



Infrastructure and Planning Committee

Te Komiti Whakarite Mahere

Thursday, 25 July 2024
Rāpare, 25 Hōngongoi 2024

Totara Room, Whakatāne District Council
14 Commerce Street, Whakatāne
9:00 am

Acting Chief Executive:: David Bewley
Publication Date: 19 July 2024

Live Streaming the Meeting

Live Streaming the Meeting

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A Membership - *Mematanga*

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Mayor Dr V Luca

Councillor J W Pullar - Chairperson

Councillor A V Iles - Deputy Chairperson

Deputy Mayor L N Immink

Councillor T Boynton

Councillor G L Dennis

Councillor W B James

Councillor J C Jukes

Councillor T O'Brien

Councillor N Rangiaho

Councillor N S Tánczos

B Delegations to the Infrastructure and Planning Committee - *Tuku Mahi ki te Komiti***B Delegations to the Infrastructure and Planning Committee - *Tuku Mahi ki te Komiti***

To monitor and advise on the implementation of Council's Infrastructure Strategy, capital works programme, operational service delivery, and related policy and bylaws.

- a. Monitor the operational performance of Council's activities and services against approved levels of service.
- b. To monitor the progress of projects in Council's capital works programme and have input into and make decisions on the development of proposals, options and costs of projects.
- c. Approval of tenders and contracts that exceed the level of staff delegations.
- d. Consider and approve changes to service delivery arrangements arising from the service delivery reviews required under section 17A LGA 2002 that are referred to the Committee by the Chief Executive.
- e. Monitor the development and implementation of associated Central Government Reform programmes including the transition programme for Three Waters reform.
- f. Develop and review associated bylaws (Note: the Council cannot delegate to a Committee to "make" (adopt) a bylaw).
- g. Develop, review and approve strategies, policies and plans on matters related to the activities of this Committee (Note: The Council cannot delegate to a Committee the adoption of the policies associated with the Long-term Plan)
- h. Approve Council submissions to Central Government, Councils and other organisations including submissions to any plan changes or policy statements on matters related to the activities of this Committee
- i. To monitor the progress of projects in Council's capital works programme and have input into and make decisions on the development of proposals, options and costs of projects

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2 Meeting Notices - *Ngā Pānui o te hui*

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1. Live Streaming

The Whakatāne District Council livestreams Council and Standing Committee meetings held in Tōtara Room, within the Council building. The webcast will live stream directly to Council's YouTube channel in real time. The purpose of streaming meetings live is to encourage transparency of Council meetings.

By remaining in the public gallery, it is understood your consent has been given if your presence is inadvertently broadcast.

Please be aware the microphones in Totara Room are sensitive to noise, so please remain quiet throughout the meeting unless asked to speak.

2. Health and Safety

In case of an emergency, please follow the building wardens or make your way to the nearest exit. The meeting point is located at Peace Park on Boon Street.

Bathroom facilities are located opposite the Chambers Foyer entrance (the entrance off Margaret Mahy Court).

3. Other

3 Apologies - *Te hunga kāore i tae*

No apologies have been received at the time of compiling the agenda.

4 Acknowledgements / Tributes - *Ngā Mihimihi*

An opportunity for members to recognise achievements, to notify of events, or to pay tribute to an occasion of importance.

5 Conflicts of Interest - *Ngākau kōnatunatu*

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

The Elected Member Register of Interest is available on the Whakatāne District Council website. If you wish to view the information, please click this [Register Link](#).

6 Public Participation- *Wānanga Tūmatanui*

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6.1 Public Forum - *Wānanga Tūmatanui*

The Committee has set aside 30 minutes for members of the public to speak in the public forum at the commencement of each meeting. Each speaker during the forum may speak for five minutes. Permission of the Chairperson is required for any person wishing to speak during the public forum.

With the permission of the Chairperson, Elected members may ask questions of speakers. Questions are to be confined to obtaining information or clarification on matters raised by a speaker.

6.2 Deputations - *Nga Whakapuaki Whaitake*

A deputation enables a person, group or organisation to make a presentation to Committee on a matter or matters covered by their terms of reference. Deputations should be approved by the Chairperson, or an official with delegated authority, five working days before the meeting. Deputations may be heard at the commencement of the meeting or at the time that the relevant agenda item is being considered. No more than two speakers can speak on behalf of an organisation's deputation. Speakers can speak for up to 5 minutes, or with the permission of the Chairperson, a longer timeframe may be allocated.

With the permission of the Chairperson, Elected members may ask questions of speakers. Questions are to be confined to obtaining information or clarification on matters raised by the deputation.

7 Confirmation of Minutes - *Te whakaaetanga o ngā meneti o te hui*

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The minutes from the Infrastructure and Planning Committee meeting held on Thursday, 30 May 2024 can be viewed via the Council website.

Click on the link below in order to view the 'unconfirmed minutes'.

- [Minutes - Infrastructure and Planning Committee 30 May 2024 - unconfirmed](#)

8 Reports - *Ngā Pūrongo*

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8.1 Council Submission on Local Government (Water Services Preliminary Arrangements) Bill



To: **Infrastructure and Planning Committee**

Meeting Date: **Thursday, 25 July 2024**

Author: **G Cooper / Manager Three Waters**

Authoriser: **B Gray / General Manager Infrastructure**

Reference: **A2707044**

1. Reason for the report - *Te Take mō tēnei rīpoata*

This report seeks retrospective approval for the submission made on behalf of the Whakatāne District Council on the Local Government (Water Services Preliminary Arrangements) Bill. The Infrastructure and Planning Committee has delegated authority to - *“Approve Council submissions to Central Government, Councils and other organisations including submissions to any plan changes or policy statements on matters related to the activities of this Committee”*.

2. Recommendation - *Tohutohu akiaki*

THAT the Infrastructure and Planning Committee recommend the Whakatāne District Council to receive the following recommendation:

1. **THAT** the Council Submission on Local Government (Water Services Preliminary Arrangements) Bill report be received; and
2. **THAT** the Infrastructure and Planning Committee retrospectively approve the Council’s Submission on Local Government (Water Services Preliminary Arrangements) Bill.

3. Background - *He tirohanga whakamuri*

The Bill is the second of three legislative components intended to create a new water service delivery framework. The first component was the Water Services Acts Repeal Act 2024 which repealed the former water services legislation. The third Bill is due to be introduced in December 2024 and will set out a comprehensive range of options, tools and models that will enable Councils to exercise those choices, contingent on meeting criteria for financial sustainability.

The opportunity to submit on the Bill was provided with extremely tight timeframes and gave little opportunity for discussion or approval prior to being submitted (the period open for submissions was less than 2 weeks). We are therefore presenting it to this Committee for their retrospective approval.

This bill seeks to set out the framework and initial operating environment for the replacement regime by:

8.1 Council Submission on Local Government (Water Services Preliminary Arrangements) Bill(Cont.)

- making relevant amendments to the Local Government Act and Local Government (Auckland Council) Act 2009 (LGACA);
- establishing foundational information disclosure requirements to support the design and implementation of a new economic regulatory regime;
- require councils to prepare water service delivery plans to be submitted within 12 months of the Bill's enactment that will set out a council's approach for delivering their water services in ways that are financially sustainable and meet regulatory compliance and service standards;
- remove barriers and streamline requirements for establishing council-controlled organisations (CCOs) under the LGA to make it easier for councils to shift the delivery of water services into more financially sustainable organisational structures;
- explore options for the financial separation of Watercare from Auckland Council.

4. Discussion – *Kaupapa*

4.1. The focus of the Submission

Due to the extremely tight timeframes, staff considered the Bill itself, then drew on an assessment of various submissions from other sector organisations (e.g Taituara, C4LD, WaterNZ). In addition, a submission was prepared by staff working for the Bay of Plenty Water Done Well mayoral forum, and this submission was used as the basis for the Council's submission. Key points raised in the submissions are outlined below:

1. The Bill appears to severely underestimate the work required to prepare Water Service Delivery Plans (WSDP);
2. An assessment to explicitly consider the impact on Councils without Water Services is missing or not clear;
3. Recommendation to submit WSDP in two parts to coincide better with the release of Bill 3. Bill 3 will contain comprehensive economic regulation settings, long-term requirements for financial sustainability and powers, functions, duties and accountability of the new entities;
4. The period covered by the plan is only 10 years, recommend that a longer-term lens is required (30 years).

4.2. Timeline

1. Submissions due by 13th June
2. Report back from the Finance and Expenditure committee by 18th July
3. Bill is likely to be enacted by early August 2024.

8.1 Council Submission on Local Government (Water Services Preliminary Arrangements) Bill(Cont.)

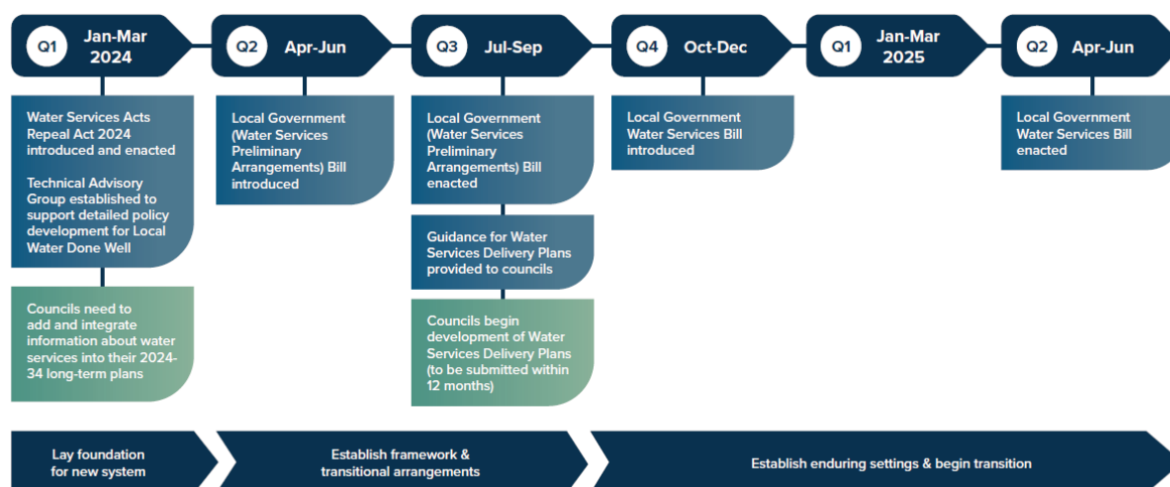


Figure 1. Indicative timeline

5. Significance and Engagement Assessment - *Aromatawai Pāhekoheko*

5.1. Assessment of Significance

The decisions and matters of this specific report are assessed to be of low significance in accordance with the Council’s Significance and Engagement Policy. However, this report is part of a broader process that is, or may be in future, assessed to be of high significance.

5.2. Engagement and community views

Given the extremely tight timeframes, public input has not been sought in developing the submission to the Central Government. The submission reflects the views of the Whakatāne District Council.

5.3. Financial/budget considerations

There are no budget considerations associated with the recommendations in this report.

5.4. Strategic alignment

The matters of this report are aligned with Council’s strategic direction.

5.5. Climate change assessment

While the proposed changes to the legislative framework are likely to have climate change implications, the contents of this report are assessed to have low climate change implications and considerations.

5.6. Risks

There are no known risks associated with the matters of this report.

8.1.1 Appendix one - submission cover letter

Attached to this report:

- **Appendix 1:** Submission Cover Letter
- **Appendix 2:** Whakatāne District Council Submission on Local Government (Water Services Preliminary Arrangements) Bill

8.1.1 Appendix one - submission cover letter

8.1.1 Appendix one - submission cover letter(Cont.)



APPENDIX ONE

13 June 2024

The Chairperson
Finance and Expenditure Select Committee
New Zealand Parliament – Pāremata Aotearoa
Wellington

Via online submission portal

Tēnā koe

SUBMISSION OF WHAKATĀNE DISTRICT COUNCIL ON THE LOCAL GOVERNMENT (WATER SERVICES PRELIMINARY ARRANGEMENTS) BILL

Thank you for the opportunity for **Whakatāne District Council (“the Council”)** to submit on **the Local Government (Water Services Preliminary Arrangements Bill (“the Bill”))**. In advance of our submission we note our disappointment in the process and timeframes provided to participate in this Bill. Matters of importance to Local Government and to our nation more broadly must be given appropriate and deliberate consideration which is difficult when following a truncated timeframe.

Council is committed to continuing to engage with the submission process, as we have done at every opportunity, to date.

Through The Bay of Plenty Mayoral Forum all of the BoP Councils are working collaboratively to understand each council’s water futures and consider all potential options for Local Water Done Well. We are also working in alignment with our fellow Councils in the Waikato and ensuring strong connectivity as options are explored.

We are committed to safe and clean water for everyone, now and into the future. As part of our overall work programme, we have commissioned review work by Martin Jenkins around our respective water programme status and are now undertaking financial modelling of options based on the Bay Councils’ latest LTP data.

We would like the Select Committee to note that we endorse the submission that have been made to you by Local Government New Zealand (LGNZ) .

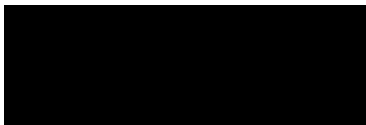
8.1.1 Appendix one - submission cover letter(Cont.)

We would like to also highlight the following points:

1. Working in a voluntary, collaborative environment is more costly and complex and although a longer term more sustainable solution will be found, as we have seen through the NTU, that work is complex yet significantly important for our sustainability as councils and water entities will take far longer than is currently anticipated by what this Bill envisages.
2. There were 11 streams of work in the NTU and it is commercially naïve to think that all we have to do is pick up the funding and finance stream. There are multiple streams of work that have significant interconnectivity and resultant consequences that need to be considered in a systems-based approach.
3. We would ask the Select Committee to consider the position small-medium councils will find themselves in when Three Waters is removed from our overall business. This speaks to the ongoing viability of these Councils and the potential for this legislation to leave Councils with significant stranded costs, viability issues and consequent cost and overall sustainability and survivability issues for many Councils.
4. As part of consideration of any design of a water entity our partnerships with the eight Iwi across our District are absolutely critical. The bill as it stands demonstrated a clear lack of understanding and provision for adequate time and process to ensure sound engagement with Iwi.
5. Critically the bill is silent on the stand up of any new entity – there is no indication on the timing to set up the new entity after the acceptance of a WSDP. The last few years of thorough work with the NTU clearly indicated the complexity and resource required to establish entities. Therefore the timing and agreement on this with Councils is critical.

Thank you again for the opportunity to submit this important feedback. We wish you well in your deliberations as we all work towards safe, sustainable and improved water outcomes for all communities across Aotearoa New Zealand.

Nāku noa, nā



Dr Victor Luca
Mayor – Koromatua

8.1.2 Appendix two - Full submission

8.1.2 Appendix two - Full submission

8.1.2 Appendix two - Full submission(Cont.)

APPENDIX TWO

**SUBMISSION ON
LOCAL GOVERNMENT (WATER SERVICES PRELIMINARY
ARRANGEMENTS) BILL**

(Local Water Done Well Bill #2)

To the Finance and Expenditure Select Committee

Whakatāne District Council thanks the Finance and Expenditure Select Committee ('the Committee') for the opportunity to submit to its consideration of the Local Government (Water Services Preliminary Arrangements) Bill ('the Bill'), albeit on a greatly truncated timeframe.

1. Regional context

- 1.1. In the Bay of Plenty, to support Local Water Done Well, the Bay of Plenty Mayoral Forum has asked for work to be undertaken to support individual councils to make informed decisions on whether to aggregate water services or not (regionally or sub-regionally). The ultimate decision makers in relation to any aggregation proposal will be the individual councils. The work being carried out for the Mayoral Forum is named 'Bay of Plenty Water Done Well'.
- 1.2. The process informing this work is being adapted as issues and government policy becomes clearer. In line with what is understood to be the requirement of Local Water Done Well, the Bay of Plenty Councils are working to identify how identified challenges can potentially be addressed through a collaborative approach. While it is accepted that significant additional work will be required before a joint arrangement can actually be stood up, the focus is on enabling councils to determine whether they wish to be part of designing a future joint arrangement.

2. Context to Bill#2

- 2.1. This Bill is the second of three legislative components intended to create the new framework for water services delivery. The first component was the Water Services Acts Repeal Act 2024 which repealed the former water services legislation.
- 2.2. Bill#3 will be introduced in December 2024 and will set out a comprehensive range of options, tools and models that will enable councils to exercise those choices, contingent on meeting criteria for financial sustainability.

8.1.2 Appendix two - Full submission(Cont.)

3. This Submission

- 3.1. The focus of this submission is on Part 2, subpart 1 of the Bill and the timing, content and approval process in relation to water services delivery plans.
- 3.2. This submission also includes:
 - a) a brief statement in relation to Part 2, sub-part 3 (foundational information disclosure requirements)
 - b) an outline of the matters it is considered future legislation must cover for any new models to operate effectively.

4. Water service delivery plans

- 4.1. The purpose of the water services plan, as stated in Bill#2, is for each council to demonstrate publicly (potentially jointly with others) their commitment to deliver water services in a way that ensures it will:
 - a) meet all relevant regulatory quality standards for its stormwater network, wastewater network and water supply network
 - b) is financially sustainable
 - c) meets all water quality standards and
 - d) supports housing growth and urban development as set out in its long-term plan.
- 4.2. The language is future focussed¹. The underlying objective is to gain confidence that the delivery of water services across councils is fit for purpose. However, councils are being asked to complete this plan at a time when all the material information necessary for making decisions about future delivery requirements have yet to be released by the Government.
- 4.3. To allow for this timing issue, Bill#2 proposes that councils provide details about “... *the anticipated or proposed model or arrangements for delivering water services*”. This includes whether they are likely to enter a joint arrangement with another council or continue to deliver water services alone.
- 4.4. Where a joint water services plan is to be submitted, section 12(1) requires that certain additional information be provided. Section 12(2) further provides that councils “may” give information around an anticipated or proposed model when they submit a joint plan *to the extent that such information is available*. However, section 12 only applies to joint plans. If a council submits a standalone plan, no such requirement appears to apply. In its current form, it is difficult to understand how the water services plan process assists councils in self-determining their future service delivery model.

¹ Noting that although the clause 8 refers to publicly demonstrating the commitment to deliver water services in a way that “is” financially sustainable, the detail of the plan requires details of how it is proposed to be financially sustainable by June 2028.

8.1.2 Appendix two - Full submission(Cont.)

- 4.5. **The explanation appears to be that the timing for submission of the water services delivery plan is driving the content of it - rather than the purpose of the plan driving the timing. It is respectfully submitted that this has the potential to undermine the policy intent of the plan which is for councils to demonstrate an actual commitment to future water services delivery in the manner set out in section 8 (rather than an indicative or anticipated commitment).**
- 4.6. This submission seeks to put forward a proposal where the policy intent can be preserved without compromising on the need for improving the future delivery of water services.

5. **Timing of Water Services Delivery Plans**

- 5.1. Bill#2 provides for water services delivery plans to be submitted within 12 months of the Bill's enactment² (circa August 2025). However, the specifics of Bill #3 (and the future service delivery options available to councils) will not become law until mid-2025 (though we understand the policy will be made public in August 2024).
- 5.2. The policy intent behind the plans is for there to be confidence that the delivery of water services is fit for future purposes.
- 5.3. For the reasons stated above, the fixation on the due date for the water services delivery plans being 12 months after Bill#2 is enacted is influencing what is being asked in the water services delivery plan itself. The timing for the plan, and indeed the content as stated in Bill#2, does not require councils to commit to a future service delivery model. Because of this, there is a real risk that the water service delivery plans will not be sufficiently future-proofed to deliver on their intended purpose.
- 5.4. It is acknowledged that others have submitted that the timeframe for submitting a water services delivery plan be extended to two years. However, an extension of time does not address the fundamental flaw in the content being requested.
- 5.5. To ensure that water service delivery plans deliver on their purpose, the following is submitted:
- a) **Water services delivery plans should be submitted in two tranches.**
 - b) Tranche 1 should be submitted 12 months after Bill#2 is enacted. In line with Bill#2, this will cover each of the matters stated in Section 11 and require councils to pass a resolution on these matters before the 2025 Local Government elections.

² The availability of extensions based on stipulated criteria is acknowledged, including extra time to consult on joint arrangements or finalise negotiations, and subject to any reasonable conditions.

8.1.2 Appendix two - Full submission(Cont.)

- c) Councils who resolve to continue providing water services on a standalone basis in-house (i.e. without establishing a CCO or other form of joint arrangement) will only be asked to submit a Tranche 1 water services plan. This should remain 12 months after Bill#2 is enacted – this is because the rationale for further time does not apply.
- d) Tranche 2 of the water services plan should be due 6 months after Bill#3 becomes law (circa December 2025). This tranche should require all the information set out in section 12 subject to the following:
 - i. Section 12(c) being amended so that only the information requested in specific sub-sections of section 11 will be required³:
 - ii. the Tranche 2 information will relate to the actual delivery model that will be adopted (rather than anticipated or proposed) and the plan to make that model financially sustainable by 30 June 2028.
- e) The provisions regarding an extension in section 17 for Tranche 2 should be retained in exceptional circumstances.

6. Water Services Plans – Content, period covered, approval and scope

Strategic context

- 6.1. It is submitted that section 11 of Bill#2 should be amended to include strategic context for the delivery of water services by a council(s). This section of the plan could describe important context, including growth strategies, treaty settlements, catchment health and so on. For example, all water services delivery plans will relate to delivering water services within part of a catchment. In relation to the outcomes sought by improving water services, such as environmental outcomes, it is important that the catchment context is described. Key information could include asking what contribution a council’s wastewater discharges makes to the total contaminant load within a catchment? This will inform whether the proposed investments in improving water quality outcomes can be contextualised.

Clarity on regulatory requirements in Section 11(d)

- 6.2. Section 8(b)(i) and (iii) refer to regulatory quality standards. Section 11(d) asks councils to confirm “...whether and to what extent water services comply with regulatory requirements...”. The latter requirement (Section 11(d)) is more open-ended than the former (Section 8(b)(i) and (iii)).
- 6.3. If the intent is for the water services plans to address regulatory quality standards, it is submitted that the intent of Section 11(d) should be clarified and amended to refer to regulatory quality standards.

³ Section 11(f) (financial projections for new service delivery model), Section 11 (h) with reference to the single asset management plan, Section 11(l) (the consultation undertaken re the option) and Section 11(m) (explanation of what will be done to ensure delivery of water services will be financially sustainable by 30 June 2028).

8.1.2 Appendix two - Full submission(Cont.)

- 6.4. If the scope is intended to be wider (and refer to the future economic regulation), then it should be amended to read "...whether and to what extent water services comply with all relevant water services regulatory standards as at the date of submission of the plan⁴."
- 6.5. Furthermore, if the position in paragraph 6.3 above is correct, it is submitted that Section 11(d) should be extended to provide that "...where relevant standards are not being or will not be complied with, a description of the nature of the non-compliance and the pathway to compliance."

Clarity on commitment to supporting housing growth and urban development (section 8)

- 6.6. The intent of the water services delivery plan is for councils to demonstrate their commitment to matters, including delivery water services in a way that supports housing growth and urban development.
- 6.7. It is submitted that in addition to the long-term plan, section 8(1)(b)(iv) should be extended to include reference to the relevant future development strategy of the council, or to the growth and development provided for in the relevant regional policy statement and / or district plan.

Period covered by the plan (section 13)

- 6.8. A water services delivery plan is intended to cover a period of 10 years. However, to demonstrate what is required in Section 8(1)(b)(iv) i.e. housing growth and urban development, and also long-term financial sustainability of what is an infrastructure business, a longer time frame than 10 years is required. It is respectfully submitted that in the context of these two components of the plans, a 30-year lens should be applied.
- 6.9. The proposed period covered by a water services delivery plan (as per section 13(1)) starts in the 2024-25 financial year. As plans are due to be submitted in July / August 2025 (depending on when Bill#2 is enacted), the 2024-25 financial year will have passed. It is submitted that if the intention is for the plan to cover the period from July 2024, the content of the water services plan (as per section 11) should be extended so that councils provide particulars of the delivery as at the date of submission against the LTP2024 projections for the 2024/2025 year.

Timeframes for approval of the Plan (Section 18)

- 6.10. To create as much certainty as possible, it is imperative that there is a timeframe for the Secretary to confirm whether a plan submitted by a council (or councils) has been accepted).
- 6.11. It is submitted that:

8.1.2 Appendix two - Full submission(Cont.)

- a) any feedback on a Tranche 1 water service delivery plans be made within two months of the plan being submitted
- b) where a council is only required to submit a Tranche 1 water services delivery plan (i.e. it has resolved to maintain the status quo), the plan will be accepted or a direction to amend the plan provided within two months of the plan being submitted. This will ensure that where the plan is not accepted, those councils can consider not only the proposed amendments to their plan but also consider the possibility of joint arrangements being explored at that time with neighbouring councils and whether this is a better option than the suggested amendments
- c) a Tranche 2 water services delivery plan must be accepted or a direction to amend provided within two months of the plan being submitted.

Extending scope of water services plans (Section 14)

- 6.12. The circumstances in which the Secretary will extend the scope of a water services delivery plan under section 14 is not entirely clear. If it is considered that this information may be needed, it would be easier for councils to be made aware of this from the outset rather than the scope of a plan extending while the plans are being prepared.
- 6.13. Clarification on the circumstances in which such a rule may be passed should be set out in the Bill. Is this intended to be after the plans have been submitted and it is found that further information is required for the Secretary to make an assessment to approve or not?
- 6.14. Without clarity, the making of such rules introduces the possibility of rework and inefficiency into plan preparation.

7. Foundational information disclosure requirements (scope)

- 7.1. Section 33(1) confirms that subpart 3 applies only to a council that delivers water services, a CCO that delivers water services or a subsidiary of a CCO that delivers water services where the relevant entity has been specified by Order in Council on the recommendation of the Minister of Local Government and the Minister of Commerce and Consumer Affairs.
- 7.2. Where the specified entity provides services other than water services, the scope of the determination that may be issued is quite extensive and can lead to financial information being requested for matters that are not incidental to or related to delivering water services.

8.1.2 Appendix two - Full submission(Cont.)

- 7.3. To ensure there is clarity, it is submitted that Subpart 3 be amended to include a provision confirming that this extensive request for information only applies where water services activity is not ring-fenced. Where councils have removed water services activity from their main activities and transferred into an organisation that organisation is the potential specified entity (rather than the council). In such circumstances, councils will be able to safeguard their residual business from being tainted by economic regulation.

8. Requirements of future legislation

- 8.1. Councils can combine now to prepare a joint plan to reflect joint arrangements and how water supply, wastewater, and stormwater services will be provided throughout the relevant districts. There is flexibility whether to include some or all stormwater services in a joint arrangement to enable councils to make the right decisions for their local circumstances.
- 8.2. While the streamlining of provisions around the standing up of CCOs is welcome, there are a number of questions around the rights and obligations of that CCO that make it difficult to understand whether this is the correct option. The term CCO is used below but clarity is needed on these matters in the context of all service model that involve a separate entity being established:
- a) allowing a regional water CCO to prepare policies and set and charge development contributions
 - b) transition provisions to enable transfer of previously collected development contributions across to a newly formed CCO
 - c) confirmation the CCO will be treated the same as Councils for income tax purposes
 - d) if it is to be asset-owning, a regional water CCO can exercise powers under the Public Works Act to compulsorily acquire land but also confirm that it would have the same obligations as a council if disposing of land that was compulsorily acquired
 - e) where the CCO extends to stormwater, provide a CCO with the means of recovering any charges for stormwater where the CCO can directly charge for stormwater services (rather than recover the amount from the Councils who will charge in the form of rates)
 - f) powers of the CCO to be the same as powers of Council in relation to water supply wastewater services
 - g) clarification as to whether the CCO will be required to pay rates in respect of any land on which assets owned by the CCO are situated?

8.1.2 Appendix two - Full submission(Cont.)

- h) It is recognised there will be clarification on full range of funding tools water services CCOs will have through legislation to generate the revenue necessary to get sufficient debt capital for investment. However, clarity is also needed on the access to statutory funding tools they will have in their own right, such as rates and development contributions (which are often used by councils as the primary funding tools for growth-related capital expenditure)
 - i) mechanisms for establishing and agreeing contractual terms which apply to the relevant customers and the new model.
- 8.3. It is understood that transitional provisions will be available Bill #3 that will assist with the transfer of assets and liabilities and the ability of staff to move from a council into a CCO. These provisions will be gratefully accepted and should assist in reducing some of the cost.

8.2 Infrastructure and Planning Report - July 2024(Cont.)

8.2 Infrastructure and Planning Report - July 2024



To: **Infrastructure and Planning Committee**
Date: **Thursday, 25 July 2024**
Author: **B Gray / General Manager Infrastructure**
Reference: **A2700038**

1. Reason for the report - *Te Take mō tēnei rīpoata*

This report updates and informs the Infrastructure and Planning Committee on the implementation of Council's Infrastructure Strategy, capital works programme, operational service delivery and related policy and bylaws.

2. Recommendation/s - *Tohutohu akiaki*

THAT the Infrastructure and Planning Committee recommend the Whakatāne District Council to receive the recommendation:

1. **THAT** the Infrastructure and Planning report - July 2024 be **received**.
2. **THAT** the Infrastructure and Planning Committee **endorse** the progression of seal extensions on No 1 Road and Thornton Hall Road as part of the Seal Extension programme and that the remainder of the programme will be reviewed through a workshop with Elected Members and confirmed through Council.

3. Standing Agenda Items

3.1. Capital Project Reporting

3.1.1. Activity update on key projects

The table below highlights key activities completed since the last Infrastructure and Planning Committee meeting, and the proposed activities planned for the next 2-3 months. This table has been pulled from all key capital projects for Three Waters and Transportation with a value of over \$250,000.

Table 1: Activity update report for key and other significant projects (Three Waters & Transport)

Primary	Phase	Department	Activities completed last quarter	Activities planned next quarter	Revised Budget 23_24
▼ Project Type Key Projects					
Otumahi Water Storage	Construction	Three Waters	- Earthworks completed	- Progress physical works Note : Project planned to be complete Mar 2025, minor delays, end date still on track. Carry forward of funds applied.	\$5,483,193
Hinemoa SW PS Replace	Construction	Three Waters	- Contract Awarded, contractor established on site. - Resource Consent granted - Service location investigations complete - Coms to community commenced	- Complete construction (Q3 2025) Note : Construction slipped into 24/25. Delay due to RC delays / delay due to alternative tender details. Clear plan in place for 24/25.	\$4,304,899
Keepa Road Improvements	Planning	Transport	- Planning activities progressed with harbour development alignment meetings.	- Preparing a report on land use options (aug 24) - Replanning activities - early works in 24/25, larger work programme between 25-27.	\$4,023,257
Matata Wastewater Scheme	Planning	Three Waters	- initial planning & concept design - Information to support land acquisition compiled	- Seek support from community for approach	\$3,701,786
TCP-SH30 Shaw Rd to Bridge SUP	Deferred/ On Hold	Transport	- Project on hold. New government has changed funding approach. Project added to improvement list.	n/a	\$2,599,779
EQ Water Network Renewals	Construction	Three Waters	- Package 1 : Construction complete (Pōhutukawa) - Package 2 : Construction initiated - Package 3 : Construction complete - Package 4 : Procurement underway	- Package 2 : Finalise construction (Aug 2024) - Package 4 : Complete procurement (Construction next FY) Note : Carry forwards applied, clear plan in place for 24/25 delivery.	\$2,522,341
Murupara Treatment Upgrades	Planning	Three Waters	- Hikoi to Hawkes bay completed - Facilitator engaged - Agreement on collaborative approach for project delivery (inc scope finalisation / design approval)	- Forming community stakeholder group Note : Carry forward applied to financials, Fist formal hui planned August 24	\$2,432,527
LR341 - LRI - Peace Street Dra	Close out	Transport	- Majority of physical works completed	- Minor works & close out activities (Jul 24)	\$2,000,000
Apanui Linear Park	Close out	Three Waters	- Construction completed - Performing well during high rainfall events - Initial planting	- Complete planting (Aug/Sep24)	\$1,956,850

Primary	Phase	Department	Activities completed last quarter	Activities planned next quarter	Revised Budget 23_24
LR341 - RTZ - Smith to Walker	Close out	Transport	- Majority of physical works completed	- Minor works & close out activities (Jul 24)	\$1,900,000
SPR216 Bridge Renewals (Ruatahuna Rd bridge 164 replacement)	Construction	Transport	- Temporary bridge in place - Demolition old bridge in progress	- Complete demolition old bridge (Jul 24) - Start construction new bridge (Jul-Dec24) Note : Delay of 6 months, collaborative approach timeframe not included in original schedule	\$1,758,273
Plains W Backflow Preventors	Planning	Three Waters	- Gathering feedback on policy document from public	- Finish requirement gathering - Initiate procurement processes Note : slight delay as a result of community feedback. Now have clear plan in place for delivery & carry forward of financials will apply.	\$1,274,153
Whakatane WWTP Upgrade	Close out	Three Waters	- Aerators installed & commissioned	- Asset closeout documentation for Aerators to follow. Note: Scope project changed, project re-baseline underway.	\$1,157,287
OtumahiW StoragePipeL Rd WMain	Procurement	Three Waters	- Completed procurement	- Pipe due to arrive Aug 24.	\$1,000,000

▼ Project Type

Other Significant Projects (Over \$250k)

BOF - Edge to Thorn Cycle Trail	Design / Consent	Transport	- Design Stage 1 complete - Re-engagement with iwi	- Procurement Stage 1 (Aug 24) Note : Delayed as design agreed with land owners / iwi.	\$898,110
EQ Sewer Network Renewals	Construction	Three Waters	- Pump station construction 75% complete Note: Delays due to ground water issues & seepage through stop bank	- Complete construction (Aug 2024)	\$882,401
WHK SW - Pipe Upgrades	Procurement	Three Waters	- Procurement approach agreed.	- Carry out physical works during summer 24/25 due to high water table. Note : Carry forwards will apply.	\$881,744
Ruatoki New Water source	Planning	Three Waters	- Site proposed to TUT with options available	- Agreement of approach with TUT - Finalize plant siting arrangements	\$655,005
TCP-Whk Riv Awatapu-CutlerSUP	Deferred/ On Hold	Transport	- Project on hold. New government has changed funding approach. Project added to improvement list.	n/a	\$599,949

Primary	Phase	Department	Activities completed last quarter	Activities planned next quarter	Revised Budget 23_24
①					
Ferry Road WW Rising main replacement	Construction	Three Waters	- New 1.3 km rising main 60% complete Note : Delay with sub-contractor availability.	- Complete physical works (Aug 24)	\$579,887
WHK WW Discharge Resource Consent	Planning	Three Waters	- Continue high level discussions with Ngati Awa	- Continue high level discussions with Ngati Awa	\$391,370
OHOPE SW - Upgrades	Construction	Three Waters	- Design changes incorporated - All procured items on site	- Finalise construction (Jul24) Note : Delays due to weather - Need 10d fine weather forecast	\$311,978
Muru WW Discharge Resource Consents	Planning	Three Waters	- Progress discussions with Ngāti manawa	- Progress discussions with Ngāti manawa	\$264,849

3.1.2. All Projects – RAG (Red/Amber/Green) Status

For each capital project that is being delivered through the Transportation or Three Waters teams, we have assessed each project to understand the status of the following key components of the project:

- Project scope
- Schedule
- Finances
- Risk

An assessment was carried out to determine the status of key components of successful project delivery and a Red / Amber / Green status was assigned. This review is carried out monthly and updated monthly by activity managers and the General Manager as appropriate.

The Red / Amber / Green assessment uses the following criteria:

Red	Significant issues / No plan in place
Amber	Significant issues – plan in place to address, or Moderate issues which are manageable
Green	No issues / Clear plan in place

The RAG Status table (all capital projects for Three Waters) below contains details of RAG status for all capital projects not already covered / discussed within the report to provide overall visibility of how each project is tracking.

3.1.3. Exceptions Report – Red Flags

As highlighted through the RAG Status report, there are some projects which require additional focus in order to get the projects back on track for successful delivery. Table 2 (below) contains details of the proposed ‘Go to Green’ plans for all red flags identified.

Table 2: Exceptions Report (Red Flag Status), including proposed 'Go to Green' plan

Primary	Department	Phase	Revised Budget 23_24	Scope	Schedule	Finance	Risk	Go to Green Plan : GM Report
Ruatoki New Water source	Three Waters	Planning	\$655,005	Amber	Red	Red	Red	Agreement of approach with TUT (Aug 2024)
Keepa Road Improvements	Transport	Planning	\$4,023,257	Red	Red	Red	Amber	Agree approach - land use options (Aug 24)
TCP-SH30 Shaw Rd to Bridge SUP	Transport	Deferred/ On Hold	\$2,599,779	Green	Red	Green	Red	None - project on hold. New government has changed funding approach.
TCP-Whk Riv Awatapu-CutlerSUP	Transport	Deferred/ On Hold	\$599,949	Green	Red	Green	Red	None - project on hold. New government has changed funding approach.

Note : No new 'RED' projects for this report, Go to green actions

3.1.4. Completed Projects / Close out Projects

See below for a list of completed projects or projects in close out phase , this shows progress of completed projects through the year. For those projects in close out, this will be completed by mid July 2024.

Primary	Phase
▼ Department Airport	
Runway Renewals	Complete
▼ Department Port and Harbour	
Wairaka Park Harbour Improve	Complete
▼ Department Three Waters	
Equalised W PS renewals	Complete
EQ Water Tele/Scada Monitoring Equipment	Complete
Whaktane Water Treatment plant upgrade	Complete
Whk Cond & Improv - Reservoirs	Complete
Taneatua WTP Access Track	Complete
Apanui Linear Park	Close out
SW 7 Capt Updr from Compre MGM	Close out
Edge SW - Stormwater Study	Complete
Te Mahoe SewageTreatment Plant - Expenditure & Income	Complete
Whakatane WWTP Upgrade	Close out
Muru Sewer Mhole renewal / upgrade	Complete
MURU WW Oxidation Pond Fencing	Complete
3WR30 WHK W Renew/Upgrades - Matata WTP- Awakaponga Upgrade. 2023-24 project	Complete
▼ Department Transport	
LR212 Resurfacing-Chipseal	Complete
LR214 Pavement Rehab	Complete
LR212 Resurfacing- AC	Complete
Blueberry Curves RD Safety Imp	Complete
Galatea Road Reinstatement	Complete
Nov 22 Herepuru Permanent Rein	Complete
Large Stanley Road 6.6 Reinstatement	Complete
LR341 - LRI - Matahi Road Dra	Complete
LR341 - LRI - Peace Street Dra	Close out
LR341 - LRI - Landing Road RAB	Complete
LR341 - RTZ - Smith to Walker	Close out
LR341 LC/LR Kohi PT Rd SS Extn	Complete
LR341 - W&C - College Road	Complete
LR341 - W&C - Salonika/Crete/G	Complete
LR341 - RTZ - Speed Management	Complete
SPR341 LC/LR Improv - Structur (SPR Guard rails (Te Whāiti rd / Waikaremoana / Ruatahuna)	Complete
SPR341 LC/LR Walk & Cycle Imp	Complete
NFA Seal Extensions (Seal Extensions - Year 2 & 3 (Matata causeway / end of Hallet Road))	Complete

3.1.5. RAG Status (All Capital projects for 3 Waters & Transport)

See below for a list of all active projects from 2023/24 FY. For these projects there will be carry forward applied to allow projects to be completed in FY 24/25.

These are noted as amber status as there is a clear plan to deliver these projects in place. Key delays associated with these projects are captured in Section 4.2.

Primary	Phase	Scope	Schedule	Finance	Risk	Revised Budget 23_24
Three Waters						
Otumahi Water Storage	Construction	Green	Green	Amber	Green	\$5,483,193
Hinemoa SW PS Replace	Construction	Green	Amber	Amber	Amber	\$4,304,899
Matata Wastewater Scheme	Planning	Green	Amber	Amber	Amber	\$3,701,786
EQ Water Network Renewals	Construction	Green	Amber	Amber	Amber	\$2,522,341
Murupara Treatment Upgrades	Planning	Amber	Green	Amber	Amber	\$2,432,527
Plains W Backflow Preventors	Planning	Green	Amber	Amber	Green	\$1,274,153
OtumahiW StoragePipeL Rd WMain	Procurement	Green	Amber	Amber	Green	\$1,000,000
EQ Sewer Network Renewals	Construction	Green	Amber	Green	Green	\$882,401
WHK SW - Pipe Upgrades	Procurement	Green	Amber	Amber	Amber	\$881,744
Ferry Road WW Rising main replacement	Construction	Green	Amber	Amber	Amber	\$579,887
WHK WW Discharge Resource Consent	Planning	Green	Amber	Amber	Amber	\$391,370
OHOPE SW - Upgrades	Construction	Green	Amber	Amber	Green	\$311,978
Muru WW Discharge Resource Consents	Planning					\$264,849
3WR1 Headworks - Otumahi 2nd	Construction	Amber	Amber	Amber	Amber	\$247,692
Matata water meters	Construction	Green	Amber	Amber	Amber	\$208,330
WHK W model & install calib - Capital expenditure	Design / Consent	Green	Amber	Amber	Green	\$117,411
Tane WW Dischrg Rsrce Consents	Planning	Green	Amber	Amber	Amber	\$111,820
WW Model Network Updates	Construction	Green	Green	Green	Green	\$82,835
Taneatua Comprehensive SW Consent and Upgrades	Planning	Green	Green	Green	Green	\$72,683
Muru WW monitor renewal RC	Construction	Green	Green	Green	Green	\$27,955
TANE WW monitor renewal RC	Construction	Green	Green	Green	Green	\$16,773
EQ Water WTP Minor Equip Renewals	Construction	Green	Green	Green	Green	\$16,773
EDG WW - Monitor WW discharge	Construction	Green	Green	Green	Green	\$16,773
Muru WW Asset cond & pipe samp	Construction	Green	Green	Green	Green	\$10,290
▼ Department						
Transport						
SPR216 Bridge Renewals (Ruatahuna Rd bridge 164 replacement)	Construction	Green	Amber	Amber	Green	\$1,758,273
BOF - Edge to Thorn Cycle Trail	Design / Consent	Green	Amber	Amber	Amber	\$898,110

4. Lessons learnt – LTP 2021 - 2031

Over the last 3 years there have been key learnings / risks encountered that are useful to capture, as this information should feed into and support our planning for LTP 24-34 capital delivery. See below for further details.

4.1. Overall lessons learnt / risks encountered between 2021 - 2024

During 2022 we received additional funding from Central Government for 3 Waters, at this time the team delivered on average 130% of the capital delivery programme. Being agile to external funding opportunities and quickly setting up large programmes of work was fundamental to this success.

With the impact of Covid19, not only did Council have to deal with illness affecting staff and key contractors, there was also an impact to shipping and logistics. At times this resulted in commonly procured items now requiring extremely long lead times.

Inflation over the last 3 years has been extremely high. Many budgets have had to be re-reviewed because of this significant inflation, resulting in less work being completed with the available budgets.

Some delays / changes in the Waka Kotahi funding models have impacted the start dates of some projects and resulted in some projects being stopped completely (as funding was reallocated).

Wet weather over the last 3 years has impacted delivery of some of the capital delivery projects. With the changing climate and at times more frequent rainfall events, this is becoming an increased risk to delivery.

Project teams have placed a strong focus on improving their project and contract delivery processes and practices.

These improvements have led to a greater understanding of the time and resource requirements required to appropriately address and complete

- i. Robust stakeholder and iwi engagement,
- ii. Planning for Heritage NZ checks and associated authority applications,
- iii. Increased funding required & the time to approve and
- iv. Underestimation of construction activities.

All of these risks and opportunities were identified during the delivery phase of the projects and, although managed appropriately, schedule float was not included at the beginning of each project.

4.2. Establishment of a Project Office Management

The establishment of a Project Management Office (PMO) will enhance the baselining of future projects through the standardised structure that a PMO brings including methodologies and tools for project planning and execution.

By building a centralised repository of project templates, guidelines, and historical data, the PMO will ensure consistency in defining project scopes, timelines, and confirming budgets. This consistency allows for more accurate and reliable baselines, as project managers can review past data and best practices to forecast project requirements and outcomes more precisely. Additionally, the PMO's oversight facilitates regular reviews and input into future project baselines, ensuring they remain aligned with organisational goals and changes in project scope or environment.

In terms of identifying and implementing lessons learned, the PMO will play a critical role by overseeing the process of capturing, analysing, and circulating project experiences and insights.

The PMO will expect that project managers complete post-project reviews, and these reviews will fall under the auditing function of the PMO. By ensuring that lessons learned are integrated into the planning and execution phases of new projects The PMO will help avoid repeating past mistakes and promote continuous improvement. This systematic approach will not only enhance project performance but will also encourage a culture of learning and knowledge sharing within the project teams.

4.3. 2023 / 2024 Review of delivery & Lessons learnt

As this is the last report for the period 2023 / 24, a capture of challenges / lessons learnt is noted below. This will be considered as we progress planning / deliver for LTP24-34.

4.3.1. Baseline delivery plans do not include appropriate contingency.

Key risks have been identified for projects, however these risks have not been applied to the baseline schedule to provide a realistic timeframe for delivery. Going forward for more complex projects an assessment of schedule float needs to be included in the baseline to provide a robust schedule.

4.3.2. Key risks encountered during FY 2023/24 : 3 Waters

- Hinemoa SW: Resource consent issues / Contaminated land issues / procurement lead time delays
- Otumahi Water Storage: engagement timeframe increased
- EQ Water Network – Heritage NZ delays
- Murupara Treatment – Community engagement is complex and contentious leading to delay
- Plains Water Backflow preventors – Policy work & hearings resulted in significant delays
- Whakatane WWTP upgrade – Scoping of project delayed & delays in procurement. Internal resource availability.
- Edgecumbe WW relining – PM resource availability.
- Otumahi Storage Pipe – PM resource availability.
- Whakatane SW pipe upgrades – Design completion delays – external contractor.
- Ruatoki New Water Source – Delays in relation to finding suitable water sources and locking down land for treatment plant location.
- Ferry Road Rising main – Long lead items not included in schedule, delay to procurement as only 1 vendor.
- Ohope SW – Delays due to complex on site conditions
- 3WR Headworks -Lack of capacity – contractors
- Matata Water meters – Heritage NZ delays

4.3.3. Key risks encountered during FY 2023/24: Transport

- Thornton Road Smith to Walker - Accidental discovery led to the need for Archaeological authority and further processes
- Keepa road – Alignment with multiple construction projects and programmes.
- Ruatahuna Bridge – Designers / construction team – delays working through design
- Storm events prioritised
- SH30 Shaw Road SUP / Whakatāne Stop bank – Projects put on hold

5. Waka Kotahi Budget Approvals

Council has received its indicative funding allocations from Waka Kotahi for a number of the 2024-27 funding requests. To date the approved funding relates to the following activities:

- Pothole Prevention – includes maintenance, operations and renewals of pavements, surfacing and drainage,
- Operations - includes network and asset management, traffic services maintenance, operations and renewals, environmental maintenance, structures maintenance
- Structures Renewals

Indicative funding allocations for our Local Roads in these activities includes 100% of the requested funding for Pothole Prevention and 99.98% of requested funding for Operations and Structures Renewals. Local Roads activities funding assistance rate has increased to 65% for the 24-27 period (was 63% for the 23-24 period).

For our Special Purpose Roads, the Funding Assistance Rate remains at 100%, however the overall allocated budget has been reduced by 30% for these particular roads. Council staff are continuing conversations with Waka Kotahi regarding the impact of this on our Special Purpose Roads.

The remaining activities yet to have their Waka Kotahi funding allocations announced are listed below. The Waka Kotahi funding for these activities will be announced when the final National Land Transport Plan (NLTP) is adopted in August.

- Low Cost Low Risk Improvement Activities
- Business Cases and Transport Planning Activities
- Footpath and Cycle Path Maintenance
- Road Safety Promotion Activities

Council staff are continuing to progress the 2024/25 Delivery Programme to ensure we can optimise the construction season, whilst applying a risk-based approach for activities that are yet to have their Waka Kotahi funding approved.

6. Airport Masterplan

The Airport Master Plan document is progressing well. An updated draft is expected later this month to enable further engagement with hapū. The final Airport Master Plan is expected to be ready to present to the next Infrastructure and Planning Meeting for adoption on 26 September 2024.

7. Airport Fees and Charges

The Final Pricing Proposal has been approved by MoT. Council has been working with Automated Intelligent Movement Monitoring (AIMM) to ensure the admin systems for processing the new fees and charges, are robust and seamless. The new Airport Fees and Charges have been in place from 1 July 2024.

8. Seal Extensions

Following the Council decision to begin a seal extension programme in the 2021-31 LTP a Seal Extension Policy was developed, this outlined the criteria a prioritisation mechanism for developing a schedule of roads to be sealed.

Through this first three-year programme of works we have identified that there are some improvements that could be made to how we implement the policy in order to get the most bang for buck with scarce council resources, and outcomes for those living on unsealed roads.

These improvements do not require a change to the policy, only how we are implementing the policy using the internal prioritisation assessment tool.

8.1. What have we reviewed and changed?

Staff have undertaken an update to the Seal Extension prioritisation assessment, this is the tool that we use to assess unsealed roads for eligibility and to rank them in order of benefit. The overall assessment criteria have remained the same however there have been key updates in some areas:

- Updated metal maintenance costs based on maintenance data.
- Updated seal extension construction costs to reflect recent experience delivering seal extension projects. This has seen delivery costs double due to increased contractor rates and recognition that the initial assessment underestimated project setup costs such as traffic management.
- Roads have been segmented into shorter sections based on the adjacent natural features and presence of houses or points of community interest. This provides for more targeted seal extensions where rather than a whole road being sealed only the most relevant sections are sealed.

While the previous assessment was considered fit for purpose the lack of granularity in the assessment did mean that the best value for money may not always have been achieved. By updating the maintenance and construction costs the assessment is better aligned with the realities of the current market while the segmentation has allowed for better targeted investment in seal extensions.

8.2. What was the result of these changes?

For some roads the change in metal costs has seen a significant increase in the Benefit Cost Ratio (BCR) for sealing roads.

The below table provides the updated seal extension rankings, noting the previous ranking. Sites in bold have been completed, and sites highlighted green have seen a significant change in ranking, with an explanation provided.

Treatment Length	Road Name	Length	completed	NEW RANKING	Old Ranking	Explanation where significant change
44103	PAEKOA ROAD	138	yes	1	1	
44003	OPURANA ROAD	406	yes	2	4	
44116	THORNTON HALL ROAD	396	no	3	6	
44045	MATAHI VALLEY ROAD	200	no	4	2	
44002	NO 1 ROAD	469	no	5	4	
44044A	MATAHI VALLEY ROAD	562	no	6	17	Increased ranking due to segmentation
44109	RANGI ROAD	116	Yes	7	11	
44046A	MATAHI VALLEY ROAD	480	no	8	23	Increased ranking due to segmentation
44060	KAWEKAWE ROAD	957	Yes	9	3	
44044C	MATAHI VALLEY ROAD	540	no	10	17	Increased ranking due to segmentation
45379A	KOTORENUI ROAD	183	no	11	21	Increased ranking due to segmentation
44118A	WITHY ROAD	782	no	12	32	Increased ranking due to segmentation
44098	MATATA CAUSEWAY ROAD	235	Yes	13	14	
45386	POKAIROA ROAD	1382	no	14	44	Significant increase in BCR due to increased metalling costs. Business Case Planned.
44033A	KOPE DRAIN ROAD	751	no	15	19	
44027	HALLETT ROAD	367	Yes	16	7	

Treatment Length	Road Name	Length	completed	NEW RANKING	Old Ranking	Explanation where significant change
44102	POKAIROA ROAD	5012	No	17	43	Significant increase in BCR due to increased metalling costs. Business Case Planned.
44046C	MATAHI VALLEY ROAD	338	No	18	23	
44114	POKAIROA ROAD	4647	No	19	52	Significant increase in BCR due to increased metalling costs
44078	TROUTBECK ROAD	232	no	20	15	
44042A	MARAETOTARA ROAD	263	no	21	46	Increased ranking due to segmentation
44041	MANGAONE ROAD	482	Yes	22	8	significant reduction in BCR with updated construction costs
44035	LEADER ROAD	556	no	23	16	
44121A	POKEREKERE ROAD	174	no	24	58	
44057	MOTTRAM ROAD	659	no	25	22	
44106	HALLETT ROAD	231	yes	26	9	
44054	MATIU ROAD	963	no	27	13	
44118B	WITHY ROAD	641	no	28	32	
44044B	MATAHI VALLEY ROAD	766	no	29	17	
44063	ORINI ROAD	428	yes	30	12	significant reduction in BCR with updated costs

Figure 1 - Change in rankings with updated assessment

The table below provides an indicative programme for delivery over the next 6-year period. The programme is subject to change based on more refined cost estimates and resource consent requirements as sites are developed. Updates will be provided to IPC through the regular project reporting. Note the costs indicated in the below table are the uninflated base construction estimates. The totals across the three year periods are less than the LTP budget for Seal Extensions to allow for escalations, pre-implementation (planning and design) and Monitoring, Surveillance and Quality Assurance (MSQA) costs which all form part of the total project cost.

				Draft Implementation Programme					
				2024 LTP			2027LTP		
				\$ 522,090	\$ 1,285,935	\$ 667,463	\$ 865,140	\$ 718,490	\$ 914,756
Treatment Length	Road Name	RANKING		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
44116	THORNTON HALL ROAD	3		\$ 245,496					
44045	MATAHI VALLEY ROAD	4			\$ 162,000				
44002	NO 1 ROAD	5		\$ 276,594					
44044A	MATAHI VALLEY ROAD	6			\$ 376,065				
44046A	MATAHI VALLEY ROAD	8			\$ 383,520				
44044C	MATAHI VALLEY ROAD	10			\$ 364,350				
45379A	KOTORENUI ROAD	11				\$ 174,248			
44118A	WITHY ROAD	12				\$ 493,215			
45386	POKAIROA ROAD	15							
44033A	KOPE DRAIN ROAD	14					\$ 396,726		
44102	POKAIROA ROAD	17							
44046C	MATAHI VALLEY ROAD	18					\$ 292,782		
44114	POKAIROA ROAD	19							
44078	TROUTBECK ROAD	20					\$ 175,632		
44042A	MARAETOTARA ROAD	21						\$ 216,848	
44035	LEADER ROAD	23						\$ 313,656	
44121A	POKEREKERE ROAD	24						\$ 187,986	
44057	MOTTRAM ROAD	25							\$ 427,718
44054	MATIU ROAD	27							\$ 487,038
44118B	WITHY ROAD	28							

Figure 2- Proposed 6-year programme

No 1 Road and Thornton Hall Road are both prioritised for delivery in summer 2024/25 based on the high ranking in the previous assessment and the updated assessment. This provides staff confidence that these are the right projects to be progressing as a priority to ensure seal extensions occur for the 2024/25 construction season although Thornton Hall Road does have some delivery timeframe risks as a result of a pending archaeological authority.

Matahi Valley Road site 44045 will be deferred to year 2 to complete along with the other high priority Matahi Valley Road sites.

Prior to finalising the remainder of the programme and updated assessment Staff will undertake a workshop with Elected Members.

8.3. Of note

The BCR in particular for Pokairoa Road increased significantly, where traffic volumes are relatively high, and where sealing would provide a significant reduction in maintenance costs. A business case is scheduled to commence in Year 3 of this LTP for the sealing of Ngamotu Road and Pokairoa Road in an effort to attract NZTA subsidy, this is an important freight and resilience route for the whole Eastern Bay of Plenty. Therefore we have left this road off the sealing programme as we are aiming for financial assistance to complete this large project.

9. Edgecumbe/Whakatāne Wastewater collaboration

A working group has been established to evaluate the feasibility of a combined wastewater treatment plant to serve Edgecumbe municipal and Edgecumbe Fonterra wastewater streams. This involves consideration of integrating the Edgecumbe and Whakatāne wastewater treatment plants. Overall, the group aims to evaluate options to deliver an optimised solution that ensures delivers best for people and environment outcomes. This will be assessed against a baseline of building individual plants (status quo).

The group consists of Council staff and representatives from Fonterra, Te Runanga o Ngati Awa, Te Mana o Ngati Rangitahi, and Tūwharetoa ki Kawerau Settlement Trust. While this working group includes technical staff from the relevant iwi authorities, their participation does not constitute representation of iwi and hapū at this time. The working group outputs, as defined in the agreed terms of reference are:

1. Undertake a high-level feasibility study to assess whether integrating municipal and industrial wastewater is viable.
2. If feasible, promote use of the feasibility study to inform a detailed business case for an integrated wastewater scheme for Edgecumbe and Whakatāne (including provision for growth in Awakeri is supported by the spatial plan).
3. Recommend the establishment of a co-design group with a broader range of stakeholders should the project proceed.

The structure of this group will be incorporated into the broader consenting framework being established currently and approved through the draft LTP.

10. Three Waters Reform – Local Water Done Well

Under the status quo and over the long-term, Bay of Plenty Councils can't provide water infrastructure which meets the needs of the community and the requirements of the regulators. Bay of Plenty CE's are working together to develop a financially sustainable model which better provides the water services infrastructure we need while meeting regulatory requirements and government expectations. They have been discussing different modelling options and are hoping to present to the next Mayoral forum.

11. Burma Rd Closed Landfill

As outlined in the previous Infrastructure Report, following two previous overflows of the leachate overflow pond at Burma Rd closed landfill, plans have been developed to upgrade the stormwater and leachate control system on site. Communications and engagement with Regional Council, Ngāti Awa and Ngāti Awa Group Holdings Limited (NAGHL), who are the owners of the farm the landfill is located on, is ongoing as we work through the proposed plans for the best outcome for all stakeholders involved.

In the meantime, following intense rainfall over the weekend of 22nd/23rd June overland flow of stormwater filled the leachate overflow pond which then overflowed into a nearby stormwater pond and the neighbouring stream. Sucker trucks worked over two days to lower the leachate pond level. This event shows the importance of completing the proposed works as soon as possible. WSP were instructed to undertake sampling on 24th June and their findings concluded that:

The leachate overflow at the Burma Rd closed landfill occurred during a period of heavy rainfall on the 24th of June. The spill was, for the most part, contained by the stormwater pond, however some contaminants entered the Wairere Stream. Ammoniacal N was identified as the primary contaminant of concern. There will have been significant dilution within the Wairere Stream, and although we cannot ascertain whether the level of ammoniacal N was elevated above ANZECC guidelines for any amount of time, the levels were well within the guideline within 24 hours. It is therefore, considered unlikely that any significant effects arose from elevated ammoniacal N sourced from the leachate spill.

Key information from this event was that we had rainfall intensity of approximately 27mm per hour and a total of 106mm of rain captured within the facility. This was more than was experienced within the Whakatāne township.

Prior to the weekend the team had sent Kiwi Waste sucker trucks up to lower the stormwater pond in order to create more capacity ahead of the forecast rainfall, at that point the leachate pond was near empty.

Inspections during the event when rainfall was its most intense indicated that the level of stormwater being received in the stormwater pond was far greater than could be discharged from the pond to the stream. I.e the outflow from the stormwater pond to the stream is too small to work effectively in an intense rainfall. This resulted in the stormwater pond overflowing uncontrollably into the stream. At this point the leachate pond was only half full and therefore there was no contamination entering the stream. The inspections showed that there was a significant amount of stormwater entering the leachate pond from overland flow, which was the primary contributor to the leachate pond subsequently overflowing into the stormwater pond. This is when contaminants will have entered the system and is the primary area of concern that our plans have been aiming to address.

12. Nature's Road

Ngāi Tūhoe Iwi, Whakatāne District Council, and NZ Transport Agency Waka Kotahi are working together to treat 20km of SH38/ Special Purpose Road 38 (Nature's Road) between Wairoa and Murupara with Tall oil Pitch (ToP), an alternative to bitumen derived from pine resin. The project also includes safety improvements to the remote highway.

Nature's Road travels through Te Urewera who has legal personhood. Due to her presence, sealing the road with petroleum-based products would not be appropriate, so ToP has been developed as a natural alternative.

The project aims to improve accessibility, safety, and the long-term durability of SH38 Nature's Road, which is currently vulnerable to severe weather events. It will protect the roto (lake) and people's health by reducing dust contamination from the unsealed road and by avoiding the use of petroleum-based seals, the impact on the environment will be reduced.

This work builds on earlier successful trials of ToP on small sections of SH38 conducted by Tūhoe and WSP Opus Research in 2018. The newly treated sites will be monitored for technical performance with a view to treating the entire Nature's Road with the product in the future.

SH38 Nature's Road Tall Oil Pitch Application

- Ngāi Tūhoe Iwi and NZ Transport Agency Waka Kotahi are working together to treat 20km across 3 sites on SH38/ Special Purpose Road 38, (Nature's Road) between Wairoa and Murupara with Tall oil Pitch (ToP), an alternative to bitumen derived from pine resin. The project also includes safety improvements.
- Work got underway in June 2023 and is on track to be completed by December 2024.
- 2,616m of roadside safety barrier has been installed to reduce the risk of run off road crashes and site 1- Mangpae to Mimiha, site 2- Te Tii to Te Waiiti and part of site 3 - Tuai to Mangapapa Bridge (south of Lake Waikaremoana) have been treated with ToP.
- As with traditional sealing, the work needs to be done in warm, dry conditions so work will be aligned to these environmental conditions over the winter.
- Initial observations indicate the innovative product is performing well.



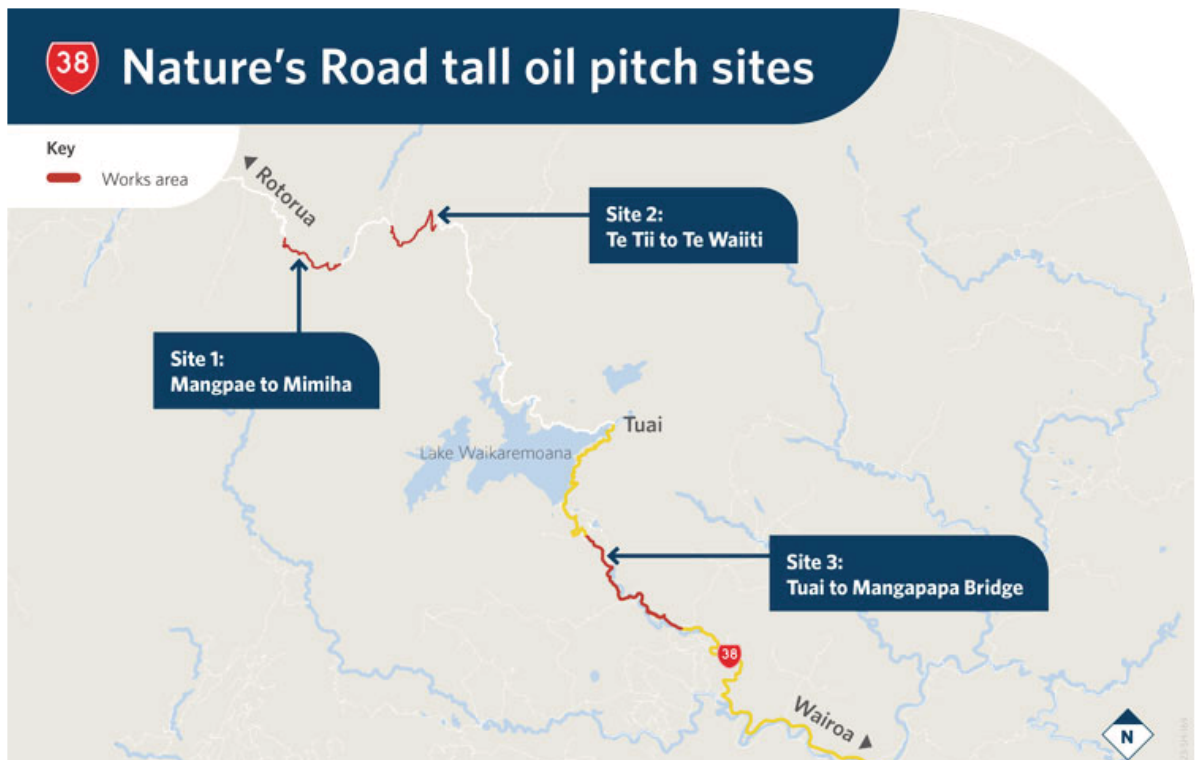
Inspection of tall oil pitch application

The following 3 sites are initially being treated with the product which is sourced from Mount Manganaui.

SITE 1 – Mangpae to Mimiha

SITE 2 – Te Tii to Te Waiiti

SITE 3 – Tuai to Mangapapa Bridge



9 Public to Exclude the Public - *Whakataunga kia awere te marea*

9 Public to Exclude the Public - *Whakataunga kia awere te marea*

9.1 Resolution to Exclude the Public

THAT the public be excluded from the following parts of the proceedings of this meeting, namely:

1. Te Niaotanga o Mataatua o Te Arawa - Options Analysis Summary

The general subject 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(1) 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(1) for the passing of this resolution	When item can be released into public
1.	Te Niaotanga o Mataatua o Te Arawa - Options Analysis Summary	Good reason to withhold exists under Section 7.	That 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 exists. Section 48(1)(a)	Upon Chief Executive approval for release

This resolution is made in reliance on sections 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 7 of that Act, which would be prejudiced by the holding of the relevant part of the proceedings of the meeting in public are as follows:

Item No	Interest
1	To enable the Council to carry out, without prejudice or disadvantage, commercial activities (Schedule 7(2)(h))
1	To carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) (Schedule 7(2)(i))

9.1 Resolution to Exclude the Public(Cont.)

1 Reports - *Ngā Pūrongo*

1 Reports - *Ngā Pūrongo*

- 1.1 Public Excluded - Te Niaotanga o Mataatua o Te Arawa - Options Analysis Summary
- 1.1.1 **Appendix 1: Confidential Matata (draft) Business Case - Economic Case Multi-Criteria Analysis (MCA)**