago Regional Council Hazard Database. Of particular interest is a number of alluvial fan hazards that will require further investigation into the risks associated with potential rockfall before any additional development can occur in those areas. The Otago Regional Council Hazard Database is a high level view of potential natural hazard risks and further work is required to understand what if any impact that might have at a property level.

A meeting was held in Dunedin with iwi representatives (Aukaha), Otago Regional Councils staff and Councils staff to discuss the draft plan and in particular the challenges with the natural hazard risks.

There are also infrastructure constraints in Ettrick and Millers Flat in relation to the provision of reticulated wastewater that will affect any future growth.

The draft plans provide for some medium density residential zoning in Roxburgh around the town centre/business zones and large lot residential at Roxburgh East near Ladysmith Road. The plans also proposed the establishment of Rural Settlement zones in Ettrick and Millers Flat that would allow a mixture of residential and low level commercial, rather than individual residential or commercial zones.

The draft engagement document is attached to this report.

4. Financial Considerations

The Spatial Plan development is funded from existing budgets.

5. Compliance

Local Government Act 2002 Purpose Provisions	This process promotes the social/cultural/economic/environmental wellbeing of communities, in the present and for the future by ensuring growth demands can be met.
Decision consistent with other Council plans and policies? Such as the District Plan, Economic Development Strategy etc.	The costs associated with the publishing of the Teviot Valley Spatial Plan will be accommodated within existing budgets.

Considerations as to sustainability, the environment and climate change impacts	The Teviot Valley Spatial Plan reflects consideration of sustainability and environmental factors/constraints that will inform future land use changes.
Risks Analysis	There are no known risks.
Significance, Consultation and Engagement (internal and external)	<p>The matter is significant not only to a small group of people particularly affected but also to the wider community as it will inform future decision making in terms of development of land and infrastructure investment.</p> <p>The Spatial Plan is being developed through extensive community and key stakeholder engagement process.</p> <p>Future plan changes to the District Plan that come out of the spatial plan process, will be subject to further engagement under the provisions of the Resource Management Act 1991.</p>

6. Next Steps

- Finalise the Engagement Document for release.
- Organise drop-ins for Roxburgh, Ettrick and Millers Flat
- Publicly notify and invite submissions on the draft spatial plans

7. Attachments

Appendix 1 - Engagement Document Teviot Spatial Plan 2023.pdf [↓](#)

Report author:



Ann Rodgers
Principal Policy Planner
16/08/2023

Reviewed and authorised by:



Lee Webster
Acting Group Manager – Planning and Infrastructure
16/08/2023





INTRODUCTION

The Teviot Valley is a treasured place. It is a valley that is defined by its landscape. The rocky tussock-clad high country flanks a sheltered and lush valley floor of green and gold farmland and orchards.

The Teviot Valley is blessed with world-class fruit, produce, farming and salt-of-the-earth folk who care deeply for their community and have a strong legacy of working together to achieve common goals.

Residents, and those with a connection to the Valley, are rightfully proud of the area.

We want to work together to see the things that make it such a special place to live, work and play, protected in the face of change into the future.

We've already had fantastic community feedback at our public drop-in sessions and at other workshops. All of this feedback has been reviewed and taken into account and looking at where and how the Teviot Valley could grow.

Now is the time for you to be involved in the development of a spatial plan for the Teviot Valley. We need your feedback on the draft spatial plan maps that are presented here in this booklet. Your feedback will help us to refine and improve our thinking so that together we can create the best possible outcome for the Teviot Valley's future.

We'd love you to join us on the journey. Please get involved to share your ideas about your place and its future.

WHAT IS A SPATIAL PLAN?

A spatial plan is a collaborative exercise between Council's planning team and the local community to produce an evidence-based, future-focused strategy that outlines an agreed vision and direction for the area for the next 30 years and beyond.

It is a visual blueprint for the future, showing what could go where and how aspects such as housing and productive land uses could fit together so that growth and development can be sustainably managed. It also looks to ensure the further development of resilient settlements with access to recreational opportunities, infrastructure to meet growth demands, and land use that respects natural landforms and is sustainable for generations to come.

The Teviot Valley Spatial Plan will present a shared vision and will act as a guide at a local, regional and national level. At a Council level it will inform the zoning and provisions for development of Council-led changes to the District Plan that relate to the Teviot Valley, as well as future infrastructure requirements and community spaces.

The Teviot Valley Spatial Plan will:

- Provide a picture of where each area is heading and highlight areas of potential growth, community connection and opportunities for change.
- Guide investment decisions at local, regional, and central government level.
- Identify the key issues facing the Teviot Valley and the priorities that need to be advanced to address these.

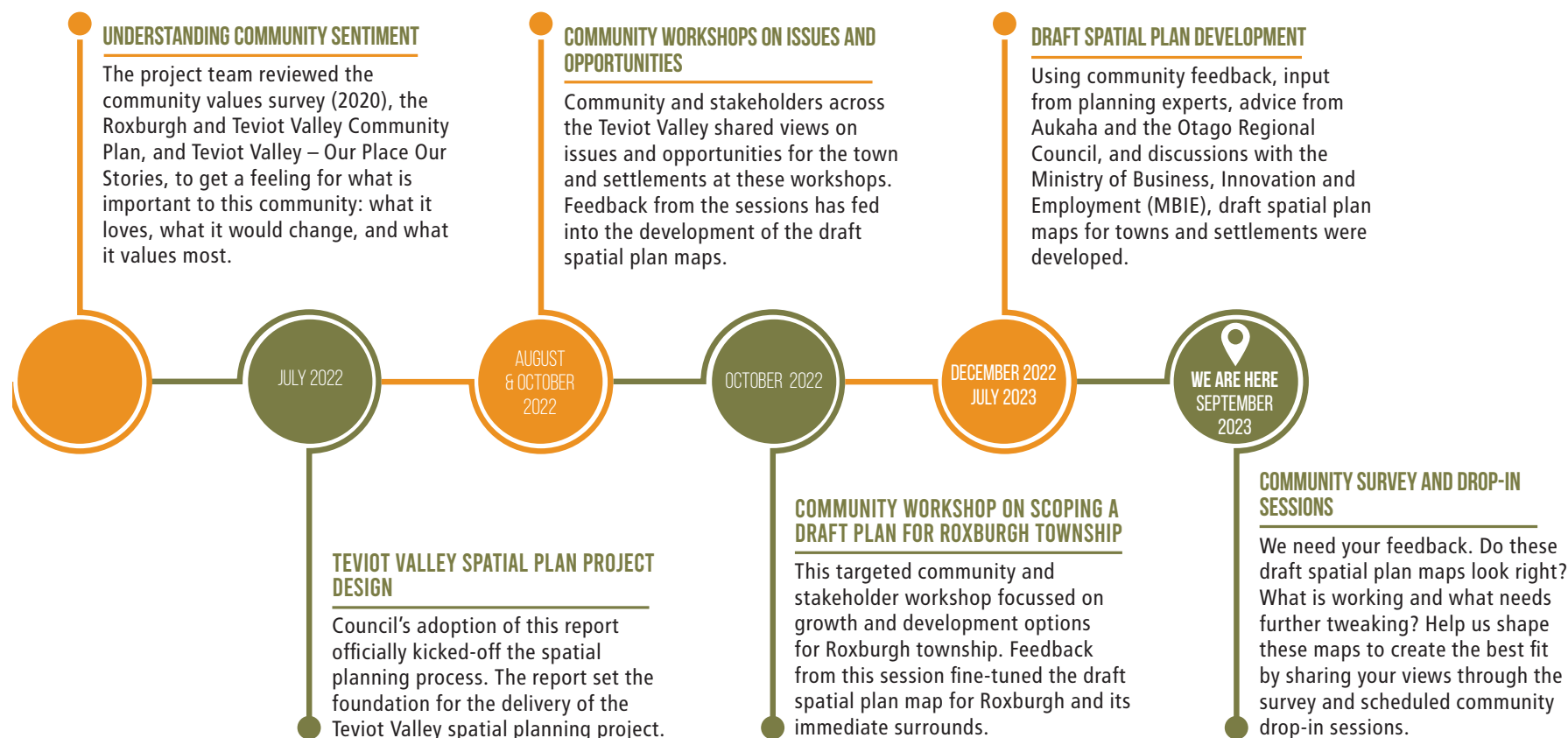
This is the third spatial planning project Central Otago District Council has undertaken, and follows the Cromwell Masterplan and the Vincent Ward Spatial Plan, which were completed over the last few years.



PROCESS TIMELINE

Here's an outline of our spatial planning process so far. Check out more information about each step of the process on our website:

<https://lets-talk.codc.govt.nz/teviot-valley-spatial-plan>



FEEDBACK FROM PAST COMMUNITY DISCUSSIONS

‘YOUR PLACE, YOUR COMMUNITY’ SURVEY

WHY PEOPLE LIKE LIVING IN THE TEVIOT VALLEY:



- Small community feel
- A community that comes together
- Friendly and helpful locals
- A caring community



- Views of the river
- Having a clean environment
- Scenery and tranquillity



- The climate
- The lifestyle

ONE THING THAT PEOPLE WOULD CHANGE:



- Ensuring infrastructure allows for future employment
- Access to faster internet
- Improved main roads and footpaths



- Better medical services
- A retirement village



- Rezoning for accomodation
- Less subdivisions

WHAT PEOPLE WOULD LIKE THE TEVIOT VALLEY TO BE KNOWN FOR:

- A tourist destination
- Community spirit
- Horticulture
- Being a great place to live
- Natural Environment



SUMMARY OF FEEDBACK FROM COMMUNITY WORKSHOPS

Improving economic diversity and delivering a sustainable economy.

There isn't a wide range of employment options in Roxburgh and the wider Teviot Valley, and many are relatively low paid. This means the area struggles to attract new residents, particularly those in their productive years with families.

Attracting and retaining more businesses and industries in Roxburgh, and the wider Teviot Valley, would lead to a more sustainable economy that is less vulnerable to external changes. This would act as an incentive for people to move to the area and set up businesses, creating economic growth and job opportunities.

Improving housing quality and diversity attracts and retains residents.

Housing in the Teviot Valley tends to be traditional, older and stand-alone; with larger sections, larger types of houses and plenty of space.

An improved housing portfolio that caters for a wider range of demographics would offer more opportunities for the town to attract and retain residents. This includes improving the quality of homes, and offering lower maintenance, smaller dwellings for first home buyers and older residents.

Improved visitor participation in the Teviot Valley.

Despite a range of stunning landscapes, activities and heritage stories that could attract visitors to the Teviot Valley, it currently lacks both accommodation and hospitality opportunities which sees visitors choosing not to stay in the town. Attracting more visitors and enabling them to increase the amount of time they spend in the Teviot Valley would contribute to the local economy and support economic diversity and resilience.

Locals and visitors understand and embrace Roxburgh's shared heritage.

Roxburgh and the wider Teviot Valley has a rich heritage involving Mana Whenua and early European settlers, alongside a range of industries and cultures.

Having a clear sense of the shared heritage of Roxburgh will ensure it can be understood by both locals and visitors. This both adds to the culture of those who live here, and helps visitors understand the rich story that surrounds Roxburgh and the Teviot Valley.





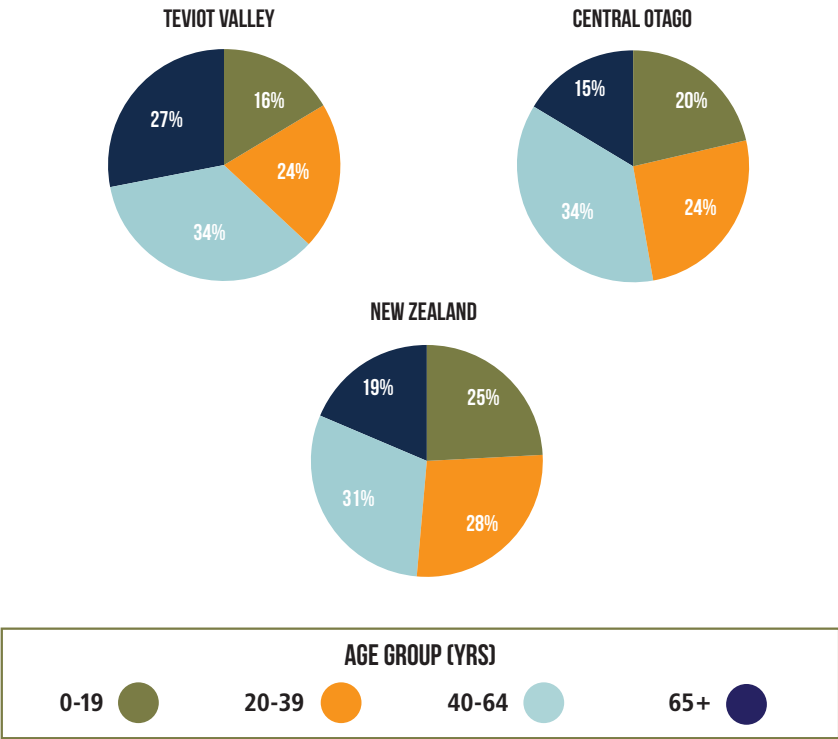


WHAT WE KNOW ABOUT THE TEVIOT VALLEY

POPULATION STRUCTURE

The Teviot Valley population is significantly older than Central Otago and New Zealand averages, with 27% of the Teviot Valley population aged over 65, and only 16% of the population under 20.

This has a significant impact on factors such as the community and required housing types, medical services, and education.



TEVIOT'S HOUSING STOCK

The housing stock in Teviot Valley is mostly older homes, some dating back to the early settlement of the area in the late 1800's. The average age of the housing is 66 years old and housing types are largely three-bedroom standalone dwellings. There was a substantial boom in housing development during the 1950s across the valley and almost half of today's housing stock was built between 1950 and 1980. This period of growth aligns with the construction of the Roxburgh Dam which began in 1949.

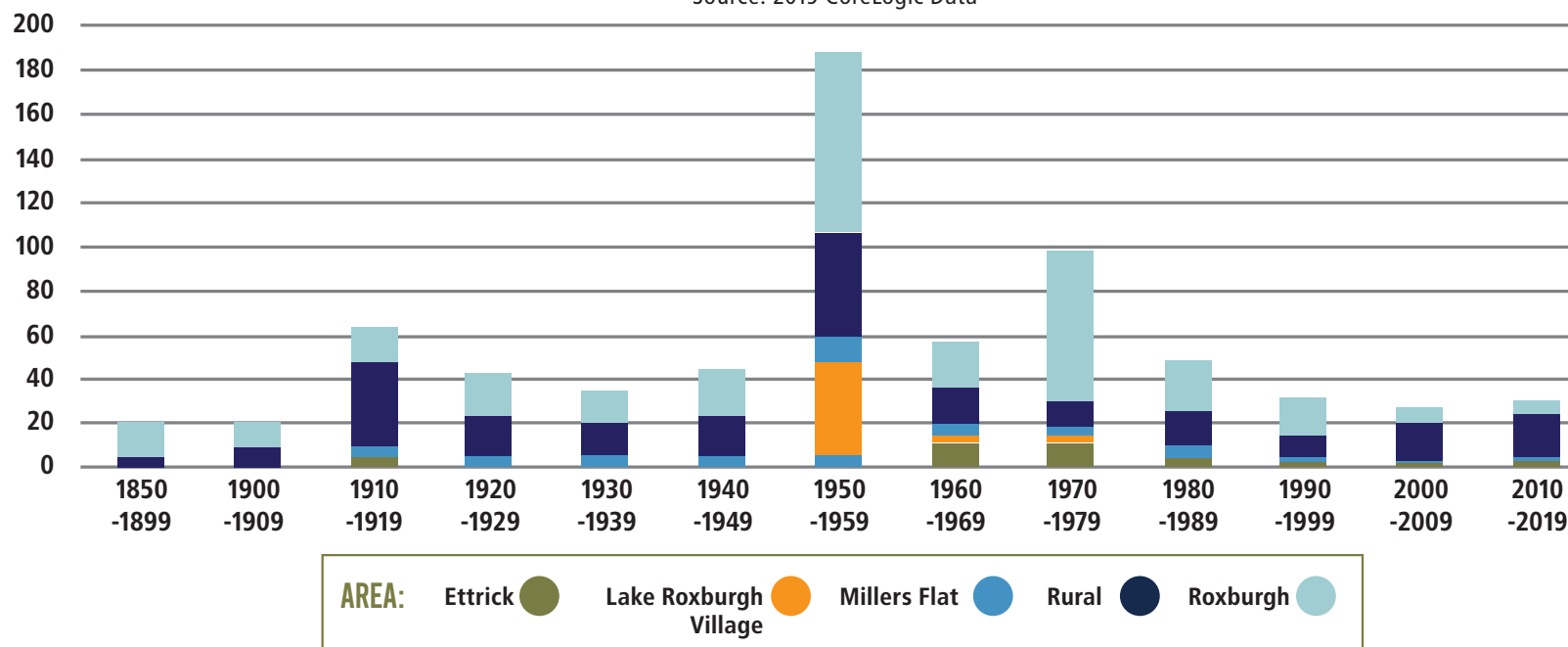
The last two decades have not seen extensive housing development, with recent growth concentrated around Roxburgh and in rural areas.

This lack of diversity in the housing stock doesn't cater to all demographics in the community, particularly first home buyers and older people. At the same time, house prices have increased, making them unaffordable to many prospective new residents. Without a range of housing options, Roxburgh will lose older residents and fail to attract younger ones.

With social, demographic and environmental changes, there is likely to be greater demand for a wider array of housing choices, including smaller easier care properties, with good access to open space and facilities. The following page shows the range of housing choices and densities that could be considered for the future.

HOUSING STOCK COMPOSITION IN TEVIOT VALLEY

Source: 2019 CoreLogic Data



POPULATION PROJECTIONS

Population projections for the Teviot Valley, commissioned in 2022 show the population is expected to grow slowly over the next thirty years.

The growth projections offered three scenarios for consideration – low, medium or high growth. Medium growth was chosen as the preferred model to inform the population projections.

Under the medium growth model, we are projecting the population of the Teviot Valley to grow from 1,880 people to 2,548 over the next 30 years. Correspondingly this would mean the Teviot Valley would require another 360 dwellings to accommodate the additional population by 2054 (from 1,880 residents to a population of 2,884 residents).

CATERING FOR ADDITIONAL GROWTH

These projections were presented and discussed at the spatial planning community workshops. Interestingly, most community participants chose an ambitious view on growth, and requested a spatial plan that catered for 'transformational growth'. This assumed the Teviot Valley population would grow by an additional 50 per cent on top of the medium projections by 2054 – which would see the population grow from 1,880 residents to a population of 2,884 by 2054.

The draft spatail plan maps have been developed to cater for this aspirational level of growth, ensuring there is capacity across the Teviot Valley for 540 new homes over the next 30 years.

TEVIOT VALLEY - GROWTH PROJECTIONS OUTPUTS – MEDIUM (RECOMMENDED) PROJECTION									
	2006	2013	2018	2019	2020	2021	2024	2034	2054
USUALLY RESIDENT POPULATION	1,730	1,610	1,610	1,840	1,840	1,880	1,945	2,153	2,548
TOTAL DWELLINGS	924	936	984	992	1,004	1,011	1,046	1,158	1,371
TOTAL RATING UNITS				1,237	1,201	1,217	1,252	1,365	1,580
RESIDENTIAL AND LIFESTYLE RATING UNITS		839	858	867	877	884	919	1,031	1,244
PEAK DAY POPULATION					3,433	3,459	3,578	3,960	4,688
PEAK DAY VISITORS					1,543	1,579	1,633	1,808	2,140

PHYSICAL CONSTRAINTS – WHAT WE KNOW

The Teviot Valley is a place of stunning beauty and productivity. To ensure we're looking at the best places for the Teviot to grow, we've identified a number of existing constraints and use them to help identify areas that would be best suited to housing growth or increased density.

It is important to note that this doesn't mean private developments couldn't happen in these areas, it's just that on balance, they aren't appropriate for land use intensification as part of the Spatial Planning process.

Natural Hazards

CODC has a duty to control development and activities in hazard-prone areas. This includes any future zone changes that might increase development in an area subject to a natural hazard.

The Otago Regional Council Natural Hazard Database identifies two main risk areas for the Teviot Valley - alluvial fans and flooding associated with streams and the Clutha River/Mata Au.

North of Roxburgh Township there is a mixture of active and inactive debris-dominated alluvial fans, which creates a risk of rockfall fanning out and damaging property. Further work is required to understand the extent of the rockfall risk.

Natural Features

This includes things like conservation land, outstanding nature features and landscapes, heritage, amenity landscapes, and slope.

Productive land

The National Policy Statement for Highly Productive Land came into force on 17 October 2022, with most provisions having immediate effect, placing restrictions on rezoning, subdivision and land-use proposals on land classes 1–3. There are large areas of land classified as LUC 1-3 around Roxburgh and Ettrick, across the valley. Productivity in general throughout the valley contributes significantly to the local community and economy.

Groundwater protection zones

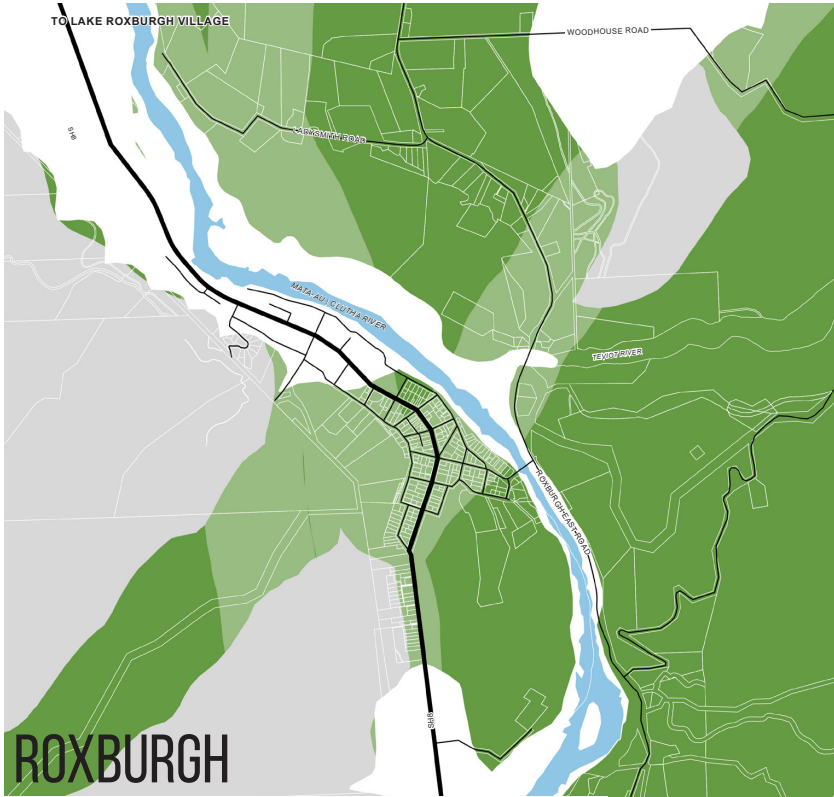
The Otago Regional Council in the Regional Water Plan identifies vulnerable ground water aquifers that may be susceptible to contamination. Any area of land, over parts of aquifers considered to be high risk in this regard, are identified as Groundwater Protection Zones.





There are two groundwater protection zones in the Teviot Valley, in Roxburgh and Ettrick.

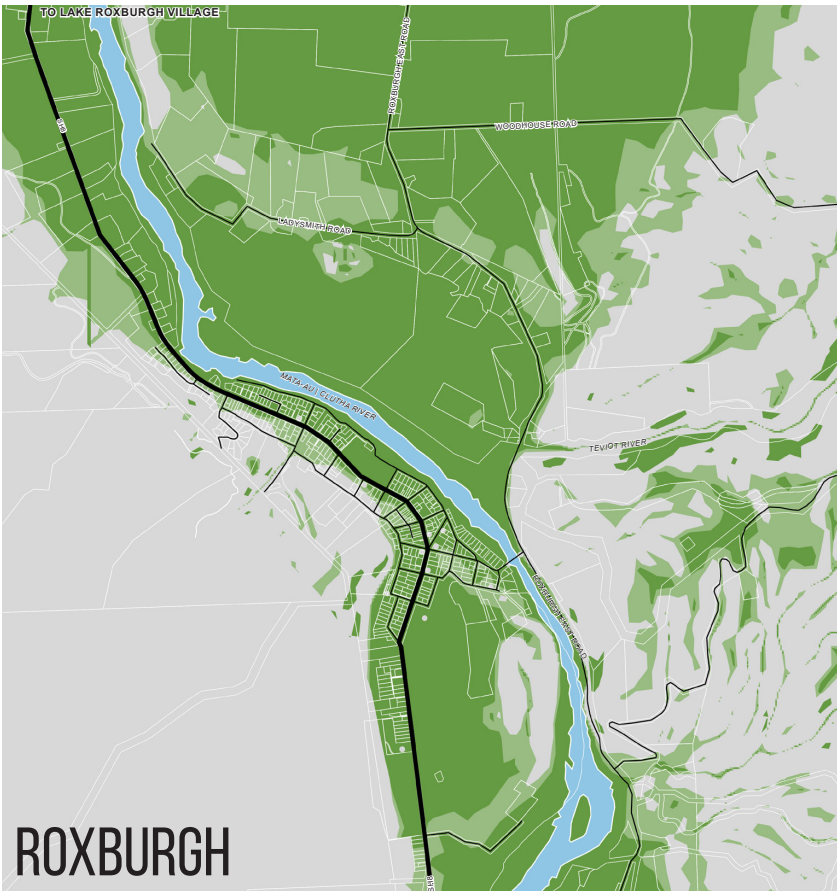
Infrastructure





One of the key factors to consider when planning for growth is whether new growth areas can be adequately serviced in terms of water and wastewater. There is no reticulated water or wastewater in Ettrick and no reticulated wastewater in Millers Flat. These factors may limit where growth can occur.

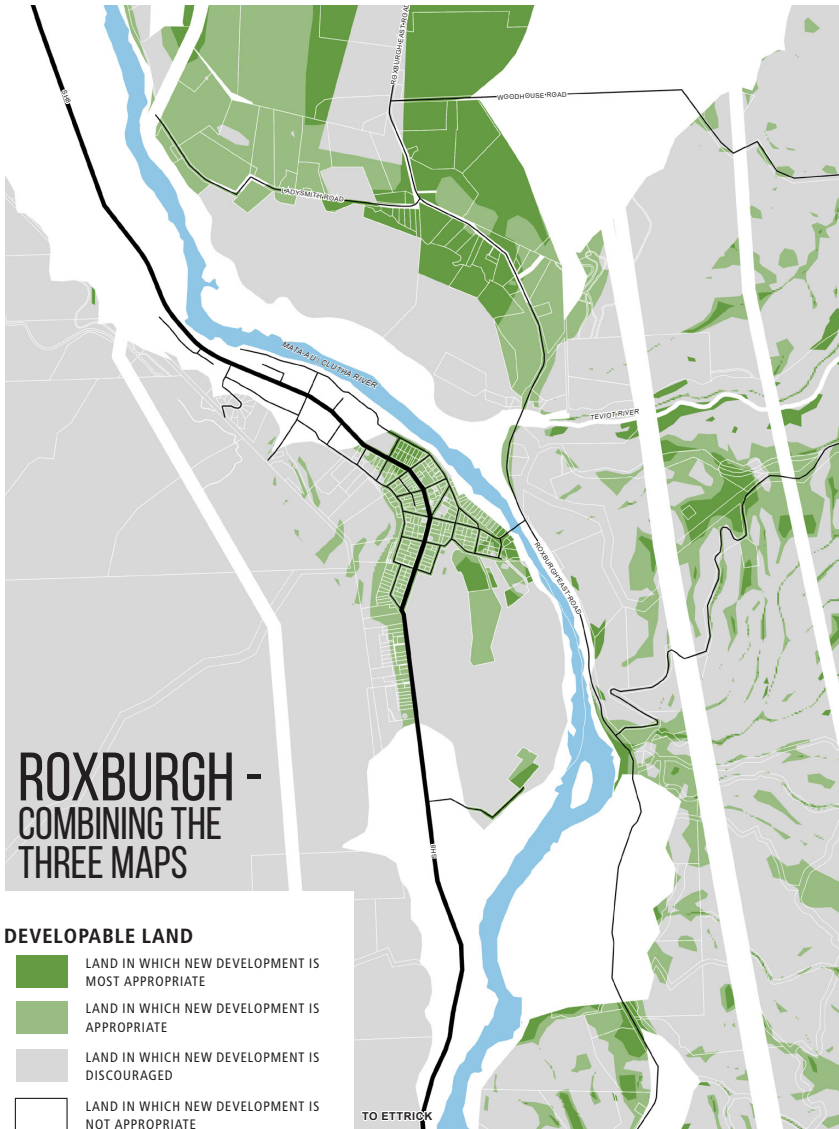
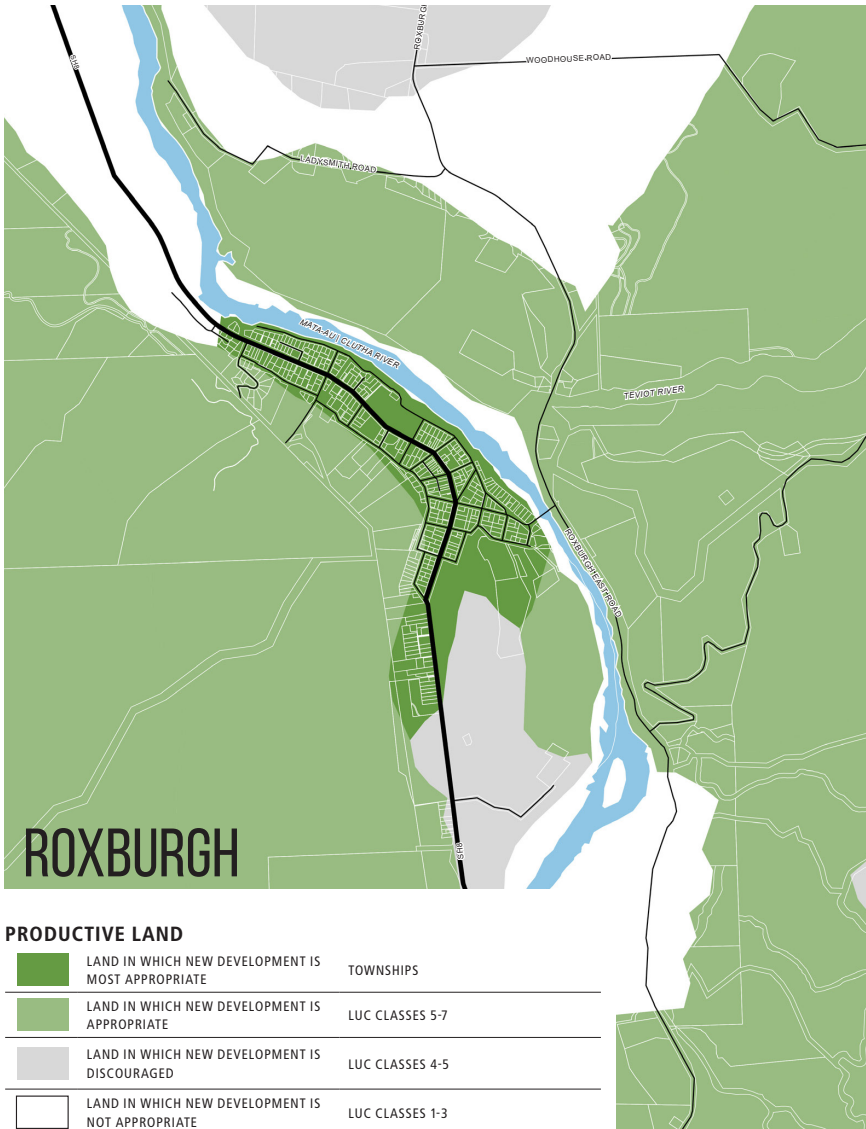


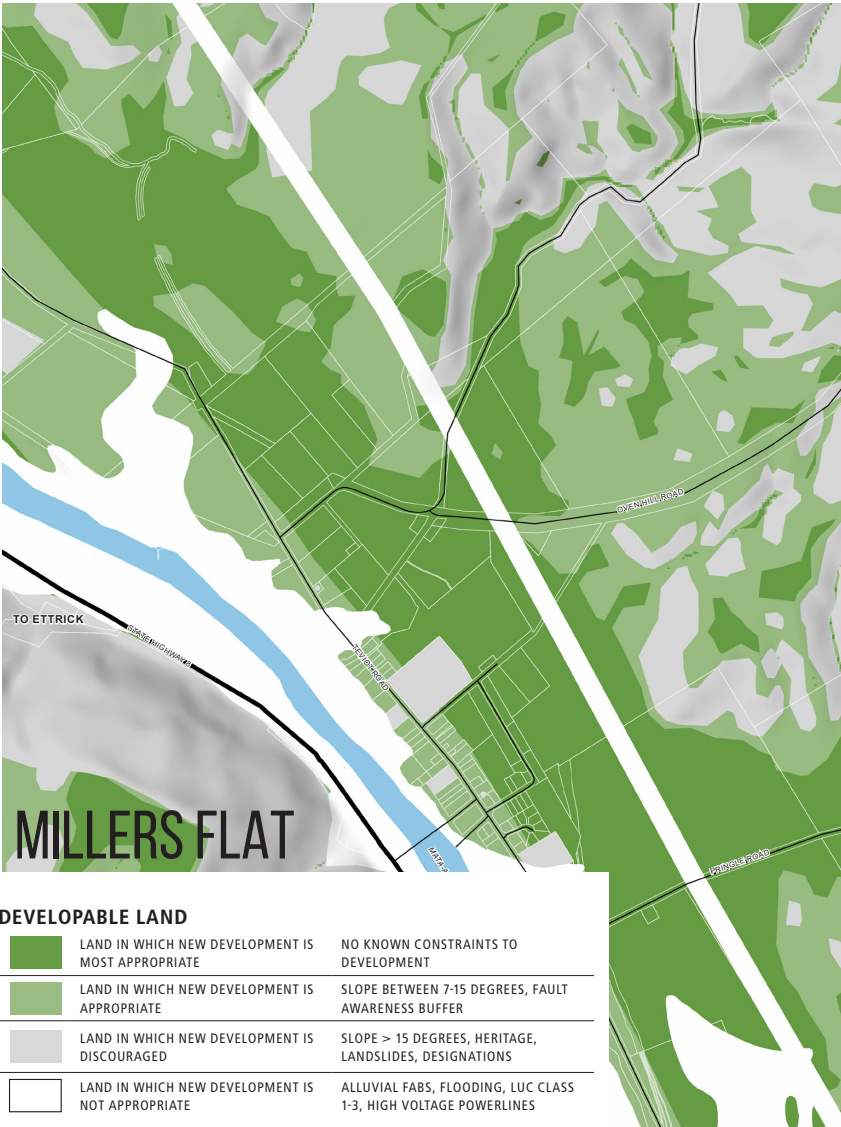
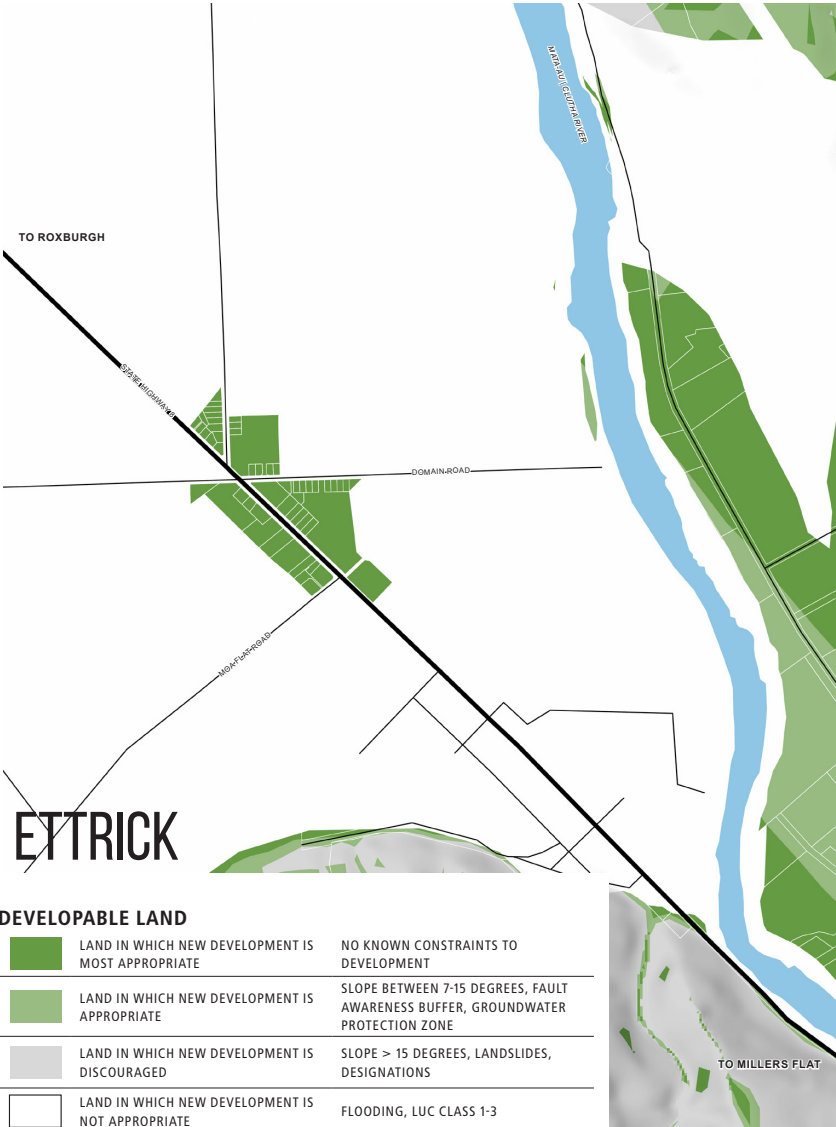


NATURAL HAZARDS		
	LAND IN WHICH NEW DEVELOPMENT IS MOST APPROPRIATE	NO NATURAL HAZARD CONSTRAINTS
	LAND IN WHICH NEW DEVELOPMENT IS APPROPRIATE	FAULT AWARENESS BUFFER
	LAND IN WHICH NEW DEVELOPMENT IS DISCOURAGED	LANDSLIDES
	LAND IN WHICH NEW DEVELOPMENT IS NOT APPROPRIATE	FLOODING, ALLUVIAL FANS



NATURAL FEATURES		
	LAND IN WHICH NEW DEVELOPMENT IS MOST APPROPRIATE	SLOPE < 7 DEGREES, NO NATURAL FEATURE CONSTRAINTS
	LAND IN WHICH NEW DEVELOPMENT IS APPROPRIATE	SLOPE BETWEEN 7 AND 15 DEGREES
	LAND IN WHICH NEW DEVELOPMENT IS DISCOURAGED	SLOPE > 15 DEGREES, SIGNIFICANT AMENITY LANDSCAPE, HERITAGE
	LAND IN WHICH NEW DEVELOPMENT IS NOT APPROPRIATE	N/A





OTHER CONSIDERATIONS - WHAT MAY BE COMING

LAKE ONSLOW DEVELOPMENT

The Ministry of Business Innovation and Employment is currently investigating the feasibility of constructing a large scale pumped hydro scheme at Lake Onslow. Their goal is to find the best option for managing dry-year risk to electricity generation and to support this country's move to 100 per cent renewable electricity.

The construction process is expected to take a number of years and employ a significant number of people. Additional infrastructure networks will be needed.

It is still uncertain whether the NZ Battery Project will proceed at Lake Onslow and, if it does, what this will mean for the Teviot Valley. If it does go ahead, we want to ensure that our villages and townships are resilient beyond the construction phase of a project of this size.

This spatial planning process is modelled on transformational future growth, which is higher than what is forecast for this region. This will help to identify infrastructure limitations. These projections may need to be further modified and adapted if the NZ Battery Project goes ahead at Lake Onslow.





ZONING AREAS

Here are the zoning terms used in the spatial plan maps, together with a brief description of what each term means.

RURAL ZONES

Activities that locate within the rural environment do so generally because they are reliant upon the resources of the rural area. For example, farming activities need large areas of open land, while horticulture and viticulture activities need particular soil types in combination with a number of other factors, particularly climatic conditions and irrigation.

Some facilities are required near to where these resources are. For example, a pack house needs to locate near a fruit source. They need a large open space where they can generate effects without significantly affecting more sensitive activities.

SETTLEMENT ZONES

Settlement zones are a type of zoning that has been designed specifically to cater for smaller, often rural, settlements and areas used predominantly for a cluster of residential, commercial, light industrial and/or community activities.

Essentially this would be underpinned by a range of guidelines, but would allow a bit more flexibility to get a good mix of activities that benefit the township – as opposed to specifying exactly what activity should go where.

RESIDENTIAL DENSITY SPREAD

MEDIUM DENSITY RESIDENTIAL



DENSITY	20 - 35 DW/HA
TYPICAL SECTIONS	180-200m²
TYPICAL HOUSING TYPES	Semi attached terrace houses, attached terrace houses, low rise apartments

- QUALITIES:**
- Vibrant town living with opportunities for a diversity of informal social contact.
 - Close proximity to the town centre, community facilities and parks.
 - Accommodates smaller household sizes.
 - Most affordable through efficient use of land and comprehensive construction techniques.
 - Lowest maintenance homes that allow more time for recreation and social activities.
 - Increased ability to walk and cycle to more facilities and amenities.
 - Limited garage and car parking spaces on site with more comprehensively managed parking in common areas or on-street.

LOW DENSITY RESIDENTIAL



DENSITY	10 - 20 DW/HA
TYPICAL SECTIONS	500m²
TYPICAL HOUSING TYPES	Detached house

- QUALITIES:**
- Suburban living with opportunities for informal social contacts within local street or settlement.
 - Walking or cycling distance to nearby shops, parks and community facilities.
 - Accommodates small to large household sizes with yard spaces for children's play.
 - More affordable through comprehensive subdivisions.
 - Lower maintenance on properties that allows some free time for local recreation and social activities.
 - Garage and on-site car parking spaces for several cars with unmanaged on-street parking.

LARGE LOT RESIDENTIAL

DENSITY	2 - 10 DW/HA
TYPICAL SECTIONS	2000m ²
TYPICAL HOUSING TYPES	Detached houses on a large section

QUALITIES:

- Open garden setting and quieter living environment with opportunities for informal social contacts within the local area.
- Some ability to be self-sufficient with vegetable gardens and chickens.
- More reliance on cars to access most destinations.
- Accommodates large household sizes with generous yard spaces for adult recreation and children's play.
- Less affordable through larger lot sizes and higher infrastructure costs.
- Higher property maintenance allowing less time for local recreation and social activities.
- Garage and on-site car parking for multiple cars on-site.

RURAL LIFESTYLE

DENSITY	0.25 - 0.5 DW/HA
TYPICAL SECTIONS	2 - 4 ha
TYPICAL HOUSING TYPES	Detached houses on a rural section

QUALITIES:

- Open landscape setting within working rural area with limited opportunities for informal social contact.
- Most ability to be self-sufficient and to run a small-scale economic unit with larger livestock and/or intensive horticulture.
- Most reliance on car access to all destinations/goods and services and other vehicles to service the property.
- Accommodates large household sizes with generous yard spaces for adult recreation and larger children's pets.
- Less affordable through large property sizes and more infrastructure provision.
- Highest property maintenance allowing less time for local recreation and social activities.
- Garage and on-site car parking for multiple cars and service vehicles.



THE DRAFT SPATIAL PLAN MAPS

Draft spatial plan maps have been developed for Roxburgh, Lake Roxburgh Village, Ettrick and Millers Flat. At this stage these plans are still high level and are by no means final.

Feedback gathered during community conversations has directly fed into their development. So too have the physical constraints, infrastructure needs, and recreational opportunities for the areas.

We really want to know what you think. The feedback you provide will help us understand if we have the proposed land-use recommendations right and if not, what we need to do to change these.

So it's important that we get input from as many people as possible so we can make an informed decision that represents the community's wishes.

We will take on board all feedback received to help develop the final plans. Your survey response will provide valuable insight for us. We will also be running community drop-in sessions to discuss and answer questions about the draft spatial plan maps.

Please take time to read the comments that accompany each map as these help explain the thinking behind their development.



**TELL US
WHAT YOU
THINK**

We really want to know what you think about these draft spatial plan maps.

Please visit :

<https://lets-talk.codc.govt.nz/teviot-valley-spatial-plan>
to fill out the online survey.

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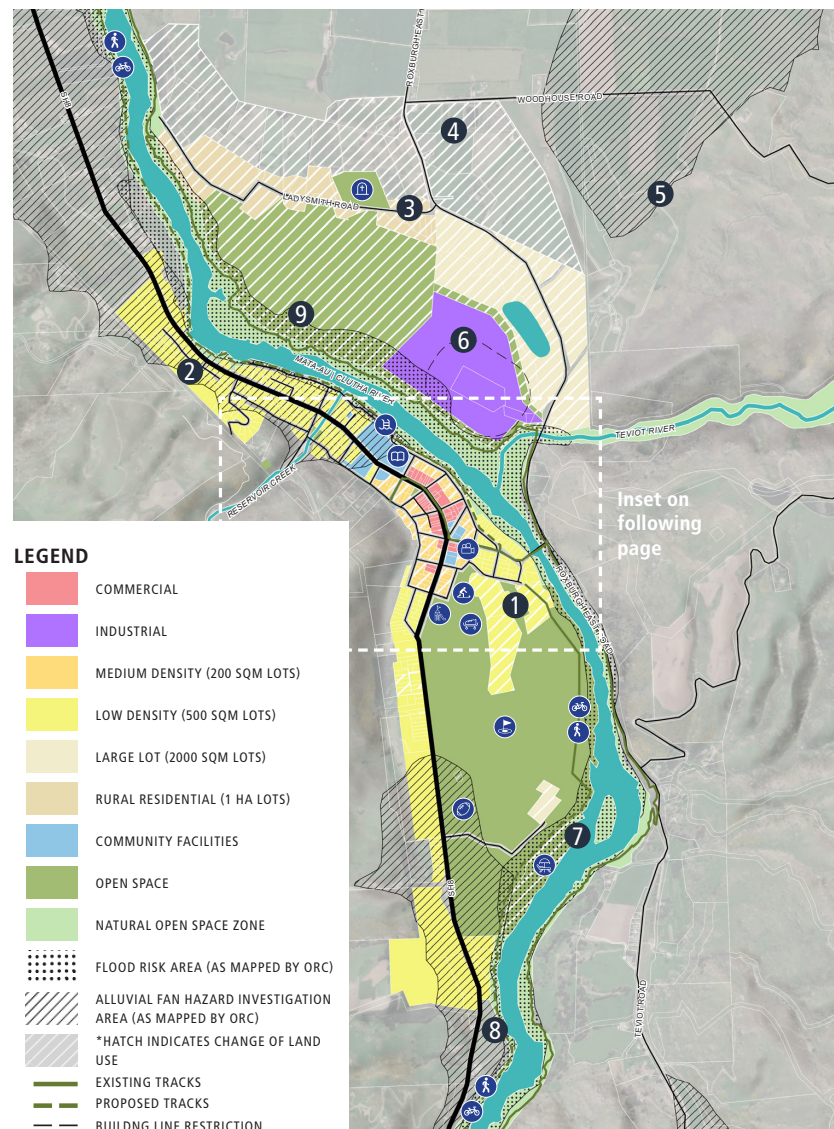


DRAFT SPATIAL PLAN FOR ROXBURGH

Here is the draft spatial plan map for Roxburgh and immediate surrounding area - see too the inset of Roxburgh town centre on the following page.

Please take time to read the comments that accompany each map as these help explain the thinking behind the proposed zoning changes. To understand the zoning terminology please refer to the section on zoning areas. (page16)

- 1 Additional residential (Low Density) zoning is proposed within Roxburgh township, along State Highway 8 and at the former Health Camp property. This will allow for future growth within the township.
- 2 Properties that may be affected by natural hazards are identified with the dotted overlay (Natural Hazard Risk Area). We are not proposing to increase housing density or expand residential zoning in these areas until further investigations are made into the specific risks.
- 3 A ribbon of Rural Residential land along Roxburgh East Road and Ladysmith Road has been rezoned to provide smaller section sizes of 0.5 – 2ha. This allows for more rurally based housing choices that are close to town.
- 4 The land to the north of this Rural Residential land has been rezoned as General Rural. This aligns with current use and reflects community desire to protect productive rural land near Roxburgh.
- 5 We have not proposed changing the zoning to rural areas, such as Hercules Flat, as this is productive land and the cost of servicing increased housing densities in these outlying areas would be prohibitive.
- 6 We are proposing to consolidate industrial zoning on the opposite side of the river, beside the wastewater treatment ponds. Existing land use rights would be maintained for the industrial-zoned land on State Highway 8 and behind the golf course. However, the long-term goal is to separate industrial activities from residential properties (which is why a buffer has been included around the perimeter of the proposed industrial zone in Roxburgh East).
- 7 The Three Beaches area, adjacent to the Roxburgh Recreation Reserve, is proposed as Open Space to provide improved recreation opportunities and connection with the Mata-au/Clutha River.
- 8 A network of tracks and trails are to be developed to connect existing walkways and cycleways, and to link Roxburgh with the other settlements in the Teviot Valley.
- 9 The tailings area south of Ladysmith Road has been rezoned as Open Space, with the intention that it be used for recreational purposes in the future.





ROXBURGH TOWN CENTRE



- 1 We are proposing smaller section sizes in the town centre by introducing Medium Density zoning. This residential intensification is intended to facilitate compact housing options and increase housing choices. It also encourages foot traffic, activity and vibrancy in the town centre.

The proposed Medium Density zoning includes the centre of town, from the school to the recreation reserve.

This area is not affected by any known constraints outlined earlier in this document, and as such is more suited to an increase in residential density.

- 2 Given Roxburgh's commercially zoned land is underutilized at present, we are not proposing to increase Commercial zoning. There is a concern that if new zoning was provided it could have a negative impact on the existing commercial land. In future, if there is demand for increased commercially zoned land, we would look at rezoning additional land in the town.

LAKE ROXBURGH VILLAGE

The quiet life in Lake Roxburgh Village is enjoyed by its residents and those who visit the township. The draft spatial plan proposes using Settlement Zoning to allow for a mix of complimentary land uses, while also improving the tracks and trails that exist in the village and link it to the Clutha Gold cycle trail.

- 1 A new Settlement Zone is proposed for the existing Low Density residential area, and extending south along Tamblin Drive and between Tamblin Road and State Highway 8. The settlement zoning is suggested to allow some flexibility in the development of residential, commercial, light industrial and/or community activities that would fit with and add benefit to the township.
- 2 The recreation area where the community hall is located will be rezoned from Low Density residential to Open Space, to reflect current community use.
- 3 The Open Space buffer between the village and State Highway 8 is to be extended south of Tamblin Drive to help screen road noise and visual impact for residents.
- 4 A new cycle trail network is proposed to connect the village with the Roxburgh Gorge and Clutha Gold Trails, as well as other existing nearby cycle/walkways.
- 5 Denoted area provides a setback from the Lake Roxburgh Village wastewater plant.

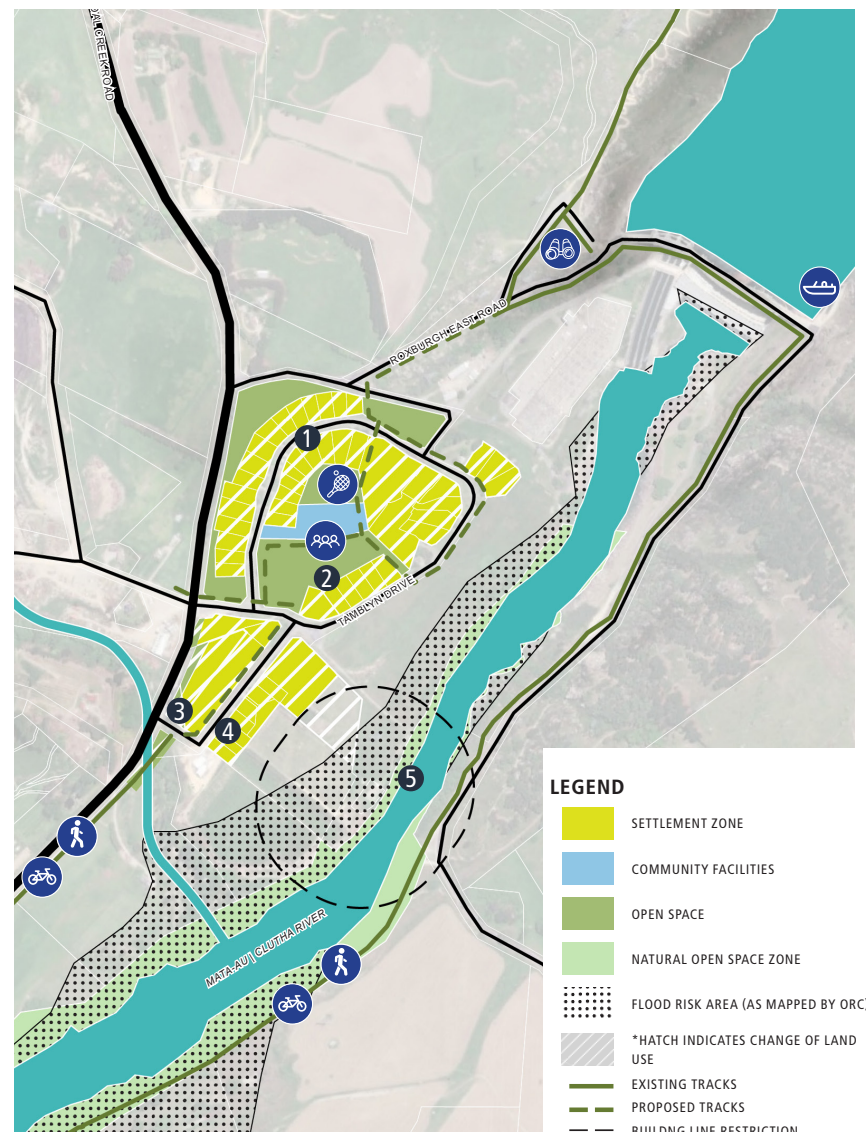
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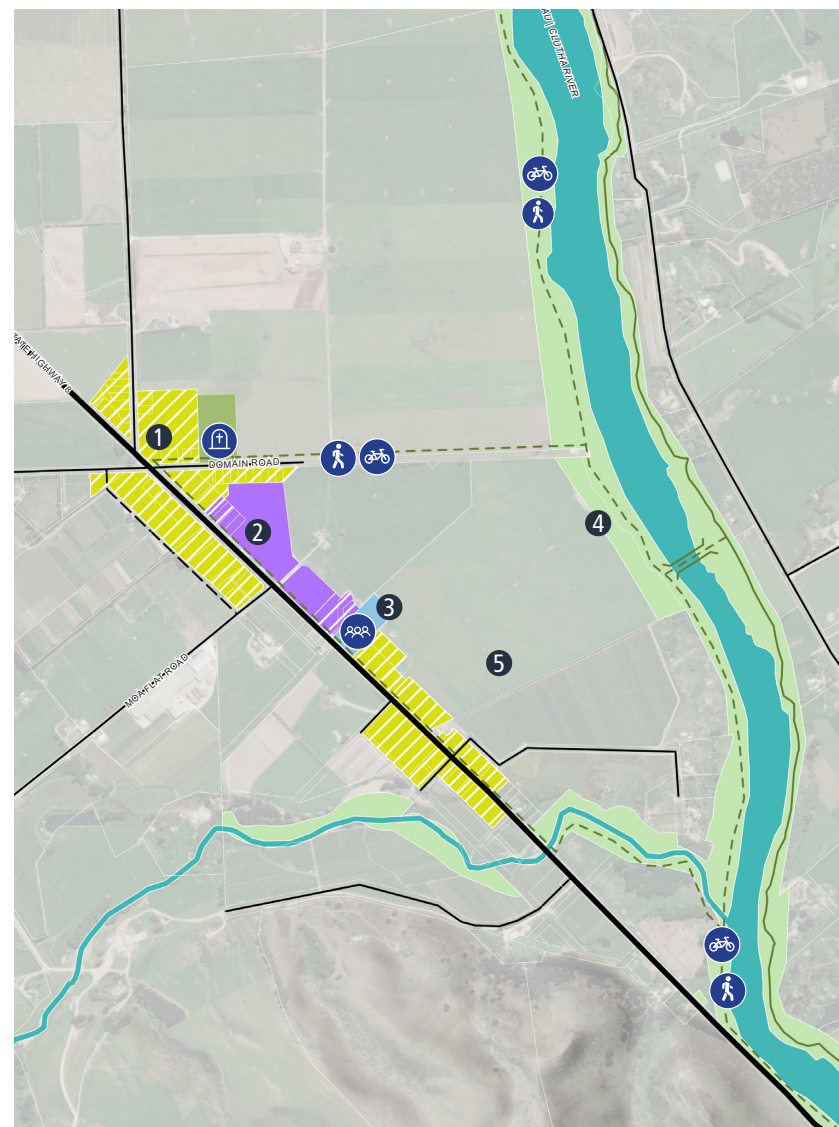
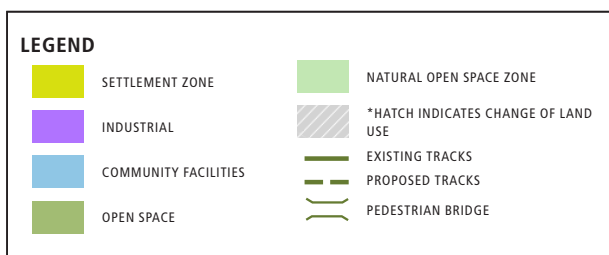




ETTRICK

Known for its fresh produce, Ettrick is a hub of commercial activity in the Teviot valley, with a number of horticultural related businesses situated in the township. Growth outside of the current boundaries is currently limited by drinking and wastewater constraints, and productive farmland that surrounds the township. This spatial plan map has sought to reflect existing land use, while using Settlement Zoning to allow for future complimentary activities. Improvements to the trail connections into Ettrick are also proposed.

- 1 A new Settlement Zone is proposed for the majority of Ettrick Village. This will replace all existing Low Density zoned residential areas, as well as extending south of Ettrick to reflect the existing houses and activities already built/developed.
The settlement zoning is suggested to allow some flexibility in the development of residential, commercial, light industrial and/or community activities that would fit with and add benefit to the township.
- 2 The existing Industrial zoned land is to be extended slightly, to reflect existing activities and allow for some expansion.
- 3 The Ettrick Community Hall is to be zoned as a community facility to reflect its importance as a community centre for the village.
- 4 A trail network is proposed on the western side of the Mata-au/Clutha River, connecting to the town via Domain Road and Clutha Road, and towards Roxburgh and Millers Flat. This could also include a pedestrian bridge.
- 5 Land surrounding Ettrick village is constrained for development due to the productive soils and groundwater protection zone on the plain.



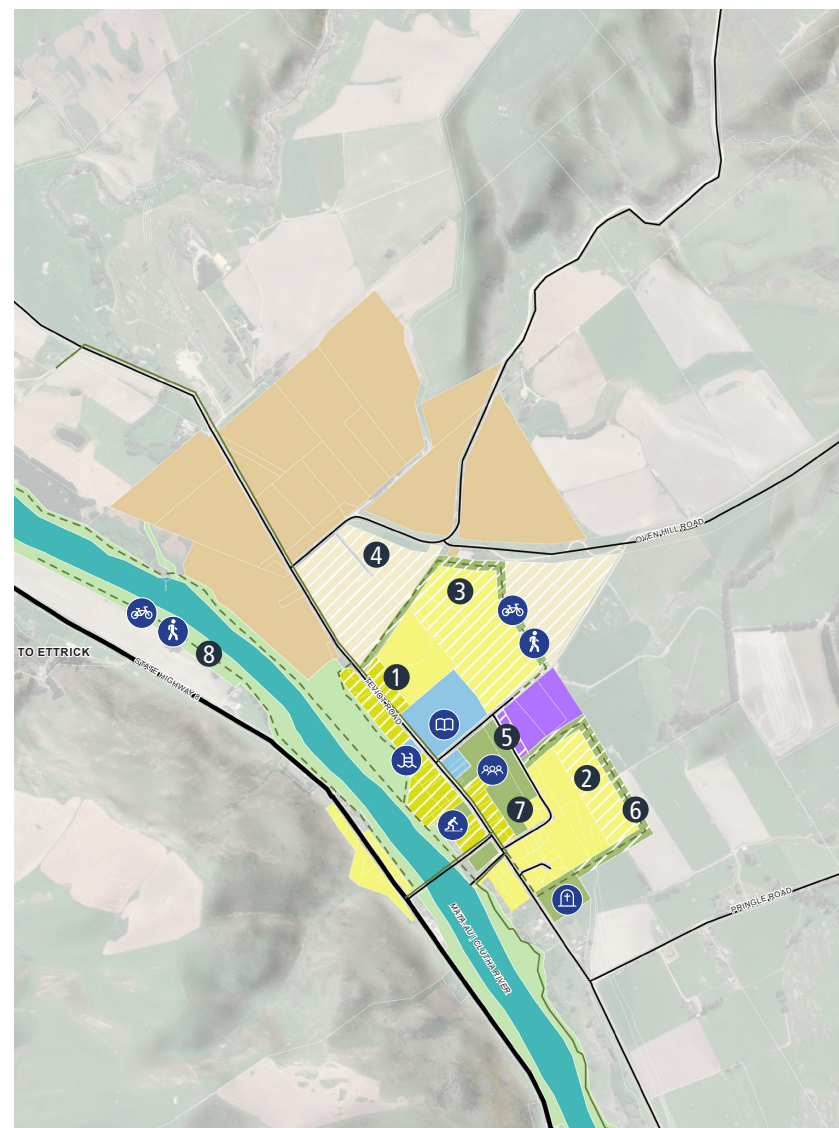
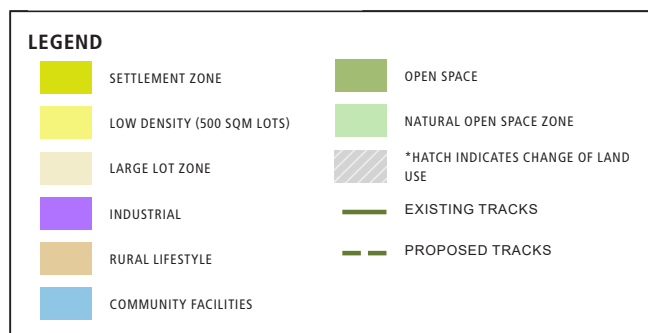


MILLERS FLAT

Millers Flat has a strong community who values the quiet way of life the township provides. Much like Ettrick, growth has been limited due to drinking and wastewater constraints and productive farmland. The community is keen to see key community facilities, such as the school, continue to operate. They also want to attract new residents.

This draft spatial plan map proposes Settlement Zoning to allow for future complimentary activities, and to cater for increasing numbers of cycle trail users.

- 1 A new Settlement Zone is proposed along Teviot Road to allow for a wider range of activities and to reflect existing commercial land uses.
- 2 Low Density residential zoning has been extended to align with the north-west industrial land boundary.
- 3 A new Low Density residential area has been provided for north of the school.
- 4 Large Lot zoning has been proposed to act as a buffer between the Low Density Residential and Rural Lifestyle land, while also offering increased housing choices.
- 5 The Industrial zoned land has been extended slightly to Railway Terrace.
- 6 A green buffer is provided as a green link around Millers Flat, as well as manage reverse sensitivity effects of industrial land.
- 7 The domain is proposed to be zoned as a community facility to reflect the hall and other uses already here.
- 8 A new trail network is proposed on the western side of the Mata-au/Clutha River, connecting towards Ettrick and with the Clutha Gold Cycle.





TELL US WHAT YOU THINK

We really want to know what you think about these draft spatial plan maps.

Please visit :

<https://lets-talk.codc.govt.nz/teviot-valley-spatial-plan>

to fill out the online survey.

For more information please follow us on:

Facebook@centralotagodistrictcouncil or

email **districtplan@codc.govt.nz**



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23.8.6 DRAFT BRIDGE STRATEGY

Doc ID: 658913

1. Purpose of Report

To inform Council of the bridge work required over the long term, the prioritisation approach to be used for the funding application to Waka Kotahi, and the 2024 Long-term Plan.

Recommendations

That the Council

- A. Receives the report and accepts the level of significance.
 - B. Notes the maintenance backlog of bridge work required.
 - C. Notes the prioritisation approach that optimises service levels and affordability as necessary to meet Waka Kotahi's funding requirements.
 - D. Approves the approach to bridge inspections, maintenance and replacements to be included in Council's Draft Transportation Activity Management plan.
-

2. Background

Central Otago District Council has an ageing network of bridges. At least 30 bridges will be at, or near the end of their useful life within the next 10 years.

To maintain the current levels of service the community is accustomed to will require significant increases in replacement and maintenance budgets.

- The estimated cost to completely replace all bridges due over the next 10 years is approximately \$20m.
- Council's current budget for all bridge maintenance and renewals is \$660k p.a. or \$7.6m over 10 years.
- This replacement backlog will continue over the next 30 years as a 'bow wave' of bridges reach their end of useful life.

Furthermore, a known backlog in maintenance due to historic funding constraints since 2014, has been quantified. A specialist bridge engineer in collaboration with our contractor have estimated \$1.5m of maintenance and \$2.5m of component replacement is required to ensure existing assets reach their useful lives.

Roading Work Category	Value of work
Sealed Pavement Maintenance	\$26,000
Structures Maintenance	\$1,359,885
Environmental Maintenance	\$70,200
Traffic Services Maintenance	\$4,050
Structures Component Replacement	\$2,202,750
Traffic Services Renewals	\$28,100
Footpath Renewals	\$180,000
Total	\$3,870,985

Priority will be given to bridges which are strategically the most important and carry the highest risk to the network.

Many other councils are also entering a bridge replacement cycle. Council receives 51% funding subsidy from Waka Kotahi for bridge and structure component replacements. Waka Kotahi is responding by setting clear criteria to qualify for funding.

Any applications for bridge funding must have strongly considered all options and whole of life costs, including:

- Reducing service levels,
- Seeking 3rd party funding,
- Divestment or closure.

Each bridge must have a Present Value of End of Life (PVEOL) analysis completed which considers:

- The relative use and importance of the bridge.
- Alternative routes and the economic viability of replacing the bridge.
- Future costs of the assets beyond the bridge (including roads).

Indicatively, some of the existing 30 bridges due for replacement in the next 10 years may not meet Waka Kotahi requirements to receiving subsidy.

The rebuild of bridges from Cyclone Gabrielle places additional pressure on funding and specialist bridge resources. The funding impact of this will likely become clear when the National Government Policy Statement (GPS) on Land Transport is released in Dec 2023.

To meet Waka Kotahi's funding requirements, the establishment of a prioritisation method that emphasizes optimising service levels and affordability is necessary.

The resilience of the network will also require additional consideration in the renewal and replacement of bridges.

- Bridges exposed to more frequent and severe events requiring reassessment.
- Anecdotally, a 1 in 150 year event may become a 1 in 100 year event.

Providing reliable alternatives, or detours is the most likely mitigation in the mid to long term.

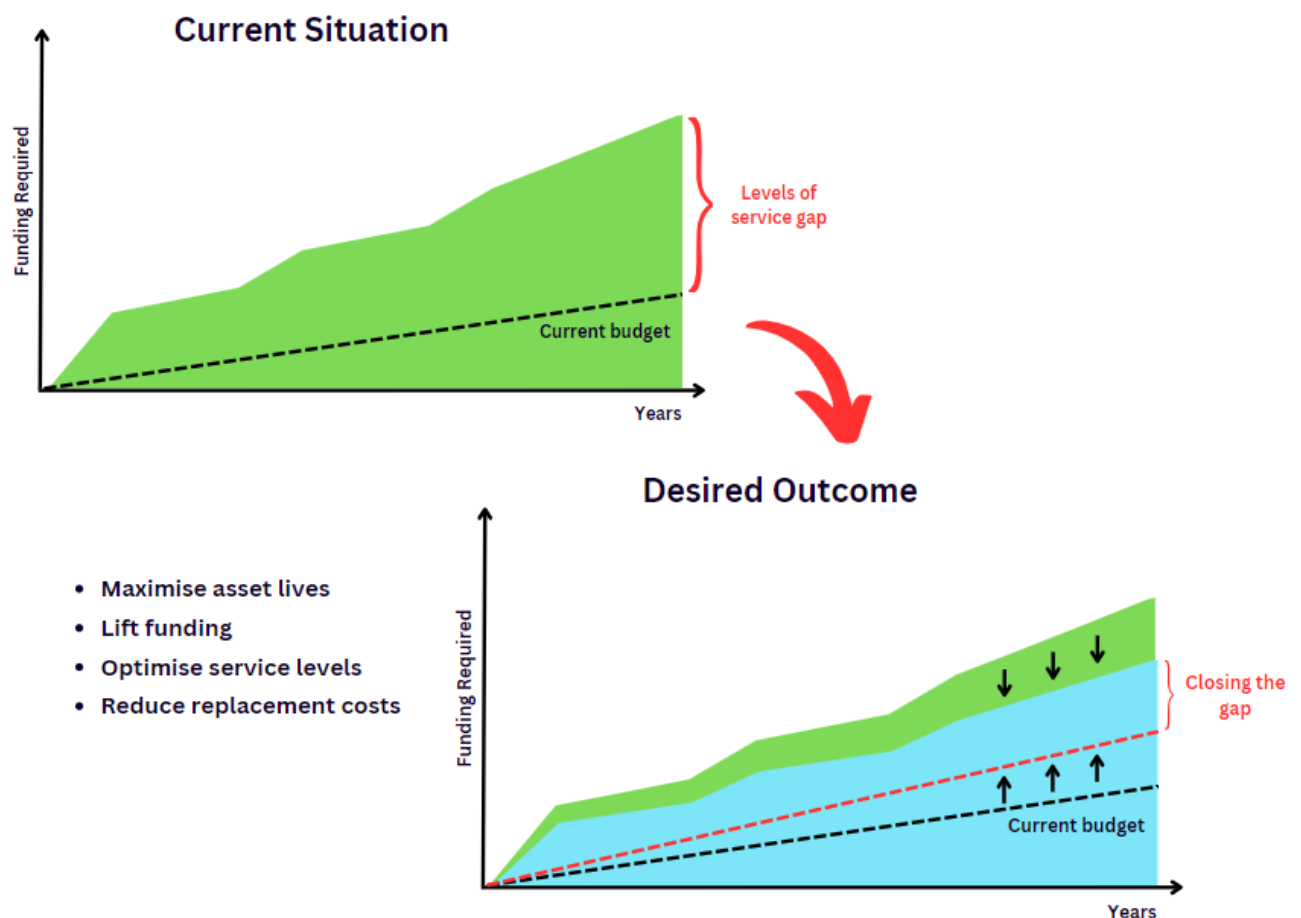
3. Discussion

Council is required to submit their final roading work programme, and funding application for the next 3 year (2024-2027) period to Waka Kotahi by 24 December 2023.

The approach to bridge renewals and replacements will need to accompany the funding application to Waka Kotahi to provide evidence that Council has considered the above issues to support the proposed increase in funding.

The direction and content of this report will form the basis for the bridge funding section of the Transportation Activity Management Plan.

The goal of this approach is to commence initiatives that will reduce the projected gap in service levels over the next 30 years.



This will be achieved through adherence to the following objectives:

1. Maximise the Lives of Bridge Assets.

- Regular inspections – Continually refine the end-of-life estimates through frequent, comprehensive inspections.
- Address the maintenance backlog - Prioritise planned overdue maintenance to prevent deterioration and maximize asset life.
- Research into risks - Extend our understanding of potential risks, such as floods, and ensure the maintenance of surrounding infrastructure like river banks and beds.

2. Lift Funding towards Bridges

- a) Seek an increase in renewals and maintenance budgets to avoid long term network instability.
- b) Enhance funding – Look for innovative funding strategies to build reserves, such as hypothecation or public-private partnerships.

3. Optimise Service Level of Bridges with Available Funding

- a) Replacement Strategy – Develop a risk-based approach to prioritise bridge replacements, considering factors beyond remaining life, such as bridge classification and usage.
- b) Rationalisation of assets – Consider the divestment or decommissioning of bridges to optimise limited resources.

4. Reduce Replacement Costs – With so many bridges to replace, and neighbouring councils in a similar situation, there is an opportunity to improve prices and securing resources.

- a) Collaboration - Explore opportunities to collaborate with other Road Controlling Authorities on securing bridge engineers and expertise.
- b) Innovative Procurement - Explore alternative procurement strategies, such as Design and Build contracts for multiple bridges, to attract more suppliers and ensure competitive pricing.
- c) Streamlined Consenting - Seeking bulk resource consents also to reduce lead times for construction.
- d) Seek standardisation - Where possible, standardise designs and materials to minimise risks associated with cost and supply variability.

5. Stronger and Regular Engagement – With the community and Waka Kotahi to manage expectations.

- a) Communication Plan - that regularly informs the community about bridge conditions, maintenance and replacement schedules, and any expected disruptions or changes in service levels.
- b) Stakeholder Engagement - Engage proactively with Waka Kotahi to ensure alignment with national regulations, and to leverage their expertise and resources. Regularly update stakeholders on the progress of the Bridge Strategy, including any major milestones, challenges, and achievements.

Bridge Inspections and Maintenance

Inspections are carried out in accordance with NZTA S6 Bridges and other Significant Structures Inspection Policy.

Through these inspections the structural integrity of each bridge is monitored, and decisions made on postings, repairs, or replacements. If funding continues to be constrained, there may be cases in future to close some bridges where alternative routes are available. It is very important that regular inspections are undertaken to predict if or when this may occur.

These are carried out by a specialist bridging engineer and consist of:

- Routine inspections – annually

All bridges and structures must be inspected annually by our routine maintenance contractor. These inspections focus on non-structural elements such as ensuring handrails are secure, waterways are clear, scour is controlled, and drainage/deck joints are clear and functioning.

- Structural bridge inspections – six yearly

Structural maintenance is identified through principal inspections which are undertaken six-yearly by a specialist bridge engineer. The purpose of a principal inspection is to provide specific information on the physical condition of all inspectable parts of a structure.

- Special inspections – as and when required: Timber assessments, painting assessments, post events e.g. flooding

Maintenance on structures following routine inspections is carried out through our alliance style maintenance contract. Our contractor will proactively keep on top of general maintenance such as cleanliness and clearing of deck drainage.

Long Term Plan budgets will incorporate recommendations and work identified in the latest round of structures inspections.

Due to the age of some of the bridges in Central Otago's network, and potentially insufficient inspection budgets previously additional investment is proposed to ensure inspections continue and identified backlog of maintenance is programmed and completed. The level of additional investment will be considered by Council as part of its funding submission to Waka Kotahi.

This approach aims to re-stabilise the level of planned maintenance to a more predictable level within six years.

Optimising Service Levels to Meet Available Funding

Traditionally, bridges are prioritised for replacement on their condition only. Without a significant increase in existing budgets, this approach is no longer viable. The scale of the replacements needed will eventually lead to the need for trade-offs.

The approach outlined also considers a rationalisation of bridges where replacing like for like would likely be deemed un-economic by Waka Kotahi.

A prioritisation matrix has been developed to help prioritise replacements and rationalise bridges. The purpose of this matrix is to be a 'point of entry' of each structure's treatment. Whether it should be replaced, divested, or removed as it reaches the end of its useful life, within the current budget period.

Waka Kotahi ONRC Classification	Alternative Access Detour Length				
	0 - 5km	>5 - 10km	>10 - 15km	>15 - 20km	20+ km or no Access
Primary Collector					
Secondary Collector					
Access					
Low Volume Access (11 - 50vpd)					
Low Volume Access (0-10vpd)					

Figure 1: Draft prioritisation matrix

	Replace (or upgrade) Bridge
	Replace (or upgrade) Bridge and Consider Divestment
	Replace (or upgrade) Bridge and Consider Divestment with Third Party Contribution
	Consider Lower Level of Service Structure or Removal of Bridge

Under the draft prioritisation matrix above:

- 47 bridges would be considered for a lower level of service structure or removal. (Red)
- 57 bridges would be considered for replacement and then divested. (Orange/Yellow)
- 69 bridges would be considered for replacement. (Green)

A list of bridges due for replacement in the next 10 years categorised by the draft matrix 'point of entry' is shown in Appendix 1.

A second step is still necessary that includes these variables and other practical considerations. This is the more detailed PVEOL assessment and / or individual business case of each bridge. This is a requirement of Waka Kotahi funding for all bridge renewals.

For the second cut of the programme, each bridge will be reviewed individually to determine the flow on effects and whether the matrix recommendation is appropriate. As part of the validation, it will be considered whether or not the bridge has a detour available, the detour length, ownership of land either side of the bridge, other industry impacts and other social impacts such as tourism.

Community Engagement

Regardless of the community's readiness to streamline the structures network, it will be necessary to prioritise the implementation of the replacement program.

Council will need to engage with affected communities, consulting on service levels and associated cost implications depending on how each individual structure is identified through the prioritisation matrix.

The matrix will be primarily used to determine the order of replacements. Therefore, in cases where bridges are deteriorating rapidly but there is a viable alternative route, temporary closures are likely to be implemented. These closures may remain in effect for several years, depending on the prioritisation of the program.

This may cause significant frustration for certain communities, but it is crucial to prioritise safety risks and accessibility considerations.

Implementation

The priority in the first three years is on improving our understanding of risk through inspections and address deferred maintenance backlog.

The process to treat known critical bridges has already commenced. Draft present value end of life assessments have been completed. The PVEOL assessments are subject to Waka Kotahi review and Council's funding application for the 2024-27 period.

- Little Valley Bridge (#191)

Recommendation: Replacement of the timber components (deck and running boards) rather than replacement of the whole structure.

- Maniototo Road Bridge (#145)

Recommendation: Replacement and divestment.

- Scott Lane Bridge (#121)

Recommendation: Replacement with lower-level service structure or removal.

These recommendations are subject to Waka Kotahi approval and co-funding.

From years four to six, a rise in the number of bridge replacements is likely and decisions regarding divestment or closure of certain structures will need to commence.

This staged approach that allows council the opportunity to appropriately phase and prioritise work on critical bridges, and to engage funders and the supplier market early to prepare the more substantial programme of replacements from year four.

Many of the challenges that Council is currently facing must be avoided in the future. It is of utmost importance that this strategy, and all accompanying solutions, adhere to the following critical success factors:

- Reinstatement of planned maintenance and regular inspections to proactively address any issues.

- Enhancement of the accuracy of the Council's asset data and replacement cost estimates to better inform decision-making and budgeting processes.
- Compliance with the co-funding expectations set by Waka Kotahi to ensure the financial sustainability of the Council's initiatives.
- Ensuring that the strategy is easily accessible and understandable to the community, enabling them to provide input and understand its implications on their daily lives.
- Creation of a clear, actionable process for future Council staff, enabling them to continue this work effectively while avoiding past mistakes.

The overriding goal is to ensure that our bridge assets are managed responsibly, sustainably, and in a manner that best serves the interests of today's community and the future community.

4. Financial Considerations

Increased funding for the 2024-27 period for bridge investment is being considered through Council's budget submission to Waka Kotahi.

5. Options

Option 1 – (Recommended)

Continue development of a bridge strategy to provide a robust long term programme of bridge renewals and replacements, and funding options for the 2024 Waka Kotahi funding application and Long Term Plan.

Complete inspections, undertake options analysis, design and cost estimates of high priority work, and for replacement structures for all of the bridges identified as needing imminent replacement (funded from bridge replacement budget).

Prepare design and consents for bridges requiring imminent replacement in 2024/25. Prioritise work within the remaining budgets to keep the existing bridges accessible in the short term.

Advantages:

- High priority work can be prioritised and undertaken in the 2023/24 period, resulting in less bridges being restricted in the short term.
- Detailed information regarding costs and options for retaining access across the wider network will be available to support a robust funding application to Waka Kotahi for 2024-27, and for consultation in the 2024 Long Term Plan.
- Analysis of different funding options to retain existing access across the network can be undertaken for consultation in the 2024 Long Term Plan.
- Funding will be available to enable design and consents for replacements to proceed in 2023/24 to enable construction to commence in 2024/25.

Disadvantages:

- Current closed bridges will remain closed until at least 2025.

Option 2

Stop development of a bridge strategy.

Advantages:

- Staff time could be re-directed to other initiatives.

Disadvantages:

- Waka Kotahi may not support additional funding for maintenance, component renewal or replacement of structures.
- There is potential that significant bridges may require restrictions to be placed on them as a consequence of being unable to proceed with high priority work due to not receiving Waka Kotahi funding.
- There may be focus on replacement of bridges on low volume roads. This could have on-going affordability impacts on ratepayers when other bridges also require replacing.
- There may be insufficient funding to complete the inspections and options considerations for other bridges on the network. This would result in inadequate information to prepare a robust funding application to Waka Kotahi for 2024-27. This could have a detrimental impact on the funding available to deal with ongoing issues on bridges beyond 2024.
- Safety of bridge users may be compromised.

6. Compliance

Local Government Act 2002 Purpose Provisions	<p>This decision enables democratic local decision making and action by, and on behalf of communities by ensuring that robust information regarding future bridge investment requirements is prepared to inform community consultation on the 2024 Long-term Plan.</p> <p>AND</p> <p>This decision promotes the social, cultural, and economic wellbeing of communities, in the present and for the future by enabling consideration of the option which is likely to enable work to be undertaken on the most bridges. This is likely to result in the least amount of restrictions being required.</p>
Decision consistent with other Council plans and policies? Such as the District Plan, Economic Development Strategy etc.	<p>The expenditure proposed within the existing three year period is consistent with the 2021 Long-term Plan. The bridge strategy is being developed alongside the 2024 Transport Activity Management Plan and Long-term Plan.</p>
Considerations as to sustainability, the environment and climate change impacts	<p>The removal of bridges from service, and implementation of more severe weight restrictions will result in higher fuel use.</p>

	<p>These implications will be higher on bridges which have higher traffic volumes, or longer detour routes.</p> <p>Replacement structures need to consider the implications on waterway health, and fish passage.</p> <p>Climate change is resulting in increased frequency and severity of storms. Replacement options for bridges needs to consider this.</p>
Risks Analysis	<p>There could be further bridge closures or restrictions if high priority work is not undertaken.</p> <p>There is reputational risk to Council as a consequence of bridge closure affecting residents. This risk will increase if more critical bridges are restricted or closed.</p>
Significance, Consultation and Engagement (internal and external)	<p>Decisions relating to the future of bridges may impact on levels of service and increase rates, and/or council debt. This will require consultation with the community.</p>

7. Next Steps

Approach to bridge replacements included in Council's Transportation Activity Management Plan.

8. Attachments

Appendix 1 - Appendix 1 - Point of entry.pdf [↓](#)

Report author:

Reviewed and authorised by:



Quinton Penniall
Infrastructure Manager
11/08/2023



Lee Webster
Acting Group Manager – Planning and Infrastructure
18/08/2023

Appendix 1: Point of entry

Waka Kotahi ONRC Classification	Alternative Access Detour Length				
	0 - 5km	>5 - 10km	>10 - 15km	>15 - 20km	20+ km or no Access
Primary Collector					
Secondary Collector					
Access					
Low Volume Access (11 - 50vpd)					
Low Volume Access (0-10vpd)					

Application of the matrix to Council bridges with a remaining life of 10 years is shown in the table below.

Treatment	Bridge Number	Road Name	Remaining Life
1. Replace	191	LITTLE VALLEY ROAD	3
	64	IDA VALLEY OMAKAU ROAD	5
	65	OPHIR BRIDGE RD	5
	114	DANSEYS PASS RD	5
	140	PATEAROA ROAD	5
	8	CAIRNMUIR RD	8
	9	CAIRNMUIR RD	8
2. Replace & Divest	2	CRAIGROY STATION (NEVIS)	0
	145	MANIOTOTO ROAD	0
	104	SIDE ROAD OFF HILLS CREEK RD	5
	107	SH85 OLD RS92/3.35-5.65	5
	160	LINNBURN RUNS ROAD (BLACKBALL)	5
	195	KLIFDEN RD	5
	134	SIDE ROAD OFF RANFURLY PATEAROA ROAD	6
	6	NEVIS RD	10
3. Replace & Divest with 3rd Party \$	196	CRAIG FLAT RD (TRACK)	5
	197	CRAIG FLAT RD (TRACK)	5
	192	LAKE ONSLOW RD	7
	50	UPPER MANORBURN ROAD	8
4. Review / Reduce Level of Service	121	SCOTT LANE	0
	90	BROWN RD EAST	5
	91	BECKS SCHOOL RD	5
	96	AURIPO RD	5
	105	HILLS CREEK RD	5
	89	MEE RD	7
	125	MUNDELL RD	7
	123	CEMETERY RD (KYE BURN)	9
	83	SHEPHERDS FLAT ROAD	10

23.8.7 DRAFT ROADING BUDGETS FOR SUBMISSION TO WAKA KOTAHI

Doc ID: 1016939

1. Purpose of Report

To consider council's co-funding submission to Waka Kotahi for the 2024 – 27 period.

Recommendations

That the Council

- A. Receives the report and accepts the level of significance.
- B. Approves the recommended approach with budget increases to maintain levels of service and address medium term bridge and pavement risks.
- C. Approves draft maintenance and renewal budgets for submission to Waka Kotahi

2024/25	\$16.0M
2025/26	\$15.8M
2026/27	\$14.9M
Total	\$46.7M

2. Background

Alongside the Long-Term Plan for Transportation, Council must also develop and submit its 3-year Land Transport Plan to its co-funder, Waka Kotahi. These two plans are one in the same, albeit working to slightly different timeframes.

The draft plan must be submitted to Waka Kotahi on the 31st of August 2023.

Council will have a further opportunity to refine this draft submission ahead of the final submission, which is due on the 8th of December 2023.

For the draft submission, it is important that Council put its 'best foot forward' on this submission, so that Waka Kotahi have a reasonable budget expectation.

3. Discussion

Council's strategic objective for roading is:

Our roading activity enables the movement of goods, people and services across our district.

This is essential for our social, cultural and economic well-being.

For our customers this translates to:

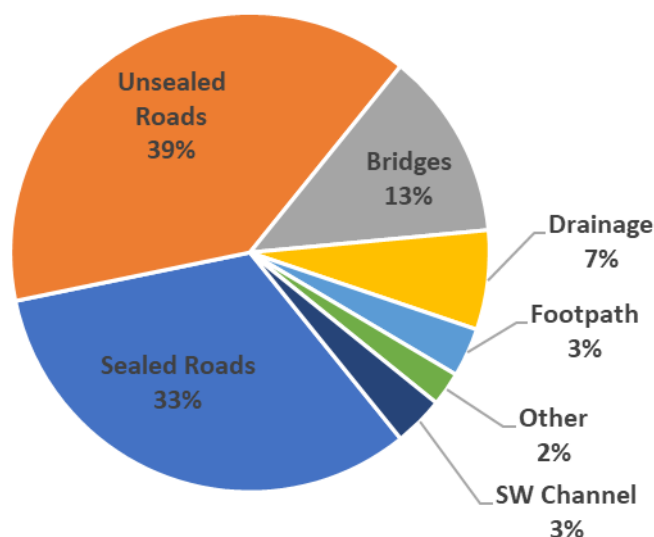
- **Safe and Healthy** - Reducing the likelihood of crashes occurring and the consequences if they do.
- **Accessibility** - The ability and ease of accessing our networks and land.

- **Resilience and Reliability** - The availability of the road following an event and access to alternatives, including informing the public. The consistency of service that users can expect and managing the impact of planned interruptions.
- **Aesthetics** - The level of travel comfort experienced including the cleanliness, convenience and security of the travel experience.
- **Sustainability** - Provide improved environmental outcomes through reduced resource consumption, reduce costs and provide more sustainable services for the future.

Our goal is to deliver service levels to our communities at the least whole of life cost. This requires balancing performance, cost and risk.

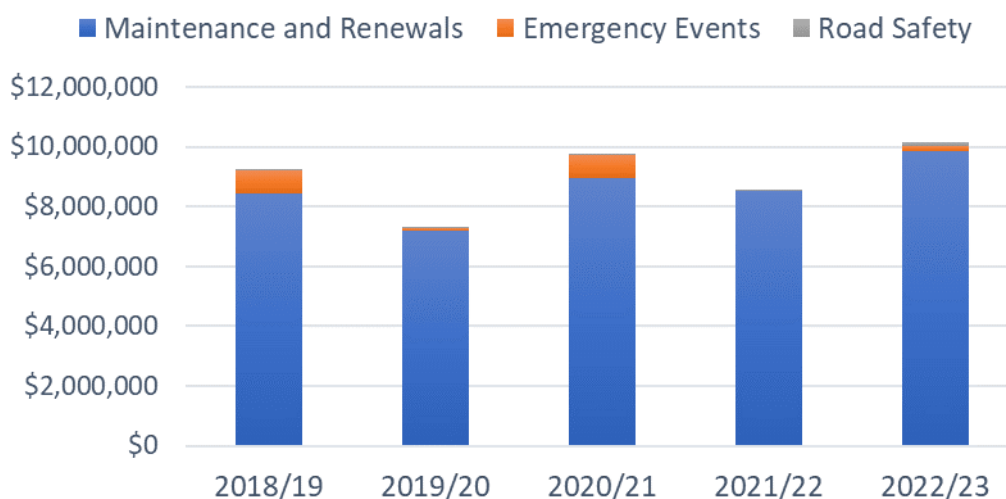
We utilise over \$700m of assets to deliver service levels. Approximately 90% of our assets by value are bridges, pavements and drainage.

Roading Network Asset Base



Over 80% of our annual spend is on maintaining what we already own. Improvements are predominantly focused on safety and projects to promote walking and cycling. Emergency works from weather events has required some re-prioritisation of existing budgets.

Previous Expenditure 2018 - 2023



The Challenge

Council is facing significant funding and maintenance backlog challenges that will require a re-visit of our current and future service levels, their costs and the appetite for risk it carries. The primary drivers of these challenges are:

- Inflation
- Road maintenance contract re-tender
- Bridges
- Waka Kotahi Funding Pressures

Inflation - The cost of all roading inputs have increased between 10% and 20% in the past three years. Without an adjustment in budgets to reflect this, the real output of our programme will reduce by a corresponding amount.

Road Maintenance Contract – A new contract will be tendered in September 2023. The real level of inflation is likely to be realised at this point as we test the marketplace. Being in between the draft and final submission periods, it is prudent that Council acknowledges this in its draft bid.

Bridges – A wave of bridge replacements exists. Over the next 10 years approximately \$20m of bridge replacements is needed to maintain the current level of service. Currently, Council has budgeted \$7.6m over this 10 year period.

This draft submission has identified three bridges for replacement and have commenced the 'present value end of life' analysis with BECA and Waka Kotahi. Priority replacements in the next three years are:

Bridge	Treatment	Estimated Cost
Little Valley Road Bridge (191)	Replace Bridge Deck (WC 215)	\$2.30m
	Replace Bridge Piles (WC 215)	\$0.85m
Maniototo Road Bridge (145)	Replace Bridge (WC 216)	\$1.85m
Scott Lane Bridge (121)*	Replace Bridge (WC 216)	\$1.17m

* lower level service alternative being considered subject to Waka Kotahi subsidy.

Furthermore, a \$3.8m bridge maintenance backlog has been identified. Bridge maintenance was deferred because of funding challenges as far back as 2015. This risk is now having a real impact to service levels and needs to be re-instated.

A Bridge Strategy has been developed that prioritises bridges for treatment or rationalisation, where funding and service levels are optimal. It also emphasises the importance of re-commencing planned maintenance to maximise the lives of bridges we already own.

Waka Kotahi - Waka Kotahi has a large call on funds from cyclone recovery. The Government Policy Statement and the upcoming election will further influence funding priorities. Amidst this uncertainty, we must still put our best foot forward, detailing our priorities in meeting our objectives for the roading network ensuring we achieve the best whole of life cost for our assets.

Our Strengths

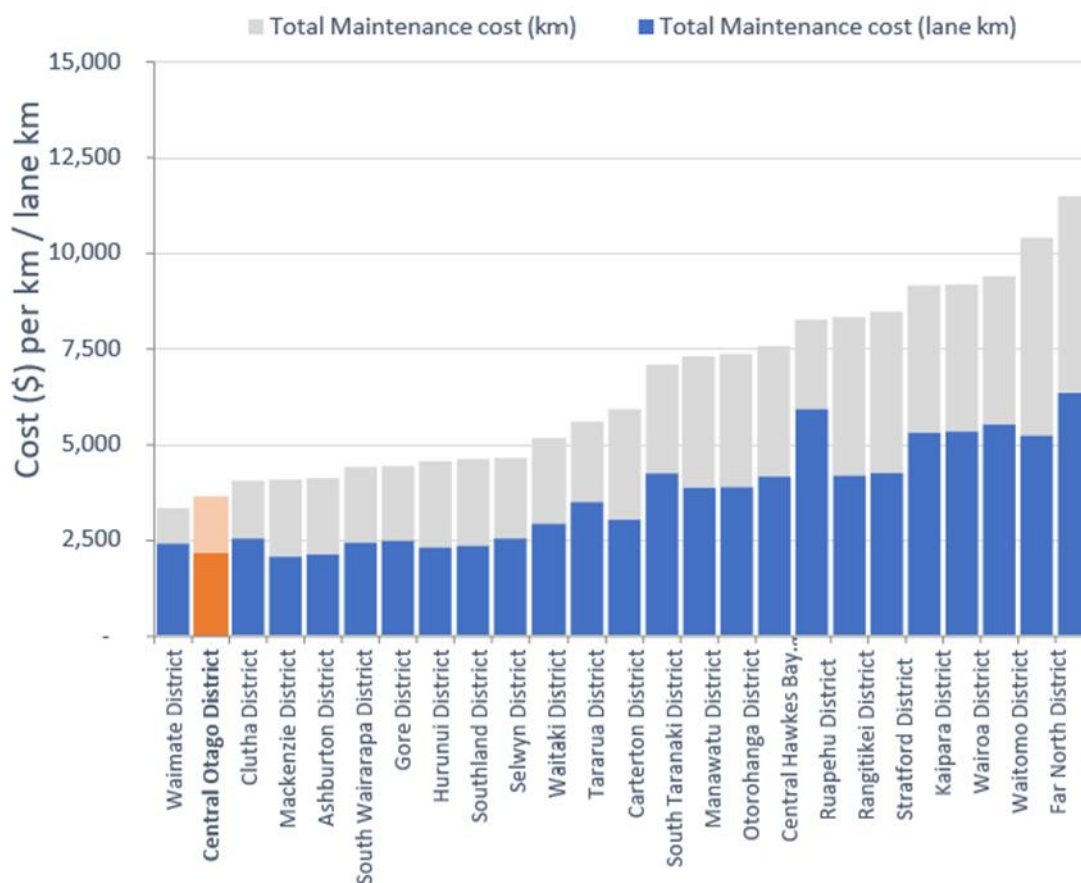
We have several strengths that place us in a good position to manage these challenges and increase our chances of co-funding from Waka Kotahi.

Pavement and Surfacing Assets - Our assets continue to perform well and achieve longer lives than expected and of most other roading authorities. This can be put down to the favourable climatic conditions (dry) and materials, but also to good maintenance practices. By continuing our long-term road resurfacing strategy, we maximise the lives and performance of our foundation pavement assets.

The roading programme is based on the suggested outputs of an advanced deterioration model (dTIMS), in use by CODC since 2015. Several different funding scenarios were run in July to establish the appropriate funding scenario.

Good Asset Management – We continue to invest in the practice of good asset management, which continues to yield benefits. Collecting good data enables us to undertake robust analysis of long-term needs of our assets, and to recommend early interventions, when they are the least cost. We are carrying some risk by ‘leaning’ on our pavement asset lives, so its important to continue this level of asset management practice and monitor this risk closely.

Cost Efficient – Comparatively across New Zealand, we are one of the most cost-efficient networks. We are well regarded with Waka Kotahi and are often cited as an example of good and pragmatic stewards of a roading network.



These strengths position us favourably to put our ‘best foot forward’ in this draft submission.

Three investment scenarios have been developed for Council to consider as well as maintaining our current level of investment.

The benefits and implications of each option is discussed below.

Status Quo – Maintaining current expenditure level.

Maintaining 2023/24 budget across the 2024 – 27 programme will have significant negative effects in various areas across the roading activity.

- Immediate decline in the level of service provided to our communities.
- Reduced lifespan of assets due to reduced maintenance.
- Increased risk of asset failure in the short, medium and long term.
- Insufficient budget to meet Council staff and overhead costs.

Whilst there would be no impact on rates this isn't considered a viable option for continued operation of the roading network.

Option 1 – Budgets increased to maintain levels of service and address immediate bridge risks.

Option 1 places significant emphasis on addressing the bridge maintenance backlog over a 10-year period. It is important to note, however, that this approach carries the inherent risk of the next bridge inspection cycle identifying additional maintenance.

Modest increases are proposed for unsealed road, sealed road, network and asset management budgets to combat inflation. This ensures the same volume of work can occur across 2024 – 27 as the current funding period.

To counteract the increases required to address bridge maintenance, there are decreases proposed in funding for footpaths, drainage and safety, promotion, education, and advertising.

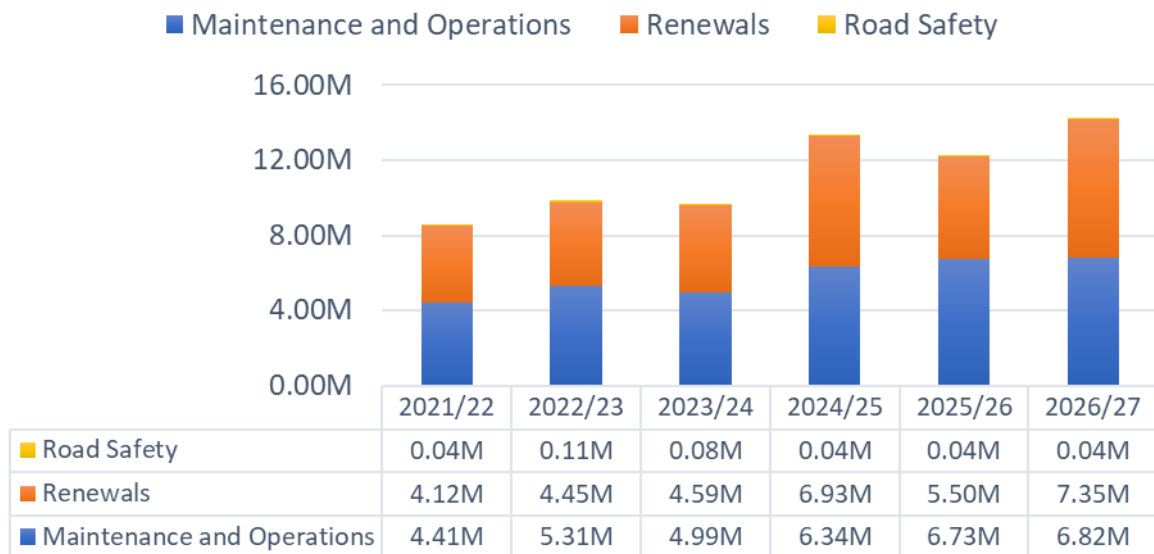
This proposed investment represents the minimal level required to sustain our existing service standards while also embarking on the necessary path to tackle the mounting demands of increased bridge maintenance and renewal. Whilst addressing short term risk with bridges it may result in long term deterioration of other assets.

The indicative impact of the proposed approach is estimated at a 1-2% annual increase in rates. While due consideration has been given to inflation, it's imperative to acknowledge the potential financial risk associated with the tender of the road maintenance contract.

With Option 1, renewals are earmarked for critical bridges. This includes the replacement of the Little Valley deck in the upcoming 2024/25 period, with a notable focus on eventual pile strengthening, despite its deferral from this three-year period.

The Maniototo Road bridge replacement is programmed for 2026/27 (Year 3), whereas any option for the Scott Lane bridge project falls outside the three-year plan.

Option 1 - Draft Submission to Waka Kotahi



Advantages:

- Lowest impact on rates (1-2% per annum)
- Aligns with approach to prioritised bridge investment.

Disadvantages:

- Increase in risk of long-term asset failure.
- Reduction in our resurfacing quantities by 10%.
- Addresses the back-log of bridge maintenance over 10 years.
- Risk of more bridges closing due to delayed maintenance.
- High risk to level of service being maintained.
- If contract costs are higher than expected level of service may drop.
- Planning for 2027 – 30 may be impacted through not having budget to undertake PVEOL assessments on all bridges due for replacement.

Option 2 (Recommended) – Budgets increased to maintain levels of service and address medium term bridge and pavement risks.

Option 2, the recommended investment level, sees an increase to budgets to sustain service levels and tackle bridge and pavement challenges. A significant emphasis is placed on bolstering the bridge budget to prevent potential bridge closures.

This strategic approach effectively tackles the existing bridge maintenance backlog over a span of five years. Additionally, it brings in improved long-term planning, better asset management, and a deeper understanding of risk factors.

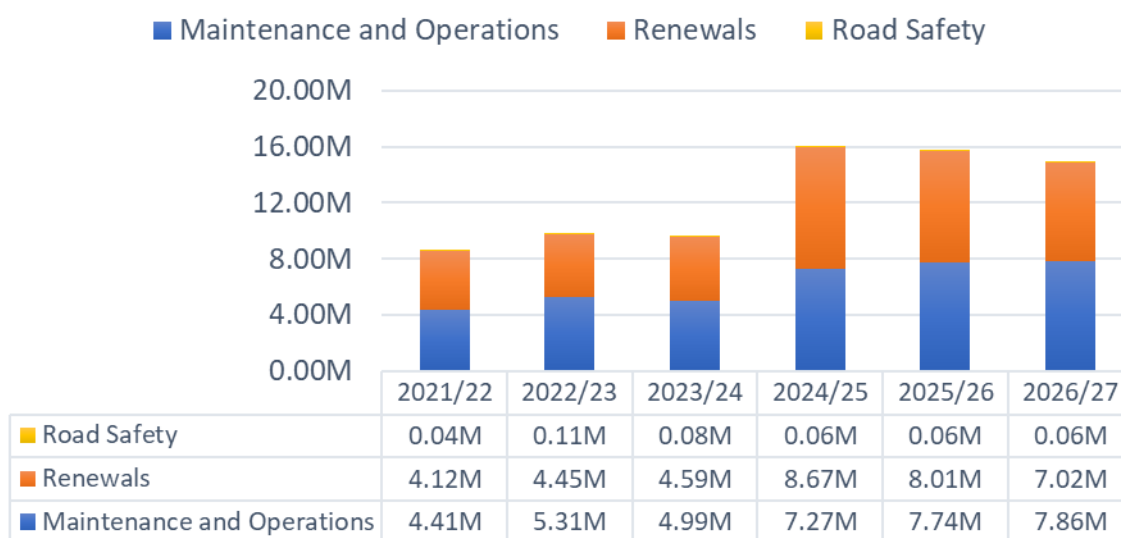
This proposed strategy also allows for present value end of life (PVEOL) assessments to be undertaken on bridges over the three-year period. These PVEOL assessments form the cornerstone of well-informed bridge investment decisions, a crucial aspect as we prepare for future submissions to Waka Kotahi for the 2027-30 period.

The Little Valley bridge deck replacement is scheduled for 2024/25, with pile strengthening planned for 2026/27. Additionally, the Maniototo Road Bridge Replacement is set for 2025/26

(Year 2), and there is a proposal for a low-service level option for the Scott Lane bridge in 2024/25, pending approval of funding from Waka Kotahi.

Further allowance has been made to mitigate risk of cost escalation due to contract re-tendering. The estimated overall impact on indicative rates is projected to be within the range of 2-3% per annum.

Option 2 (Preferred) - Draft Submission to Waka Kotahi



Advantages:

- Bridge maintenance backlog addressed over a 5-year period.
- Inflation accounted for across the entire programme.
- Can maintain current re-surfacing quantities and undertake rehabilitation when economic, managing long term risks to our largest asset.
- Greater investment in asset management to understand risks with a particular focus on PVEOL assessments (necessary for funding from Waka Kotahi).
- Level of service across all activities able to be maintained.

Disadvantages:

- Higher rating impact (2-3% per annum) than Option 1.
- Some risk being carried on pavement and surfacing assets which will require on-going monitoring and mitigation strategies.

Option 3 – Budgets increased to reduce all current bridge and pavement service level risks and address longer term bridge and pavement risks.

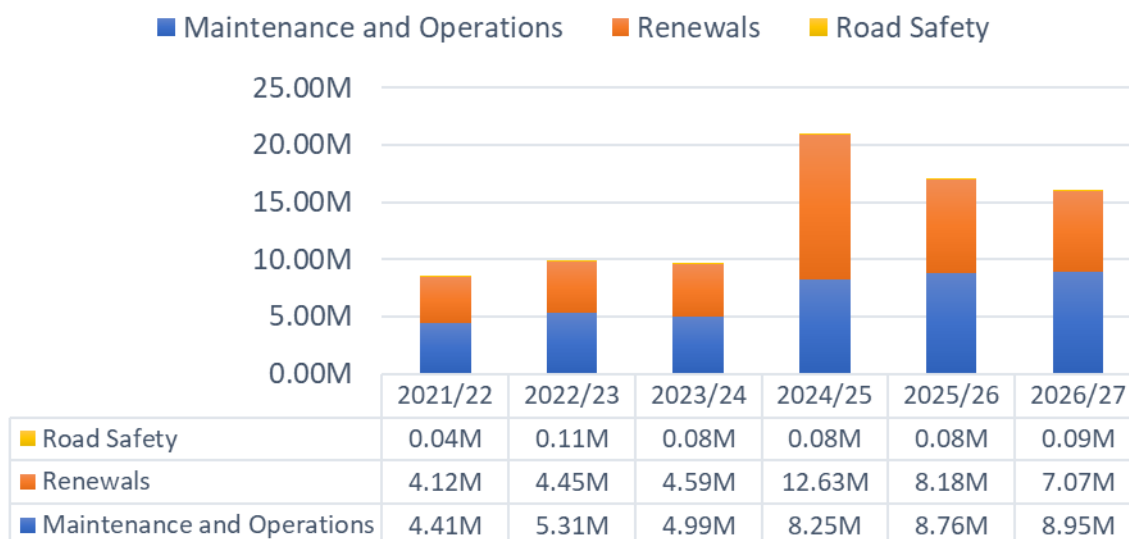
Option 3 builds on Option 2 with the current additions.

Little Valley Bridge deck replacement and pile strengthening occurs across 2024 to 2026. Maniototo Road Bridge Replacement is brought forward to 2024/25 (Year 1). The Scott Lane Bridge receives replacement with a higher level of service than option 2 in 2024/25 (Still conditional to NZTA funding).

As well as pricing in all cost-escalation impacts, additional investment is proposed across all work categories with a particular increase to unsealed metalling, drainage renewals, footpath renewals and sealed pavement resurfacing quantities, all increasing by at least 10%. Pavement rehabilitations will still occur when economic.

The estimated overall impact on indicative rates is projected to be within the range of 3-4% per annum.

Option 3 - Draft Submission to Waka Kotahi



Advantages:

- Addresses the bridge maintenance backlog over 3-years.
- Cost increases due to inflation are accounted for.
- Greater investment in asset management to understand risks with a particular focus on PVEOL assessments (necessary for funding from Waka Kotahi).
- Level of service across all activities able to be maintained or increased.

Disadvantages:

- Rate increase of 3-4% per annum.
- Investment at this level likely to be unsustainable.
- Inconsistent approach to bridge renewal strategy.
- Level of investment unlikely to be supported by Waka Kotahi.

4. Financial Considerations

This draft submission (due 31 August 2023) must be as accurate as possible, particularly with respect to the total budget. The budget composition can be refined prior to final submission (8 December 2023) as part of the Long Term Plan process. Our submission will create a cap to our subsidy and Council must be willing to match what we request.

Waka Kotahi subsidises 51% of approved roading expenditure. A recent review of this Financial Assistance Rate (FAR) has not changed this. Council can spend more than this, but it will not benefit from the full subsidy.

The specific financial impact of the draft programme will be established before submission of the final programme (8 December 2023), as Council's Financial Strategy is also developed ahead of this.

5. Compliance

Local Government Act 2002 Purpose Provisions	This decision promotes the (social/cultural/economic/environmental) wellbeing of communities, in the present and for the future by ensuring the roading network is safe and fit for purpose.
Decision consistent with other Council plans and policies? Such as the District Plan, Economic Development Strategy etc.	Yes, the decision is consistent with other plans in ensuring sufficient budget is available to deliver a safe and reliable roading network.
Considerations as to sustainability, the environment and climate change impacts	Yes, funding is being used to address climate change impacts and ensuring assets are resilient.
Risks Analysis	<p>The preferred option provides required funding to mitigate against cost pressures and aging assets.</p> <p>There is risk Waka Kotahi won't match the funding request resulting in a lower level of service being delivered and advanced deterioration of assets.</p>
Significance, Consultation and Engagement (internal and external)	<p>This is the first step in the process of applying for funding to Waka Kotahi and does not meet the threshold for consultation and engagement.</p> <p>Roading budgets for 2024 – 27 will be presented as part of Council's Long Term Plan process.</p>

6. Next Steps

Submit draft budgets to Waka Kotahi

7. Attachments

Nil

Report author:



Quinton Penniall
Infrastructure Manager
14/08/2023

Reviewed and authorised by:



Lee Webster
Acting Group Manager – Planning and Infrastructure
18/08/2023

23.8.8 PROCUREMENT STRATEGY FOR TRANSPORT ACTIVITIES

Doc ID: 1201187

1. Purpose of Report

To consider the revised Central Otago District Council Procurement Strategy for Transportation Activities 2023 and an extension to current Roding Maintenance Contract.

Recommendations

That the Council

- A. Receives the report and accepts the level of significance.
 - B. Notes Waka Kotahi's endorsement of the Central Otago District Council Procurement Strategy for Transportation Services.
 - C. Approves the Procurement Strategy for Transportation Activities 2023.
 - D. Notes Waka Kotahi's approval to extend the roading services contract to a latest expiry date of 30 June 2024.
 - E. Approves an extension to the roading services contract to Fulton Hogan with a new expiry of 30 June 2024.
 - F. Approves the use of the Procurement Strategy for Transportation Activities 2023 in the tender of Council's new road maintenance contract.
 - G. Authorises the Chief Executive Officer to do all that is necessary to give effect to Council's resolution.
-

2. Background

Waka Kotahi New Zealand Transport Agency (Waka Kotahi) requires all Road Controlling Authorities to submit a strategy for the procurement of transportation activities to meet Rule 10.4 of the Waka Kotahi Procurement Manual and Section 25 of the Land Transport Management Act 2003. Council's procurement plan for transport activities is required to be updated on a three yearly basis.

Section 25 states:

- (1) Waka Kotahi must approve 1 or more procurement procedures that are designed to obtain the best value for money spent by Waka Kotahi and approved organisations, having regard to the purpose of this Act.
- (2) In approving a procurement procedure, Waka Kotahi must also have regard to the desirability of—
 - (a) enabling persons to compete fairly for the right to supply outputs required for approved activities, if 2 or more persons are willing and able to provide those outputs; and
 - (b) encouraging competitive and efficient markets for the supply of outputs required for approved activities.

- (3) Every approved procurement procedure must specify how procurement is to be carried out (which may differ for different kinds of procurement).

Council's last Procurement Strategy for Transport Activities was prepared and approved in 2020.

Central government is committed to achieving positive cultural, environmental, social and economic outcomes from its procurement activities. Together, these are called broader outcomes. This review incorporates reference to the Council's 2021-31 Long Term Plan, the Broader Outcomes included in the Government Rules of Sourcing, and initiatives through Te Ringa Maimoa programmes. Te Ringa Maimoa Transport Excellence Partnership is a collaborative initiative between Local Government NZ, Waka Kotahi and all road controlling authorities, targeting business-excellence across the transport sector.

In this version of the procurement strategy for transport activities there has been no significant changes to the service delivery or supplier selection methods previously employed but has sought to explain the approach more clearly.

The Procurement Strategy for Transport Activities 2020 strategy was completed before the tendering of the Roothing Physical Works Contract. The commencement date for this contract was 1 January 2017 and it expires on 31 December 2023

3. Discussion

The last Waka Kotahi investment audit which was undertaken in October 2020 confirmed that the Council's current method of procurement is appropriate and meets the requirements contained in Sections 25 and 26 of the Land Transport Management Act 2003.

The Procurement Strategy for Transport Activities attached in Appendix 1 continues with the same procurement practices that have been in place since 2009.

The Procurement Strategy for Transport Activities 2023 has been submitted to Waka Kotahi, who have reviewed and formally endorsed. The letter of endorsement is attached in Appendix 2.

The letter notes that Waka Kotahi:

1. Approves the continued use of in-house professional services by Central Otago District Council, in accordance with section 26 of the Land Transport Management Act 2003, with much the same scope and scale as it has in the past.
2. Approves the continued use of a variation to the rules in the Procurement manual, section 10.21 Maximum term of a term service contract for infrastructure or planning and advice allowing Central Otago District Council to use a maximum term of seven years (3+2+2 years) for the current road maintenance term service contract. Subsequent to this approval, Waka Kotahi also approved a further variation to the rules in Procurement manual, section 10.21 Maximum term of a term service contract for infrastructure or planning and advice allowing Central Otago District Council to extend the expiry date of the term services contract by six months to a latest expiry date of 30 June 2024.

3. Approves the continued use of a variation to the rules in the Procurement manual, section 10.5 Procurement procedure advanced components allowing Central Otago District Council to use a shared risk delivery model and a quality-based supplier selection for the current road maintenance term service contract.
4. Approves the use of a variation to the rules in the Procurement manual, section 10.5 Procurement procedure advanced components allowing Central Otago District Council to use a shared risk delivery model for the new road maintenance term service contract.

The Waka Kotahi approved extension to the road maintenance term will provide a 6-month establishment period following the award of the new road maintenance contract. The proposed tender timeline is as follows:

August – September 2023	Prepare tender documentation.
September 2023	Tender released to market.
September – November 2023	Tender period.
November – December 2023	Evaluation.
January 2024	Recommendation report to Council for award.

The contract tender documentation will be developed according to the endorsed strategy to ensure Council complies with Waka Kotahi requirements.

4. Financial Considerations

There are no financial implications associated with approving the attached strategy. There may be financial implications associated with the tender pricing received, however, this is addressed separately as part of Council's submission to Waka Kotahi for funding and the Long Term Plan process.

Not having a Waka Kotahi compliant Procurement Strategy for Transport Activities may delay or put at risk part or all of Waka Kotahi's co-funding.

5. Options

Option 1 – (Recommended)

Approve the Procurement Strategy for Transportation Services 2023.

Advantages:

- Provides an auditable strategy that meets Waka Kotahi requirements.
- Compliant with Section 25 and Section 26 of the Land Transport Management Act 2003.
- Continued Waka Kotahi funding through endorsement of the strategy.

Disadvantages:

- A separate strategy increases the of inconsistency in procurement practices across the organisation.

Option 2

Do not approve the Procurement Strategy for Transport activities and amalgamate into a council wide procurement policy.

Advantages:

- One policy to manage.

Disadvantages:

- Risk to failing of Waka Kotahi audit and losing Waka Kotahi funding.
- May lead to an overly complex council procurement policy.

6. Compliance

Local Government Act 2002 Purpose Provisions	This decision enables Council to meet the requirements of the Local Government Act 2002 Section 14 (f) "to undertake any commercial transactions in accordance with sound business practices"
Decision consistent with other Council plans and policies? Such as the District Plan, Economic Development Strategy etc.	Yes, consistent with previous transport procurement strategy approved by Council.
Considerations as to sustainability, the environment and climate change impacts	The Procurement Strategy for Transport Activities references Council's Sustainability Strategy and identifies that sustainability will be a consideration in the evaluation of tenders.
Risks Analysis	<p>Delaying approval of a Procurement Strategy for Transport Activities would result in Council failing to comply with Section 25 of the Land Transport Management Act and could result in withdrawal of Waka Kotahi subsidy.</p> <p>Approval of the attached Procurement Strategy is the lowest risk option.</p>
Significance, Consultation and Engagement (internal and external)	This decision does not trigger the Significance Policy thresholds.

7. Next Steps

Waka Kotahi will be advised that the procurement strategy has been adopted by Central Otago District Council and therefore obligations met under the Land Transport Management Act 2003.

Provide a Notice to Contractor (NTC) for the 6-month extension to the road maintenance

contract.

Prepare and release tender to market September 2023.

8. Attachments

Appendix 1 - 2023 CODC Transportation Procurement Strategy Final [↓](#)

Appendix 2 - Waka Kotahi Endorsement Letter 2023 - Central Otago District Council [↓](#)

Report author:

Reviewed and authorised by:



Paul Fleet
Roading Manager
9/08/2023



Lee Webster
Regulatory Services Manager
21/08/2023



**PROCUREMENT STRATEGY
FOR TRANSPORTATION ACTIVITIES
2023**



Document Control

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Name	Date	Details
Version 1	13 June 2023	Draft for CODC internal review & Waka Kotahi review
Version 2	27 June 2023	Draft for Waka Kotahi comment incorporating CODC staff suggestions
Version 3	1 August 2023	Final incorporating Waka Kotahi review comments

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1 Executive Summary

Introduction

This is the fourth iteration of the Procurement Strategy for Transportation Activities. A main driver for the update of the Procurement Strategy is to facilitate tendering of the new road maintenance contract in the second half of 2023. The existing contract expires in July 2024.

It is vital that a new procurement strategy is in place early enough to allow for an adequate tender and establishment period in advance of the existing contract expiry.

In preparing this strategy we have undertaken the following activities:

- Reviewed and considered the existing 2020 Transportation Procurement Strategy
- Reviewed and considered the existing 2021 Activity Management Plan
- Reviewed and considered the existing 2020 Broader procurement Strategy
- Reviewed and considered Waka Kotahi's 2023 10 and 30 year "Arataki Plan"
- Reviewed and considered Waka Kotahi current procurement manual
- Undertaken an ILM Procurement workshop following Te Ringa Maimoa best practice guidance, including a 17A review
- Undertaken a Contract Model selection workshop following Te Ringa Maimoa best practice guidance

The outcome of the ILM procurement workshop was the establishment of the following Problem Statements, Benefits and Goals in relation to Transportation Procurement.

Summary problem statements developed from a recent procurement workshop were:

Constrained CODC and contracting sector resources has resulted in CODC not being able to plan, engage and take full ownership of the current contract as a client. This has resulted in a reduced ability for other suppliers to mobilise for the next contract.

Ageing infrastructure, increasing customer expectations, constrained resources and funding, in conjunction with maybe some less-informed decision-making has led to backlogs in some areas of asset management and physical works deliver.

The lack of a formal joint structured approach to Collaborative Working has impacted on relationships, misalignment on core deliverables, transparency and ownership.

Benefits from addressing these problems

The benefits from addressing these problems were summarised as follows:

- Improved alignment of performance expectations and more effective forward planning
- Increased skills and capacity of the contracting sector and CODC
- A common decision-making framework leading to better decisions.
- Better value for money to free up funding to enable more issues to be funded.
- Improved contract culture and relationships
- Improved collaboration, transparency and joint ownership to create value.
- Improved delivery of core deliverables.

Procurement Strategy Goals

Procurement strategy goals to address the above problems statements and deliver the benefits are as follows:

- Infrastructure services delivered as part of an integrated district network
- Infrastructure services increasingly more consistent and fit for purpose for users
- New ways and innovative practices to enable us to more cost effectively deliver our services.
- Increasing skills and capacity of the contracting industry and CODC
- Flexibility around Government requirements and introducing dLoS
- “Collaborative Working is enduring and sustainable”
- Deliver “Broader Outcomes”* to the community

Contract Model

The Procurement Strategy directs and enables the procurement of services for the Transportation activity. The Transportation activity is key to the achievement of community outcomes and many of the strategies developed by the council. These initiatives have been considered and integrated into this document.

Central to this strategy is the ongoing use of the Shared Risk Delivery Model for road maintenance service delivery, through the Roading Physical Works Contract. The outcome from the Contract Model workshop was to continue with the current model collaborative with the following addition:

Establishment of a joint performance framework to monitor and benchmark performance.

The new Request for Tender for the road maintenance contract will be evaluated using Waka Kotahi's Price Quality Method which combines an assessment of price and non-price attributes of the tenderers to determine the best value submission.

A significant focus will be placed on Broader Outcomes in the non price attributes requirements of the RFT.

Recommendations

CENTRAL OTAGO DISTRICT COUNCIL APPROVAL

Recommendations:

1. The council adopts the Central Otago District Council's Procurement Strategy for Transportation Activities, dated June 2023.
2. Stakeholder consultation be undertaken with key suppliers to inform future reviews.
3. Notes that Waka Kotahi has not considered approval of the maximum contract term of nine years (5+2+2 years) at this time. Central Otago District Council is expected to seek approval from Waka Kotahi in Year-4 of the contract term, prior to extending the contract beyond Year-5.

Endorsements**WAKA KOTAHI NEW ZEALAND TRANSPORT AGENCY (NZTA) ENDORSEMENT**

Recommendations:

1. Waka Kotahi endorses Central Otago District Council's Procurement Strategy for Transportation Activities, dated June 2023 in respect to the subsidised Transportation Activity 2024-27.
2. Waka Kotahi approves the continued use of in-house professional services in accordance with Land Transport Management Act 2003 s26, with much of the scale and scope of services provided remaining similar to those provided at-present.
3. Waka Kotahi approves the use of a shared risk delivery model for the new Roothing Physical Works term service contract.

2 Preface

This is the fourth version of Central Otago District Council's Procurement Strategy for Transportation/Roading activities.

Its development is required under Rule 10.4 of the Waka Kotahi New Zealand Transport Agency (NZTA) Procurement Manual and Section 25 of the Land Transport Management Act 2003 for transport activities funded through the National Land Transport Programme published by Waka Kotahi. The council is aware of the requirements to update the strategy at least three-yearly intervals (NZTA Procurement Manual 10.4 Rule 4) and this review seeks to meet that requirement.

The previous review was undertaken in 2020. This review incorporates reference to the council's 2021-31 Long Term Plan, the Broader Outcomes included in the Government Rules of Sourcing, and initiatives which are currently being explored through Te Ringa Maimoa programmes.

In this version of the Procurement Strategy, the council has not sought any significant changes to the service delivery or supplier selection methods previously employed but has sought to explain the approach more clearly.

An overview of this document's development timeline is as follows.



PROCUREMENT STRATEGY
FOR TRANSPORTATION ACTIVITIES
2020



2009	Draft all of the council Procurement Strategy developed, endorsed by Waka Kotahi and adopted by the council
June 2015	Review undertaken and new Transportation Procurement Strategy adopted by the council
March 2020	Procurement Strategy for Transportation Activities review undertaken
April 2020	Seek comments from Waka Kotahi and suggested amendments Seek Waka Kotahi Endorsement of the Strategy Limited stakeholder engagement Adoption of the Strategy by the council sought
June 2023	Undertake S17a review and procurement workshops facilitated by an external consultant to update the strategic goals of the procurement strategy for Transportation

3 Service Context

Infrastructure supports much of our daily lives – it is essential to health, safety, and for the transport of both people and freight. It enables businesses and communities to flourish. Failure to manage infrastructure appropriately and invest in it would inhibit the economic performance, health, prosperity and sustainability of the district.

Infrastructure is a core part of what Central Otago District Council provides its communities – it makes up the majority of the Council's spending, and Council has almost three quarters of a billion dollars worth of assets. (Infrastructure Strategy 2020).

3.1 Strategic Objectives and Outcomes

Customers and stakeholders

In reviewing this strategy the council has been mindful that the purpose of procurement is to achieve the best outcomes for the customers and communities that the council services.

The 2021 Transport Activity Management Plan (AMP) discusses customer and stakeholders as follows:

... customers are people who use any part of the roading corridor and stakeholders are those who may not use the roads directly, but who have an interest in how they are operated and managed.

Customers include:

- *Vehicle drivers & passengers*
- *Pedestrians*
- *Cyclists*
- *Motorcyclists*
- *Mobility Scooter & wheelchair users*
- *Power, telecommunications, water and wastewater service providers*

Stakeholders include:

- *Ratepayers (the investors that we represent)*
- *Waka Kotahi New Zealand Transport Agency (our co-investors)*
- *Ministry of Transport (National Strategy)*
- *Otago Regional Council & Regional Land Transport Committee (Regional Strategy)*
- *The councillors and Community Board Members*
- *Residents*
- *Adjoining land owners and users*

The Council's Overall Strategic Objectives

The council consults with the community every three years as part of the Long Term Planning process. This establishes a robust connection between community priorities and the council's activities.

Community outcomes describe the overall focus and how different activities contribute to the achievement of those outcomes.

Central Otago District Council community outcomes were updated in 2021 to incorporate the four well-beings. These reflect the community values that have been expressed during different engagement processes in the 2018-2020 period.

Connected community	Thriving economy	Sustainable environment
Sense of community (caring, relaxed small-town feel, 'together-ness')	Vibrancy of town centres and local businesses	Outdoor recreational opportunities (water-sports, hunting, dark skies, etc.)
Welcoming and family-friendly	Managed growth (in line with community values)	Natural environment (open spaces, landscapes and vistas)
Peaceful	Visitor destination	Clean lakes and rivers
Rural feel	IT connectivity	Cycling and walking tracks
Enabling connections through quality services (e.g. internet, transport)	Protection of productive lands	Protect our unique heritage

Council identified a series of commitments to deliver the well-being aspirations of the community. The commitments which are enhanced by infrastructure delivery are shown coloured.

Council's Commitment to Our Community Outcomes		
1. Provide community facilities that are fit for purpose and cost effective.	2. Develop a masterplan that encourages urban growth to revitalise the town centre and protect productive land and rural settlements.	3. Protect and enhance the landscape and environment by advocating the Central Otago World of Difference values.
4. Support newcomers to the district and encourage events and projects which celebrate inclusive communities.	5. Uphold the District Plan to ensure that the effects of using, developing and protecting the districts natural and physical resources will be managed in the future.	6. Profile and reduce Council's environmental footprint, and manage environmental impacts through the District Plan.
7. Provide contestable funding for community-driven initiatives, experiences and events that promote local and visitor well-being.	8. Support and encourage a business-friendly community.	9 Invest in Council infrastructure to renew plant when needed, to accommodate population growth, and to meet environmental and health standards.
10. Advocate for improved connectivity and infrastructure across the district, to support community resilience.	11. Encourage visitors to the region to create value to our communities.	12. Work with other agencies to improve health and water standards in the district.
13. Advocate for improved mobile coverage and broadband rollout.	14. Encourage high-value visitor experiences in this district, through the provision of a mix of products/experiences that is matched to both community aspirations and the needs of our target markets.	15. Continue to develop culture and heritage opportunities in the district.

Central Otago has a strong regional identity. This has a high level of resident and business buy-in and is widely recognised. The region's values are drawn on to facilitate sound decision-making.



Our Region's Values

1. **MAKING A DIFFERENCE:** We will inspire and lead others with our special point of difference.
2. **RESPECTING OTHERS:** We will respect our culture and personal differences.
3. **EMBRACING DIVERSITY:** We will recognise differences and embrace diversity.
4. **ADDING VALUE:** We will always ask ourselves if there is a better way – one that achieves a premium status.
5. **HAVING INTEGRITY:** We will seek to be open and honest.
6. **LEARNING FROM THE PAST:** We will learn from past experiences with future generations in mind.
7. **MAKING A SUSTAINABLE DIFFERENCE:** We will make decisions in business with the community in mind and in harmony with the natural environment.
8. **PROTECTING OUR RICH HERITAGE:** We will protect and celebrate our rich heritage in landscapes, architecture, flora and fauna and different cultural origins.
9. **MEETING OBLIGATIONS:** We will meet legal obligations at both a local and national level.

Thirty Year Infrastructure Strategy

The vision for Infrastructure is:

We will deliver infrastructure services that support our community

The vision is supported by six overarching principles which underpin all decisions relating to delivery of infrastructure services.

The overarching principles are to deliver infrastructure services which:

- Represent value for money and are affordable;
- Are integrated, consistent, and fit for purpose;
- Are environmentally conscious;
- Are reflective, innovative, and forward thinking;
- Meet legal requirements,
- Are equitable for current and future generations.

Infrastructure Strategic Objectives

- ✓ *Infrastructure services will be delivered as part of an integrated district network and should offer an increasingly consistent, fit for purpose level of service for users.*
- ✓ *Value for money and whole of life cost will be considered to deliver affordable levels of service*
- ✓ *Infrastructure services will be delivered in a manner that balances the current and future impact on the environment and makes use of sustainable practices.*
- ✓ *We will look for new ways and innovative practices to enable us to cost effectively deliver our services.*

The Infrastructure Strategy sets a common level of service framework for all infrastructure activities. Levels of service are defined under five key customer outcomes. These are:

- Reliability
- Safety
- Accessibility
- Resilience
- Aesthetics (amenity and comfort provided for customers)
- Sustainability

Each Activity Group then defines the customer levels of service that will be provided for different classes of networks under these outcomes.

Transportation Improvements and Levels of Service

These are discussed in the Long Term Plan with further detail in the Transport Activity Management Plan 2021.

The vision for Transport is:

We will deliver safe and reliable infrastructure services that support our local economy and communities, in a manner that is affordable, sustainable and equitable for current and future generations.



To ensure an efficient, fully accessible, safe roading network.

In delivering this vision, the following core values as defined in the LTP are desired:

- Timely intervention
- Informed customers
- Quick response
- Efficient work practises
- Quality outcomes

The purpose of this Activity Management Plan is to outline how the council will undertake work and manage assets to deliver the above vision and core values sought by our customers.



Demand Drivers for Transportation Service Delivery

Central Otago has experienced a decade of exceptional population growth, with the resident population growing significantly between 2012 and 2022 – refer figure 1 below. Average annual growth has been 2.8% for the district versus a national average annual growth rate of 0.2%. The 2022 resident population was 25,500.

Population growth is forecast to continue for the next 10 years with a predicted population of 32,000 by 2032 - refer figure 2 below.

The effects on growth of the COVID 19 Pandemic are largely behind us.

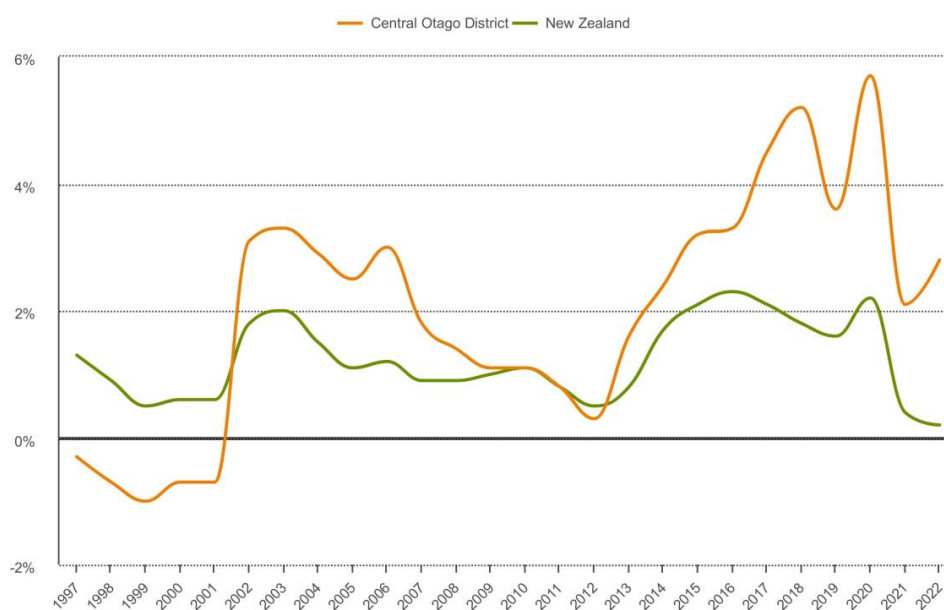


Figure 1 comparative annual population growth Central Otago versus New Zealand – reference Infometrics website

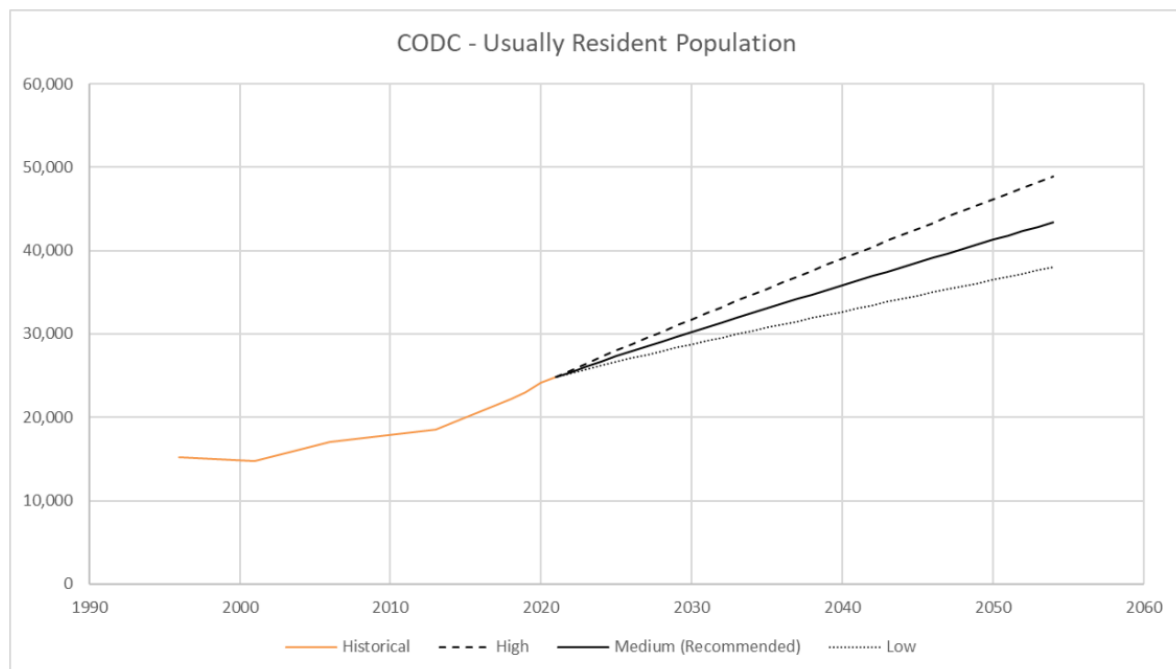


Figure 2 Predicted usually resident population growth Central Otago ref CODC Growth Projections report- 2022

The proportion of people aged 65+ in the district increased to 23.2% by 2022. This is higher than the national average of 16.4%. This trend is expected to continue as more people choose central Otago as a retirement destination.

The local economy is in good shape, with annual growth in 2022 of 3.8% compared with a national average of 2.3%. Employment grew by 2.4% in 2022 compared with national growth of 3%.

Factors that influence customer demand on the transportation network include:

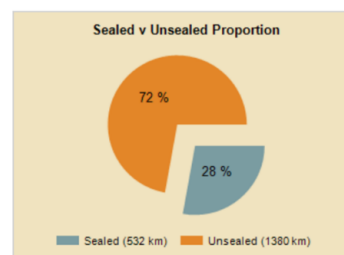
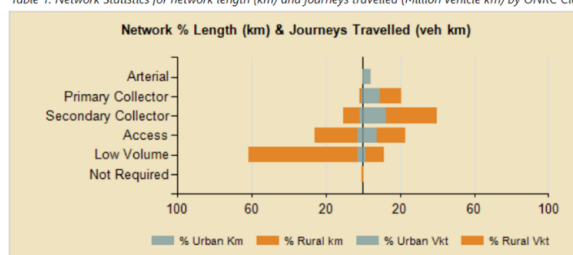
- Population growth and decline
- Dwelling growth
- Demographic change
- Visitor numbers
- Change in land use
- Economic growth and decline
- Modal change
- Development of recreational areas
- Future customer expectations

The District's roads fall within the bottom four of the eight One Network Road framework classifications, with 87% of the roads in the Access and Low Volume Access classifications.

Transport Insights June 2022

ONRC	Total Length (Km)	Urban (Km)	Rural (Km)	Sealed (Km)	Unsealed (Km)	Lane (Km)	Urban Journeys (M VKT)	Rural Journeys (M VKT)	Annual Total Journeys Travelled (M VKT)	Percentage of length
Arterial	2.4	2.4		2.4		4.8	4.4		4.4	0%
Primary Collector	29	9.5	19	29		57	9.0	11.0	20.1	1%
Secondary Collector	199	33	166	199	0.7	398	12.1	26.8	38.9	10%
Access	496	56	440	223	273	982	7.3	15.0	22.3	26%
Low Volume	1,174	56	1,118	77	1,097	1,753	1.6	9.4	11.1	61%
Not Required	11	1.5	9.7	2.0	9.2	16			0.1	1%
Unclassified	12									1%
TOTAL NETWORK	1,924	158	1,753	532	1,380	3,211	34.5	62.3	96.8	

Table 1: Network Statistics for network length (km) and journeys travelled (Million vehicle km) by ONRC Class



The low traffic volumes, and the reasonable standard to which the roads were constructed, demonstrates that capacity exists on the wider network to handle some growth in vehicle numbers.

However, change in land use could lead to an increase in the number of heavy vehicles (trucks) traversing our roads. In turn this consumes the life of road pavements and surfacings.

In addition growth in our urban centres continues to place traffic congestion pressures on some intersections, parking and the numbers of pedestrians, cycles, cars and heavy vehicles sharing the road.

The procurement strategy must respond to this need by facilitating the engagement of external suppliers supported by internal resource that have a good understanding of the network and are agile enough to respond to changes as they evolve.

Risks to Transportation Service Delivery

The Transportation Activity Management Plan (2021-24) includes an assessment of risk across the transport activity.

A Risk Register and Treatment Plan have been developed in alignment with AS/NZS ISO 31000:2009 Risk Management, the Central Otago District Council Corporate Risk Policy, and the RIMS Best Practise Guideline for Risk Management on Road Networks.

The AMP risk register identifies a range of risks and suggested controls for risk mitigation. Several of those identified will have the potential to affect procurement decisions. This Procurement Strategy has been developed with consideration of those risks.

The Transport System, Asset Valuation and Condition

The roading activity enables the movement of goods, people and services across our district. The network comprises 1,935km of roads including 528km of sealed roads, and 1407km of unsealed roads. There are 179 bridges, 179km of footpaths and close to 12,000 hectares of road reserve. Assets that support a safe and efficient network include drainage, streetlights, signs and markings. There are approximately 6.5 hectares of formed car parks across the district that are owned and maintained by council. (CODC, 2021).

The replacement value of these transportation assets was re-assessed in 2021 at \$654 million. These Assets are depreciating at a rate of \$6M per annum.

Experienced management and operations ensure that the roading network is maintained in satisfactory condition throughout the range of seasons experienced.

At a network level the condition of the components of the network is as follows:

- Central Otago District sealed roads are achieving condition rating scores indicating that both the rural network – and the network as a whole – are in better condition than the average found across the country, and generally meet the council's and Waka Kotahi's performance measures.
- The condition of urban streets continues to improve slowly, whilst managing the renewals investment in low volume urban roads.

RAMM 2023 Condition Indices June 2023

1.2.4 CONDITION INDEX

The condition index (CI) can be used to assess the condition of the network based on the rating results only.

There has been an increase in the Urban CI and Rural CI has slightly decreased as has the overall Network CI. This value is still low, indicating the network is in good condition with a slight overall decrease since the previous survey.

As a general rule, a CI of 0 to 2 is considered excellent, 2 to 5 good, 5 to 10 fair, 10 to 20 poor, and 20+ requiring attention.

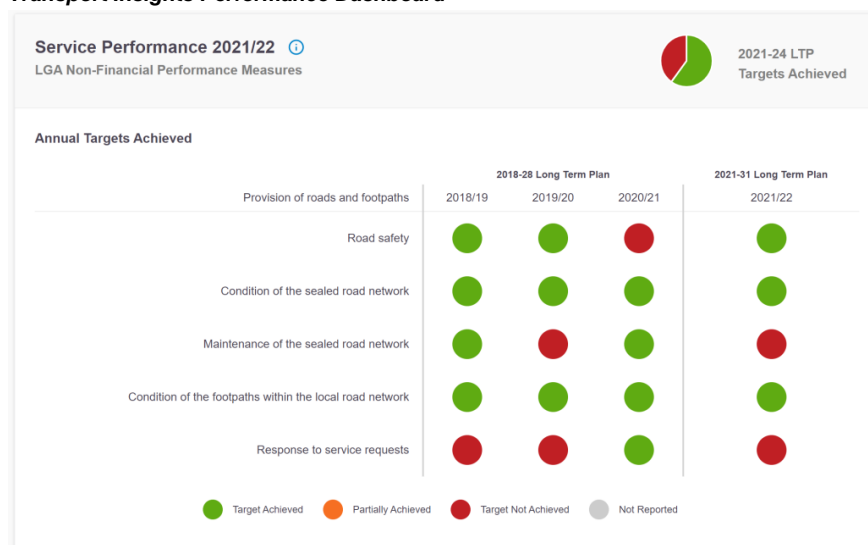
The CI figures presented below have been taken from the surface condition index report available in RAMM Manager.

Table 2 below summarises the Condition Indices for the last 10 years.

Table 2 – Condition Indices by Financial Year

Financial Year	Urban CI		Rural CI	Network CI
2014/15	2.0		2.4	2.2
2015/16	3.0		2.2	2.8
2016/17	2.9		2.2	2.7
2017/18	2.9		2.2	2.7
2018/19	2.7		3.8	3.0
2019/20	2.7		3.8	3.0
2020/21	2.7		3.8	3.0
2021/22	2.7		3.8	3.0
2022/23	2.6		3.5	2.9

Transport Insights Performance Dashboard



- Rural roads have been more variable, but have continued to exhibit comparatively good surface condition, and a good level of public satisfaction (gauged through the council's annual Resident Opinion Survey). The new Unsealed Roads Model is being used for optimised management of the unsealed road investment programmes in the future.
- Roads that have insufficient metal on them become soft and slippery during wet and freeze/thaw conditions. In a worst-case situation sections of road may become impassable to heavy trucks and 2-wheel drive vehicles.
- The council's lowest sub-classification of roads, the Low Volume "Tracks" are still maintained within budgets that enable their use as recreational routes. Access to this classification of roads cannot be provided for 100% of the time, due to seasonal conditions and/or weather events.
- Generally, the bridge stock is in a good or acceptable condition, although the council has prioritised the development of the Bridge Strategy to review the affordability and management strategy for some very low-use structures, at or near the end of their useful lives.
- A drainage condition rating has been completed on 25% of the network in the past 3 years. This indicates the majority of the assets rated were in average or better condition. Further condition surveys will be completed over the next 3 year funding period.

Drainage Asset Condition RAMM June 2023

Row Labels	<30/11/2009	2009	2011	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Average							69				4	3	1103
Excellent	386	1				6		35	76	13	40	83	208
Good	3						64	1	2	2	3	1	578
Poor							11				5	1	267
Unknown	6190		1	7	1						5	1	4
Very poor							4						20
Grand Total	6579	1	1	7	1	6	148	36	78	15	57	89	2180

- A sample survey of signs condition indicates that 45% were due for replacement
- The condition of footpaths remain at a level which meets the council's level of service performance measures. New surveying and modelling techniques utilising roughness data are now established for Central Otago District Council. The system developed by the council and Deighton Associates is now used to develop a prioritised forward works programme and will provide optimised longer-term budget scenarios in the future.
- The streetlighting asset portfolio is well understood, with an asset data collection project undertaken alongside the district-wide LED Upgrade programme. Approximately 90% of the council's street lighting assets were replaced between 2016 and 2019, with all work funded under the WAKA KOTAHU increased Financial Assistance Rates.

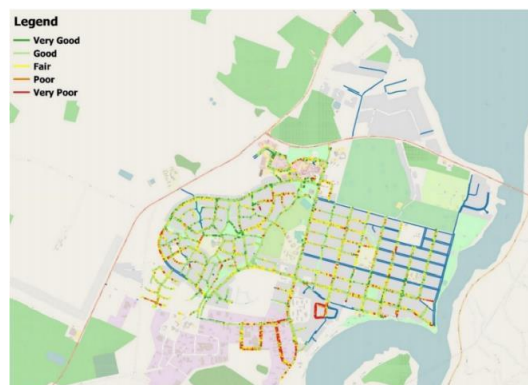


Figure 5.25 Footpath Roughness Measures in Cromwell

Overall Financial Strategy

The council has opted for an optimised, Managed-risk Investment Scenario. Details of this scenario, and the supporting Financial Strategy are included in the council's Transport Activity Management Plan.

This is based on a review of existing programmes, costs and performance against an estimate of future needs for some activities. Where changes have been identified as appropriate to meet levels of service requirements, manage risk, or ensure cost effective work practices these have been introduced as part of delivery under the current Roadway Physical Works contract.

The 2021-2024 Activity Management Plan programme includes increases in expenditure on sealed and unsealed road maintenance and renewals, rural drainage and bridges – to maintain existing service levels. The plan also includes increased network management budgets to ensure delivery of key strategic projects relating to aggregate supply, bridging, growth driven upgrades, and walking and cycling.

The AMP seeks to ensure that sealed road maintenance and renewals and environmental maintenance remain focused on customer need.

The optimised program takes a managed risk approach, based on a review of existing programs, costs and performance. This profile includes current costs, or an estimate of future needs for some activities where changes have been identified as appropriate to meet levels of service requirements, manage risk, or ensure cost effective work practices. This includes increases in expenditure on sealed roads, unsealed roads, and environmental maintenance.

3.2 Objectives and Outcomes for This Procurement Strategy

In developing the strategic goals for this 2023 Transportation Procurement Strategy we identified the need to retain many of the goals from the previous Transport Procurement strategy with some additions. The high level goals for this strategy are:

Brought forward from 2020...

- Infrastructure services delivered as part of an integrated district network
- New ways and innovative practices to enable us to more cost effectively deliver our services.

Added in 2023:

- Increasing skills and capacity of the contracting industry and CODC.
- Broader Outcomes. The broader outcomes that this strategy specifically focusses on are environmental sustainability and employment diversity.

This strategy aligns closely with several of the council's objectives from their wider procurement policy document. The high-level objectives from that document are shown below in figure 3.








Section 1 – Objectives						P6
Explore the goals of CODC Procurement and the principles that support them						
						
1	2	3	4	5	6	7
Value for money	Fair and open competition	Easy to do business	Innovation	Local economic development	Sustainability	Social outcomes

Figure 3 CODC procurement policy objectives

In turn these relate closely to the 2021 Government Policy Statement (GPS) for Transport. The 2021 GPS continues the strategic direction of the 2018 GPS.

In common to many of these objectives is the overall outcome of Cost Efficiency. The 2021-24 AMP discusses Cost Efficiency as shown below.

COST EFFICIENCY

This outcome demonstrates that value for money and whole of life costs are being optimised in the delivery of affordable customer levels of service.

OUR OBJECTIVE

Overarching Principles:

An integrated district network which offers an increasingly consistent, fit for purpose level of service for users.

Value for money and whole of life cost will be considered to deliver affordable levels of service.

We will look for new ways and innovative practices to enable us to cost effectively deliver our services.

The council monitors cost efficiency through comparison with similar Road Controlling Authorities and management of the Roothing Physical Works contract in RAMM Contractor. These show Central Otago as one of the lower cost roading networks in New Zealand across all activities.

3.3 Current Road Maintenance Contract Model

During the ILM and Contract model workshops to develop the new procurement strategy it was identified that the current contract model provides significant benefits to CODC in delivering its procurement goals. These are summarised as follows:

- Shared risk due to low investment level and large network size to achieve value for money.
- Joint team can consider higher risk lower cost options without one party being adversely exposed.
- Collaboratively utilizing both parties' knowledge in developing programmes to achieve best value, with a strong community focus.
- One team with contractor being an extension of the team with people on the ground understand what they are delivering.
- Supplier takes real ownership of the network. Responsive to changes in scope and resource. Collaborative programming. But there is also a healthy tension as well.
- Simple contract by relying on trust.
- Innovation and in a blame free environment.
- Net cost saving across the whole network.
- Holistic approach to network maintenance.

Some disadvantages of the current delivery model that were identified during the workshop were as follows:-

- Intellectual property sits with the Supplier and is not visible to CODC.
- No joint Maintenance Intervention Strategy.
- Have a high level AMP and strategy, but detailed decision making process is not always shared/asked for.
- Still quite disconnected physically – could explore shared office space.
- No joint KPI framework, our maintenance contractor has developed some internal KPI's which are shared monthly. No joint ownership.
- No Formal Charter so it is hard for newcomers to understand contract.

- Some disconnect between the maintenance contractor and CODC's perception of how the contract is operating and performing.
- Possible change in approach to collaboration.
- Recent workshop highlighted a lack of alignment on the core deliverables.
- Difficult for other contractors to compete.

3.4 Government Procurement Rules and What They Mean For the Council

The government is committed to achieving positive cultural, environmental, social and economic outcomes from its procurement activities. Together, these are called broader outcomes. (New Zealand Government procurement)

Communities understand the benefits of wise procurement choices. They are beyond getting the job done for the cheapest price. The council's commitment to its regional identity, community wellbeing and the achievement of community outcomes is consistent with this approach.

The Procurement rules include the Government Charter which Local Authorities are encouraged to use. The rules seek wide ranging outcomes from all involved in procurement. These include quality, outcomes and price.



Government Procurement Charter

The Charter sets out Government's expectations of how agencies should conduct their procurement activity to achieve public value.

Government agencies spend approximately \$41 billion a year on a wide range of goods and services from third party suppliers. We need to ensure that government procurement delivers public value for all New Zealanders while supporting the delivery of better public services throughout New Zealand.

Agencies should identify their key priorities and seek to meet as many of these expectations as practical.

The New Zealand Government directs agencies to:

1. SEEK OPPORTUNITIES TO INCLUDE NEW ZEALAND BUSINESSES

- › Openly work to create opportunities for local businesses and small-to-medium enterprises to participate in your procurement processes.

2. UNDERTAKE INITIATIVES TO CONTRIBUTE TO A LOW EMISSIONS ECONOMY AND PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY

- › Ensure that economic and social development can be implemented on a sustainable basis with respect for the protection and preservation of the environment, reducing waste, carbon emissions and pollution.

3. LOOK FOR NEW AND INNOVATIVE SOLUTIONS

- › Make sure you don't overprescribe the technical requirements of a procurement, give businesses the opportunity to demonstrate their expertise.

4. ENGAGE WITH BUSINESSES WITH GOOD EMPLOYMENT PRACTICES

- › Ensure that the businesses you contract with operate with integrity, transparency and accountability, and respect international standards relating to human and labour rights. For businesses operating within New Zealand, ensure that they comply with all New Zealand employment standards and health and safety requirements.

5. PROMOTE INCLUSIVE ECONOMIC DEVELOPMENT WITHIN NEW ZEALAND

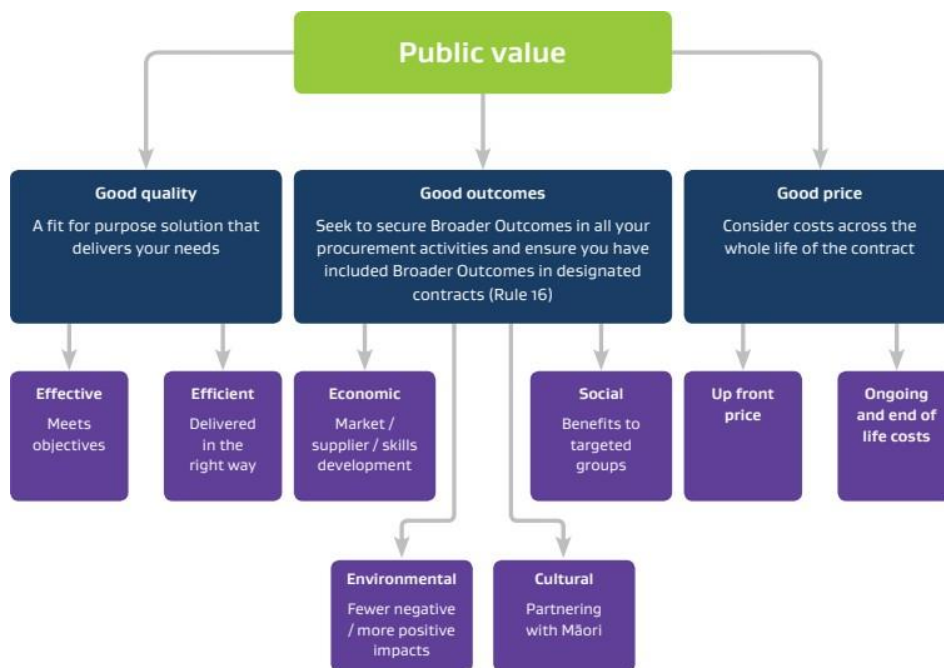
- › Engage with Māori, Pasifika, and regional businesses and social enterprises in order to actively contribute to our local economy. Openly working to include and support these businesses and enterprises through procurement will promote both skills development and a diverse and inclusive workforce.

6. MANAGE RISK APPROPRIATELY

- › Responsibility for managing risks should be with the party – either the agency or the supplier – that is best placed to manage the risk. Agencies and suppliers should work together on risk mitigation strategies.

7. ENCOURAGE COLLABORATION FOR COLLECTIVE IMPACT

- › Look to support greater collaboration, both across-agency and across-businesses to give likeminded groups the opportunity to find common solutions within your procurement opportunities.



3.5 Waka Kotahi New Zealand Transport Agency Procurement Requirements and What They Mean For the Council

Draft Government Policy Statement on Land Transport

The Draft Government Policy Statement on Land Transport: 2021/22 – 2030/31 highlights the long term view that should be taken to procuring goods and services.

... the procurement approach should seek to best deliver the investment objectives while optimising whole of life costs

The principles for investment decisions need to be transparent and provide the best possible impact and value to New Zealanders:

1. Alignment
2. Effectiveness
3. Efficiency

In Kaitiaki Take Kōwhiri o Aotearoa New Zealand Government
Government Policy Statement on
LAND TRANSPORT
 2021/22 – 30/31
 DRAFT FOR ENGAGEMENT – NOT GOVERNMENT POLICY



Arataki

Arataki presents Waka Kotahi New Zealand Transport Agency's 30-year view of what is needed to plan, develop, and invest in the land transport system during the next 30 years. Arataki was initially released in 2019.

The latest plan was released in March 2023.

Step changes identified in the 2023 plan are included in Table 1 below:

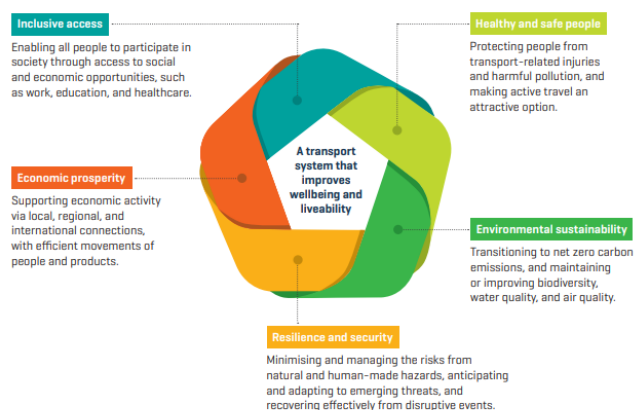


Figure 4 Waka Kotahi Strategy

<i>creating new ways of influencing the system</i>
<i>broadening our understanding of the parties, behaviours and/or influences in the land transport system</i>
<i>improving how we target multiple outcomes</i>
<i>substantially changing the pace (or order) things are done or achieved removing historic barriers or limitations</i>
<i>considering challenges and opportunities from a new perspective, for example iwi Māori.</i>

Table 1: Step changes identified in Arataki 2023

The Waka Kotahi Procurement Manual (Effective 1 April 2022) states:

Approved organisations must consider how procurement activities can, where appropriate, contribute to the Government's Broader Outcomes including the following priority areas:

- increase New Zealand businesses' access to government procurement increase the size and skill level of the domestic construction sector workforce
- improve conditions for workers and prevent modern slavery within our supply chain
- support the transition to a net zero emissions economy

Procurement manual for activities funded through the National Land Transport Programme



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This means for CODC to contribute to the Governments Broader Outcomes there will need to be a focus for council as follows:

- Setting a minimum subcontractor percentage delivery within the roading physical works. contract to increase the capability of Tier 2&3 suppliers.
- Stipulating "Living Wage" requirements on suppliers when tendering for works.
- Working both internally and externally with our suppliers to move towards zero carbon emissions. This will include a move to more EV vehicles and plant, reviewing lower emission materials (e.g Bitumen Emulsion/Cutback Bitumen) and recording and monitoring emissions for maintenance activities.

The framework for integrating the Broader Outcomes of Procurement into Long Term Planning are currently emerging. The council intends to progress this integration as part of the 2021-31 Long Term Plan and a Procurement Strategy for all Infrastructure Services.

Public Value is emphasised in the Procurement Rules, which revisits the definition of value for money. This definition is consistent with the council's view of managing its activities for the wider benefit of the Community.

3.6 Te Ringa Maimoa Support for Procurement Best Practice

Te Ringa Maimoa provide leadership to the Transportation sector to drive improvements in procurement practices. This was a core recommendation of the Road Maintenance Task Force in 2012. Te Ringa Maimoa ensured that there is a strong procurement theme maintained through all of its work with Road Controlling Authorities and other key stakeholders. The development of this procurement strategy is underpinned by the Te Ringa Maimoa guidelines. Two workshops were undertaken in developing this strategy:

Workshop 1: An ILM workshop to identify procurement goals and contract outcomes

Workshop 2: A Contract model selection workshop to select the best Contract delivery Model for CODC

ILM workshop & smart buyer assessment

A key component of the ILM procurement workshop that informed this strategy was the completion of a Te Ringa Maimoa Smart Buyer Assessment. This assessment was used to better understand the strengths and weaknesses of CODC in the procurement space. The assessment was undertaken with staff from both CODC and the incumbent Contractor.

CODC and the Incumbent Contractor's assessments are reasonably close with scores of 52 and 47 respectively. This means they have a good understanding of each other. This cannot happen without good communication. However, the scoring indicates an average smart buyer with improvement needed. In summary:-

CODC has embraced the principles of being a smart buyer but can still create further improved value for our communities.

Contract model selection workshop

Following the ILM procurement workshop a Contract model selection workshop was undertaken. The purpose of this workshop was to facilitate input into selecting CODC's new road maintenance contract model as a Smart Buyer using the Te Ringa Maimoa Guidelines. The workshop involved an overview of the different contract models commonly available in NZ along with a summary of the pros and cons.

The Te Ringa Maimoa contract model selection tool was then used to evaluate the best model for CODC. This model identifies the preferred contract delivery method by prioritising CODCs self-identified key contract drivers from low to high importance. The key outcomes from the contract model selection assessment were as follows:

- Contract type – collaborative type alliance contract – but not a pure Alliance
- Bundling/Aggregation – Bundled scope for work – maintenance, reseals, some professional services.
- Method of Payment – Open Book to allow for risk management.
- Duration – 5 +2+2
- General Conditions of Contract – NZS 3917, potentially sitting within a formal collaborative framework

The above model can be seen as a continuation of the current delivery method with some adjustments.

Key improvement opportunity

An area of weakness identified in the current delivery model was the lack of a joint performance framework.

CODC will develop a Strategic Performance Framework to be included in the RFT for the new road maintenance contract. Post award the key performance indicators that will evaluate delivery against the strategic performance goals can be jointly developed with the successful contractor based on:

- Realising the Benefits from addressing the problem statements identified in the ILM workshop
- Achieving the Procurement Strategy Goals
- Achieving the Contract Outcomes
- Meeting the dLoS Framework
- Achieving Broader outcomes

3.7 Other Relevant Factors

Organisation-wide Procurement Policy

The development of an organisation-wide Procurement Policy was initiated in 2016. The latest version of this document is dated August 2020. In addition to this policy, we have also sighted a CODC infrastructure strategy prepared in 2021. This strategy document covers all infrastructure including transportation.

The council has reviewed its overall procurement approach and assessed options for direction and controls. These will be detailed in forthcoming policy and strategy documents. Items identified to date include:

- ✓ Best value for money
- ✓ Attractiveness – become the client of choice
- ✓ Focus on the outcomes
- ✓ Simple and proportional methods
- ✓ Appropriate relationships with suppliers
- ✓ Open and honest communications
- ✓ Ensure that local suppliers have a full and fair opportunity to compete
- ✓ Seek sustainable outcomes in a pragmatic way and in balance with other criteria

The Infrastructure Services Procurement Strategy will reflect the council's overall objectives and the broader objectives of procurement. It is proposed that Government guidance on Community Wellbeing and the Broader Outcomes of procurement will be included in these documents.

A key influence affecting the delivery of the district's future road infrastructure is identified in the strategy as follows:

Government investment for the 2021/22 – 2030/31 period for Roothing will be guided by four strategic priorities: safety, better travel options, climate change and improving freight connections

The collaborative model identified as suitable for CODC's roading maintenance contract will be nimble and reactive to adjust to nuances in these drivers during the term of the contract.

Regional Procurement

As part of the S17A review undertaken during the ILM workshop renewed consideration was given to partnering with other organisations for procurement. The workshop involved a discussion of historic assessment in this space along with an assessment of the current state of play.

Background & History

The District shares boundaries with five local authorities, linkages are discussed in section 5.2.

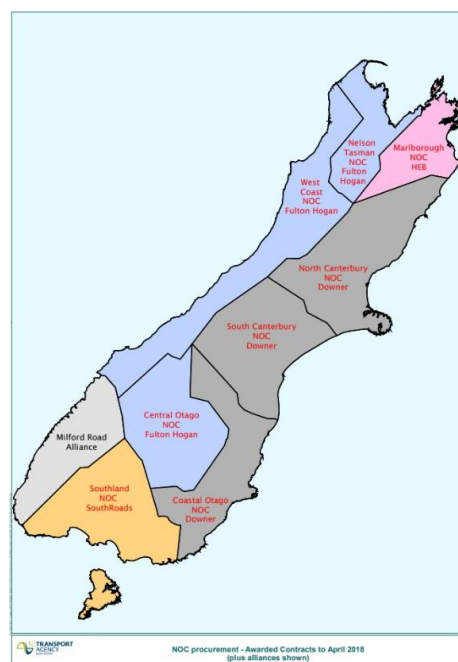
Serious consideration has been given to a multi-agency approach to service delivery over the last two decades.

In 2002 the Remarkable Roads initiative was floated. This planned for combined management and service delivery across Queenstown-Lakes District Council, Central Otago District Council and Waka Kotahi networks. The idea was abandoned in 2005 following changes in management direction of the three organisations.

In 2012, Queenstown-Lakes District Council, Central Otago District Council and Waka Kotahi revisited how clustering might be applied to the state highway and local roads networks in the Central Otago and Queenstown Lakes Districts.

The initial stage - comprising collaboration through a formal Memorandum of Understanding - was agreed to, in principle. This provided a shared approach to specified aspects of asset management and network operations. This will establish an initial level of collaboration that will allow the parties to work together, understand each other's needs and cultures and develop consistent approaches. At this point, Central Otago District Council extended its Maintenance Contract for two years to allow space for discussions to proceed.

Consideration was given to establishing a Shared Roothing Unit and Joint Physical Works Contracts. Agreement was not reached by the councils and Waka Kotahi.



In 2016 the Central Otago Network Outcomes Contract was let to Fulton Hogan for a period of seven years, and the Central Otago District Council term maintenance contract was also let.

Current Appetite

During the workshop bundling was explored with CODC staff expressing the following comments:

- Have attempted to bundle work with other local authorities but this did not proceed.
- Shared roles have been agreed with Waitaki DC where they share a Procurement officer and sharing resources for carbon and climate. Also currently exploring a shared Road Safety Co-Ordinator role with QLDC.
- CODC has a Waka Kotahi approved In House business unit for core services. Not appropriate to outsource or combine with another organisation as core services.
- The lack of skills and capacity means it is not possible to carry out all professional services In House so they are outsourced on an ad hoc basis when required. It is not generally feasible to jointly procure with another organisation because of the low volume of projects, except for specialist activities such as bridge inspections, condition ratings, design standardisation and procurement which will be investigated.
- Construction is outsourced due to legislative requirements. Some big projects procured individually with most smaller ones though the maintenance contract which is linked to developing local contractors.
- Jointly procuring with a neighbour has been considered for maintenance but adjoining networks have different LOS driver and cost structures, this would potential see negative impacts for the respective organisations

On the basis of the commentary above no further works are proposed to investigate partnering at this time.

Detailed considerations for inclusion in a new Collaborative Contract Model

The current model has worked very well since its inception. This strategy recommends a continuation of the current model with the inclusion of a more robust performance framework to underpin delivery.

The council has confidence that it is delivering value for money outcomes to the community and enjoys a high level of alignment with the contractor.

The key components of the detailed model to be finalised during preparation of the RFT are as follows:

Scope of Works

The Contract generally covers the maintenance and renewals of the council's Roading Assets, and some roading improvement works. This includes:

- Sealed road maintenance, resurfacing and rehabilitations
- Unsealed road maintenance and re-metalling
- Drainage maintenance and renewals
- Street cleaning
- Bridge maintenance and minor bridge renewals
- Vegetation control
- Maintenance and renewal of signs and pavement markings
- Maintenance and renewal of traffic facilities, safety guardrailing and railings
- Minor improvement projects, including safety improvement works

- Footpath maintenance, resurfacing and extensions
- Car park maintenance, resurfacing and improvements
- Snow and ice control
- Emergency work
- Joint network management, including entry and updating of works and asset data within the council's RAMM database, in conjunction with the council's Roding staff
- The asset management activities currently undertaken by the incumbent need to be carefully documented and described in the new RFT.

All other co-funded land transport activities are in the scope of the Roding Physical Works Contract

Works that are out of scope of the Roding Physical Works Contract are specifically:

- Bridge renewals where specialist services are required.
- Painting of large steel bridges.
- Street lighting.
- Specialist design and advice.

Contract Period

An initial five years with an extension of two years plus two years subject to satisfactory performance assessed against specified performance measures.

These extensions will be subject to satisfactory performance assessed against the jointly developed specified performance measures and approval by the council, Waka Kotahi, and the Contractor.

Delivery Model

A shared risk delivery model is proposed for delivering the contract. Model for the contract:

- This relationship will be conducted as if it were a partnership and not a formal alliance. For clarity, it will not however be a "partnership" in the legal sense.
- This will involve the Contractor and the council business unit staff working in unison to achieve the purpose.
- Works under the contract will be undertaken on a cost reimbursement basis, with an agreed percentage for Overheads and Profit.
- The council has a fixed budget, and the work will only be undertaken to the extent the budget allows and then only on specific contractual arrangements being agreed between the Contractor and the council in respect of any particular works.
- Consideration should be given to including a financial performance incentive for adding value to the desired outputs. Performance will be assessed against a jointly developed performance framework (see KRA/KPI Framework below)
- The work will be managed at officer level within the Contractor and the council organisations.



It is anticipated that staff within the two organisations will continue to work from offices within their respective premises, unless it is agreed that there would be added value in being located together.

KRA/KPI Framework

A KRA/KPI framework is proposed for the new roading physical works contract. These will be developed jointly with the preferred supplier and implemented within the first 6 months of the contract. Monitoring will occur over the first six months with formal scoring and reporting commencing 12 months after contract commencement. A Contract Board will be formed with senior members from both council and the supplier to provide overall governance of the contract including monitoring and ratification of the performance framework. A draft framework is shown below.

Draft KRA/KPI Framework

KRA/Risk Area	Contractor responsibility	Contract KPI or Contract Management Plan Specification (CMP)	CODC Responsibility
Customer			
Customer satisfaction	Customer management during approved works planning and delivery.	TBC	Customer engagement in FWP and duly escalated works.
Program expectation and awareness management	Procedural compliance and escalation advice	TBC	Notification process and escalation management
Communications	Project and/or intervention stakeholder management (with consistent, timely and accurate messaging)	TBC	Local board, political governance and lobby group engagement
Network access and/or disruption	Adherence to program	TBC	Network disruption planning
Safety			
Work site safety	Site safety	TBC	Health and safety systems auditing
Death and Serious Incident (DSI)	Site monitoring and refinement (TMP compliance)	TBC	Overview of design solutions (in conjunction with Assets and AT safety teams)
Emergency response	Emergency response resourcing and triage	TBC	Emergency response management
Value for Money			
Asset management outcomes	Workmanship, asset inspections		Specifications, joint asset inspections, asset and maintenance management planning
	Accurate and timely data supply		System access and information distribution

Financial	Claim and asset attribute process compliance including associated data integrity		Asset Management System and works order management, claims processing, data auditing
Programming	Resourcing and supply chain management		FWP and change management
Levels of Service	Supply chain optimisation, workmanship, responsive intervention and standards compliance		Budget approvals, auditing and standards development
Collaboration			
Relationship Management	Identifying and calling out poor alignment.		Joint Partnering agreement (JPA)
Culture	Operational management and escalation of issues not resolved by CMT		Change programme and ongoing management
Management Plans	Compliance		Development

Supplier Selection Method

A Price Quality-based selection method is proposed for procuring services to deliver the contract works. 'Price Quality-based' is a Waka Kotahi endorsed supplier selection method where the non- price attributes and price submitted by the suppliers are assessed. The balance of price versus non price attributes for maintenance contracts is normally in the region of 20-50% price versus 50-80% price. The preferred supplier is then selected on the basis quality and price.

Broader Outcomes

A core component of the RFT will be an assessment of the Broader Outcomes contribution offered by the tenderers. The RFT will detail information to be provided by the supplier on the contribution that their offering will make in assisting CODC with delivering its broader outcomes.

Key focus areas will be environmental sustainability, diversity and increasing skills and capacity of the contracting industry.

This will be considered through:

Supplier Information: The Request for Tender (RFT) will require tenderers (suppliers) to provide detailed information about how their offerings will contribute to the broader outcomes, particularly in terms of increasing skills and capacity. There will also be a requirement for delivery of 20% of the works by subcontractor suppliers. Suppliers may be asked to outline their strategies, plans, and initiatives to support the development of skills within the contracting industry and CODC.

Evaluation Criteria: The RFT is likely to include specific evaluation criteria related to broader outcomes. The assessment process will consider the extent to which each tenderer's proposal addresses and contributes to the broader outcomes of environmental sustainability, diversity and increasing skills and capacity within the industry.

Capacity Building Initiatives: Tenderers will be encouraged to propose capacity building initiatives, such as training programs, apprenticeship schemes, mentorship opportunities, or partnerships with educational institutions. These initiatives would be aimed at upskilling the existing workforce, supporting professional development, and attracting new talent to the industry.

Collaboration with Local Community: Suppliers may be asked to demonstrate how they intend to engage with the local community to promote diversity and inclusion in the workforce. This might include outreach programs, diversity recruitment strategies, and working with local organisations that support underrepresented groups in the construction and contracting industry.

Reporting and Monitoring: The RFT will require successful tenderers to commit to ongoing reporting and monitoring of their broader outcomes contributions. This would ensure transparency and accountability in achieving the stated goals.

Basis of payment

Payment will be made on a cost reimbursement basis comprising three components

- Net Cost
- An allowance for On-site and Off-site Overheads
- An allowance for Profit
- Potential for a pain gain margin adjustment based on performance

Health, Safety and Wellbeing

Health and safety is an increasing priority for Central Otago District Council as a public Organisation. The council has established a sound framework of expectations and processes. The council is a SiteWise member, and its suppliers are required to meet SiteWise Green (or a directly equivalent pre-qualification) before being able to complete any work.

The council has a primary duty of care to ensure, so far as reasonably practicable, the health and safety of workers who work for the council while they are at work. In this context, workers include staff, and the staff of contractors.

Contractual arrangements often have a number of parties involved. The Health and Safety at Work Act 2015 refers to these parties as Persons Conducting a Business or Undertaking (PCBU). If more than one PCBU has a duty in relation to the same matter, each PCBU with the duty must, so far as reasonably practicable, consult, cooperate and coordinate activities.

Long term contracts such as the Rooding Physical Works contract and others include health and safety as priority items at monthly contract meetings and records of incidents are discussed to seek ongoing improvement.

Council will consider safety through each phase of the procurement process (Plan, Source, Manage)

Plan

- Safety in design will be reviewed for any new capital works projects.
- Contract Specific Health and Safety plans will be required for all works.

Source

- Site Wise Green or equivalent pre-qualification standards will be a prerequisite for all suppliers carrying out work for council.
- Suppliers will be requested to provide details of their H&S management systems as part of any RFT process.

Manage

- The Roading Physical Works Contract will have a specific KRA for Health & Safety. KPI's will be jointly developed to monitor performance and will be reported on quarterly to the Contract Board.
- Contract toolbox meetings, which include health and safety, are attended by the council staff for all contracts.
- Joint site safety audits will be conducted and results documented.

3.8 Other Strategic Documents

Systems Thinking

The council implemented systems thinking in the Roothing activity area in 2009. This resulted in streamlining work practices and improved customer and cost-efficiency outcomes.

This approach informed the roading contract as a shared risk, collaborative model that includes most of the physical work undertaken on the network. This model has delivered value for money, innovative and efficient practices, and is flexible to respond to growth and demand changes. The systems thinking model encourages the use of evidence and data to support decision-making.

Sustainability Strategy

The council adopted a Sustainability Strategy in 2018.

The strategy focusses the council on activities it controls in the first instance. The council acknowledges that by getting its own house in order it will be better able to lead the community in wider discussions in sustainability. The strategy recognises that the council influences sustainability, both in the manner that services are provided to the community and through the regulatory processes it applies.

This affects the procurement outcomes and the purchasing process itself.

The vision and cascading objectives and outcomes are illustrated in the attached figure (below).

The council proposes to develop this further through corporate-wide strategies and policies. Council procurement processes are required to include consideration of sustainable practices in construction and contract delivery in the evaluation of attributes.

Two goals that are noted for this strategy are:

- *Being customer friendly, having enabling policies and appropriate infrastructure.*
- *Affordable and equitable provision of services to promote wellbeing.*

Transport Activity Management Plan

The Transport Activity Management Plan is the core document for the activity.

It details the direction, analysis and actions associated with roading.

The plan provides greater detail on implementation of the works programme and the options considered than this strategy. Central Otago District Council's Activity Management Plan is considered to be an example of 'best practice' within the New Zealand roading sector.



Central Otago District Council Sustainability Strategy (2019-2024)



OUR VISION	A great place to live, work and play, now and into the future									
COMMUNITY OUTCOMES <i>Align with the sustainability pillars – economic, environmental, social</i>	Thriving Economy		Sustainable Development		Safe and Healthy Community					
WORK STREAMS <i>How we group our efforts</i>	Ease of doing business	Economic development	Council's environmental footprint	Managing effects on the environment	Access to facilities and services	Celebrating our culture, heritage and landscape				
OUR GOALS <i>What success looks like</i>	Being customer friendly, having enabling policies and appropriate infrastructure	Engaging with business to help our economy prosper and provide quality employment opportunities	Providing Council services while managing the associated environmental impacts	Enabling development while managing the associated environmental effects	Affordable and equitable provision of services to promote wellbeing	Managing change while protecting and enhancing our culture, heritage and landscape				
STRATEGIC ACTIONS <i>A programme of activities sit under these</i>	<ul style="list-style-type: none">Streamlined customer interfaceOur policies balance ease of application against regulatory requirementsEnsuring our infrastructure is fit for purpose and cost effective	<ul style="list-style-type: none">Investigate and deliver on high-value opportunities through the Economic Development StrategyImprove value added tourism through the Central Otago Tourism StrategySupport improved mobile coverage and broadband rollout	<ul style="list-style-type: none">Complete a full profile of Council's environmental footprintReduce Council's impact on the environmentSet targets and improvement steps in each impact area	<ul style="list-style-type: none">Managing environmental impacts through the district plan	<ul style="list-style-type: none">Keep improving access through improved facilities and coverageFacilitate active transport uptakeWork with other governments to improve health and waterEnsure our community facilities are fit for purpose and cost effective	<ul style="list-style-type: none">Keep communicating our regional identityKeep developing culture and heritage opportunitiesKeep developing community plansStrengthen our relationship with Ngai Tahu				
HOW WE MEASURE PROGRESS	<ul style="list-style-type: none">Customer satisfaction measures from the Resident Opinion SurveyConsent process timesDelivery of climate change resilience actionsDelivery of three-year capital programmesMeeting legal requirements for provision of infrastructure	<ul style="list-style-type: none">Customer satisfaction measures from the Resident Opinion SurveyTourism spendMean IncomeBrand/regional identity use and recognitionBusiness unitsAccess to skills and labour (survey)	<ul style="list-style-type: none">Benchmarking carbon footprint year-on-yearEnergy consumptionWaste per capita to landfill	<ul style="list-style-type: none">Monitoring strategy measuresRMA state of the environment monitoring	<ul style="list-style-type: none">Customer satisfaction measures from the Resident Opinion SurveyCouncil facility use levelsUnderstand the costs of operating council facilitiesLevel of population connected to council water services and a water scheme that meets Drinking Water StandardsFatal and serious crash trends	<ul style="list-style-type: none">Customer satisfaction measures from the Resident Opinion SurveyCompletion of and delivery of community plansLevel of investment in community and cultural facilitiesVisitation of cultural/heritage attractionsProportion of staff that have completed the Heritage New Zealand Training				
UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS COUNCIL ALIGN WITH	9 INFRASTRUCTURE	8 DECENT WORK AND ECONOMIC GROWTH	4 QUALITY EDUCATION	7 AFFORDABLE AND CLEAN ENERGY	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	11 SUSTAINABLE CITIES AND COMMUNITIES	15 LIFE ON LAND	3 GOOD HEALTH AND WELL-BEING	6 CLEAN WATER AND SANITATION

3.9 Combining Central Otago District Council Objectives

The following graphic illustrates the combination of the council's strategies and objectives.

The vision for Infrastructure Services is:

We will deliver safe and reliable infrastructure services that support our local economy and communities, in a manner that is affordable, sustainable and equitable for current and future generations.



3.10 Definitions

There are a number of terms that are central to procurement and agreement on the definition of these will benefit all involved. The definitions proposed are from the Government Procurement Rules (edition 4, 2019) unless stated otherwise.

Broader Outcomes	Broader Outcomes are the secondary benefits which are generated due to the way goods, services or works are produced or delivered. They include economic, environmental, social, and cultural outcomes
Procurement	All aspects of acquiring and delivering goods, services and works. It starts with identifying the need and finishes with either the end of a service contract or the end of the useful life and disposal of an asset
Public Value	Public value means the best available result for New Zealand for the money spent. It includes using resources effectively, economically, and responsibly, and considering: <ul style="list-style-type: none"> the procurement's contribution to the results you are trying to achieve, including any Broader Outcomes you are trying to achieve and the total costs and benefits of a procurement (total cost of ownership). The principle of public value when procuring goods, services or works does not mean selecting the lowest price but rather the best possible outcome for the total cost of ownership (over the whole-of-life of the goods, services or works). Selecting the most appropriate procurement process that is proportionate to the value, risk and complexity of the procurement will help achieve public value

4 Procurement Programme

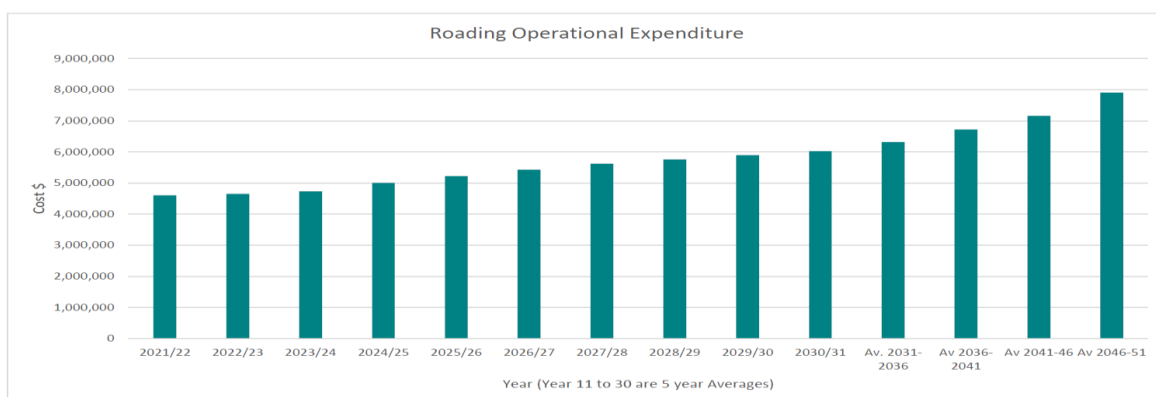
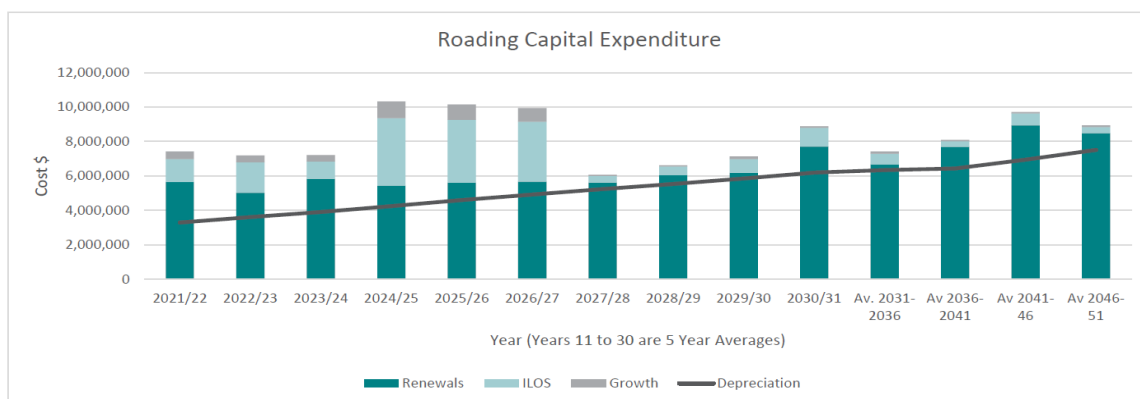
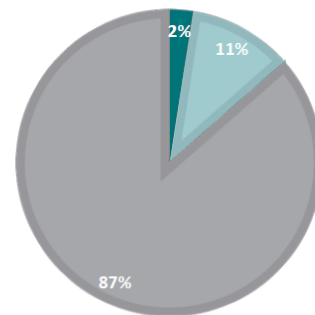
The priority for procurement and works programmes is outcomes. Central Otago's vision for roads and footpaths is "to ensure an efficient, fully accessible, safe network".

Proposals for programmes are established through the Activity Management Plan/Business Case processes and articulated through the Long Term Plan and 30 year Infrastructure Strategy.

These documents are referenced for details of the programmes with the resultant programmes shown below.

DEMAND DRIVERS FOR ROADING

■ Growth ■ Improved Level of Service ■ Renewals



Further details of Council's capital programme including itemised projects outside the maintenance contract can be found in the 2021 – 31 Long Term Plan, available on council's website <https://www.codc.govt.nz/repository/libraries/id:2apsqk8g1cxbyoqohn0/hierarchy/sitecollectiondocuments/plans/long-term-plan/LTP%202021-2031.pdf>

5 Procurement Environment

5.1 Analysis of Current Supplier Market

In preparation for the ILM workshop a market assessment was undertaken with CODC staff, the incumbent Contractor, and potential Tier 1 and Tier 2 suppliers.

Several suppliers were contacted from within and beyond the region. Several suppliers were interested in bidding for the upcoming road maintenance contract. Suppliers listed the following headline matters in relation to procurement of the new road maintenance contract:

1. Early engagement is critical to ensuring a competitive tender.
2. A collaborative risk sharing contract model is seen as attractive/essential.
3. The scope of asset management within the contract needs to be clear – what's in what's out.
4. Consideration should be given to separating out reseals.
5. Broader outcomes needs to be given a significant weighting within the RFT.
6. Whilst this feedback was sought in relation to the Road Maintenance Contract it is applicable to other procurement matters as well.
7. The balance of price versus non price attributes needs to be right to create a competitive market.

This feedback was considered in the contact model selection workshop.

There are some suppliers located within the district, and a wider range available from Dunedin or Queenstown. Typically there is a high level of interest in tenders and competition between suppliers. Recent interest in large projects has included supplies from across Canterbury, Otago and Southland.

Professional Services Providers

Central Otago District Council's staff are able to outsource when required due to either internal capacity or capability constraints to suppliers based in the South Island. Some services are procured using local teams, who are then supported by national experts, depending on the complexity of projects or advice sought.

The role of specialist professional service providers is typically to boost capacity or knowledge beyond what the council can achieve from its in-house resources.

Goods and services procured from Professional Services providers include.

- Legal services
- Specialist Asset Management
- Bridge inspection and works planning
- Network Management Transportation Activity Support
- Asset data collection and Information Management
- Public engagement and consultation

- Economic analysis

The following list provides an indication of the suppliers of transportation professional services:

Abley	Boffa Miskell	Specialised
Arch Hill Associates	Geosolve	Software/Advice-
Avanzar Consulting	LandLAB	Deighton
BECA	N M Associates Ltd	Infrastructure Decision
GHD	Tract Consultants Pty Ltd	Support
Hadley Consultants		RAMM Software Ltd
Harrison Grierson		
Infrastructure Decisions		
Meyer Cruden Engineering Ltd		
Morrison Low		
Mott Macdonald		
Origin Consultants		
Rationale		
Stantec		
Utility		
Waugh Infrastructure Management		
WDM		
WSP		

Queenstown Lakes District Council has noted the challenge in attracting tenders and retaining suppliers. Central Otago District Council is aware of this concern and the potential risks in the future to procurement of goods and services.

The current Road Maintenance Contractor has been providing Asset Management professional service support to CODC . The scope of this work is not well defined in the current contract. The new contract needs to better define this scope.

Physical Works Contractor Market

Physical works suppliers enable the establishment of new assets as well as maintaining them to provide the required level of service. Works are undertaken under the direction of the council staff.

Goods and services procured from suppliers.

- Road maintenance – sealed and unsealed roads
- Road resurfacing
- Road renewals/reconstruction
- New roads construction
- Signs and traffic services
- Bridge maintenance
- Asphalt footpaths

- Concrete structures
- Streetlight supply, installation and maintenance
- Electricity supply for streetlights

With a comprehensive contract for term maintenance and renewals works in place tendering is the transport activity is infrequent. The level of interest in other projects, particularly water services, greenworks and construction provides a measure of supplier interest and competition.

Recent large construction projects have received strong interest from an average of five capable contractors.

As noted with the Professional Services area, Queenstown Lakes District Council has seen an increasing challenge in attracting tenders and retaining suppliers. Central Otago District Council is aware of this concern and the apparent risk in the future and is confident its collaborative contracting model will continue to serve the district well.

The following list provides an indication of the suppliers of transportation physical works:

Tier 1 Suppliers	Tier 2 Suppliers	Tier 3 Suppliers
Downer, Fulton Hogan, HEB	South Roads, Whitestone Contracting	BenchMark Construction Ltd, Alpine Civil Ltd, Civil Construction Ltd, Central Machine Hire Ltd, Contrax Ltd, Wilson Contracting Ltd, JCL, McKay Contracting, Delta Utility Services, Betacom, Windsor Urban

Specialisation

The council has identified that specialised skills, resources and knowledge are necessary to support the council's functions. It acknowledges that there are real costs in changing providers, including the loss of institutional knowledge and business continuity; and this should be reflected in the councils procurement processes.

The following specialist activities are required to be undertaken from time to time.

- Investigations
- RAMM rating
- Asset Valuation
- Geotechnical Advice
- Assets Deterioration Modelling
- Individual Structural Bridge Inspections
- Network Structural Bridge Inspections
- Legal Services
- Property Management
- Economic analysis

Road Safety Coordination/Community Road Safety Programme

This function is delivered through the in-house team in collaboration with other Otago Region Road Safety Coordinators.



Electricity Supply

Electricity supply is a complex consumable for the council, with a range of sites and demand patterns. The council currently purchases electricity for streetlighting via an All-of-council Procurement method. The current agreement is for a three-year term.

Council-Controlled Organisations

The council does not have any ownership or financial interest in professional services or physical works suppliers.

Unusual/Advanced procurement

While the council's Term Maintenance contract has been in place for some time, it does involve a Shared Risk Delivery Model and is procured through a Quality Based Supplier Selection Method. This does require ongoing approval from WAKA KOTAHI as reflected in the endorsements.

Other than this, the council has not identified any unusual/advanced procurement requirements.

5.2 Analysis of The Impact of The Procurement Programmes Of Other Approved Organisations And Other Entities

Under the Land Transport Management Act 2005 Central Otago District Council is part of the combined Otago-Southland Regional Land Transport Committee area. Central Otago District Council is an active member of regional planning and supports on-line meetings to maximise the involvement of those remote from Dunedin.

Central Otago is an area with significant growth and development. Cromwell is the base for numerous construction business and aligned trades, serving Queenstown and Wanaka as well as Central Otago.

While Central Otago District Council is a large buyer of services, there are also large developments and operations that influence the market. These include WAKA KOTAHI, Queenstown Lakes District Council and private developments.

The council does not regard its procurement approaches as having a significant impact on the market or other entities.

Linkages with others

Despite Central Otago being a large area, there are few roading connections beyond the State highway network.

The council's Roading network linkages with other organisations include:

- WAKA KOTAHI – integrated network across and beyond Central Otago District
- Waitaki District Council - Danseys Pass Road (Access Low Volume)
- Dunedin City Council – Old Dunstan Road (Access Low Volume 'Track')
- Clutha District Council – Moa Flat Road (Access)
- Southland District Council – Nevis Road (Access Low Volume 'Track') and Waikaia Bush Road (Access Low Volume 'Track')
- Queenstown Lakes District Council - none
- Department of Conservation - numerous connections



6 Approach to Delivering the Work Programme

6.1 Specific Strategic Objectives

Combining Government and WAKA KOTAHI Directives with Central Otago District Council Objectives (section 3.8) informs the direction and intent of this strategy.

Having considered those items the **Objectives for this Strategy** are:

- To deliver public value through a positive combination of quality, outcomes, and price
- To support the achievement of the council's Community Outcomes and the Long Term Plan Programme
- To be environmentally and financially sustainable
- To treat suppliers fairly

These inform the **Value for Money Strategy** which is considered in the context of the vision for Infrastructure Services;

We will deliver safe and reliable infrastructure services that support our local economy and communities, in a manner that is affordable, sustainable and equitable for current and future generations.

Value for money:

1. Balances quality with cost
2. Considers long term outcomes, as opposed to focussing solely on short-term results
3. Delivers a fit for purpose level of service for users
4. Focuses on efficient and effective work practices
5. Considers current and future customers, as well as the current and future impact on the environment
6. Is affordable

Work will be undertaken in house and through collaborative models to align objectives and streamline work. A whole-of-life approach will be taken applying sound asset management principles including lifecycle management planning and modelling.

The regional work programme for roading is prepared collaboratively with WAKA KOTAHI and neighbouring authorities through the Otago Regional council's Regional Land Transport Plan.

Suppliers are expected to understand the drivers of the council's focus on collaboration, efficient work practices, and the best outcome for the community.

6.2 Procurement Approach

With a comprehensive term maintenance contract soon to be retendered using a similar model, generally all other procurement involves street lighting, energy and professional services.

Limits for Delivery Models and Supplier Selection

The limits for supplier selection methods are as detailed in WAKA KOTAHI Procurement Manual – Amendment 5 – Rule 10.9.

Contract for	Physical works	Professional services
Direct appointment	\$100,000	\$200,000
Closed contest	\$100,000	\$200,000
Public tender above \$200,000		

Term Maintenance Contract

Soon to be re-tendered using as a shared risk collaborative contract model evaluated on a Price Quality basis.

Capital Projects

Capital improvement works where specialist input is required is excluded from the Term Maintenance Contract. In such situations procurement will be by appointment/closed contest or open tender depending on the value involved.

Design-build options are favoured to ensure appropriate design and supervision resources are secured.

Street Light Maintenance

Historically there have been issues regarding ownership of some of the lights which has restricted the options for street light maintenance. Consequently there are no written contracts in place with these companies for maintenance of the lights.

In 2016 the council purchased all the lights which were on Aurora Energy distribution network assets. A full replacement of all mercury vapour, fluorescent, and high-pressure sodium lights with LED luminaires has now been undertaken, except where the replacement of specific lights was assessed as economically unviable.

This will enable Central Otago District Council to move to a public tender for streetlight maintenance. This tender will go to market to late 2024 as a shared risk collaborative model contract. The tender will be evaluated using the Waka Kotahi quality price methodology.

Street Light Hardware

Central Otago District Council has determined there are long term benefits in consolidating the range of streetlights used across the network. This has been achieved quickly through the LED programme.

Betacom, based in Christchurch, has been identified as the supplier of specific streetlights for replacement of - or addition to - the Central Otago District Council streetlight network.

Energy Supply

Energy is procured through an All-of-council approach for a term of three years. Simply Energy commenced the current supply contract in September 2020. Discussion on options considered and the methodology chosen will be included in future organisation-wide documents.

Professional Services

Professional services are procured on an as-required basis by direct appointment/closed contest or open tender depending on the value involved.

Summary

The table below summarises the procurement approaches discussed and associated timelines.

Item	Procurement Approach	Commencement	Renewal
Ex Term Maintenance Contract	Shared Risk Delivery Model Quality Based Supplier Selection Method	22 Dec 2016	21 Dec 2019
		Term extensions approved 22 Dec 2019 & 2021	30 th June 2023

Item	Procurement Approach	Commencement	Renewal
New Term Maintenance Contract	Shared Risk Delivery Model Price Quality Based Supplier Selection Method	Tender October 23	July 2024
Capital Projects where specialist input is required	Direct appointment/closed contest or open tender depending on the value involved.		
Street Light Maintenance	Public Tender (Price Quality)	In development	
Street Light Hardware	Sole Supplier	2023 to 2026	Not identified
Energy Supply	All of Council	September 2020	September 2024
Professional Services	Direct appointment/closed contest or open tender depending on the value involved		

6.3 Collaboration with Others

This Strategy does not preclude the council from entering into joint procurement of works and services with relevant partners to enable shared services and deliver better value to the community.

Options for physical works delivery have been considered previously and may be worthy of further consideration as part of the development of the next term maintenance contract. Waka Kotahi and Central Otago District Council's contract models will be well established by that stage, and it is seen as unlikely that a common model will be sought by either party.

Central Otago District Council will continue to collaborate with its neighbours to increase its own capacity and capability, while sharing its expertise with others. This has been demonstrated through Central Otago District Council's involvement with the Road Efficiency Group and its relationship with Auckland University.

Some asset management initiatives have been undertaken with Queenstown Lakes District Council and Waitaki District and the council remains open to working with others. In the future - with robust information systems and remote working methods in place – greater collaboration can be expected to move beyond neighbouring entities.

Following the 2023 Section 17A review, CODC is going to investigate jointly procuring at an operational level with other local authorities:

- Design services for bridge inspections, condition ratings, design standardisation and procurement.

6.4 Direct Appointments and Pre-Qualification Arrangements

Pre-qualification is achieved through meeting SiteWise Green requirements. This applies to all contractors and subcontractors. All suppliers must have a current SiteWise rating of 75 or higher to undertake work on the council's property, including the road corridor.

The council is also aware of the importance of resilient supply chains. Ensuring these remain available for the overall benefit of the community remains a key part of the council's Organisation-wide procurement. There is no buy-local premium in place, but local suppliers are preferred 'all things being equal'.

Direct appointments or closed contests are made for works and assignments of up to \$100,000 in line with Waka Kotahi Procurement Manual Rule 10.9.

7 Implementation

7.1 Internal Capability and Capacity

Council's Organisational Skills and Resources

Central Otago District Council is a small-medium sized local authority servicing an extensive area. Transportation management functions are based in Alexandra with customer service centres also located in Cromwell, Ranfurly and Roxburgh.

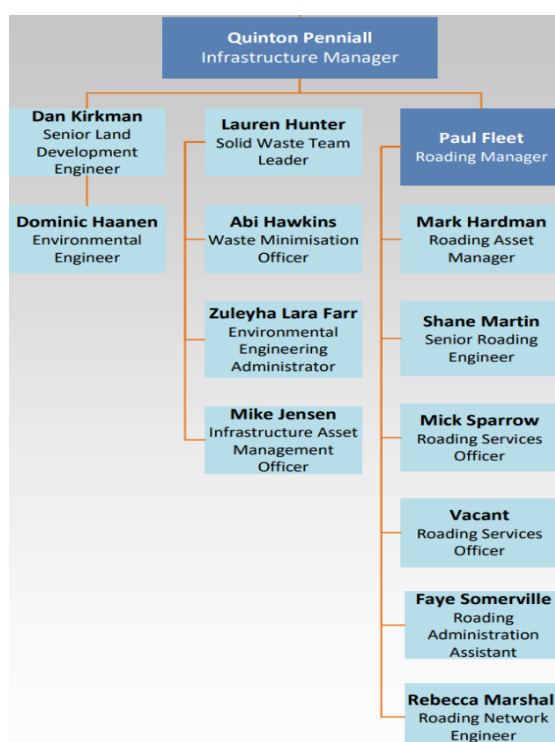
The council currently uses a mix of its own staff and external resources (where appropriate) to deliver levels of service and achieve associated planning and programmes. This is appropriate given that Central Otago District Council targets an 'Intermediate' level of maturity for asset management practice.

Audits undertaken by Audit NZ and Waka Kotahi confirm planning, management and service delivery is undertaken satisfactorily.

In preparing this procurement strategy CODC has undergone a smart buyer assessment which identified opportunities for improvement and the need to increase asset management resource to develop and maintain forward work programs.

Council Structure

The structure of the Roding Business Unit is illustrated below.



7.2 Internal Procurement Processes

Contract Administration Manual

The council has a Contract Administration Manual. This is designed to represent good practice in calling for, evaluating and awarding tenders (when it is appropriate or required to go to the market by tender).

It also establishes good work rules for administering contracts, allied to the good work rules developed in each work stream.

A review is imminent.

Finance Policy/Corporate Services Manual

This establishes the process for procurement of minor works by engagement through a purchase order arrangement (typically small-scale goods and services).

Delegation Registers

The delegations to staff associated with Transportation (as of June 2016) are listed on the table below.

Planning and Infrastructure		
Specified Officer Categories		
Level	Job role	Cost Centre
\$500,000	Group Manager – Planning and Infrastructure	All Cost Centres
\$200,000	x	x
\$50,000	Property and Facilities Manager Planning and Regulatory Services Manager Roading Manager Infrastructure Manager	Property and Facilities Cost Centres Regulatory Services and Planning Cost Centres Roading Cost Centres Roading and Environmental Engineering Cost Centres
\$20,000	Environmental Health Team Leader and Licensing Inspector Team Leader – Enforcement and Animal Control	Environmental Health and Alcohol Cost Centres Dog Control and Enforcement Cost Centres
\$10,000	Property and Facilities Officers Buildings Management Officer Team Leader – Planning Support Team Leader – Regulatory Support Building Solid Waste Team Leader Team Leader - Statutory Team Leader - Assets	Property and Facilities Cost Centre Property and Facilities Cost Centre Resource Management Cost Centre Building Cost Centre Waste Minimisation Cost Centres Property and Facilities Cost Centres Property and Facilities Cost Centres
\$5,000	x	x
\$2,000	Planning Officer LIM Officer Executive Assistant - Planning and Infrastructure Environmental Health Officer Consent Officer – Building Regulatory Support – Building Waste Minimisation Officer Property and Facilities Administrator	Planning Cost Centres LIM Cost Centres Planning and Environment Cost Centres Environmental Health Cost Centres Regulatory Services Cost Centres Regulatory Services Cost Centres Waste Minimisation Cost Centres Property and Facilities Cost Centres

Pecuniary Interests and Conflict of Interest

As with much of provincial New Zealand there are strong relationships within and across community sectors. The council is aware of this and to avoid any risk of inappropriate decision making or impression of bias, maintains a register of conflicts of interest. Where such conflicts could, or could be seen to influence a procurement process, those persons identified are excluded from decision making.

Probity and Specialist Advisors

Qualified tender evaluators are required for all contracts with an estimated value over \$200,000 where the works will receive financial assistance from Waka Kotahi. Project managers will determine if a qualified tender evaluator is required for other evaluations

For significant contracts, particularly multi-year contracts, the council considers the involvement of a probity auditor, or a specialist advisor for tender evaluations and/or negotiations.

A relationship exists with appropriate suppliers so these skills can be accessed.

Contract Management Approach

All physical works are undertaken by contractors as part of maintenance or capital works contracts. These works are managed by a combination of council's in-house Professional Services Unit and external specialists.

Engineering and infrastructure planning services are managed by the in-house Professional Services Unit as well as external specialists where appropriate.

The outcomes achieved through the shared risk contract model have proven to be excellent and a topic of papers presented to the sector by the council and Contractor staff. Strong relationships and a focus on results is key to this.

7.3 Performance Measurement and Monitoring

The appropriateness and effectiveness of this strategy will be evaluated on an on-going basis as works and services are procured; and reviewed regularly.

Broadly the success of transportation service delivery can be measured by:

1. Volume of public demand
2. Response times
3. Achievement of program
4. Actual expenditure against forecast expenditure
5. Cost effectiveness of our service

Transparency and accountability checks occur through the council's normal business practices including audits by Audit New Zealand and procedural and technical audits by Waka Kotahi on subsidised transport activities. Results from audits have been positive to date.

Achievement is tracked through the council's quarterly reporting systems as well as the Waka Kotahi Performance Monitor. Currently there is no key performance indicator framework for procurement, this will be considered as part of the wider the council documentation.

Future Endorsement and Revision

In terms of Waka Kotahi Procurement Manual Rule 10.4, endorsement of the Procurement Strategy is required at least every three years. A review shall be undertaken prior to seeking such endorsement.

Any significant departures from the approach discussed in this strategy will be the subject of special application to the council and Waka Kotahi.

7.4 Improvement Plan

The council acknowledges there are opportunities to improve this strategy and the council's procurement processes.

The items identified in the REG Procurement Self-Assessment are being addressed through the development of this Procurement Strategy and the Activity Management Plan and supporting Business Cases that will form the basis of investment included as part of the 2021 LTP and NLTP.

7.5 Communication Plan

This third iteration is an update of the first and second Waka Kotahi endorsed strategy and outlines the changes that the council has made to the in-house Roding Unit and highlights the council's collaboration and commitment to on-going improvement.

Dates of versions and their adoption/endorsement are included in the Preface to this Strategy.

The council will provide opportunities for key stakeholders to comment on the strategy, including suppliers, neighbouring Local Authorities and associated entities.

7.6 Approval and Implementation Responsibilities

The following council staff are responsible for the approval and implementation of the Procurement Strategy:

Approval of Plan
Elected members of Central Otago District Council.

Implementation of Plan
Saskia Righarts (GM Business Support), Quinton Penniall (Infrastructure Manager)

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2 August 2023

Quinton Penniall
Infrastructure Manager
Central Otago District Council
P O Box 122
Alexandra 9340

Dear Quinton,

Transport Activity Procurement Strategy Endorsement

Thank you for your request seeking endorsement from the Waka Kotahi NZ Transport Agency for the Procurement Strategy dated 1 August 2023.

I am pleased to confirm that Waka Kotahi has reviewed the *Procurement Strategy for Transportation Activities* dated 1 August 2023. This document forms Central Otago District Council's Procurement Strategy, the requirements of which are outlined in the Waka Kotahi Procurement Manual.

We are satisfied that it meets the requirements of the Waka Kotahi Procurement Manual and formally endorse the Procurement Strategy effective 2 August 2023.

We would like to draw your attention to the following matters. Waka Kotahi:

1. approves the continued use of in-house professional services by Central Otago District Council, in accordance with s26 of the Land Transport Management Act, with much the same scope and scale as it has in the past.
2. approves the continued use of a variation to the rules in the Procurement manual, section 10.21 *Maximum term of a term service contract for infrastructure or planning and advice* allowing Central Otago District Council to use a maximum term of seven years (3+2+2 years) for the current road maintenance term service contract. Subsequent to this approval, Waka Kotahi also approved a further variation to the rules in Procurement manual, section 10.21 *Maximum term of a term service contract for infrastructure or planning and advice* allowing Central Otago District Council to extend the expiry date of the term services contract by six months to a latest expiry date of 30 June 2024.
3. approves the continued use of a variation to the rules in the Procurement manual, section 10.5 *Procurement procedure advanced components* allowing Central Otago District Council to use a shared risk delivery model and a quality-based supplier selection for the current road maintenance term service contract.
4. approves the use of a variation to the rules in the Procurement manual, section 10.5 *Procurement procedure advanced components* allowing Central Otago District Council to use a shared risk delivery model for the new road maintenance term service contract.

The Waka Kotahi Procurement Manual requires approved organisations to review their Procurement Strategy at a minimum once every three years and ensure that they always remain fit for purpose. The Procurement Strategy's endorsement will expire on the 2 August 2026, and you are encouraged to seek endorsement of a new or revised Procurement Strategy in advance of this date.

If you would like to discuss this matter further, please do not hesitate to contact Philip Walker, Approved Organisations Senior Procurement Advisor, directly on 021 633986.

Yours sincerely



Shane Avers

Acting Senior Manager Procurement

23.8.9 PLACES OF REMEMBRANCE PROJECT

Doc ID: 659073

1. Purpose of Report

To consider a proposal to recognise public streets/roads in Central Otago that are named after soldiers with a new name blade that includes a poppy.

Recommendations

That the Council

- A. Receives the report and accepts the level of significance.
 - B. Approves the proposal to add a poppy to name blades of roads named after individuals who have served.
-

2. Background

Council has been approached by the Alexandra-Clyde Returned and Services Association (RSA) to take part in the Places of Remembrance Project being managed by New Zealand Poppy Places Trust. The project is about providing a place where individual contributions and stories are linked to a physical place by the simple placement of a poppy on the road name blade. By using the poppy to mark these places, those that pass by will also be reminded of the service and sacrifice within our community.

Royal New Zealand RSA has approved the use of the poppy and the Minister of Transport, through Waka Kotahi, has authorised the poppy logo to be placed on the street name blades.



Figure 1: Poppy Places Example

3. Discussion

Every road or street named after a soldier is in effect a place of remembrance. We have a number of existing roads named after individuals from our district who have served. These names have either been proposed by developers or taken from the Central Otago District Council (CODC) approved road name list. The RSA fully supports this recognition and remembrance of service. The places of remembrance project is an ideal way to add to this and preserve the story behind the names as well as some local history.

Alexandra-Clyde RSA proposal is for an RSA/CODC partnership. Once the roads and streets have been identified and agreed RSA would undertake the registration and research. Council's roading team would arrange for the replacement and installation of the updated name blades.

The process of establishing a Poppy Place is:

RSA: Identify the road/street named after an individual who has served. Register it with the Poppy Places Trust and notify Central Otago District Council. Research and create a story about the place / individual that will be published on the trust website.

CODC: Obtain and install a replacement or new name blade for the road.

Future named roads for individuals who have served would be included in this initiative.

Consideration should also be given to rolling out approval for this concept to other RSA organisations within our district should Council be approached by other RSA groups to be included in the Places of Remembrance Project.

4. Financial Considerations

Costs for the road signs will be met by existing signage budgets. Estimated to be \$200 per sign including installation and GST.

5. Options

Option 1 – (Recommended)

To accept the proposal to recognise roads and streets in Central Otago that are named after soldiers with a new name blade that includes a poppy.

Advantages:

- Support local RSA initiative to remember fallen soldiers in our district.

Disadvantages:

- Cost of replacement name blades.

Option 2

Decline the proposal and retain the status quo.

Advantages:

- No new signage required.

Disadvantages:

- Not supporting a community initiative.

6. Compliance

Local Government Act 2002 Purpose Provisions	This decision promotes the social and cultural wellbeing of communities, in the present and for the future by supporting local initiative and preserving local history.
Decision consistent with other Council plans and policies? Such	Decision is consistent with other policies.

as the District Plan, Economic Development Strategy etc.	
Considerations as to sustainability, the environment and climate change impacts	Managing change while protecting and enhancing our culture, heritage and landscape is one of the council's sustainability goals. This initiative has the ability to celebrate culture and heritage aspects of the area. This project has no climate change impacts or benefits.
Risks Analysis	Adding poppies to road name blades presents no discernible risk.
Significance, Consultation and Engagement (internal and external)	The decision does not trigger engagement under the Significance and Engagement Policy.

7. Next Steps

Advise RSA of decision.

8. Attachments

Nil

Report author:



Faye Somerville
Roading Administration Assistant
11/08/2023

Reviewed and authorised by:



Quinton Penniall
Infrastructure Manager
13/08/2023

23.8.10 ELECTORAL SYSTEM REVIEW

Doc ID: 658999

1. Purpose of Report

To consider the electoral system to be used by Central Otago District Council for the 2025 Triennial Elections.

Recommendations

That the Council

- A. Receives the report and accepts the level of significance.
 - B. Agrees that Council retains the current First-Past-the-Post voting system and gives public notice not later than 19 September 2023 of the right to demand a poll on the electoral system to be used by Council.
-

2. Background

The Local Electoral Act 2001 (the Act) governs the conduct of local government elections in New Zealand. All local authorities have the opportunity to review their electoral system two years before the next triennial election. This review applies to both Council and community board elections. Any decision on changes to the electoral system for the 2025 triennial election must be made by 19 September 2023.

3. Discussion

Historically, First-Past-the-Post was the only electoral system used for all local authority elections in New Zealand. Changes to legislation in 2001 made Single Transferable Voting optional for local authorities.

The two systems available to Council are:

1. The First-Past-the-Post system

The Central Otago District Council currently utilises the First-Past-the-Post electoral system which is in line with the majority of local authorities in the country. Under this system, electors vote by ticking their preferred candidate(s). The candidate(s) receiving the highest number of votes is declared elected.

2. The Single Transferable Voting system

This option was used by fifteen Local Authorities in the 2022 elections and was previously used for District Health Boards elections (as was required by the Act).

Under this system, electors rank candidates in their order of preference. The number of votes needed for a candidate to be elected (called the quota) depends on the number of positions to be filled and the number of valid votes cast.

The necessary number of candidates to fill all vacancies is achieved by:

- The counting of first preferences
- A transfer of a proportion of votes received by any candidate where the number of votes for that candidate exceeds the quota
- The exclusion of the lowest polling candidates and the transfer of these votes in accordance with the voters' second preferences

In carrying out the review in accordance with the Act, Council:

- May resolve to change the electoral system to the Single Transferable Voting system; or
- May resolve to hold a poll on the issue; and
- Must notify the right to demand a poll unless Council has resolved to hold a poll.

If the electoral system is changed from the electoral system used at the last election, this will be in effect for the next two triennial elections and continues in effect until either a further resolution of Council or a poll of electors to change it (s27 of the Act).

Public Notice Requirements

Unless Council resolves to hold a poll, public notice must be given by 19 September 2023 of the right to demand a poll on the electoral system to be used. Where Council has passed a resolution to change the electoral system used previously, the public notice must include notice of that resolution and state that a poll is required to change that resolution (s28 of the Act).

Polls

A demand for a poll to change the electoral system can be made at any time however, to be effective for the 2022 triennial election, a valid demand must be received by Council by 21 February 2024.

Under s30 of the Act, in order to be valid, a demand for a poll must be signed by at least 5% of electors enrolled as eligible to vote at the previous triennial election of Council. The number of enrolled voters at the time of the 2022 local body elections was 16,935. For a poll to be valid and have reached the 5% threshold, it would need to be signed by 847 enrolled voters in the Central Otago district.

If a valid demand for a poll is received by Council or Council itself resolves to hold a poll on the electoral system by 21 February 2024, then the poll must be held by 21 May 2024 and the outcome will apply from the 2025 election.

If a valid demand for a poll is received after 21 February 2024, a poll must be held after 21 May 2024 and the outcome will not apply until the 2025 election.

If the electoral system to be used by Council is changed as the result of a public poll, then the change is effective for the next two triennial elections and continues in effect until either a further resolution under s27 of the Act take effect; or a poll of electors is held.

4. Financial Considerations

There are no specific considerations to be made for this decision, as there will be cost to run the next local body election regardless of which electoral system is used.

5. Options

Option 1 – (Recommended)

Retain the current voting system and resolve to give notice of the right of the public to demand a poll

Council must publicly notify electors to advise them of their right to demand a poll except where Council calls for a poll itself. Electors then have the right to demand a poll on the electoral system to be used for the next two triennial elections. To initiate a poll, 5% or more of electors may at any time demand a poll based on a proposed (specified) electoral system be used for elections of council and community boards.

For a poll to change the electoral system in use for the 2025 triennial election it must be received by 21 February 2024 to enable the poll to be held by 21 May 2024. The result of the poll is effective for two triennial elections. If no demand for a poll is received, the status quo remains and First-Past-the-Post will be used for the 2025 elections.

Advantages:

- Meets legislative requirements.
- Gives the community the opportunity to change the current system.

Disadvantages:

- Additional costs for a poll if demanded.

Option 2 – Change to Single Transferable Voting system

Council could resolve to change to the Single Transferable Voting system. Council must then publicly notify electors to advise them of their right to demand a poll. If no valid demand for a poll is received, then the Single Transferable Voting system would be the electoral system used for at least the next two triennial elections. If a valid demand for a poll is made by 21 February 2024, then the decision would be subject to the outcome of the poll.

Advantages:

- May promote proportional representation.
- Provides advantage to lesser known candidates.

Disadvantages:

- Significant public consultation and publicity campaign required.
- Potentially confusing and complicated.

- Higher administrative costs.

Option 3 – Council resolves to hold a poll

Council itself may resolve to hold a poll of electors on a proposal that a specified electoral system be used. The decision to hold a poll could be made anytime, but to be effective for the 2025 triennial election, must be made by 21 February 2024. The poll must then be held by 21 May 2024, the result effective for at least two triennial elections.

Advantages:

- A mandate is provided through a poll.

Disadvantages:

- Significant public consultation and publicity campaign required
- Cost of holding the poll
- Potentially confusing and complicated.

6. Compliance

Local Government Act 2002 Purpose Provisions	This decision enables democratic local decision making and action by, and on behalf of communities by by deciding which electoral system should be used.
Decision consistent with other Council plans and policies? Such as the District Plan, Economic Development Strategy etc.	Yes – the recommended option is allowed for in existing budgets.
Considerations as to sustainability, the environment and climate change impacts	Yes, this is a procedural issue so is not inconsistent with other plans and policies.
Risks Analysis	There are no implications arising from the report.
Significance, Consultation and Engagement (internal and external)	Regardless of which option is chosen, public notice must be given by 19 September 2023 of the right to demand a poll on the electoral system to be used. Where Council has passed a resolution to change the electoral system used previously, the public notice must include notice of that resolution and state that a poll is required to countermand that resolution (s28 of the Act).

7. Next Steps

The public notice will be issued before 19 September 2023 as described above. No further public communications are required for this report.

8. Attachments

Nil

Report author:



Wayne McEnteer
Governance Manager
17/07/2023

Reviewed and authorised by:



Saskia Righarts
Group Manager - Business Support
14/08/2023

23.8.11 FINANCIAL REPORT FOR THE PERIOD ENDING 31 MAY 2023

Doc ID: 656457

1. Purpose

To consider the financial performance for the period ending 31 May 2023.

Recommendations

That the report be received.

2. Discussion

The presentation of the financials includes two variance analysis reports against both the financial statement and against the activities. This ensures Council can sight the variances against the ledger, and against the activities at a surplus/(deficit) value. The reason for the second variance analysis is to demonstrate the overall relationship between the income and expenditure at an activity level.

The third report details the expenditure of the capital works programme across activities. This helps track key capital projects across the year and ensures the progress of these projects remains transparent to Council.

The fourth and fifth reports detail the internal and external loans balances. The internal loans report forecasts the balance as at 30 June 2023, whereas the external loans show the year-to-date current balances due to payments throughout the year.

This report uses the below key to identify the favourable or unfavourable variances.

Abbreviation key for report

F = Favourable

U = Unfavourable

I. Statement of Financial Performance for the period ending 31 May 2023

2022/23		11 MONTHS ENDING 31 MAY 2023				2022/23
Annual Plan \$000		YTD	YTD	YTD		Revised Budget \$000
		Actual \$000	Revised Budget \$000	Variance \$000		
	Income					
36,238	Rates	33,385	33,186	199	●	36,238
6,062	Govt Grants & Subsidies	6,247	6,008	239	●	6,552
8,161	User Fees & Other	7,548	8,114	(566)	●	8,729
14,930	Land Sales	14,261	6,294	7,967	●	14,930
2,233	Regulatory Fees	2,384	2,047	337	●	2,233
2,192	Development Contributions	4,240	2,009	2,231	●	2,192
500	Interest & Dividends	201	458	(257)	●	500
-	Reserves Contributions	559	-	559	●	-
-	Profit on Sale of Assets	169	-	169	●	-
40	Other Capital Contributions	127	26	101	●	41
70,356	Total Income	69,121	58,142	10,979	●	71,415
	Expenditure					
13,876	Staff	12,430	13,023	593	●	14,207
603	Members Remuneration	591	552	(39)	●	603
7,828	Contracts	7,941	7,291	(650)	●	9,185
2,735	Professional Fees	2,456	2,973	517	●	3,304
10,857	Depreciation	15,678	9,953	(5,725)	●	10,857
11,232	Costs of Sales	4,842	4,257	(585)	●	11,232
4,182	Refuse & Recycling Costs	3,284	3,833	549	●	4,182
-	Cost Allocations	(4)	-	4	●	-
1,799	Repairs & Maintenance	1,637	1,757	120	●	1,911
1,433	Electricity & Fuel	1,116	1,303	187	●	1,421
-	Loss on Sale of Asset	146	-	(146)	●	-
636	Grants	1,268	715	(553)	●	763
1,118	Technology Costs	1,000	999	(1)	●	1,095
378	Projects	734	1,187	453	●	1,289
658	Rates Expense	774	603	(171)	●	658
474	Insurance	614	434	(180)	●	474
526	Interest Expense	510	451	(59)	●	1,635
3,222	Other Costs	2,590	3,146	556	●	2,243
61,557	Total Expenses	57,607	52,477	(5,130)	●	65,059
8,799	Operating Surplus / (Deficit)	11,514	5,665	5,849	●	6,356

This table has rounding (+/- 1)

1

The financials for May 2023 show an overall favourable variance of \$5.849M. For income, development contributions of \$2.231M and land sales of \$7.967M are higher than budgeted. User fees and charges (\$566k) and interest and dividends (\$257k) are lower than budget. For expenditure, depreciation of (\$5.725M), cost of sales (\$585k), grants (\$553k) and contracts (\$650k) and interest expense (\$59k) are higher than budget. This is offset by other costs \$556k, professional fees \$517k, refuse and recycling costs \$549k and projects \$453k.

Income of \$69.121M against the year-to-date budget of \$58.142M

Overall, income has a favourable variance against the revised budget by \$10.979M. This is being driven by the timing of land sales variance of \$7.967M (F), development contributions \$2.231M (F), offset by the timing of Waka Kotahi subsidies (U), and metered water charges (U).

The main variances are:

- **Government grants and subsidies \$239k F** - The main drivers behind this variance include the Three Waters transition support funding \$195k, New Zealand Lotteries funding for Alexandra Community centre \$298k, Alexandra Riverpark funding \$125k, funding for the freedom camping programme \$110k, and Better off Funding for three projects: Alexandra pool \$95k, Cromwell pool \$118k and Roxburgh pool fencing \$108k. This is offset by an unfavourable variance for Waka Kotahi New Zealand Transport Agency (Waka Kotahi) roading subsidies (\$748k). Subsidies are claimed for both the operational and capital roading work programmes and fluctuate based on the work programme.
- **User fees and other (\$566k) U** – Metered water charges has an unfavourable variance of (\$718k). The water usage over the summer period is less than expected, with an estimated short fall of \$400k against a full year budget of \$2.1M. This is offset by a favourable variance from other income for environmental engineering management \$72k and other income of elderly persons housing \$80k.
- **Land sales \$7.967M F** – This is due to Cromwell Cemetery Road industrial subdivision sales, which have come through in May 2023. Dunstan Park subdivision stage 3 is nearly complete with a few sections remaining to be sold.
- **Regulatory fees \$337k F** – Building permit fees are higher than budget by \$383k. Building permit fees are difficult to gauge as they rely on applications being made.
- **Development Contributions \$2.231M F** – This variance relates to the timing of development contributions which are dependent on the resource consent process and developer timeframes. Cromwell development contributions in roading, water and wastewater are higher than budget.
- **Interest and dividends revenue (\$257k) U** - Large projects are being predominately managed within cashflows, minimising the level of loan funding uplifted. This results in less cash available to be invested. There are currently \$10M term deposits as at May 2023. This is due to the land sales from Cemetery Road providing cashflow to be invested.
- **Reserves contributions \$559k F** – These are difficult to gauge when setting budgets and are dependent on developers' timeframes. As with development contributions above, these are mainly for the Cromwell area.

Expenditure of \$57.607M against the year-to-date budget of \$52.477M

Expenditure has an unfavourable variance of (\$5.130M). The main drivers behind this are contracts, depreciation, grants, insurance, and cost of sales. Offsetting this favourable variance is staff, professional fees, refuse and recycling costs, projects, and other costs.

The main variances are:

- **Staff \$593k F** – This is due to the lag between staff movements and the replacement of new staff, plus the relevant recruitment costs.
- **Contracts (\$650k) U** – Contract expenditure is determined by workflow and the time of the contract. The outcome of this is that the phased budget will not necessarily align with actual expenditures, meaning some work appears favourable and some contracts spend year to date appears unfavourable. Contract order works has a favourable variance of \$302k. This

includes parks and reserve contracts \$119k, elderly persons housing contract \$80k and commercial buildings contract \$80k. The physical works contract has an unfavourable variance of (\$807k). This relates to wastewater operations (\$320k) and water operations (\$544k). Water supply operations have seen an increase in service requests and re-active repairs, along with an increase of (\$181k) in sampling costs to meet new drinking water rules (Council resolution 23.4.5). The wastewater operations variance is due to the July 2022 flooding events where the Omakau treatment pond was flooded. Repair costs of \$165k are being funded through the emergency works funds.

- **Professional fees \$517k F** - Spatial planning works and the District Plan review have been delayed. This is due to staff concentrating on consenting.
- **Costs of sales (\$585K) U** – Cost of sales are linked to the land sales mentioned earlier and reflect the development costs for subdivisions. The subdivision costs are held on the balance sheet in 'property and intended for sales' until each stage is complete and land sales are received. Development costs for Cromwell Cemetery Road industrial land and Dunstan Park subdivision stage 3 have been released to cost of sales. There are still some final expenses to be received and allocated for both subdivisions.
- **Refuse and recycling costs \$549k F** – The waste management activity can fluctuate depending on the amount of waste being processed. This favourable variance is due to timing of clean fill management costs \$137k and the emissions trading scheme \$212k. Emission trading is behind budget due to the Queenstown Lakes District Council successfully implementing a unique emission factor during 2022 calendar year which is invoiced in May 2023.
- **Depreciation (\$5.725M) U** – The 30 June 2022 revaluation of assets created a significant increase to the value of the assets held on the fixed asset register. As a result, the depreciation costs for the assets have also increased. Revaluations included: land and buildings, waste assets, water, wastewater, stormwater and roading. Due to the timing of the revaluations this additional depreciation cost has not been collected through rates income.
- **Grants (\$553k) U** – This is predominately due to the Roxburgh Pool grant of (\$500k). This grant was brought forward from last financial year. The remaining variance is due to district grants of \$10k to Central Otago Goldfield Trust funded from general reserves (resolution 22.7.9), a Vincent grant of \$26k to Alexandra District Museum Incorporated funded from general reserves (resolution 22.2.4) and a Cromwell grant of \$49k to Cromwell Bike Park funded from Cromwell reserves contribution fund (resolution 22.4.7).
- **Projects \$453k F** - This is due to favourable variance of Tourism Central Otago projects \$195k, infrastructure management \$198k, regional identity \$54k and road safety \$55k. The Southland Otago Three Waters Director position is a cost share arrangement with other councils in the area to assist with the Three Waters reform.
- **Rates Expense (\$171k) U** – Central Otago rates expenses for 2022/23 on council owned property has been paid in full during the first quarter of this financial year, while the budget has been recognised over a 12-month period.
- **Other costs \$556k F** - A detailed breakdown for other costs is tabled below.

Other costs breakdown

2022/23 Annual Plan \$000	Other Costs breakdown	YTD Actual \$000	YTD Revised Budget \$000	YTD Variance \$000		2022/23 Revised Budget \$000
678	Administrative Costs	507	610	103	●	678
662	Office Expenses	522	608	86	●	662
1,712	Operating Expenses	1,253	1,567	314	●	1,712
135	Advertising	42	123	81	●	135
178	Valuation Services	196	163	(33)	●	178
81	Retail	70	75	5	●	81
3,446	Total Other Costs	2,590	3,146	556		3,446

This table has rounding (+/- 1)

- Other costs include only need based expenses which fluctuate against budget from time-to-time. There is no significant variance of note to report on at present.

II Profit and Loss by Activity for the period ending 31 May 2023

ACTIVITY	INCOME			EXPENDITURE			SURPLUS/(DEFICIT)			
	Actuals \$000	Revised \$000	Variance \$000	Actuals \$000	Revised \$000	Variance \$000	Actuals \$000	Revised \$000	Variance \$000	
Infrastructure	4,698	2,467	2,231	128	413	285	4,570	2,054	2,516	●
Roading	9,840	10,422	(582)	11,267	7,905	(3,362)	(1,427)	2,517	(3,944)	●
Waste Management	5,514	5,462	52	4,893	5,169	276	621	293	328	●
Parks Reserves Recreation	7,414	7,040	374	6,825	6,884	59	589	156	433	●
Corporate Services	195	189	6	2,213	1,986	(227)	(2,018)	(1,797)	(221)	●
People and Culture	1,462	1,464	(2)	1,473	1,516	43	(11)	(52)	41	●
CEO	892	907	(15)	318	1,037	719	574	(130)	704	●
Property	18,747	10,190	8,557	9,120	8,489	(631)	9,627	1,701	7,926	●
Governance and Community Engagement	4,562	4,636	(74)	4,193	4,528	335	369	108	261	●
Planning (Regulatory)	5,594	5,194	400	5,036	5,599	563	558	(405)	963	●
Three Waters	9,706	10,134	(428)	12,135	8,940	(3,195)	(2,429)	1,194	(3,623)	●
Total*	69,121	58,142	10,979	57,607	52,477	(5,130)	11,514	5,665	5,849	●

This table has rounding (+/- 1)

* The funding activity has been removed as this is not an operational activity.

- Infrastructure \$2.516M F** – Income has a favourable variance of \$2.231M. This is due to the timing of development contribution revenue. Cromwell development contributions in water, roading and wastewater are higher than budgeted. Expenditure has a favourable variance of \$285k. This variance is due to the Southland Otago Three Waters Director position. This expenditure is a shared arrangement with other councils in the areas to assist with the Three Waters reform and is allocated based on time spent on the activity any unspent funding will be carried forward to the 2023/24 financial year.
- Roading (\$3.944M) U** – Income has an unfavourable variance of (\$582k). This is due to the Waka Kotahi subsidy. This subsidy moves in conjunction with the subsidised roading operating and capital work programme. Expenditure has an unfavourable variance of (\$3.362M). This is mainly due to depreciation (\$3.789M) and professional fees (\$154k). The professional fees are offset by a favourable personnel costs variance of \$227k.

- **Waste Management \$328k F** – Income has a favourable variance of \$52k. This is due Environmental Engineering charge for processing resource consents there is an increase in number of applications for development contribution assessments. Expenditure has a favourable variance by \$276k. Emission trading is behind budget due to the Queenstown Lakes District Council successfully implementing a unique emission factor during the 2022 calendar year which is invoiced in May 2023.
- **Parks and Recreation \$433k F** – Income has a favourable variance \$374k. This is due to Better off funding received for Alexandra Pool \$94k, Cromwell Pool \$118k and Roxburgh Pool fencing \$108k, along with \$125k from Ministry of Business, Innovation and Employment for the Alexandra River Park. Expenditure has a favourable variance of \$59k. Parks and reserves depreciation is lower than expected by \$827k. This is due to other reserves Alexandra \$210k, Cromwell reserves \$257k, Molyneux park \$81k, and Clyde and Fraser domain \$73k. This is offset by swimming pools depreciation of (\$357k), and Roxburgh Pool grant of (\$500k).
- **Corporate Services (\$221k) U** – Income has a favourable variance of \$6k. Expenditure has an unfavourable variance of (\$227k). This is due to insurance premium being higher than expected. Council has approved this increase as per resolution number 22.10.7.
- **People and Culture \$41k F** – Income has an unfavourable variance of (\$2k). Expenditure has a favourable variance of \$43k. Main drivers to this variance are office expenses \$15k, staff remuneration \$25k and electricity \$6k. This is offset by professional fees (\$16k) and depreciation (\$7k).
- **CEO \$704k F** – Income has an unfavourable variance of (\$15k). User fees and other is behind budget by (\$15k). This variance is due to income that was to be received from the Otago Regional Council, due to cost recovery from a joint project. This project is no longer going ahead. Expenditure shows a favourable variance of \$719k. This is predominately due to the favourable variance for professional fees \$99k, staff \$283k, other costs \$25k and strategic planning \$43k.
- **Property \$7.926M F** – Income shows a favourable variance of \$8.557M. This is mainly due to the land sales of Cromwell cemetery road industrial land. Expenditure has an unfavourable variance of (\$631k). This is due to cost of sales for Dunstan Park stage 3 and Cemetery Road industrial land processed against land sales as mentioned earlier.
- **Governance and Community Engagement \$261k F** – Income has an unfavourable variance of (\$74k). All funding from the Ministry of Business, Innovation and Employment for tourism of \$1.7M has been received. Expenditure has a favourable variance of \$335k. This is due to governance of \$79k, community engagement of \$18k, promotions and tourism of \$63k, visitor information centres and regional identity of \$107k. Regional identity has a favourable variance of \$128k. This is due to position being vacant for some time and recently filled, which has led to delays in the work programme delivery. Visitor information centre has an unfavourable variance of (\$21k). There are coding issues between service centres and the Roxburgh Visitor Centre, and this is currently under investigation and will be fixed before the end of the financial year. Community development has a favourable variance of \$69k, due to timing of recruitment for welcoming development officer position.
- **Planning (Regulatory) \$963k F** – Income has a favourable variance of \$400k. This is due to building permit fees of \$419k. Expenditure has a favourable variance of \$563k. This is due to the timing and need of planning consultants \$378k, recoverable professional fees (\$101k) and legal fees \$11k. Spatial planning works and the District Plan review have been delayed. This is due to staff concentrating on consenting.
- **Three Waters (\$3.623M) U** – Income has an unfavourable variance of (\$428k). This is predominately due to the timing of metered water sales (\$718k). The water usage over the summer period is less than expected with an estimated short fall of \$400k against a full year

budget of \$2.1M. Expenditure has an unfavourable variance of (\$3.195M). The main drivers include depreciation of (\$2.36M), physical works contract on water supply operations (\$545k) and wastewater operations (\$321k). The water supply operations have seen an increase in service requests and re-active repairs. The wastewater operations variance is due to the July 2022 flooding events where the Omakau treatment pond was flooded. The repair cost of \$165k is being funded through the emergency works funds.

2

II. Capital Expenditure

Year-to-date, 39% of the total capital spend against the full year's revised capital budget, has been expensed.

2022/23 Annual Plan	CAPITAL EXPENDITURE	YTD Actual	YTD Revised Budget	YTD Variance		2022/23 Revised Budget	Progress to date against revised budget
\$000		\$000	\$000	\$000		\$000	
16,190	Council Property and Facilities	3,158	19,606	16,448	●	24,516	13%
400	Waste Management	118	830	712	●	905	13%
	Customer Services and	37	87	50			39%
50	Administration				●	95	
481	Vehicle Fleet	84	372	288	●	597	14%
58	Planning	13	373	360	●	407	3%
260	Information Services	402	1,086	684	●	1,493	27%
165	Libraries	151	398	247	●	492	31%
1,482	Parks and Recreation	830	2,256	1,426	●	2,551	33%
7,205	Roading	4,459	9,109	4,650	●	9,937	45%
23,987	Three Waters	19,864	31,472	11,608	●	34,334	58%
50,278	Grand Total	29,116	65,589	36,473		75,327	39%

This table has rounding (+/- 1)

Council Property and Facilities \$16.448M F – The main drivers to this variance are resource constraints. The Alexandra Airport terminal: pavement renewal project the Council has approved additional budget of \$445k to Alexandra Airport project. The additional budget is to be funded from existing budgets for new hanger site development which will be delayed until a new financial strategy for the Airport has been developed through the 2024-34 Long-term Plan process (Resolution 23.5.8). Molyneux park toilet is waiting for resource consent and it will be carried forward to next financial year. The Cromwell Memorial Hall project is still in design phase with details design expected to be completed within the next few months. Demolition of existing building and construction is expected to start by end of 2023. The Cromwell Town Centre project is still in early concept plan phase.

3 Waste Management \$712k F – The green waste processing project along with the Roxburgh Transfer station reconfiguration and Cromwell transfer station upgrade project have not yet started. Cromwell and Roxburgh Transfer stations projects are at the design stages and will be carried forward to 2023/24 financial year.

Vehicle Fleet \$288k F – Vehicle renewals and purchases are under budget. The vehicle renewals programme is still ongoing, however there are expected delays due to global supply constraints. Unspent budgets will be carried forward to 2023/24 financial year.

Planning \$360k F – The dog pound project is at the final drawings stage with the completion in the next financial year. The dog registration software project which was carried over to this financial year has not yet started.

Information Services \$684k F – Information service projects are behind budget. Projects include geographical information systems \$107k, internet and network \$97k, strategy and development information records management \$43k, people information service \$28k, WAN optimisation \$97k, records management information system implementation \$26k, records digitisation \$58k, and system accountant and external support \$86k.

4

5 **Libraries \$247k F** – The Alexandra library building upgrade is behind budget by \$215k, with the project in the design stage.

6

Parks and Recreation \$1.426M F – This is driven by a mixture of the timing of project budgets, work programmes and contractors' availability to perform the work. Parks and reserves have a favourable variance by \$1.147M, with major projects including Alexandra town centre \$291k, Anderson Park \$103k, Cromwell reserves \$169k, Molyneux park \$182k, and Omakau recreational reserves \$133k. The Alexandra town centre includes the Alexandra River Park project is in the design phase. Molyneux park projects include the underground power lines and scooter track projects, to be carried forward to 2023/24. Anderson Park netball courts light project is being reassessed as the current lights are not used by the Netball Club. Omakau recreation reserves playground project to be carried forward to 2023/24 and is pending the location of the Omakau Community Hub. Cemeteries shows a favourable variance of \$68k. The Alexandra cemetery landscaping and planting project has been delayed due to the need to install power cables before continuing with this project. Swimming pools has a favourable variance of \$130k, including Cromwell Pool \$96k and Alexandra Pool \$36k.

Roading \$4.650M F – This is due to the timing of the work programme and budget. Roothing projects includes stage 2 of Clyde Heritage precinct project has favourable variance of \$850k. The project started in April 2023 and is expected to be completed in October 2023. Stage 3 of Clyde Heritage precinct shows a favourable variance of \$1.467M. Clyde Heritage precinct stage 3 has started in May 2023 and is expected to be carried forward to 2023/24 financial year. Roothing projects also include district wide footpath renewals \$424k, structures renewals \$549k, traffic services renewals \$36k, gravel purchases \$185k and Clyde bridge traffic lights \$320k.

Three Waters \$11.608M F – This is predominately due to timing of construction works, these can be ahead of budget or behind due to the work programme. The main driver includes Cromwell water treatment plant upgrade has a favourable variance of \$3.667M. The project is at the preliminary design stage, and it is expected to start work late 2023/24 financial year and be completed in 2024/25 financial year. Investigation works have been completed for Bridge Hill falling main with a variance of \$458k, design is underway with construction scheduled to begin next financial year. Lake Roxburgh village wastewater treatment plant upgrade has a favourable variance of \$825k. Investigation works are underway for an upgrade of the plant and the resources consent application is in progress. It is expected work will start in 2023/24 financial year. Cromwell Rising Main project has a favourable variance of \$2.036M. The project is at the final design stage and construction of a sleeve work has been completed. Tender is expected to

go out in June 2023 for construction. Dunorling pumpstation upgrade project has a favourable variance of \$1.283M. Majority of the project is expected to be completed as the end of this financial year and it will carry forward the uncompleted work to 2023/24 financial year.

III. Internal Loans

Forecast closing balance for 30 June 2023 is \$4.14M.

OWED BY	Original Loan	1 July 2022 Opening Balance	30 June 2023 Forecast Closing Balance
Public Toilets	670,000	468,048	443,899
Tarbert St Bldg	25,868	11,574	10,019
Alex Town Centre	571,418	263,603	229,507
Centennial Milkbar	47,821	18,192	14,973
Vincent Grants	95,000	9,500	-
Pioneer Store Naseby	21,589	9,609	8,213
Water	867,000	691,212	663,496
ANZ Bank Seismic Strengthening	180,000	143,504	137,750
Molyneux Pool	650,000	563,650	531,150
Maniototo Hospital	1,873,000	1,723,630	1,670,314
Alexandra Airport	218,000	197,216	189,584
Roxburgh Community Pool Upgrade*	250,000	-	241,384
Total	5,469,695	4,099,738	4,140,288

This table has rounding (+/- 1)

**The Roxburgh Pool loan has no opening balance as it has been uplifted in the 2022/23 financial year.*

IV. External Loans

The total amount of external loans at the beginning of the financial year 2022-23 was \$134k. As at 31 May 2023, the outstanding balance was \$76k. Council has received \$58k in principal payments and \$6k in interest payments.

Owed By	Original Loan	1 July 2022 Actual Opening Balance	Principal	Interest	31 March 2023 Actual Closing Balance
Cromwell College	400,000	95,351	37,543	4,574	57,808
Maniototo Curling	160,000	21,911	14,454	767	7,457
Oturehua Water	46,471	16,845	6,073	730	10,772
	606,471	134,107	58,070	6,071	76,037

This table has rounding (+/- 1)

Reserve Funds table

- As at 30 June 2022 the Council had an audited closing reserve funds balance of \$281k. This reflects the whole district's reserves and factors in the district-wide reserves which are in deficit at (\$27.814M). Refer to Appendix 1.
- Taking the 2021-22 audited Annual Report closing balance and adding 2022-23 income and expenditure, carry forwards and resolutions, the whole district is projected to end the 2022-23 financial year with a closing deficit of (\$59.200M). This is dependent of all capital funding being expensed, and based on year-to-date and current comments, this is not a realistic

expectation, meaning the reserves should finish with a more favourable result than currently forecast.

3. Attachments

Appendix 1 - CODC Reserves Table 2022-23.pdf [↓](#)

Report author:



Donna McKewen
Accountant
7/08/2023

Reviewed and authorised by:



Saskia Righarts
Group Manager - Business Support
7/08/2023

CODC RESERVE FUNDS

UNAUDITED - 2021/22 Annual Report

2022/23 AP Transfers

Adjusted
2022/23 AP
ClosingForecast 1 including Carry-
Forwards FY2022/23

RESERVES BY RATE TYPE	Opening Balance	Transfers In	Transfers Out	Closing Balance	Transfers In	Transfers Out	Closing Balance	In/Out	Closing Balance
	A	B	C	D = (A + B - C)					
General Reserves	811,442	3,230,263	(2,503,847)	1,537,696	6,334,778	(6,926,038)	946,436	(5,327,159)	(4,380,723)
Uniform Annual General Charge Reserves	173,261	40,594	(61,592)	152,263	8,421	(52,464)	108,220	44,068	152,288
	984,703	3,270,856	(2,565,439)	1,689,959	6,343,199	(6,978,502)	1,054,656	(5,283,091)	(4,228,435)
TARGETED RESERVES									
Planning and Environment Rate	2,373,966	358,171	(5,789)	2,726,348	135,459	-	2,861,807	(315,725)	2,546,082
Economic Development Rate	-	-	-	-	-	-	-	(14,000)	(14,000)
Tracks and Waterways Charge	476,845	79,860	-	556,705	46,070	(9,000)	593,775	(62,540)	531,235
Tourism Rate	250,771	213,166	(4,600)	459,336	41,019	-	500,355	(16,688)	483,667
Waste Management and Collection Charge	(2,203,067)	13,794	(818,155)	(3,007,428)	60,377	(438,595)	(3,385,646)	(508,377)	(3,894,023)
District Library Charge	65,694	60,138	(21,169)	104,663	14,416	(32,950)	86,129	(722,327)	(636,198)
Molyneux Park Charge	(78,746)	-	(4,113)	(82,859)	593	(105,395)	(187,661)	(179,177)	(366,838)
District Works and Public Toilets Rate	4,426,561	103,011	(281,829)	4,248,909	1,069,077	(452,308)	4,865,678	(1,023,315)	3,842,362
District Water Supply	(11,561,863)	2,365,947	(7,405,561)	(16,601,476)	1,283,423	(304,807)	(15,622,860)	(8,916,018)	(24,538,878)
District Wastewater	(11,768,288)	1,354,744	(7,763,179)	(18,176,723)	1,031,797	(9,209,449)	(26,354,375)	(1,497,278)	(27,851,654)
	(18,018,126)	4,548,830	(16,304,395)	(29,772,526)	3,682,231	(10,552,504)	(36,642,799)	(13,255,446)	(49,898,244)
Specific Reserves	320,386	2,951	-	323,337	13,635	-	336,972	-	336,972
Other Reserves	23,270	5,208	(83,349)	(54,872)	72,271	(772,902)	(755,503)	(1,693,535)	(2,449,038)
	343,655	8,159	(83,349)	268,465	85,906	(772,902)	(418,531)	(1,693,535)	(2,112,066)
WARD TARGETED RATES									
Vincent Community Board Reserves									
Vincent Promotion Rate	-	-	-	-	-	-	-	(34,946)	(34,946)
Vincent Recreation and Culture Charge	(1,386,080)	761,685	(235,563)	(1,247,958)	183,582	(175,138)	(1,239,514)	(650,075)	(1,889,589)
Vincent Ward Services Rate	2,503,538	3,187,332	(622,300)	5,456,571	114,248	(61,858)	5,508,961	(224,615)	5,284,346
Vincent Ward Services Charge	(10,251)	63,981	-	53,731	3,108	(31,668)	25,171	(75,530)	(50,359)
Vincent Ward Specific Reserves	1,186,888	34,560	(11,798)	1,209,650	51,113	(1,805)	1,258,958	-	1,258,958
Vincent Ward Development Fund	508,064	157,360	-	665,424	15,124	-	680,548	-	680,548
Alex Town Centre Upgrade 1991	(109,815)	178	(47,493)	(157,130)	1,581	-	(155,549)	-	(155,549)
	2,692,345	4,205,096	(917,154)	5,980,287	368,756	(270,469)	6,078,574	(985,166)	5,093,408
Cromwell Community Board Reserves									
Cromwell Promotion Rate	-	-	-	-	-	-	-	-	-
Cromwell Recreation and Culture Charge	(681,953)	279,207	(925,656)	(1,328,402)	76,248	(669,443)	(1,921,597)	(2,682,300)	(4,603,898)
Cromwell Ward Services Rate	18,142,215	1,444,441	(294,756)	19,291,900	4,505,763	(1,609,608)	22,188,055	(1,978,217)	20,209,838
Cromwell Ward Services Charge	1,525	14,029	-	15,554	9,102	-	24,656	(7,482)	17,174
Cromwell Ward Specific Reserves	(329,494)	19,498	(7,348)	(317,344)	18,954	-	(298,390)	-	(298,390)
Cromwell Ward Development Fund	1,770,695	171,819	(44,171)	1,898,343	65,112	-	1,963,455	-	1,963,455
	18,902,988	1,928,993	(1,271,931)	19,560,050	4,675,179	(2,279,051)	21,956,178	(4,667,999)	17,288,179
Maniototo Community Board Reserves									
Maniototo Promotion Rate	-	-	-	-	-	-	-	-	-
Maniototo Recreation and Culture Charge	839,154	45,347	(177,293)	707,208	94,292	(95,540)	705,960	(316,287)	389,673
Maniototo Ward Services Rate	(273,793)	660,201	(384,410)	1,998	65,198	(6,808)	60,388	(24,156)	36,232
Maniototo Ward Services Charge	11,363	102,164	(8,732)	104,796	2,199	-	106,995	(9,856)	97,139
Maniototo Ward Specific Reserves	236,063	22,699	(6,049)	252,713	8,818	-	261,531	-	261,531
Maniototo Ward Development Fund	-	-	-	-	-	-	-	-	-
	812,788	830,411	(576,484)	1,066,716	170,507	(102,348)	1,134,875	(350,299)	784,576
Teviot Valley Community Board Reserves									
Teviot Valley Promotion	14,897	137	(468)	14,566	447	-	15,013	-	15,013
Teviot Valley Recreation and Culture	303,639	70,042	(15,876)	357,987	27,180	(55,364)	323,803	(130,723)	193,080
Teviot Ward Services Rate	908,610	124,310	(7,985)	1,020,819	(11,478)	(14,257)	995,084	(264,440)	730,644
Teviot Ward Services Charge	-	-	-	-	-	-	-	-	-
Teviot Ward Specific Reserves	(165)	-	(2)	(166)	3,010	-	2,844	-	2,844
Teviot Ward Development Fund	89,726	13,467	(1,626)	101,567	3,015	-	104,582	-	104,582
	1,316,706	207,956	(25,956)	1,488,773	22,174	(69,621)	1,441,326	(395,163)	1,046,163
Grand Total Surplus/(Deficit)	7,035,058	15,000,301	(21,744,708)	281,723	15,347,952	(21,025,397)	(5,395,722)	(26,630,699)	(32,026,421)

* The Annual Plan closing balance has been adjusted to reflect the closing balance of the Annual Report and the Annual Plan movement. This is to enable a running estimate of the total Council Reserves balance.

6 MAYOR'S REPORT

23.8.12 MAYOR'S REPORT

Doc ID: 1205929

1. Purpose

To consider an update from His Worship the Mayor.

Recommendations

That the Council receives the report.

Things have started to get busy again as events occur around the district as we start to emerge from a fairly grey winter.

Firstly I note the passing of former CODC Deputy Mayor and Alexandra Borough Councillor Clifford Clarke "Cliff" Brunton. Cliff was deputy Mayor of the CODC from 1992 to 1998 and was previously on the Alexandra Borough Council. I also knew Cliff in a professional capacity as he was a senior lawyer in the firm I worked for when I first came to the profession. Cliff was a very entertaining man who gave great service to this community. He passed at the age of 81 and his Service described a life very well lived.

On an opposite note, I was absolutely thrilled to see Tourism Central Otago's digital and content editor Morgan Potter has been awarded the Young Rising Stars tourism award. Morgan started out as a CODC cadet before branching out into the Council's tourism wing with outstanding results for her community. In her time with us she has been, in my experience, an absolute joy to work with and I couldn't be happier than to hear of her success.

On the 24th of July, Interim CEO Louise and I attended a workshop with Central Lakes Trust, alongside QLDC and ORC. These are very useful annual meetings that allow all four organisations to share their ambitions and challenges for the 12 months ahead. These meetings serve as a reminder of just how fortunate we are to have Central Lakes Trust providing funding for our area now and into the future. What a wise and great gift was given to us all by the decision not to dissipate all the funds gathered from the sale of parts of the old Central Electric Power Board just to the people of that date but to retain a significant portion of it for the betterment of the community into the future.

Councillor Alley and I attended the LGNZ conference at Te Pai in Christchurch on the 26th to the 28th of August. I have been to a number of these events now and this was hands-down the best I have attended. The range of speakers, the venue and the way the conference was structured created a great learning and networking experience. Some highlights to share were:

- Frances Valintine is a futurist and educator. She gave a fairly gloomy breakfast talk on what the future looks like. She spoke on the effects of climate change in a way that many I have heard haven't. We tend to focus on coastal retreat and bigger weather events, but she raised the fairly obvious question of where all the people who can't retreat from the sea or the heat are going to go? At a more current level, she identified

that in the past we have had weather events in New Zealand costing around \$150 million dollars. This year we have had two at \$1b+ levels.

As if that wasn't enough to put one off breakfast, she then went on to the implications of AI. A phrase she used that really stuck with me was that "Humans may be a passing phase in evolution of intelligence". A couple of disturbing things that have happened recently are that ChatGPT which was programmed and designed to only operate in English now can operate in 95 languages; it has taught itself how to do that and nobody knows how, or more importantly, why. The other fright was that ChatGPT was recently seen to deliberately lie to a human to get around the reCaptcha system that is designed to stop robots pretending to be humans.

And finally, she spoke on the number of immigrants New Zealand is going to need as our population ages, and noted the regions are the hardest places to get immigrants to come to. This is something we need to keep working on and to keep considering when it comes to our housing situation.

- Sophie Howe was the first Future Generations Commissioner for Wales from 2016 to January 2023 and had previously been a local councillor. She was heavily involved in the Future for Wales review and the role of the Commission included a statutory obligation as "the guardian of the interests of future generations in Wales" to provide guidance and advice to the government and public bodies in Wales when they make decisions so that they think about effects on people in the future as well as now. What a radical idea! Although formal powers are limited, the power to require justifications for decisions can influence policy. She promotes public involvement, preventative action and cross-government collaboration to improve decision making.

Sophie has a mantra that "where and when you are born should not determine where you go in life". I really enjoyed her way of thinking, and her talk was obviously timed to sit alongside the Future for Local Government considerations being made in New Zealand at present.

- New Plymouth District Councillor Dinnie Moeahu gave a highly entertaining and informative talk on creating genuine Treaty partnerships. There were a lot of slides involved which were made available through Keeping it Local from LGNZ. I recommend councillors look at those rather than my reproducing them here.
- Prime Minister Chris Hipkins spoke on a number of topics as you would imagine. In the F4LG space, he stated that councils need to agree on the scope of the reform if there is to be reform and bring that together to the incoming Government whoever that may be.
- Christopher Luxon also spoke on a number of topics. Of interest were things called "city deals" which had their genesis in Manchester and how National are pretty keen on this idea. Strategic projects are needed and they want to see these pretty quickly.
- There was also a political debate with representatives of the four major parties and NZ First (Te Pati Māori did not attend). It would have to have been one of the most disappointing spectacles I have ever seen and gave me about as much hope for the future as the breakfast meeting where AI and climate change were the topics.

Speaking of the Future for Local Government review, I have been appointed to a working group of LGNZ and Taituarā representatives tasked with finding consensus on what of the recommendations can be agreed on by the whole sector and if there is anything the report missed, in order to take a cohesive position to the incoming Government in the New Year.

On the 5th of August I had the privilege of opening the Maniototo Adventure Park at Naseby, marking the coming together of the international curling rink, the skating rink, the ice luge and

now the summer luge as one operating unit. It is a great credit to the community and the hard-working volunteers and administrators that these entities are now one and to the workers and funders/donators that brought the terrifying former Queenstown luge to Naseby. I am pleased to report from experience that the summer luge is laid out so as to not be quite as much of a near-death experience as its previous incarnation on Coronet Peak was.

I attended the Air New Zealand Forum in Auckland on the 9th of August. This is a gathering of the Mayors and CE's of major tourism destinations with the senior Air New Zealand management. This year it included a behind the scenes tour of the baggage system at the airport and the aircraft maintenance hangar. For a nerd like me, this was fantastic. We also heard from Air New Zealand of Auckland Airport's redevelopment and expansion plans which are budgeted at almost \$6b. Apparently, this is all to come from landing fees which will make flying in and out of the airport much more expensive. This must be a concern and I would like to hear Auckland Airports side of the story.

I have had a couple of visits to the cleared Half-Mile Reserve site in Alexandra. While there is plainly still a lot of work to do, the beauty and location of the place is inspiring, and I am looking forward to seeing what it can become over time.

On the 22nd August Councillor Laws, myself and Julie Muir and Patrick Keenan travelled to Twizel to visit a ground-based wastewater treatment plant. This was a fascinating visit and invaluable for us to learn more about a system of handling treated wastewater that is not used here in Central Otago but will almost guaranteed need to be in future years.

Other events I have attended include:

4 August – Gold Star presentation to Jim Laing, 25 years' Service to the Alexandra Fire Brigade

14 August – visit from the Malaysian High Commissioner.

16 August – spoke at the Central Otago Grey Power monthly meeting.

17 August – met with the National Party candidate for Waitaki, Miles Anderson.

23 August – attended retiring MP Jacqui Deans Valedictory Speech at Parliament

25 August – attended the ceremony to mark the completion of the Clutha Gold bike trail as far as Waiholo and the opening of the new Balclutha Town Hall

2. Attachments

Nil

Report author:



Tim Cadogan
Mayor
22/08/2023

7 STATUS REPORTS

23.8.13 AUGUST 2023 GOVERNANCE REPORT

Doc ID: 662533

1. Purpose

To report on items of general interest, receive minutes and updates from key organisations, consider Council's forward work programme, business plan and status report updates.

Recommendations

That Council receives the report.

2. Discussion

2023/24 Organisational Business Plan

The business plan for 2023/24 is attached. The changes from the 2022/23 plan include:

- A change from a focus on COVID-19 to post-pandemic, reform, and uncertain economic environment
- A focus on continuing engagement and preparedness concerning reform
- Increased focus on improving our customer relationships
- Increased focus on staff retention
- Increased focus on collaboration
- A new threat was identified, increasing costs due to aging infrastructure and/or changing compliance requirements impact the ability to continue to deliver the current level of service
- A new risk was identified - the lack of perceived value or understanding of council activities

Status Reports

The status reports have been updated with any actions since the previous meeting (see appendix 2).

3. Attachments

Appendix 1 - 2023/24 Organisational Business Plan [↓](#)

Appendix 2 - August Council Status Updates [↓](#)

Report author:

Reviewed and authorised by:



Wayne McEnteer
Governance Manager
21/08/2023



Saskia Righarts
Group Manager - Business Support
21/08/2023



2023/24 Organisational Business Plan

Where we are now

Currently *Where we are now July 2023*

- A provincial district council responsible for the delivery of services over a large geographic area
- 250 staff (when all budgeted roles are filled and inc. part-time roles) responsible for delivering a wide range of services
- An \$106.98 million budget for this financial year (OPEX \$67.886million and CAPEX \$39.094million)
- Working in a sector which is facing significant reform
- Working in a competitive employee market (key drivers - post pandemic & reform) which it is making it hard to attract and retain staff in some critical areas of the business
- Large infrastructure and assets portfolio with varying ages
- Tough financial environment with increasing capital and living costs

SWOT Analysis

Strengths

- Growing team culture and team expertise
- Commitment to deliver on work programmes
- Relationships (contractors / community / elected members / internal)
- Technology enables a mobile workforce

Opportunities

- Staff training, development and career progression
- Enhance customer experience and engagement
- Improved collegiality and removing silos
- Climate change education

Weaknesses

- Leadership capability
- Systems and processes not fit-for-purpose
- Not enough focus on customer experience and expectations

Threats

- Uncertain political environment
- Uncertain economic environment
- Workforce demographics
- Extreme weather events

Key risks *Our potential roadblocks*

- Resourcing (loss of staff/continuity/retention/workload)
- Unplanned events impacting on delivery.
- Reform – unexpected consequences / legislative change / staff morale.
- Damage to infrastructure due to unforeseen events (including impacts of climate change)
- Cyber security / Information / Privacy
- Supply chain issues
- Poor advice and decision making
- Inflation and rising interest costs leading to unbudgeted cost increases
- Ability to obtain external funding
- Poor project planning
- Increased costs due to aging infrastructure and/or changing compliance requirements impacting the ability to continue to deliver the current level of service
- Lack of perceived value or understanding of council activities

Where we want to be

Future *Where we want to be by June 2024*

Customer

- Focus on improving customer experience across the organisation, with less waste and bureaucracy
- Key community relationships strengthened.
- Delivering on our commitment to the community (delivering on Year 3 2021-31 LTP projects)

Workforce

- Employer of choice
- Skilled workforce
- Focus on staff retention
- Focus on improving collaboration

Reform

- Three waters – continuing to prepare the organisation for transition and ensuring adequate resource
- RMA reform – continuing to ensure the organisation is actively participating in the reforms and prepared for any changes afoot
- Future for Local Government Review – continuing to ensure the organisation and our community is informed and we actively participate in work/reform that arises from the review with the best interests of Central Otago residents and the local government sector in mind

Environment and growth

- Focus on mitigating climate change effects and embedding sustainability initiatives
- Managing growth

Te Tiriti o Waitangi Commitments

- Continuing the organisation's journey in upskilling on te Ao Māori.
- Enhancing the organisation's relationship with Aukaha and successful delivery on the second year of the partnership agreement

Organisational strategy and performance

- Develop council vision
- Systems improvements – customer focussed delivery and Digital and Information Strategy and Action Plan progressed
- Quarterly reporting on organisational performance
- Business continuity
- Improved project planning processes

How we get there

Key projects / initiatives

Customer

- Delivery of the Customer Enhancement Project
- Engagement and consultation on the 2024-34 LTP
- Delivering on all Year 3 2021-31 LTP projects
- A focus on early key stakeholder identification and engagement
- Delivery of the District Vision Project

Workforce

- Delivery of the Training and Development Framework
- Delivery of the Recognition Framework
- Delivery of the Strengths Finder training for all staff

Reform

- Three Waters transition participation and preparedness
- Continued engagement over the Future for Local Government Review
- Continued engagement with the RMA reform
- Seeking opportunities to get ahead of the reform curve

Environment and growth

- Year 3 LTP sustainability initiatives delivered
- Sustainable provision of growth through spatial planning and district plan changes
- Build sustainability culture across the organisation
- Emissions targets achieved
- Increased community and workforce engagement in this area

Te Tiriti o Waitangi Commitments

- Engagement with Aukaha in the use of te reo and iwi imagery in CODC, and Regional Identity branding.
- Engagement with Aukaha on all pertinent workstreams.
- Delivery of an on-line te Ao Māori course to all staff

Organisational strategy and performance

- Delivery of the council vision
- Quarterly performance reporting
- Support and monitor the implementation of Digital and Information Strategy
- Develop an organisational business continuity plan
- Improving project management practices

How we know we're there

Key performance measures

- Achievement of performance measures contained in the 2021-31 Long-term Plan
- Achievement in external audits (e.g. carbon emissions measuring, LTP 2024-34 documentation)
- Customer satisfaction survey results
- Customer, stakeholder and elected member feedback
- Demonstrated delivery of Year 3 LTP commitments and projects identified in this business plan

- Improved staff engagement results and employee retention
- Projects delivered according to timelines in project plans
- Reduction in Council's carbon emissions
- Relationship with Aukaha strengthened and the successful delivery on year two of the partnership agreement

Status Updates		Committee: Council			
Meeting	Report Title	Resolution No	Resolution	Officer	Status
25/10/2017	Council Owned Land, Pines Plantation Area North of Molyneux Park Netball Courts, Alexandra – Consider Sale/Development by Joint Venture of Residential Land (PRO 61-2079-00)	17.9.9	<p>Recommendations</p> <p>A. <u>RESOLVED</u> that the report be received and the level of significance accepted.</p> <p>B. <u>AGREED</u> to the sale of part of Lot 25 DP 3194 and part of Lot 6 DP 300663, located south of the Transpower corridor at the north end of Alexandra and adjacent to the Central Otago Rail trail.</p> <p>C. <u>APPROVED</u> the Vincent Community Board's recommendation for sale of the land by way of a joint venture development and sale of Lots, the minimum terms and conditions including:</p> <ul style="list-style-type: none"> The joint venture partner funding development with no security registered over the land. Council receiving block value. Council receiving 50% of the net profit, with a minimum guaranteed of \$500,000. Priority order of call on sales income: <p>First: Payment of GST on the relevant sale.</p> <p>Second: Payment of any commission and selling costs on the relevant sale.</p> <p>Third: Payment to the Developer of a fixed portion of the estimated Project Development Costs per lot as specified in the Initial Budget Estimate and as updated by the Development Costs Estimate breakdown.</p> <p>Fourth: Payment of all of the balance settlement monies to Council until it has received a sum equivalent to the agreed block value.</p>	Property and Facilities Manager	<p>17 Aug 2023 No change.</p> <p>27 Jun 2023 No change.</p> <p>15 Jun 2023 No update.</p> <p>02 May 2023 Stage 3 settled, Stage 4 still under construction.</p> <p>06 Apr 2023 Stage 3 titles issued, moving into Stage 4 development.</p> <p>14 Feb 2023 Still awaiting title. 224 issued for Stage 3</p> <p>10 Jan 2023 No change.</p> <p>30 Nov 2022 No change.</p> <p>15 Sep 2022 No Change.</p> <p>12 Aug 2022 Stage 3 Title are due March next year and Stage 4 are due for title June next year.</p> <p>23 Jun 2022 No further update available.</p> <p>May 2022 Stage 2 Titles received and settled. Work is on track for Stage 3.</p> <p>April 2022 No update. Awaiting approval.</p> <p>March 2022 Stage two 223c and 224c applications submitted. Awaiting approval.</p> <p>February 2022 All 16 sections sold and settled in January 2022 in Stage 1, 15 out of 16 sections sold in Stage 2 and 12 sections sold, three under offer and four unsold in Stage 3.</p> <p>January 2022 Titles have now issued for the 16 sections in</p>

			<p>Fifth: Payment of all of the balance settlement monies to Council until it has received an amount equivalent to the agreed minimum profit share to Council.</p> <p>Sixth: Payment of all of the balance to the Developer for actual Project Costs incurred in accordance with this Agreement.</p> <p>Seventh: Payment of all of the balance amounts (being the Profit Share) to be divided 50 / 50 (after allowance for payment of the Minimum Profit to Council).</p> <p>D. <u>AGREED</u> to delegate to the Chief Executive the authority to select the preferred joint venture offer and negotiate "without prejudice" a joint venture agreement.</p> <p>E. <u>AGREED</u> that the Chief Executive be authorised to do all necessary to achieve a joint venture agreement.</p>		<p>Stage 1 with settlement for all sections on 20 January. Stage 2 224C Application has been applied for and titles are expected late January 2022. Stage 3 progress is on track. Current sales are as follows: Stage 1 - 16/16 lots under contract (settlement 20 January) Stage 2 - 15/16 lots under contract Stage 3 - 11/19 lots under contract.</p> <p>November 2021 224c has been issued for stage 1. Awaiting LINZ to issue Title. Stage 2 roading will be sealed week of 22nd November.</p> <p>October 2021 Development work programme generally on track. Stage 1 is approximately 2 weeks behind schedule due to COVID-19, although Stage 2 is ahead and Stage 3 is on schedule. As of September 2021, sales figures were Stage 1 – 16 sold; Stage 2 – 13 sold, 3 unsold; Stage 3 – 10 sold, 9 unsold or under offer.</p> <p>September 2021 Construction work progressing, although slightly behind due to COVID-19 alert level restrictions.</p> <p>March–July 2021 Work progressing according to contract.</p> <p>February 2021 3910 contract executed. Detailed update was emailed to the board separate to this Status Report.</p> <p>January 2021 Construction has commenced. Work programme to be fully finalised in coming weeks.</p> <p>December 2020 Lawyer is drafting variation to agreement for discussion with developer.</p> <p>November 2020 Due to one of the shareholders passing away in late June the developer AC/JV Holdings has been working on a succession plan which should be finalised in early</p>
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					<p>November. The need to agree succession has meant recent delays to the development but Staff are in regular contact with the contractor to ensure that works begin as soon as possible. , Once succession arrangements are confirmed it will enable construction to progress and sections to be put on market as soon as possible. To further ensure this outcome a variation to the development agreement will be prepared which will confirm stages and tighten progress requirements.</p> <p>September 2020 Work expected to start on site in October for Stage 1 and some sections will be marketed. Stage 1 completion scheduled for April 2021.</p> <p>May – August 2020 Due to Covid 19, engineering design and construction start date delayed. As of May, engineering design mostly complete and work on site expected to start soon with a staged approach. Also awaiting outcome of Shovel Ready Projects application which may affect how this development progresses.</p> <p>February 2020 The developer is working on engineering design for subdivision to be approved by Council. Work expected to start on site for subdivision in approximately 6 weeks.</p> <p>January 2020 Subdivision consent granted 18 December 2019.</p> <p>November 2019 Subdivision consent was lodged on 22 November 2019.</p> <p>September – October 2019 The affected party consultation process with NZTA, Transpower and DOC for the application to connect Dunstan Road to the State Highway is almost complete. The developer is also close to finalising the subdivision plan to allow for the resource</p>
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					<p>consent to be lodged.</p> <p>July 2019 Subdivision consent expected to be lodged in August.</p> <p>June 2019 Tree felling complete. Subdivision consent expected to be lodged in July or August.</p> <p>May 2019 Tree felling commenced 20 May and is expected to take up to 6 weeks to complete. Subdivision scheme plan close to being finalised before resource consent application.</p> <p>April 2019 Security fencing has been completed. Felling of trees expected to commence in the next month. Concept plan is in final draft. Next step is for the surveyor to apply for resource consent.</p> <p>March 2019 Concept plan is in final draft. Next step is for the surveyor to convert to a scheme plan and apply for resource consent. The fencer is booked in for March.</p> <p>January 2019 Development agreement was signed by AC & JV Holdings before Christmas. Subdivision plan now being developed for resource consent application and removal of trees expected to start mid to late January.</p> <p>October 2018 The development agreement is with the developer's accountant for information. Execution imminent.</p> <p>September 2018 The development agreement is under final review.</p> <p>August 2018 Risk and Procurement Manager finalising development agreement to allow development to proceed.</p> <p>June 2018 Preferred developer approved. All interested parties being advised week of 11 June.</p>
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					<p>Agreement still being finalised to enable negotiation to proceed.</p> <p>March – April 2018 Staff finalising the preferred terms of agreement.</p> <p>February 2018 Requests received. Council staff have been finalising the preferred terms of agreement to get the best outcome prior to selecting a party, including understanding tax implications.</p> <p>December 2017 Request for Proposals was advertised in major New Zealand newspapers at the end of November 2017 with proposals due by 22 December. Three complying proposals received.</p> <p>November 2017 Council solicitor has provided first draft of RFI document for staff review.</p> <p>November 2017 Action Memo sent to the Property Officer.</p>
25/09/2019	Consideration of New Zealand Standard (NZS) 4404:2020 (Doc ID 422658)	19.8.10	<p>Recommendations</p> <p>A. <u>RESOLVED</u> that the report be received, and the level of significance accepted.</p> <p>B. <u>AGREED</u> to adopt NZS 4404:2010 as Council's subdivision standard subject to the development of an updated addendum for local conditions.</p>	Infrastructure Manager	<p>04 Jul 2023 No change.</p> <p>14 Jun 2023 No change.</p> <p>18 May 2023 No change.</p> <p>11 Apr 2023 No change.</p> <p>17 Feb 2023 No Change</p> <p>10 Jan 2023 No change</p> <p>01 Dec 2022 No change</p> <p>28 Oct 2022 No change.</p> <p>19 Sep 2022 No change.</p> <p>08 Aug 2022 No change.</p>

					<p>23 Jun 2022 No change.</p> <p>19 May 2022 No change.</p> <p>April 2022 No change.</p> <p>March 2022 Due to work programme commitments this item has been deferred. Looking to potentially add to the 2023 work schedule.</p> <p>January 2021 – February 2022 No change.</p> <p>December 2020 The status of this work will be reviewed in February 2021 and a further update provided then.</p> <p>January 2020 - November 2020 No change.</p> <p>December 2019 Workshops continuing for updating engineering standards. The Environmental Engineering team will be working with planning to ensure the design standards from the Cromwell masterplan are developed alongside the updated engineering standards.</p> <p>November 2019 Drafting of an updated addendum is underway and expected to be included in report to Council in early 2020.</p> <p>October 2019 Action memo sent to the Environmental Engineering Manager.</p>
15/07/2020	Lease of Kyeburn Reserve - Ratification	20.5.4	<p>Recommendations</p> <p>That the Council:</p> <p>A. Receives the report and accepts the level of significance.</p> <p>B. Agrees to grant the Kyeburn Committee a lease pursuant to Section 61(2A) of the Reserves Act 1977,</p>	Asset Management Team Leader - Property	<p>17 Aug 2023 No change, on hold.</p> <p>23 Jun 2023 No change, on hold.</p> <p>12 Jun 2023 No change. On hold.</p> <p>02 May 2023 No change. On hold.</p> <p>27 Apr 2023 No change. On hold.</p>

			<p>on the following terms:</p> <ol style="list-style-type: none"> 1. Permitted use: Community Hall 2. Term: 33 years 3. Rights of Renewal: None 4. Land Description Sec 20 Blk V11 Maniototo SD 5. Area: 0.4837 hectares 6. Rent: \$1.00 per annum if requested <p>Subject to the Kyeburn Hall Committee</p> <ol style="list-style-type: none"> 1. Becoming an Incorporated Society 2. Being responsible for all outgoing, including utilities, electricity, telephone, rubbish collection, rates, insurance and ground maintenance 	<p>27 Mar 2023 No change. On hold.</p> <p>21 Feb 2023 No change. On hold</p> <p>06 Jan 2023 No change, on hold.</p> <p>25 Nov 2022 The Kyeburn Hall Committee have now advised they don't want to become an Incorporated Society, they are looking to an existing Incorporated Society in the area to see if the ground lease could be picked up by them. Awaiting for further information from the Kyeburn Hall Committee in the new year.</p> <p>28 Oct 2022 No change. On Hold.</p> <p>14 Sep 2022 No Change. On Hold</p> <p>09 Aug 2022 No change on hold</p> <p>18 May 2022 No change to the status of this item. Still on hold.</p> <p>August 2021 ON HOLD until meeting able to take place.</p> <p>July 2021 Meeting request to the Committee for July 2021 was declined by the Committee citing workloads and health issues of committee members. The Committee will make contact when their schedule allows.</p> <p>June 2021 May meeting was postponed until July 2021.</p> <p>February – April 2021 Property and Facilities Officer - Ranfurly to meet Committee in May 2021 and discuss next steps.</p> <p>January 2021 Waiting for confirmation of their status as an Incorporated Society before issuing the</p>
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					<p>lease.</p> <p>September – December 2020 Kyeburn Hall Committee to follow up progress on getting their status as an Incorporated Society, in response to email sent to them September 2020.</p> <p>August 2020 Advised Kyeburn Hall Committee of Council's resolution and waiting for confirmation of their status as an Incorporated Society before issuing the lease.</p> <p>July 2020 Action memo sent to Property and Facilities Officer – Maniototo.</p>
1/06/2021	Submissions on the 2021-31 Long-term Plan Consultation Document	21.4.3	<p>E. Agrees to the recommendation from the Cromwell Community Board on the draft 2021-31 Long-term Plan that staff are requested to investigate the request for a toilet from the Cromwell Bike park further and provide a report for consideration in a future annual or long-term plan.</p>	Property and Facilities Manager	<p>17 Aug 2023 Construction to commence towards the end of the year.</p> <p>27 Jun 2023 No change.</p> <p>15 Jun 2023 No change.</p> <p>02 May 2023 Procurement for toilet supply and services commenced.</p> <p>06 Apr 2023 Project planning is still in progress.</p> <p>21 Feb 2023 Project planning is in progress.</p> <p>21 Dec 2022 Better off funding has been approved. Project planning has commenced.</p> <p>29 Nov 2022 Still waiting on results of Better Off Funding.</p> <p>28 Oct 2022 No Change</p> <p>14 Sep 2022 P & FO Cromwell has put together details for Better Off Funding being considered. A report will also be prepared and scheduled for Council if funding is still required.</p>

					<p>12 Aug 2022 Report being prepared and scheduled for Council meeting November 2022</p> <p>14 Jul 2022 Report being prepared and scheduled for Council meeting November 2022</p> <p>08 Jun 2022 Report to Council being prepared for next financial year</p> <p>17 May 2022 A report is being prepared for Council to consider funding the project from the AP 23/24. The report will be presented on 28/9/2022</p> <p>05 Apr 2022 The survey from the Club has been completed. Staff are preparing a report for Council for the September 2022 meeting requesting funding in the 2023/24 AP</p> <p>21 Feb 2022 Survey received by P & FO Cromwell - information being assessed to enable report to be prepared to CCB</p> <p>09 Feb 2022 Property Office awaiting survey results to determine toilet requirements. Results due end of February 2022.</p> <p>07 Jan 2022 The Bike Park committee are currently carrying out a survey (through survey monkey) to determine usage of the bike park - to end of Feb 22.</p> <p>11 Nov 2021 Committee are doing a survey of usage over the summer months to enable Council to determine type of toilet required., A reminder has been sent 11/11/2021 to ensure this is carried out and reported back to Council.</p> <p>08 Sep 2021 Cromwell Bike Park committee to undertake a usage study of the toilet facilities at the</p>
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					<p>site in summer to reflect peak usage.</p> <p>06 Jul 2021 Email sent to Cromwell Bike Park committee to request an extensive survey of usage be carried out to determine what toilet facility may be required in the future.</p> <p>11 Jun 2021 Action memo sent to Property and Facilities Officer Cromwell. Memo sent to Executive Manager Corporate Services and Chief Advisor for information. For action following final adoption of the Long-term Plan on 30 June 2021.</p>
1/06/2021	Submissions on the 2021-31 Long-term Plan Consultation Document	21.4.3	<p>L. Agrees to the recommendation from the Vincent Community Board on the draft 2021-31 Long-term Plan that staff convene a meeting of Central Otago District Council, Central Otago Hockey Association, Central Lakes Trust and Molyneux Turf Incorporated to discuss a way forward on the proposed multi-use turf and facilities at Molyneux Park.</p>	Parks and Recreation Manager	<p>17 Aug 2023 No further updates.</p> <p>23 Jun 2023 No further updates.</p> <p>13 Jun 2023 No further updates.</p> <p>19 May 2023 No further update until play policy is prepared.</p> <p>03 Apr 2023 No change.</p> <p>17 Feb 2023 No change.</p> <p>11 Jan 2023 No further updates.</p> <p>29 Nov 2022 No further updates</p> <p>27 Oct 2022 No further updates have been provided by the Turf trust.</p> <p>15 Sep 2022 No further update available</p> <p>10 Aug 2022 No further update available</p> <p>21 Jun 2022 Molyneux Turf Incorporated (MTI) have successfully employed an independent consultant Chris Wright, who has extensive experience in sports turf development</p>

					<p>including the \$4 million dual-fields at Logan Park (Dunedin), Kings High School turf (Dunedin, and further projects in Christchurch, Wellington, Hawkes Bay and Nelson. The consultant completed the first stage of the feasibility report in November 2021, and MTI has extended the study to explore another location additional to Molyneux Park as a further option for consideration.</p> <p>19 May 2022 No further update at this time as no changes to this item.</p> <p>05 Apr 2022 No information has been received from the Hockey Assn to provide and update on.</p> <p>09 Feb 2022 No further update available.</p> <p>11 Jan 2022 No Further update.</p> <p>11 Nov 2021 No further update at this stage.</p> <p>18 Oct 2021 Additional information not yet received from MTI, and unable to progress until then. ON HOLD.</p> <p>08 Sep 2021 Additional information not yet received from MTI.</p> <p>28 Jul 2021 Meeting convened on 5 July 2021. Molyneux Turf Incorporated (MTI) preparing additional information.</p> <p>11 Jun 2021 Action memo sent to Parks and Recreation Manager. Memo sent to Executive Manager Corporate Services and Chief Advisor for information. For action following final adoption of the Long-term Plan on 30 June 2021.</p>
1/06/2021	Submissions on the 2021-31	21.4.3	J. Agrees to the recommendation from the Vincent	Parks and Recreation	<p>16 Aug 2023 This matter will be investigated in</p>

	Long-term Plan Consultation Document		Community Board on the draft 2021-31 Long-term Plan that staff are requested to investigate a request for an extension of the junior playground at Pioneer Park and provide a report for consideration in a future annual or long-term plan.	Manager	<p>conjunction with the Play Strategy. MATTER CLOSED</p> <p>27 Jul 2023 No further updates.</p> <p>23 Jun 2023 No further updates.</p> <p>13 Jun 2023 No further update until play policy is prepared.</p> <p>02 May 2023 No change.</p> <p>03 Apr 2023 No change.</p> <p>17 Feb 2023 No change.</p> <p>11 Jan 2023 No further update until play policy is prepared.</p> <p>29 Nov 2022 No further update until play policy is prepared.</p> <p>27 Oct 2022 No further updates until playground policy is prepared which is expected in 2023.</p> <p>15 Sep 2022 This will be considered as part of Councils playground policy development.</p> <p>12 Aug 2022 No further update available.</p> <p>20 Jun 2022 No further update available.</p> <p>19 May 2022 No further update as no changes at this time.</p> <p>05 Apr 2022 No update to report at this time.</p> <p>09 Feb 2022 No further update.</p> <p>11 Jan 2022 No further update.</p> <p>11 Nov 2021</p>
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					<p>No further update at this stage.</p> <p>18 Oct 2021 Investigation of request for extension of junior playground at Pioneer Park and report for consideration on hold until closer to a future annual or long-term plan. ON HOLD.</p> <p>08 Sep 2021 No further progress.</p> <p>28 Jul 2021 Preparatory work that will support further investigation and underpin a report for consideration is being undertaken. Funding to be considered for 2022-2023 Annual Plan.</p> <p>11 Jun 2021 Action memo sent to Parks and Recreation Manager. Memo sent to Executive Manager Corporate Services and Chief Advisor for information. For action following final adoption of the Long-term Plan on 30 June 2021.</p>
1/06/2021	Submissions on the 2021-31 Long-term Plan Consultation Document	21.4.3	N. Agrees to the recommendation from the Vincent Community Board on the draft 2021-31 Long-term Plan to proceed with the preferred option in the consultation document for the Omakau Hub.	Property and Facilities Manager	<p>17 Aug 2023 No change.</p> <p>27 Jun 2023 No change.</p> <p>15 Jun 2023 Options will now be presented in August 2023.</p> <p>02 May 2023 Funding options being explored.</p> <p>06 Apr 2023 The Manuherikia Valley's Charitable Trust has been formed and are working on final details of the concept design. A report to the VCB and Council will be provided in due course to approve these plans.</p> <p>17 Feb 2023 No change.</p> <p>11 Jan 2023 No change.</p> <p>28 Nov 2022 No change.</p>

					<p>09 Sep 2021 No further update until July 2023, when funds are due to be released.</p> <p>29 Jul 2021 A community collective is progressing the hub project. Financial input from Council is programmed for year three of the 2021-24 of the Long-term Plan.</p> <p>11 Jun 2021 Action memo sent to Communication and Engagement Manager. Memo sent to Executive Manager Corporate Services and Chief Advisor for information. For action following final adoption of the Long-term Plan on 30 June 2021.</p>
22/09/2021	Plan Change 18 Cromwell Industrial Resource Area Extension	21.7.12	<p>That the Council</p> <p>A. Receives the report and accepts the level of significance.</p> <p>B. Recommends that Plan Change 18 be notified and processed in accordance with the First Schedule to the Resource Management Act 1991.</p>	Principal Policy Planner	<p>18 Aug 2023 Commissioner in process of writing the decision.</p> <p>04 Jul 2023 No change.</p> <p>14 Jun 2023 Hearing is scheduled for 10 July 2023.</p> <p>18 May 2023 Section 42a is being prepared for the Hearing.</p> <p>11 Apr 2023 Meeting with Waka Kotahi held - Section 42A being prepared</p> <p>22 Feb 2023 Meeting 23 February with Waka Kotahi to discuss Traffic modelling report prepared for Council by Ableys; section 42A to be prepared following meeting</p> <p>11 Jan 2023 No change. Still waiting on Waka Kotahi.</p> <p>01 Dec 2022 No change. Waiting on Waka Kotahi.</p> <p>28 Oct 2022 Traffic report received and forwarded to Waka Kotahi for discussion.</p> <p>16 Sep 2022 Awaiting second Technical Report from</p>

					<p>Abley.</p> <p>15 Aug 2022 No further update at this time.</p> <p>20 Jun 2022 Meeting with traffic engineers and Waka Kotahi regarding intersection upgrades to occur.</p> <p>20 May 2022 Have commissioned technical reports and are awaiting their outcome.</p> <p>06 Apr 2022 Summary of submissions has closed and work will begin on evaluating the submissions and preparing the section 42A planners report</p> <p>24 Feb 2022 Summary of submissions notified</p> <p>11 Jan 2022 Plan change notified October and submissions closed in December 2021.</p> <p>15 Nov 2021 Plan Change notified 28 October, submissions close December 9.</p> <p>18 Oct 2021 Plan Change prepared.</p> <p>27 Sep 2021 Action memo sent to the Principal Policy Planner</p>
26/01/2022	Alexandra Airport Masterplan	22.1.3	<p>That the Council</p> <p>B. Adopts the proposed Alexandra Airport Masterplan.</p> <p>C. That a business and financial strategy be developed to support the implementation of the Airport Masterplan.</p>	Property Officer	<p>17 Aug 2023 Updated cost estimates being prepared for new hangar development to be included in the LTP financials.</p> <p>04 Jul 2023 No further update.</p> <p>13 Jun 2023 No further update. Financial strategy will be reviewed as part of the LTP process.</p> <p>19 May 2023 No further update.</p> <p>06 Apr 2023 Due to drop off in interested parties more clarity required on demand for new hangar</p>

					<p>sites. Financial strategy will be reviewed as part of the LTP 2024-34 process.</p> <p>20 Feb 2023 Investigations still in progress for infrastructure.</p> <p>20 Dec 2022 Investigations in progress for options for infrastructure required for new hangar site development.</p> <p>25 Nov 2022 Draft concept plan prepared. Meeting planned in New Year to update stakeholders and seek feedback.</p> <p>28 Oct 2022 No change. Plans still in progress.</p> <p>15 Sep 2022 Business plan and concept plans for new hangar precinct are in progress</p> <p>12 Aug 2022 No change</p> <p>20 Jun 2022 Business plan and concept plans for new hangar precinct are in progress</p> <p>19 May 2022 Masterplan included in Vincent Spatial Plan press release to inform public it has been adopted and is available on CODC website. Work progresses on planning for next stage of development and business plan.</p> <p>05 Apr 2022 The Masterplan has been added to the CODC website.</p> <p>22 Feb 2022 Copy of adopted Masterplan will be uploaded to Council's website. Business and financial strategy planning has begun for the new hangar precinct budgeted in Year 2 of the LTP 2021-31.</p> <p>03 Feb 2022 Action memo sent to report writer.</p>
26/01/2022	CouncilMARK programme	22.1.9	That the Council A. Receives the report and accepts the level of	Group Manager -	04 Apr 2023 In light of the changes to CouncilMARK

			<p>significance.</p> <p>B. Notes the Mayor's report containing the feedback received from a selection of mayors on their involvement in the programme.</p> <p>C. Notes the November 2021 advice from staff remains unchanged regarding timing of participation in CouncilMARK insofar as it relates to the demand the wider reform programme is placing on the organisation.</p> <p>D. Directs the Chief Executive Officer to have a discussion on participation in this programme with the 2022-25 Council at the first meeting of 2023.</p> <p>ith Crs Alley, Calvert, Claridge and Paterson voting against</p>	Business Support	<p>process that are proposed from LGNZ, another report will be delayed until the second half of the year when the changes are completed. ON HOLD.</p> <p>22 Feb 2023 Report due at the April Council meeting once councillors have heard from LGNZ.</p> <p>11 Jan 2023 Still on track to provide a report to Council in the early part of 2023.</p> <p>29 Nov 2022 A report will be submitted to a council meeting early 2023.</p> <p>28 Oct 2022 No change to date.</p> <p>23 Feb 2022 The CEO will engage with the 2022/2025 Council early in their term as per the agreed resolution. On hold until January 2023.</p> <p>03 Feb 2022 Action memo sent to report writer.</p>
14/12/2022	Private Plan Change 21 - Fulton Hogan, Parkburn	22.10.2	<p>That the Council</p> <p>A. Receives the report and accepts the level of significance.</p> <p>B. Agrees to accept and process the request as a private plan change and proceed to notify the request, under clause 26 of the First Schedule to the Resource Management Act 1991.</p>	Principal Policy Planner	<p>18 Aug 2023 Further submissions have closed. Independent commissioner chair has been appointed.</p> <p>04 Jul 2023 No change.</p> <p>14 Jun 2023 No update.</p> <p>18 May 2023 Submissions closed. Summary is completed for the submissions to be notified.</p> <p>11 Apr 2023 Plan Change notified and submission closed</p> <p>22 Feb 2023 Notification 2nd March</p> <p>11 Jan 2023 Plan Change documents are being prepared for public notification.</p> <p>16 Dec 2022 Action memo sent to staff.</p>

9/03/2022	William Fraser Office Renovation Project (Stage Six)	22.2.9	<p>That the Council</p> <p>A. Receives the report and accepts the level of significance.</p> <p>B. Approves additional funding of \$177,000 towards the William Fraser Office Renovation Project (stage six) to upgrade the main bathroom facilities. This additional funding is to be drawn from District Reserves.</p>	Property Officer	<p>17 Aug 2023 Final inspection scheduled for 26 July and all going well the showers and toilets will be open on Monday 31 July.</p> <p>04 Jul 2023 On track for completion by end of July. Floor coverings scheduled to start 10 July.</p> <p>13 Jun 2023 Construction progressing well. However due to programme disruption caused by requests to stop work at various times for meetings in chambers and also some additional structural variation work the construction programme has been extended for a few weeks. The estimated completion date is now towards the end of July.</p> <p>19 May 2023 Construction started 17 April with expected completion date by the end of June.</p> <p>06 Apr 2023 Construction Contract signed and start date confirmed for 17 April 2023.</p> <p>17 Feb 2023 Contract negotiations continues. Start date to be confirmed.</p> <p>21 Dec 2022 Contract review almost finished. Start date of works to be confirmed.</p> <p>28 Nov 2022 Draft contract received and under review. Start date of works to be confirmed.</p> <p>28 Oct 2022 The contract is awarded to Breen Construction. Start date of works to be confirmed.</p> <p>15 Sep 2022 Tender underway, closes 10 October.</p> <p>11 Aug 2022 Structural engineers final plans received. Tender to be loaded onto the Government Electronic Tender Service web site on 19 November.</p>
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					<p>20 Jun 2022 The designer has completed their work. Awaiting structural engineers final plans.</p> <p>19 May 2022 Designer working with structural engineer to finalise plans.</p> <p>06 Apr 2022 Designer progressing plans to building consent/tender stage.</p> <p>15 Mar 2022 Action memo sent to report writer and to Finance.</p>
1/06/2022	Plan Change 19 - Residential Chapter Review and Re-Zoning	22.4.4	<p>That the Council</p> <p>A. Receives the report and accepts the level of significance.</p> <p>B. Directs that Plan Change 19 be notified in accordance with Clause 5 of the first Schedule to the Resource Management Act 1991.</p> <p>C. Approves the release of the draft Medium Density Residential Guidelines for public consultation.</p>	Principal Policy Planner	<p>18 Aug 2023 The information requested by the Hearings Panel has been received. Deliberations will commence shortly.</p> <p>04 Jul 2023 No change.</p> <p>14 Jun 2023 Hearings complete. The Panel is seeking technical and legal advice on matters raised in the hearing prior to deliberations commencing</p> <p>18 May 2023 Hearings have commenced.</p> <p>11 Apr 2023 Section 42A prepared and circulated; Hearing Scheduled</p> <p>22 Feb 2023 Submissions being evaluated, section 42A recommendation report being prepared & hearing scheduling starting; Hearings to start 26th April 2023</p> <p>11 Jan 2023 Summary of submissions for Plan Change 19 notified. Submissions closed 19 December 2022.</p> <p>01 Dec 2022 No Change.</p> <p>28 Oct 2022 Summary of submissions being finalised for notification</p>

					<p>16 Sep 2022 Submission closed and summary being prepared (170 submission received)</p> <p>15 Aug 2022 Plan Change 19 was publicly notified for its first round of submissions on 9th July 2022 and the public have been invited to lodge submissions. This round of submissions closes 2nd September 2022.</p> <p>28 Jun 2022 Scheduled to be notified on 9 July 2022.</p> <p>08 Jun 2022 Action memo sent to the Principal Policy Planner.</p>
6/07/2022	Museum Investment Strategy	22.5.11	<p>That the Council</p> <p>A. Receives the report and accepts the level of significance.</p> <p>B. Notes discussions held to date on the Museum Investment Strategy.</p> <p>C. Agrees to progress the work on investigating a model for the districtisation of museum funding.</p> <p>D. Approves financial modelling be carried out on the operational and capital funding impacts of a district funding model.</p>	Senior Strategy Advisor	<p>17 Aug 2023 No change.</p> <p>23 Jun 2023 Item on August Council agenda.</p> <p>13 Jun 2023 Workshop held in May. Item on June Council agenda.</p> <p>18 May 2023 Item on June Council agenda.</p> <p>11 Apr 2023 Progress update will be provided in an April workshop. Engagement with museum network to follow.</p> <p>17 Feb 2023 Item on March meeting agenda.</p> <p>10 Jan 2023 Staff are working on options and will provide a report to the March meeting.</p> <p>28 Nov 2022 Financial modelling report received from Rationale on 23/11/22. An update will be presented to the January Council meeting.</p> <p>27 Oct 2022 Staff are continuing to work with Rationale on financial modelling.</p> <p>13 Sep 2022 Financial data has been provided to the consultant, Rationale, and modelling is</p>

					<p>underway.</p> <p>12 Aug 2022 Consultants have been engaged for this work. Data collation has begun.</p> <p>08 Jul 2022 Action memo sent to the Senior Strategy Advisor.</p>
6/07/2022	Alexandra Library Renovation Project	22.5.9	<p>That the Council</p> <p>A. Receives the report and accepts the level of significance.</p> <p>B. Approves the Alexandra Library Renovation Project concept plan.</p> <p>C. Approves the Chief Executive Officer to progress the concept plan through the detailed design, construction partner, and construction quotes project phases while awaiting the outcome of the Three Waters Better Off Support Package application.</p> <p>D. Agrees that if this project is not approved by Council as being included the Three Waters Better Off Support Package, the Chief Executive Officer is to progress with a cosmetic upgrade budgeted for.</p>	Project Manager - Organisational	<p>18 Aug 2023 Still waiting for the pricing to come back, have made some changes to bring back costs.</p> <p>10 Jul 2023 Still waiting for pricing to come back.</p> <p>15 Jun 2023 Detailed design completed and with construction partner for pricing.</p> <p>06 Apr 2023 Detailed design in final stages of review.</p> <p>17 Feb 2023 Project team reviewed detailed design. Feedback sent to architects. Public update made with copy of this update given to the Elected Members via In The Loop.</p> <p>21 Dec 2022 Construction partner and building control review completed. Project team carrying out their final review of plans.</p> <p>28 Nov 2022 Construction partner and building control reviewing detailed design.</p> <p>28 Oct 2022 The detailed design is under review. The tender for the construction partner is awarded to Stewart Construction.</p> <p>15 Sep 2022 Architect progressing well on detailed design. Project is approved to be included in Tranche 1 of the Better off Funding application. Tender for construction partner underway, closes 29 September.</p> <p>11 Aug 2022 The architect has been given the go ahead</p>

					with detailed design. Application to the Better Off Funding is being progressed. Procurement plan for construction partner in draft. 08 Jul 2022 Action memo sent to the Property and Facilities Officer - Vincent and Teviot Valley and to Finance.
24/08/2022	Housing Policy: Encouraging use of different housing typologies in developments on Council land.	22.6.8	<p>That the Council</p> <p>A. Receives the report and accepts the level of significance.</p> <p>B. Approves the policy that council led developments should consider including provision for different housing typologies using the urban design innovation model, subject to market conditions.</p> <p>C. Directs the Chief Executive Officer to hold off any further work on the outstanding action to 'work with sector partners in the region to build a full picture of the housing model for Central Otago and look for opportunities to collaborate to achieve better housing outcomes for the district'.</p> <p>D. Directs the Chief Executive Officer provide the Council with advice on preferential purchasing options for smaller foot-print properties as described in the Provision for Different Housing Typologies in Development on Council Owned Land policy.</p>	Group Manager - Business Support	<p>15 Aug 2023 No change.</p> <p>18 May 2023 No change to date.</p> <p>11 Apr 2023 No change.</p> <p>22 Feb 2023 No change at this time.</p> <p>11 Jan 2023 No change regarding staff resourcing.</p> <p>29 Nov 2022 Staff resourcing is yet to be confirmed.</p> <p>28 Oct 2022 No change to date.</p> <p>16 Sep 2022 Work will start on this project when staff resourcing is confirmed. ON HOLD</p> <p>29 Aug 2022 Action memo sent to Officer.</p>
28/09/2022	Proposal to grant lease over Part of Alexandra Aerodrome Reserve	22.7.2	<p>That the Council</p> <p>A. Receives the report and accepts the level of significance.</p> <p>B. Approves a new lease to the Clyde Pony Club over approximately 37 hectares of the Alexandra Aerodrome Reserve land, on the following terms and conditions:</p> <p>Commencement Date 01 October 2022 Term Three (3) Years</p>	Statutory Property Officer	<p>18 Aug 2023 Lease just about to be executed. MATTER CLOSED</p> <p>10 Jul 2023 Lease has been completed, awaiting signing by Pony Club.</p> <p>15 Jun 2023 No update at this time.</p> <p>06 Apr 2023 Pony Club have emailed and agreed to the lease, progressing with the documentation.</p> <p>20 Feb 2023</p>

			<p>Rights of Renewal renewal of Three (3) years each Final Expiry Date September 2031 Rental</p> <p>Cancellation Clause</p> <p>C. Authorises the Chief Executive to do all that is necessary to give effect to the resolution.</p>	<p>Two (2) rights of 30</p> <p>2.5% of tenant's subscription income less affiliation fees in accordance with the Councils Leasing and Licensing Policy 6 month cancellation clause to be included in the Lease in accordance with the Airport Securities Act 1966</p>	<p>Have followed up with the Pony Club, awaiting a response.</p> <p>23 Dec 2022 Still waiting on the lease to come back from the Pony Club</p> <p>29 Nov 2022 Pony Club expected to return by end of month.</p> <p>28 Oct 2022 Lease has been drafted and with the Pony Club.</p> <p>13 Oct 2022 Action memo sent to report writer.</p>
9/11/2022	Proposed Plan Change 20 - Heritage	22.9.2	<p>That the Council</p> <p>A. Receives the report and accepts the level of significance.</p> <p>B. Directs that Plan Change 20 be notified in accordance with Clause 5 of the first Schedule to the Resource Management Act 1991 subject to amendments.</p> <p>C. Approves the release of the draft Heritage Guidelines for public consultation.</p>	Principal Policy Planner	<p>18 Aug 2023 Further submissions have closed. Staff preparing Section 42a recommendation.</p> <p>04 Jul 2023 No change.</p> <p>14 Jun 2023 No update</p> <p>18 May 2023 Submissions closed. Summary is completed for the submissions to be notified.</p> <p>11 Apr 2023 Summary of Submissions being prepared</p> <p>22 Feb 2023 Plan Change 20 publicly notified - submissions close 10th March</p> <p>11 Jan 2023 Plan Change 20 being finalised for notification.</p> <p>01 Dec 2022 Engaged with Aukaha and Heritage NZ on</p>

					draft guidelines preparing for lease. 15 Nov 2022 Action memo sent to officer.
31/05/2023	Plan Change 22 Dark Sky	23.5.7	That the Council A. Receives the report and accepts the level of significance. B. Directs that Plan Change 22 be notified in accordance with Clause 5 of the first Schedule to the Resource Management Act 1991.	Principal Policy Planner	18 Aug 2023 Being finalised for notification. 04 Jul 2023 No change. 14 Jun 2023 Plan change is being finalised for notification. 01 Jun 2023 Action memo sent to staff.
31/05/2023	Alexandra Airport Runway Resurfacing	23.5.8	That the Council A. Receives the report and accepts the level of significance. B. Approves an additional \$445,000 to complete the resurfacing of Alexandra Airport. The additional budget is to be funded from existing budgets for new hangar site development which will be delayed until a new financial strategy for the Airport has been developed through the Long-term Plan 2024-34 process. C. Authorise the Chief Executive to do all that is necessary to give effect to the resolutions.	Property Officer	17 Aug 2023 Awaiting timing and finalised costs from Fulton Hogan. 04 Jul 2023 Met with Fulton Hogan on site on 29 June. For runway inspection Fulton Hogan to confirm pricing and scheduling as soon as possible. 13 Jun 2023 Meeting with Fulton Hogan and site investigation to confirm pricing and scheduling on 20 June. 01 Jun 2023 Action memo sent to staff.
19/07/2023	Additional information for Bransholm Street	23.7.2	That the Council A. Receives the report and accepts the level of significance. B. Agrees to stop an unformed portion of Bransholm Street, being the 268 square metres of legal road identified as Section 1 in figure 1, subject to: - The applicants paying all costs associated with the stopping. - The land identified as Section 1 in figure 1, being transferred to the applicants for market value. - The applicants obtaining the consent of the owner of Lot 1 DP 7225.	Team Leader - Statutory Property	14 Aug 2023 Additional info presented at Council. Currently working through the process. 20 Jul 2023 Action memo was sent to staff.

			<ul style="list-style-type: none"> - The land being amalgamated with record of title OT400/197 (Lot 1 DP 4138). - The stopping being approved by the Minister of Lands. - The final survey plan being approved by the Chief Executive Officer. <p>C. Authorises the Chief Executive to do all that is necessary to give effect to the resolution.</p>		
19/07/2023	Cromwell Memorial Hall and Museum	23.7.3	<p>That the Council</p> <p>A. Receives the report and accepts the level of significance.</p> <p>B. Approves the demolition of the existing hall building and appropriate salvaging.</p> <p>C. Notes the district review of museum funding includes the Cromwell Memorial Hall project in the review.</p>	Property and Facilities Manager	<p>17 Aug 2023 No change. MATTER CLOSED.</p> <p>20 Jul 2023 Action memo was sent to staff.</p>

8 COMMUNITY BOARD MINUTES

23.8.14 MINUTES OF THE CROMWELL COMMUNITY BOARD MEETING HELD ON 1 AUGUST 2023

Doc ID: 1200371

Recommendations

That the unconfirmed Minutes of the Cromwell Community Board Meeting held on 1 August 2023 be noted.

1. Attachments

Appendix 1 - Minutes of the Cromwell Community Board Meeting held on 1 August 2023

**MINUTES OF A MEETING OF THE
CROMWELL COMMUNITY BOARD
HELD IN THE CROMWELL SERVICE CENTRE, 42 THE MALL, CROMWELL
AND LIVE STREAMED VIA MICROSOFT TEAMS ON TUESDAY, 1 AUGUST 2023
COMMENCING AT 2.00 PM**

PRESENT: Ms A Harrison (Chair), Mr B Scott, Cr S Browne, Cr C Laws, Ms M McConnell, Mr W Sanford

IN ATTENDANCE: T Cadogan (Mayor), L van der Voort (Interim Chief Executive Officer), S Righarts (Group Manager - Business Support), D Rushbrook (Group Manager - Community Vision), D Scoones (Group Manager - Community Experience), L Fleck (General Manager - People & Culture), L Webster (Interim Group Manager - Planning & Infrastructure), S Finlay (Chief Financial Officer), G Robinson (Property and Facilities Manager), P Quinn (Property Manager), R Williams (Community Development Officer), G Bailey (Parks and Recreation Manager), M Burnett (Parks Officer - Strategy & Planning), W McEnteer (Governance Manager), S Reynolds (Governance Support Officer)

1 APOLOGIES

COMMITTEE RESOLUTION

Moved: Laws
Seconded: Sanford

That apologies from Cr N Gillespie be received and accepted.

CARRIED

2 PUBLIC FORUM

There was no public forum.

3 CONFIRMATION OF MINUTES

COMMITTEE RESOLUTION

Moved: Browne
Seconded: Scott

That the public minutes of the Cromwell Community Board Meeting held on 20 June 2023 be confirmed as a true and correct record.

CARRIED

4 DECLARATIONS OF INTEREST

Members were reminded of their obligations in respect of declaring any interests. There were no further declarations of interest.

5 REPORTS

23.6.2 TRANSFER OF GRANT

To consider the transfer of a grant to build a community tool shed from the Lake Dunstan Charitable Trust to the Mōkihi Reforestation Trust.

After discussion it was noted that the purpose of the grant remains unchanged and that the tool shed and its facilities will be available to be shared by the wider community.

COMMITTEE RESOLUTION

Moved: Browne
Seconded: Sanford

That the Cromwell Community Board

- A. Receives the report and accepts the level of significance.
- B. Agrees to the transfer of grant funding of \$8580.00 to build a community tool shed from the Lake Dunstan Charitable Trust to the Mōkihi Reforestation Trust.

CARRIED

6 MAYOR'S REPORT

23.6.3 MAYOR'S REPORT

His Worship the Mayor gave an update on his recent activities since the last meeting.

Highlights included attending the LGNZ National Conference held in Christchurch at the new Te Pae centre, and the shortlisting of a new Independent Chair for the Audit and Risk Committee.

His Worship noted the passing of Jo McKenzie-McLean and attended the funeral. He acknowledged that the loss of someone so young and talented was incredibly sad.

COMMITTEE RESOLUTION

Moved: McConnell
Seconded: Laws

That the Cromwell Community Board receives the report.

CARRIED

Note: The Chair also acknowledged the passing of Jo McKenzie-McLean.

7 CHAIR'S REPORT

23.6.4 CHAIR'S REPORT

The Chair gave an update on activities and issues since the last meeting.

- Attended June and July Cromwell Museum Trust meetings. The group are busy working on activities within the current venue, but also looking ahead to thinking and investigating future possibilities for a new space.
- Highlighted an exhibition to be held at the Gate Conference Centre early next week.

This will include work from the six ECE and all three Cromwell Schools with a theme of 'Turangawaewae', 'A Place to Stand; our Place our Home'. This exhibition concludes a Learning Celebration fortnight which has included visiting authors and students attending other schools and ECE centres.

COMMITTEE RESOLUTION

Moved: Harrison
Seconded: Scott

That the report be received.

CARRIED

8 MEMBERS' REPORTS

23.6.5 MEMBERS' REPORTS

Members gave an update on activities and issues since the last meeting.

Ms McConnell reported on the following:

- Attended the Central Otago Sports Awards to celebrate sports people across the region. It was noted that CODC was not a part of the night.
- Attended the monthly Cromwell and Districts Community Trust meeting. Discussion around utilising the funds the Cromwell Community Board had recently granted them to kick start the resource consent process for the Chinese settlement in Old Cromwell.
- Attended the Westpac Queenstown Women in Business Conference.
- Attended a hearing on State Highway 6 upgrades for Waka Kotahi.
- Undertook a site visit for the fast tracked application for Wooing Tree Stage 4. She stated that if any future items relating to this site arise she will declare a conflict of interest.

Cr Laws reported on the following:

- Attended the Lake Dunstan Water Supply official opening.
 - Attended Cromwell Community House meetings in June and July. Noted that the current staff are doing a fantastic job, but they are very busy with many members of the community needing extra services and assistance.
-

- Attended June and July Council meetings. Discussed the resolution to demolish the Cromwell Hall passed in the July meeting.

Mr Sanford reported on the following:

- Attended a couple of dig nights at Bannockburn Inlet with Cromwell Mountain bike club.
- Attended the Forest Lodge Orchard Monarch electric autonomous tractor launch.
- Attended a Lake Dunstan Charitable Trust meeting.
- Attended Connect Cromwell Steering Group meeting, noted that this group will be wound up once bike stands have been distributed.
- Attended Cromwell Junior Football prize giving.
- Had a tour of Hector Egger with the affordable housing group.
- Met with a shop owner in the mall to discuss development ideas

Mr Sanford requested that with regards to the significant projects underway in Cromwell there is a more regular flow of information between council staff and elected members.

Cr Browne reported on the following:

- Attended the Dunstan Junior Netball Tournaments held in Alexandra.
- Attended the Central Otago Swimming Championships in Wanaka, noting the three Cromwell schools excelled.
- Attended Cromwell College Matariki night.
- Attended the Winterstellar Community Day at Central Stories, Alexandra.
- Attended Forest Lodge Orchard Monarch electric autonomous tractor launch, noting the goods turnout and uniqueness of this project.
- Started a Funky hockey programme, which was well attended especially with those new to the sport.
- Attended Jo McKenzie-McLean's funeral.

Mr Scott reported on the following:

- Attended a planning meeting for the Cromwell and Districts Promotions group for 'Light up Winter' which will take place this Saturday 5th August.
- Attended the Forest Lodge Orchard launch of their first electric tractor.

COMMITTEE RESOLUTION

Moved: Browne
Seconded: Sanford

That the report be received.

CARRIED

9 STATUS REPORTS

23.6.6 AUGUST GOVERNANCE REPORT

To report on items of general interest, receive minutes and updates from key organisations and consider current status report updates.

COMMITTEE RESOLUTION

Moved: McConnell

Seconded: Laws

That the report be received.

CARRIED

10 DATE OF THE NEXT MEETING

The date of the next scheduled meeting is Monday 11th September 2023.

11 RESOLUTION TO EXCLUDE THE PUBLIC

COMMITTEE RESOLUTION

Moved: Browne

Seconded: Scott

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
Confidential Minutes from Ordinary Board Meeting	s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
23.6.7 - August Confidential Governance Report	s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

CARRIED

The public were excluded at 2.31 pm

The meeting closed at 2.35 pm

Unconfirmed

23.8.15 MINUTES OF THE MANIOTOTO COMMUNITY BOARD MEETING HELD ON 3 AUGUST 2023

Doc ID: 1201763

Recommendations

That the unconfirmed Minutes of the Maniototo Community Board Meeting held on 3 August 2023 be noted.

1. Attachments

Appendix 1 - Minutes of the Maniototo Community Board Meeting held on 3 August 2023

**MINUTES OF A MEETING OF THE
MANIOTOTO COMMUNITY BOARD
HELD IN THE RANFURLY SERVICE CENTRE, 15 PERY STREET, RANFURLY
AND LIVE STREAMED VIA MICROSOFT TEAMS ON THURSDAY, 3 AUGUST 2023
COMMENCING AT 2.00 PM**

PRESENT: Mr M Harris (Chair), Mr D Helm, Ms R McAuley

IN ATTENDANCE: T Cadogan (Mayor), S Righarts (Group Manager - Business Support), D Rushbrook (Group Manager - Community Vision), D Scoones (Group Manager - Community Experience), L Webster (Interim Group Manager - Planning & Infrastructure), S Finlay (Chief Financial Officer), G Bailey (Parks and Recreation Manager), M Burnett (Parks Officer - Strategy & Planning), W McEnteer (Governance Manager), S Reynolds (Governance Support Officer)

1 APOLOGIES

COMMITTEE RESOLUTION

Moved: Helm
Seconded: McAuley

That an apology from Cr S Duncan be received and accepted and an apology for lateness from Mr R Hazlett be received and accepted.

CARRIED

Note: With approval of the meeting condolences, confirmation of minutes and declarations of interest were moved forward.

2 CONDOLENCES

The chair referred to the deaths of Wally Harrison, Brett Mackle, John McCloy, Joyce Greer, Louella Ratana, Jackie Blue, Donella Hore and Noeline O'Neill. Members stood for a moment's silence as a mark of respect.

3 CONFIRMATION OF MINUTES

COMMITTEE RESOLUTION

Moved: McAuley
Seconded: Helm

That the public minutes of the Maniototo Community Board Meeting held on 11 May 2023 be confirmed as a true and correct record.

CARRIED

4 DECLARATIONS OF INTEREST

Members were reminded of their obligations in respect of declaring any interests. There were no further declarations of interest.

5 PUBLIC FORUM

Sarah Paterson, Melissa Bell, Craig Paterson – Maniototo Area School

Ms Paterson, Ms Bell and Mr Paterson spoke with regards to the turf and courts upgrade project for Maniototo Area School. They noted the need for significant upgrades and the safety concerns around the existing gym and the turf. Original quotes have escalated meaning they need to pursue external funding sources. They then responded to questions.

6 REPORTS

23.3.2 COMMUNITY OUTCOMES AND COMMUNITY IDEAS FOR THE DRAFT 2024-34 LONG-TERM PLAN

To consider Council's Community Outcomes and review comments received through early community engagement for the 2024-34 Long-term Plan.

After discussion and noting the significant expenditure needed for the Ranfurly Pool, it was concluded that such strategic development would need to be aligned with longer-term thinking. However, levels of service and opening hours for the pool would be looked at as part of the 2024-34 Long-term Plan.

COMMITTEE RESOLUTION

Moved: McAuley
Seconded: Harris

That the Maniototo Community Board

- A. Receives the report and accepts the level of significance.
- B. Notes the existing Community Outcomes will be used in the development of the draft 2024-34 Long-term Plan.
- C. Agrees and that the land for the park is still intended to be used for grazing. Agrees that the upgrade of the pool will not be progressed through the current Long-term Plan but that it is reconsidered for the next Long-term Plan discussions in 2027-2037

CARRIED

23.3.3 MĀNIOTOTO FINANCIAL REPORT FOR THE PERIOD ENDING 31 MARCH 2023

To consider the financial performance overview as at 31 March 2023.

The interim report for the period ending 30th June Māniatoto Financial report was also tabled, see attachment.

COMMITTEE RESOLUTION

Moved: Harris
Seconded: McAuley

That the report be received.

CARRIED

Attachments

1 Māniatoto Financial Report for the Period Ending 30 June 2023

7 MAYOR'S REPORT**23.3.4 MAYOR'S REPORT**

His Worship the Mayor gave an update on his recent activities..

Highlights included attending the LGNZ National Conference held in Christchurch at the new Te Pae centre, and the shortlisting of a new Independent Chair for the Audit and Risk Committee.

He noted that he has missed a number of Ranfurly Business Breakfasts as they often clash with the Council meeting days. However, he would be in attendance at the next one.

He also commented that his weekly phone in on The Burn has moved from Thursdays to Fridays, around 7.40am.

This morning he had a meeting with one of the organisers of the Ranfurly 125th celebrations and looks forwards to the event in early December.

COMMITTEE RESOLUTION

Moved: Harris
Seconded: McAuley

That the Maniototo Community Board receives the report.

CARRIED

8 CHAIR'S REPORT**23.3.5 CHAIR'S REPORT**

The Chair gave an update on activities and issues since the last meeting.

- Noted the drilling that ORC were doing, seeking possible new water supplies for the town.

COMMITTEE RESOLUTION

Moved: Harris
Seconded: McAuley

That the report be received.

CARRIED

9 MEMBERS' REPORTS

23.3.6 MEMBERS' REPORTS

Members gave an update on activities and issues since the last meeting.

Mr Harris reported on the following:

- The new Volunteer Fire response vehicle, had now been granted and they were investigating the best pricing for this.
- Maniototo Fire Brigade has its 70th Anniversary coming up in September which will also award Ewan Mason has his Double Gold celebration.

Ms McAuley reported on the following:

- Noted that the organisers of the 125 year celebration have plans for the proceeds of the celebrations to be put back in to the community. They would like to attend a meeting to seek suggestions on this from the board. A possible proposal would be the installation of a Ranfurly sign to welcome visitors.
- Notes the new defibrillator and some exterior lighting installed at the Maniototo Park Stadium and acknowledges staff for these improvements.
- Notes good feedback from the community on the garden maintenance and was looking forward to seeing the new planting in the spring.
- Notes a blocked storm drain on the corner of Stafford Street and Charlemont Street.
- Notes a number of enquiries with regards to Ranfurly Elderly Persons Housing.

COMMITTEE RESOLUTION

Moved: Harris

Seconded: Helm

That the report be received.

CARRIED

10 STATUS REPORTS

23.3.7 AUGUST 2023 GOVERNANCE REPORT

To report on items of general interest, receive minutes and updates from key organisations and consider the legacy and current status report updates.

COMMITTEE RESOLUTION

Moved: Helm

Seconded: McAuley

That the report be received.

CARRIED

11 DATE OF THE NEXT MEETING

The date of the next scheduled meeting is 14 September 2023.

12 RESOLUTION TO EXCLUDE THE PUBLIC**-----
COMMITTEE RESOLUTION**

Moved: Harris
Seconded: McAuley

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
Confidential Minutes from Ordinary Board Meeting	s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
23.3.8 - August 2023 Confidential Governance Report	s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

CARRIED

The public were excluded at 2.42 pm and the meeting closed at 2.44 pm

9 DATE OF THE NEXT MEETING

The date of the next scheduled meeting is 27 September 2023.

10 RESOLUTION TO EXCLUDE THE PUBLIC

Recommendations

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
Confidential Minutes of Ordinary Council Meeting	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
23.8.16 - Consultancy Service Agreement - EnviroNZ	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
23.8.17 - Appointment of the independent chairperson of the Audit and Risk Committee	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
23.8.18 - August 2023 Confidential Governance Report	s7(2)(b)(i) - the withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

23.8.19 - Confidential Minutes of the Cromwell Community Board Meeting held on 1 August 2023	s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
23.8.20 - Confidential Minutes of the Maniototo Community Board Meeting held on 3 August 2023	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
23.8.21 - Appointment of District Licensing Committee	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7