

# **NEW ZEALAND CITIZENSHIP CEREMONY**



**HIS WORSHIP WILL CONFER NEW  
ZEALAND CITIZENSHIP ON**

**ALISTAIR DAVID HUNT  
KELLY LOUISE MORRISON  
BRITISH CITIZENS**

**MARIA ELENA TUICO SILVESTRE  
RODELIO VALDEZ SILVESTRE  
FILIPINO CITIZENS**

**MICHELLE NEELTJE VAN ZYL  
A SOUTH AFRICAN CITIZEN**

**AND**

**TUKTA SHALLARD  
SIMONE PIMONWAN SHALLARD  
THAI CITIZENS**

**on Tuesday 13 December 2016, at 3.00 pm  
prior to the Council meeting**

**Notice is hereby given that an ordinary meeting of the Gore District Council will be held in the Council Chambers, 29 Bowler Avenue, Gore, on Tuesday 13 December 2016, at 3.00pm**

- A private briefing for elected members will commence at 2.30pm



**Stephen Parry**  
Chief Executive

**7 December 2016**

## **Agenda**

1. Apologies
2. Declaration of Councillor conflict of interests
3. Confirmation of minutes and reports

Confirmation of the minutes of the ordinary meeting of the Gore District Council, held on Tuesday 13 September 2016.

Pages 1-10

Confirmation of the minutes of the extraordinary meeting of the Gore District Council, held on Thursday 6 October 2016.

Pages 11-13

Confirmation of the minutes of the statutory meeting of the Gore District Council, held on Thursday 3 November 2016.

Pages 14-19

Confirmation of the report of the meeting of the Community Services Committee held on Tuesday 22 November 2016.

Pages 20-24

Confirmation of the report of the meeting of the Operations Committee held on Tuesday 22 November 2016.

Pages 25-31

Confirmation of the report of the meeting of the Regulatory and Planning Committee held on Tuesday 22 November 2016.

Pages 32-35

Confirmation of the report of the meeting of the Finance and Policy Committee held on Tuesday 22 November 2016.

Pages 36-38

4. Urgent late business – as tabled at the meeting, pursuant to section 46 (a)(7) of the Official Information and Meetings Act 1987.
5. Youth Council  
Page 39
6. Progress report Tulloch Park development  
Pages 40-41
7. Gore District Licensing Committee  
Pages 42-43
8. Trade Waste Bylaw  
Pages 44-117
9. Cancellation of building line restriction  
Pages 118-120
10. Service delivery review for roading  
Page 121-170
11. Insulation loan pilot scheme  
Pages 171-172
12. Health and safety report  
Page 173
13. Update of Gore water treatment plant upgrade  
Page 174
14. Pyramid bridge replacement project  
Pages 175-240
15. Audit and Risk Committee minutes  
Pages 241-246
16. Report from Mataura Community Board  
Pages 247-250

17. Emergency Committee  
Page 251
18. Schedule of meeting dates for 2017  
Pages 252-253
19. Gore District Growth Committee  
Pages 254-256
20. Approved urgent late items
21. Business to be considered pursuant to the Local Government Official Information and Meetings Act 1987:
- (i) Confirmation of Minutes
- Confirmation of the minutes of the ordinary meeting of the Gore District Council, held in committee, on Tuesday 13 September 2016.
  - Confirmation of the minutes of the extraordinary meeting of the Gore District Council, held in committee, on Thursday 6 October 2016.
  - Confirmation of the minutes of the extraordinary meeting of the Gore District Council, held in committee, on Tuesday 22 November 2016.
  - Confirmation of the report of the meeting of the Operations Committee, held in committee, on Tuesday 22 November 2016.
  - Confirmation of the meeting of the Regulatory and Planning Committee, held in committee, on Tuesday 22 November 2016.
- (ii) Other Business
- Audit and Risk Committee minutes
  - Silver Fern Farms trade waste consent
  - Procurement strategy for Collaborative Design Team
  - Report on West Gore gravity main
  - Ajax pump station monthly report update
  - Impact of Ajax project projection on LTP
  - Report on progress of sludge removal project
  - Road maintenance contract
  - Objection to menacing dog classification
  - Mataura Valley Milk Limited – ***Cr Highsted excluded***



# RURAL CITY LIVING



Minutes of an ordinary meeting of the Gore District Council, held in the Council Chambers, 29 Bowler Avenue, Gore, on Tuesday 13 September 2016, at 7.42pm

**Present** His Worship the Mayor (Mr Tracy Hicks, JP), Crs Beale, Bolger, Byars, Davis, Dixon, D Grant, P Grant, Page, Highsted and Sharp.

**In Attendance** The Chief Executive (Mr Stephen Parry), General Manager District Assets (Mr Paul Withers), Chief Financial Officer (Mr Luke Blackbeard), Parks and Recreation Manager (Mr Ian Soper), Transport Manager (Mr Peter Standring), HR/Administration Manager (Susan Jones), Communications Manager (Sonia Gerken), Building Control Manager (Mr Russell Paterson) and 1 member of the public in the gallery.

**Apology** Cr Gover apologised for absence.

His Worship called for any conflicts of interest. None were declared.

## 1. PRESENTATION FROM QUOTABLE VALUE (SC1467)

Representatives from Quotable Value, Luke van den Broek and Tim Gibson were in attendance at the meeting and provided a presentation about the recent revaluation of the Gore District.

*The representatives departed the meeting at 8.10pm*

His Worship noted this was the last formal Council meeting for the triennium. He thanked the elected members for their input over the past three years and thought the Council had worked very well together.

He acknowledged the contribution made by Cr Byars who was not seeking re-election.

## 2. CONFIRMATION OF MINUTES

**RESOLVED** on the motion of Cr Davis, seconded by Cr Dixon, **THAT** the minutes of the ordinary meeting of the Gore District Council, held on Tuesday 2 August 2016, as presented, be confirmed and signed by the Mayor as a true and complete record.

**RESOLVED** on the motion of Cr P Grant, seconded by Cr D Grant, **THAT** the report of the ordinary meeting of the Community Services Committee, held on Tuesday 23 August 2016, as presented, be confirmed and signed by the Mayor as a true and complete record.

**RESOLVED** on the motion of Cr Byars, seconded by Cr Page, **THAT** the recommendations contained within the report of the meeting of the Community Services Committee, held on Tuesday 23 August 2016, as presented, be ratified.

**RESOLVED** on the motion of Cr Davis, seconded by Cr Beale, **THAT** the report of the meeting of the Operations Committee, held on Tuesday 23 August 2016, as presented, be confirmed and signed by the Mayor as a true and complete record.

**RESOLVED** on the motion of Cr P Grant, seconded by Cr Byars, **THAT** the recommendations contained within the report of the meeting of the Operations Committee, held on Tuesday 23 August 2016, as presented, be ratified.

**RESOLVED** on the motion of Cr Highsted, seconded by Cr Page, **THAT** the report of the meeting of the Regulatory and Planning Committee, held on Tuesday 23 August 2016, as presented, be confirmed and signed by the Mayor as a true and complete record.

**RESOLVED** on the motion of Cr Highsted, seconded by Cr D Grant, **THAT** the recommendations contained within the report of the meeting of the Regulatory and Planning Committee, held on Tuesday 23 August 2016, as presented, be ratified.

**RESOLVED** on the motion of Cr Bolger, seconded by Cr Page, **THAT** the report of the meeting of the Finance and Policy Committee, held on Tuesday 23 August 2016, as presented, be confirmed and signed by the Mayor as a true and complete record.

*Cr Bolger advised he did not usually ask for conflicts of interest but rather carried them over from previous Committee meetings.*

**RESOLVED** on the motion of Cr Bolger, seconded by Cr D Grant, **THAT** the recommendations contained within the report of the meeting of the Finance and Policy Committee, held on Tuesday 23 August 2016, as presented, be ratified.

### 3 YOUTH COUNCIL

Olivia Samson and Alex Parish from the Youth Council were in attendance and provided comment on the Council agenda including the Keeping of Animals, Bees and Poultry Bylaw, Taha Fertiliser liquidation, free swimming lessons and upgrade of the water treatment plant. The Youth Council was pleased with the MVM dairy factory development.

Planning was continuing for the Youth Awards to be held on 10 December.

A copy of the minutes of the Youth Council meeting held on 1 August 2016 had been circulated with the agenda.

His Worship thanked Olivia and Alex for their leadership of the Youth Council over the past year and for the input it had into topics considered by the Council.

**RESOLVED on the motion of Cr D Grant, seconded by Cr Davis, THAT the minutes of the Youth Council meeting held on 1 August be received.**

**2016/87**

**4. FUNDING OF FREE SWIMMING LESSONS FOR PRIMARY SCHOOL CHILDREN** (SC0222)

A memo had been received from the Parks and Recreation Manager seeking approval to apply for funding the The Trusts Community Foundation (TTCF) for \$30,000 for the current financial year ending 30 June 2017. This was in accordance with the prior cost share arrangement with the Maitua Licensing Trust.

**RESOLVED on the motion of Cr P Grant, seconded by Cr Byars, THAT the Gore District Council apply to The Trusts Community Foundation for the purpose of seeking financial assistance in the sum of \$30,000 as the second instalment of the three year programme to enable free swimming tuition to continue to be offered to primary school students in the Gore District.**

**2016/88**

**5. HEALTH AND SAFETY REPORT** (SC1299)

A memo had been received from the Human Resources Manager providing a health and safety report for the information of the Council. The report covered an update on the Shared Services project, incidents reported from 3 February until 16 August 2016, annual and sick leave and the Council's Health and Safety Committee.

**RESOLVED on the motion of Cr Highsted, seconded by Cr Dixon, THAT the report be received.**

**2016/89**

**6. RESETTling OF TARGETED RATE – HEAVY INDUSTRIAL 3** (SC1467)

*Crs P Grant and Bolger declared an interest in this item due to being shareholders in Alliance Group.*

A memo had been received from the Chief Financial Officer advising that the Council had three heavy industrial rating areas that had been set up to protect big properties from large fluctuations in their rates due to changes in valuation. The three categories related to the three heavy industries in Maitua – Ngahere Sawmilling, the old papermill and the Alliance freezing works. A map of the heavy industrial rating area had been circulated with the agenda.

Alliance Group had undertaken significant capital works during the 2015/16 year which had resulted in a large increase in valuation for one of its properties. The valuation was only received from Quotable Value after the rates had been set on 28 June, however, because the valuation was received before 30 June 2016, the Council was duty bound to charge the rate, based on the higher new valuation. The valuation had increased by 9% from \$18.7 million to \$20.2 million.

**RESOLVED on the motion of Cr Bolger, seconded by Cr Highsted, THAT the report be received,**

**THAT pursuant to section 119 of the Local Government (Rating) Act 2002, the Council reset the following rate on rating units in the district for the financial year commencing 1 July 2016 and ending on 30 June 2017:**

***1. Targeted rate for various specified activities***

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 to fund the following activities: roading; civil defence; aquatic facilities; district libraries; property; rural fire, MLT Event Centre and public toilets. The rate is set based on the capital value of the land and at different rates in the dollar for different categories of land as follows:

Categories of rateable land	Per \$ of capital value (GST inclusive)
Gore, Residential	0.001680
Gore, Commercial	0.004114
Mataura, Residential	0.000546
Mataura, Commercial	0.002724
Rural	0.000923
Heavy Industry 1	0.058415
Heavy Industry 2	0.011461
Heavy industry 3	0.009890

**AND THAT resolution 2016/72 passed at the Council meeting held on 28 June 2016, be amended to incorporate the reset rate for Heavy Industry 3 as set out in the table above.**

**2016/90**

**7. AUDIT AND RISK COMMITTEE MINUTES (SC1007)**

A copy of the minutes of the Audit and Risk Committee meeting held on Wednesday 24 August 2016, had been circulated for the Council's information.

Cr D Grant noted Vodafone had approached the Council about its telephone system. He asked if other suppliers been given an opportunity to provide a quote.

The Chief Financial Officer confirmed two other providers had been approached and they had given costings for similar services.

Cr Sharp advised he had raised the issue of the rural special fund several months ago and the Chief Executive had advised him it would be referred to the Audit and Risk Committee but he had not seen any evidence of it being considered.

Cr Highsted recalled it had been considered and declined by the Committee soon after the Audit and Risk Committee had been established.

In response to Cr Bolger, the Chief Executive explained the current status of the rural special fund.

The Chief Financial Officer advised the matter had in fact been considered by the Finance and Policy Committee at its June 2015 meeting.

**RESOLVED on the motion of Cr Davis, seconded by Cr D Grant, THAT the minutes of the meeting held on 24 August 2016 be received.**

**2016/91**

**8. 2016 RESIDENTS SURVEY ANALYSIS (SC1406)**

A memo from the Communications Manager had been received together with an amended version of the survey as a result of the calculation of satisfaction levels for various activities and services that had been amended to include the neutral, satisfied and very satisfied responses. A critical review of results in relation to specific departments had also been included from departmental managers.

Cr Highsted asked for a report on footpaths and roading and relativity to performance measures.

The Transport Manager advised there was a report being prepared on footpaths and the concerns of residents.

**RESOLVED on the motion of Cr P Grant, seconded by Cr Byars, THAT the amended 2016 Gore District residents' survey be noted,**

**AND THAT the report be received.**

**2016/92**

**9. KEEPING OF ANIMALS, POULTRY AND BEES BYLAW (SC1448)**

A memo had been received from the Policy and Planning Officer advising that the Councils' Keeping of Animals, Poultry and Bees Bylaw 2008 was automatically revoked on 25 August 2016 in accordance with section 160A of the Local Government Act 2002 due to the absence of a review in 2014. It was necessary to establish a new Keeping of Animals, Poultry and Bees Bylaw. A copy of the draft Bylaw and Statement of Proposal had been circulated with the agenda.

Cr P Grant noted there was no reference to entire horses or bulls in the Bylaw and perhaps that should be given consideration.

**RESOLVED on the motion of Cr Byars, seconded by Cr Highsted, THAT the Council resolve pursuant to Section 146 of the Local Government Act 2002, that the adoption of a bylaw is the most appropriate way of addressing the control of the keeping of animals, poultry and bees in the Gore District,**

**AND THAT the Council approve the draft Keeping of Animals, Poultry and Bees Bylaw and accompanying Statement of Proposal for public consultation, pursuant to Sections 155 and 156 of the Local Government Act 2002.**

**2016/93**

**10. BEAUSTONE LANE (3.24.9)**

A memo had been received from the Chief Executive advising that in June 2013 the Council had resolved that a new street in a subdivision be named Beaustone Lane. The developer had subsequently installed a stone marker to the entrance of the subdivision with the name, Beustone Lane and subsequent advertising of sections available had referred to the street as Beustone.

**RESOLVED on the motion of Cr D Grant, seconded by Cr Page, THAT the Council amend the resolution made at its meeting on 26 June 2013 to change the name of Beaustone Lane to Beustone Lane.**

**2016/94**

**11. PROPERTY FILE SEARCH FEE (SC1188)**

A memo had been received from the Chief Executive advising that for well over a decade, the Council had imposed a property file search fee of \$20. The imposition of the fee had been the subject of frustration and discontent from both the real estate community and members of the public who wanted to research a Council property file. It seemed that subject to a time limit imposed on questions being asked of staff, there would be no compelling justification to retaining a property file search fee.

Cr Beale found it somewhat amusing when the rural dog registration fee had recently been increased due to the extra administration time required.

Cr Highsted thought removing the fee was a step forward, noting that the Council's property files were not available electronically as they were at other local authorities. It was about being open for business.

His Worship said the Council's dog registration fee was one of the lowest in the South Island.

**RESOLVED on the motion of Cr Highsted, seconded by Cr Davis, THAT the Council discontinue the practice of imposing a \$20.000 search fee on property files subject to a maximum time limit of five minutes being allowed for advice and assistance from Council staff.**

**2016/95**

**12. CREATIVE COMMUNITIES ASSESSMENT COMMITTEE**

A copy of the minutes of the Creative Communities Assessment Committee meeting held on 30 August 2016 had been circulated for the Council's information.

Cr Davis advised Creative Communities had changed its criteria recently and it was now very strict. It had been quite frustrating in terms of what was able to be supported now compared to previous funding rounds.

**RESOLVED on the motion of Cr Davis, seconded by Cr D Grant, THAT the information be received.**

**2016/96**

**13. SPORT NZ RURAL TRAVEL FUND ASSESSMENT COMMITTEE**

A copy of the minutes of the Sport NZ Assessment Committee meeting held on 25 August 2016 had been circulated for the Council's information.

**RESOLVED on the motion of Cr Sharp, seconded by Cr Page, THAT the information be received.**

**2016/97**

**14. GORE DISTRICT COUNCIL WATER TREATMENT (SC0641)**

A memo had been received from the Chief Executive advising that following the recent campylobacter outbreak in Havelock North, a question and answer sheet had been compiled to allay any fears that the Gore District may be similarly affected.

**RESOLVED on the motion of Cr Davis, seconded by Cr P Grant, THAT the Q and A on the Council's water treatment process be received and noted.**

**2016/98**

**15. VENTURE SOUTHLAND – EXTENSION OF HEADS OF AGREEMENT (SC1311)**

The Chief Executive advised that the Venture Southland Heads of Agreement 2014-2017 was an agreement between the three owner Councils – Southland District, Invercargill City and Gore District Councils. There was some ambiguity to clause 4.1 stating that the agreement would continue post 30 June 2017 with an 18 month termination notice required. To provide clarity, it was suggested the current Heads of Agreement 2014-2017 be extended to 30 June 2018 and be reviewed by 30 June

2018. The extension would also allow for the Heads of Agreement to align with each owner Council's 10 year planning cycle.

**RESOLVED on the motion of Cr Byars, seconded by Cr Sharp, THAT the Council agree to the current Venture Southland Heads of Agreement 2014-2017 being extended to 30 June 2018, subject to it being reviewed by 30 June 2018.**

2016/99

**16. AMENITY HIRE FEE WAIVERS 2015/16**

A memo had been received from the Chief Executive together with a schedule of amenity hire fee waiver granted for the 2015/16 financial year.

**RESOLVED on the motion of Cr D Grant, seconded by Cr Bolger, THAT the report be received.**

2016/100

**17. TAHA FERTILISER INDUSTRIES – LIQUIDATION (SC0494)**

A memo had been received from the Chief Executive advising that Taha Fertiliser Industries Ltd had been placed into liquidation on 10 August 2016. At the time, Taha had a resource consent to store up to 10,000 tonnes of Ouvea premix in one tonne plastic lined storage bags in buildings located at 108 and 116-130 Kana Street, Mataura. A feature of the resource consent was the imposition of a bond of \$2.3 million to be provided within 40 days of the consent being granted.

At the time of liquidation, most of the resource consent conditions imposed had been met. A key component not complied with was the construction of a flood protection wall to the north of 116-128 Kana Street to redirect flood water from the Waikana stream down Kana Street to prevent flood water from the stream entering the buildings.

At a meeting held with the liquidator and other interested parties, the owner of the Kana Street premises, Mr Greg Paterson, offered to build the flood protection wall. In another display of good faith, the liquidator offered to fund the work which was accepted. Mr Paterson advised that he had some permanent employees stationed at his industrial premises which would enable the flood protection plan to be implemented in a short space of time if required.

In response to Cr Beale, the Chief Executive said the Council had notified the liquidator the bond was a debt owing to the Council.

Cr Dixon asked if the ouvea had to be removed who would be responsible for doing that.

The Chief Executive said the condition of the bond had been imposed on the company and the property so ultimately it could attach itself to the property owner.



However, the property owner had been very good to deal with and had been involved in discussions with the liquidator. The ratepayers being left with the ouvea premix in the premises and it having to be removed would be an absolute last resort. There were other avenues in terms of business arrangements and legal options. An extraordinary event and the ouvea premix being in an unsafe condition had always been a risk with or without Taha.

Cr Page thought the Council would be one of the bigger creditors.

The Chief Executive said there were some assets but he was not able to disclose anything publicly.

In response to Cr Davis, the Chief Executive expected reports would be forthcoming from the liquidator about every four or six weeks.

Cr Sharp asked if Taha had public liability insurance.

His Worship advised that information was not available in a public setting.

**RESOLVED on the motion of Cr Page, seconded by Cr Bolger, THAT the report be received.**

**2016/101**

**18. DELEGATIONS UNDER THE RESOURCE MANAGEMENT ACT 1991 (SC0112)**

A memo had been received from the Policy and Planning Officer advising that several Council staff had discovered when carrying out their roles and tasks that some delegations had been omitted. The delegations also now needed to reflect the appointment of a new Transport Manager.

**RESOLVED on the motion of Cr Highsted, seconded by Cr Dixon, THAT the Council appoint as Enforcement Officers pursuant to Section 38 of the Resource Management Act 1991 all those Council staff who have "Enforcement Officer" powers. All appointments are to be included in the revised Committee Structure and Delegations register approved on 28 June 2016 with immediate effect,**

**THAT the Council approve the amendment to the delegations register to recognise the change in staff position from the Roading Manager to the Transport Manager and the attached additional delegations for the Transport Manager be included in the revised Committee Structure and Delegations register with immediate effect,**

**AND THAT the Council approve the amendments to the delegations register for the Planning and Policy Officer and the attached additional delegations be included in the revised Committee Structure and Delegations register with immediate effect.**

**2016/102**

**19. SCHEDULE OF BUILDING CONSENTS**

A schedule of building consents issued for August 2016, together with comparisons of the previous two years had been circulated.

**RESOLVED on the motion of Cr D Grant, seconded by Cr Sharp, THAT the information be received.**

**2016/103**

**20. VENTURE SOUTHLAND PROJECTS AND ACTIVITIES REPORT JUNE AND JULY 2016**

A report from Venture Southland on its projects and activities for June and July 2016 had been circulated with the agenda.

**RESOLVED on the motion of Cr Bolger, seconded by Cr D Grant, THAT the report be received.**

**2016/104**

**21. REPORTS FROM COUNCILLORS**

Reports from His Worship the Mayor, Crs Beale, P Grant, Davis and Page had been circulated with the agenda.

The meeting concluded at 9.16pm

**RURAL CITY LIVING**

Minutes of an extraordinary meeting of the Gore District Council, held in the Council Chambers, 29 Bowler Avenue, Gore, on Thursday 6 October 2016, at 5.05pm

**Present** His Worship the Mayor (Mr Tracy Hicks, JP), Crs Bolger, Byars, Davis (from 5.09pm), Dixon, P Grant, Page, Highsted and Sharp.

**In Attendance** The Chief Executive (Mr Stephen Parry), General Manager District Assets (Mr Paul Withers), Chief Financial Officer (Mr Luke Blackbeard), Parks and Recreation Manager (Mr Ian Soper), Transport Manager (Mr Peter Standring), HR/Administration Manager (Susan Jones), Communications Manager (Sonia Gerken), 3 Waters Manager (Mr Matt Bayliss), Policy and Planning Officer (Miss Emma Williams) and Planner (Miss Rosie Given).

**Apologies** Crs Beale, Gover and D Grant apologised for absence.

His Worship called for any conflicts of interest. None were declared.

**1. GORE DISTRICT COUNCIL MOBILE TRADING BYLAW REVIEW (SC0107)**

A memo had been received from the Policy and Planning Officer advising that the Mobile Trading Bylaw had been adopted on 2 November 2011 and the Local Government Act 2002 required that it be reviewed no later than five years after. Some minor amendments were required and public consultation may identify that others were also desirable.

**RESOLVED on the motion of Cr Dixon, seconded by Cr Page, THAT the Council determine that a Mobile Trading Bylaw is the most appropriate way of addressing the perceived problem,**

**AND THAT a review be undertaken of the Mobile Trading Bylaw.**

**2016/111**

**2. CANCELLATION OF BUILDING LINE RESTRICTION – 86 WENTWORTH STREET, GORE (SC1345)**

A memo had been received from the Planner advising that the Council had received a request to remove a building line restriction relating to land at 86 and 86A Wentworth Street, Gore.

The building line restriction had been placed on the properties as part of a subdivision in the 1960s but was now no longer required. An aerial photograph depicting the building line restriction had been circulated with the agenda.

**RESOLVED on the motion of Cr P Grant, seconded by Cr Highsted, THAT the Council grant approval under Section 237A of the Local Government Act 1974, to allow the removal of the building line restriction,**

**AND THAT the Chief Executive be authorised to sign a certificate cancelling the building line restriction.**

**2016/112**

*The Planner and Policy and Planning Officer departed the meeting at 5.08pm*

**3. MATAURA COMMUNITY BOARD**

A copy of the report of the meeting of the Mataura Community Board held on 19 September had been circulated.

**RESOLVED on the motion of Cr Dixon, seconded by Cr Bolger, THAT the report be received,**

**AND THAT the recommendations contained within the report be ratified.**

**2016/113**

**4. MATAURA BEAUTIFICATION PROJECT (SC1375)**

A memo had been received from the General Manager District Assets advising that the planting design had been approved for the Mataura beautification project. The cost of the plantings for the Main Street and in front of the former Keystores site was \$12,000. The plantings would be funded from the Mataura beautification reserve. The estimated cost of the total beautification project was \$99,163.

*Cr Davis attended the meeting from 5.09pm.*

**RESOLVED on the motion of Cr Dixon, seconded by Cr Page, THAT the report be received,**

**AND THAT provided the market price is within the estimate, the project proceed.**

**2016/114**

5. ADOPTION OF DRAFT 2015-16 ANNUAL REPORT (SC1193)

A memo had been received from the Chief Financial Officer together with a copy of the annual report summary and draft annual report for 2015-16. A copy of the Deloitte audit report had also been circulated. Deloitte had issued an unqualified audit opinion.

The delay in the Ajax ump station upgrade had had a significant effect on the overall result. The lack of expenditure on the Ajax project meant that the Council had failed to meet the essential services benchmark.

The Chief Financial Officer advised the deficit was recorded at \$820,000, however, \$578,000 of that related to the drop in value of the Council's interest rate swaps. The value had dropped due to the current climate of very low interest rates. When the swaps value was removed, the actual deficit the Council achieved was \$242,000 against a budget of \$203,000. An explanation of swaps was provided by the Officer.

A formal report and analysis of the interest rate swaps would be provided by the Council's independent treasury advisor.

**RESOLVED on the motion of Cr Bolger, seconded by Cr P Grant, THAT the annual report for the year ended 30 June 2016 be adopted.**

**2016/115**

6. TRIENNIAL REPORT OF THE SOUTHLAND HERITAGE AND BUILDING PRESERVATION TRUST (SC1313)

A copy of a report from the Southland Heritage and Building Preservation Trust had been received and circulated with the agenda. The report covered the activities of the Trust on which the Council was represented by Cr Highsted, over the past three years.

**RESOLVED on the motion of Cr P Grant, seconded by Cr Page, THAT the report be received.**

**2016/116**

Cr Davis referred to a comment in the letter that the Gore District had several significant heritage buildings and asked if there had been any thought given to discussing them.

The Chief Executive said the heritage register would be "recalibrated" in the new year once the Planning Consultant was available.

The meeting concluded at 5.29pm

# RURAL CITY LIVING



Minutes of the statutory meeting of the Gore District Council, held in the Council Chambers, 29 Bowler Avenue, Gore, on Thursday 3 November 2016, at 4.00pm

**Present** Mayor-elect, Mr Tracy Hicks JP, Councillors-elect Ralph Beale, Cliff Bolger, John Gardyne, Nicky Davis, Glenys Dickson, Doug Grant, Peter Grant (until 4.09pm), Bret Highsted, Neville Phillips, Bronwyn Reid and Graham Sharp.

**In attendance** The Chief Executive (Mr Stephen Parry), General Manager District Assets (Mr Paul Withers), Chief Financial Officer (Mr Luke Blackbeard), Parks and Recreation Manager (Mr Ian Soper), Transport Manager (Mr Peter Standring), 3 Waters Manager (Mr Matt Bayliss) HR/Administration Manager (Susan Jones), Communications Manager (Sonia Gerken) and 28 guests in the gallery.

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Mr Taare Bradshaw addressed the Council on behalf of Te O Marama.

## 1. MAKING AND ATTESTING OF DECLARATIONS

The Chief Executive invited the Mayor-elect to take his declaration which he did and it was signed by His Worship and the Chief Executive.

His Worship then took declarations from Peter Alexander Grant, Clifford Steven Bolger, Ralph Jerome Beale, John Clarence Gardyne, Nicola Jane Davis, Glenys Kay Dickson, Douglas Ian Grant, Brett Richard Highsted, Neville Gordon Phillips, Bronwyn Anne Reid and Graham Edward Sharp.

*Cr P Grant departed the meeting at 4.09pm*

## 2. ELECTION OF DEPUTY MAYOR AND COMMITTEE CHAIRS

A memo had been tabled from His Worship summarising in his view, the priorities for the Gore District over the next three years and his recommendation for Deputy Mayor and Committee Chairs.

**RESOLVED on the motion of His Worship the Mayor, seconded by Cr Davis, THAT Cr Bolger be appointed as Deputy Mayor.**

**2016/119**

**RESOLVED on the motion of His Worship the Mayor, seconded by Cr D Grant, THAT the Committee Chairs be as follows:**

**Community Services – Cr P Grant  
Operations – Cr Davis  
Regulatory and Planning – Cr Highsted  
Finance and Policy – Cr Bolger**

**2016/120**

**RESOLVED on the motion of His Worship the Mayor, seconded by Cr Bolger, THAT Cr Beale be appointed deputy chair of the four standing committees, being Community Services, Operations, Regulatory and Planning and Finance and Policy.**

**2016/121**

His Worship advised he was proposing to re-establish the District Growth Committee. His focus over the next three years was two-fold. One was to improve the infrastructure, particularly water and waste water and to try and address the demographic time bomb in the community. There was a large percentage of the population in a similar age group to himself, but in 15 years time there would be a very different outlook. He thought the Council had a responsibility to bring as many jobs to the district as possible to fill those that would be vacated by that time. Economic development would be the focus for the District Growth Committee and attracting new industries to the district.

**RESOLVED on the motion of His Worship the Mayor, seconded by Cr Highsted, THAT the District Growth Committee be re-established and that Cr D Grant be appointed Chairman.**

**2016/122**

**RESOLVED on the motion of His Worship the Mayor, seconded by Cr D Grant, THAT Cr Bolger be appointed Chair of the Chief Executive Appraisal Committee,**

**AND THAT Cr Highsted be appointed Chair of the Audit and Risk Committee.**

**2016/123**

### **3. APPOINTMENT OF COUNCIL REPRESENTATIVES TO OTHER ORGANISATIONS**

A list of Council appointments to other organisations was tabled at the meeting, as follows:

**His Worship** Member of all standing Committees, Community Networking Trust

<b>Cr Bolger</b>	Pukerau Rating Committee, Civic Amenities Refund Sub-Committee, Rural Halls and Domains Sub-Committee, Audit and Risk Committee, Mataura Valley Milk Development Committee, District Growth Committee, Venture Southland Joint Committee.
<b>Cr Davis</b>	District Licensing Committee, Regional Land Transport Committee, Creative Communities, A&P Joint Management Committee, Audit and Risk Committee, Chief Executive Review Committee, Mataura Valley Milk Development Committee, District Growth Committee.
<b>Cr D Grant</b>	St James Theatre Trust, Combined Courts, Venture Advisory Committee, Audit and Risk Committee, Chief Executive Review Committee, Mataura Valley Milk Development Committee, Venture Southland Joint Committee alternate and Venture Southland Advisory Committee.
<b>Cr P Grant</b>	Hokonui Moonshine Trust, Gore Health, Rural Halls, Equestrian Trust, Te Roopu Taio, Audit and Risk Committee, Rural Halls and Domains Sub-Committee, Chief Executive Review Committee, Mataura Valley Milk Development Committee, District Growth Committee.
<b>Cr Highsted</b>	District Licensing Committee Chair, Gore A&P Joint Management Committee, Southland Warm Homes Trust, Regional Heritage Committee, Audit and Risk Committee Chair, Chief Executive Review Committee, District Growth Committee.
<b>Cr Reid</b>	Gore District Youth Council, Gore Counselling Centre, Dolamore Trust Board, Southland Regional Heritage Committee.
<b>Cr Dickson</b>	Gore Sister City Committee, Pioneer Women's Trust, Citizens Advice Bureau.
<b>Cr Gardyne</b>	Gore A&P Joint Management Committee, Mataura River Liaison Committee, Rural Halls and Domains Sub-Committee, Otama Water Scheme Committee.
<b>Cr Sharp</b>	Pukerau Rating Committee, Rural Halls and Domains Sub-Committee, Sport NZ Rural Travel Fund, Floodbank Working Party.
<b>Cr Beale</b>	Deputy Chair for the Community Services, Operations, Regulatory and Planning and Finance and Policy Committees, Eastern Southland Gallery, Hokonui Moonshine Trust, Floodbank Working Party
<b>Cr Phillips</b>	Mataura Community Board, Southland Regional Heritage Committee



**RESOLVED** on the motion of His Worship the Mayor, seconded by Cr Davis, **THAT** the information be received and noted.

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**RESOLVED** on the motion of His Worship the Mayor, seconded by Cr Beale,

***Shared Services Forum***

**THAT** the Council establish a Joint Committee with each of the Councils of Southland under Clause 30 (1)(b), Schedule 7 of the Local Government Act 2002, to be known as the Shared Services Forum, with the terms of reference as set out in the Memorandum of Understanding previously agreed,

**AND THAT** His Worship the Mayor and Crs Bolger and D Grant be appointed as members.

***Te Roopu Taiao***

**THAT** the Council establish a Joint Committee with each of the Councils of Southland under Clause 30 (1)(b), Schedule 7 of the Local Government Act 2002, to be known as Te Roopu Taiao, with the terms of reference as set out in the Memorandum of Understanding previously agreed,

**AND THAT** Cr P Grant be appointed as member.

***Southland Civil Defence Emergency Management Group***

**THAT** the Council establish a Joint Committee with each of the Councils of Southland Civil Defence Emergency Management Group, with the terms of reference as set out in the Memorandum of Understanding previously agreed,

**AND THAT** His Worship be appointed as member, with Cr Bolger being appointed as a non-voting alternate.

***Southland Wastenet***

**THAT** the Council establish a Joint Committee with each of the Councils of Southland under Clause 30 (1)(b), Schedule 7 of the Local Government Act 2002, to be known as the Southland Waste Advisory Group, with the terms of reference as set out in the Memorandum of Understanding previously agreed,

**AND THAT** Crs Bolger and Davis be appointed as members, together with the General Manager, District Assets and one other Council officer.

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#### 4. MEETING SCHEDULE

Details of the meeting schedule for the remainder of 2016 would be as follows:

##### **November 2016**

Tuesday 22 November – Committee meetings, commencing at 4.00pm

##### **December 2016**

Tuesday 13 December – Council meeting, commencing at 3.00pm

##### **January 2017**

No meetings proposed, although extraordinary meetings may be called if urgent business arises.

The future structure, times and dates would be included on the December agenda for the Council's consideration.

**RESOLVED on the motion of Cr Davis, seconded by Cr Bolger, THAT the above schedule for the remainder of 2016 be noted.**

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#### 5. STANDING ORDERS

A memo had been received from the Chief Executive advising that it was a requirement of Clause 27(1), Schedule 7 of the Local Government Act 2002, that every local authority adopt a set of Standing Orders for the conduct of its meetings and those of its committees. The Council had previously operated from Standing Orders NZS9202:2003. These Standing Orders had recently been updated by Local Government New Zealand to take cognisance of changes introduced by the Local Government Act 2002 Amendment Act 2014 which, inter alia, enabled Standing Orders of a local authority to permit attendance at a Council meeting by an elected member via audio link or audio-visual link.

A copy of the revised Standing Orders had been circulated to Councillors.

**RESOLVED on the motion of Cr D Grant, seconded by Cr Bolger, THAT subject to an amendment to paragraph 2 of clause 19.8 that would now read "*The member must leave the table when the matter is considered, but subject to approval of the meeting does not need to leave the room,*" the Council approve the adoption of the Gore District Council Standing Orders, effective from 3 November 2016 and note that the standing orders have been based on a comprehensive review undertaken by Local Government New Zealand.**

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## 6. GENERAL EXPLANATIONS

A memo had been received from the Chief Executive outlining general explanations of the Local Government Official Information and Meetings Act 1987, together with appropriate provisions of the Local Authorities (Members' Interests) Act 1968, Sections 99, 105 and 105A of the Crimes Act 1961, the Secret Commissions Act 1910, the Financial Markets Conduct Act 2013 and the Gore District Council Code of Conduct. A copy of the Code of Conduct had been circulated to Councillors.

## 7. ACKNOWLEDGMENT OF SERVICE

His Worship presented certificates acknowledging the service of former Councillors Graham Page (three years), Diane Byars (three years) and Anne Gover (six years).

His Worship acknowledged those who had attended the meeting in support of the Councillors and thanked them for making the effort.

The meeting concluded at 5.03pm

**Report of the ordinary meeting of the Community Services Committee held in the Council Chambers, 29 Bowler Avenue, Gore on Tuesday 22 November 2016, at 4.04pm.**

**Present** His Worship the Mayor (Tracy Hicks, JP), Cr P Grant (Chairperson), Crs Beale, Bolger, Davis, Dickson, Gardyne, D Grant, Highsted, Phillips, Reid and Sharp.

**In Attendance** The Chief Executive (Mr Stephen Parry), General Manager District Assets (Mr Paul Withers), Chief Financial Officer (Mr Luke Blackbeard), Parks and Recreation Manager (Mr Ian Soper), Transport Manager (Mr Peter Standring), HR/Administration Manager (Susan Jones), Communications Manager (Sonia Gerken), Building Control Manager (Mr Russell Paterson), 3 Waters Project Manager (Mr Sam Bunting), Senior Corporate Support Officer (Mrs Ceri Macleod), Senior Visitor Centre Consultant (Miss Nicole Parry), Library Manager (Ms Lorraine Weston-Webb), Events and Promotions Coordinator (Ms Emma Carle), Planner (Miss Rosie Given), Events and Promotions Coordinator (Ms Emma Carle) and one member of the public in the gallery.

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**1. SOUTHLAND CYCLING STRATEGY 2016-26 (SC1550)**

A memo had been received from the Parks and Recreation Manager together with a copy of the draft Southland Cycling Strategy 2016-26.

The strategy was being developed as demand and interest in cycling grew nationwide. It would allow for a coordinated approach to growth within Southland.

A copy of a report from Venture Southland had also been circulated.

In response to Cr Sharp, the Manager advised local cycling lanes or trails would be considered in the future. The strategy was a Southland wide focus.

The Chief Executive added local trails had been identified as a need, but how they would be met was not yet known.

**RECOMMENDED on the motion of Cr Beale, seconded by Cr Dickson, THAT the report be received,**

**THAT the Council endorse the draft Southland Cycling Strategy 2016-26 and approve that it can be distributed for further public consultation,**

**AND THAT the Council appoint Cr Phillips and the Parks and Recreation Manager to the proposed Cycling Governance Group which will oversee implementation of the strategy.**

**2. RESERVE MANAGEMENT PLANS – UPDATE (SC1248)**

A memo had been received from the Parks and Recreation Manager providing an update on existing reserve management plans for the Town Belt reserves and Dolamore Park.

Council parks and reserves were generally administered under the Reserves Act 1977. The Act required the Council to prepare reserve management plans to provide for and ensure the proper use and protection of the reserves consistent with the principles of the Act.

A copy of the draft management plans had been circulated with the agenda.

In response to Cr Davis, the Chief Executive said a hearing of submissions was not conducted under the Resource Management Act, so the members did not need to hold the Making Good Decisions certification.

In response to Cr Davis, the Manager thought the submissions would likely all be heard at one hearing.

**RECOMMENDED on the motion of Cr Bolger, seconded by Cr Highsted, THAT the information be received,**

**THAT the Council release the Gore District Council Draft Reserve Management Plan: Volume 3 – Town Belt Reserves and Gore District Council Draft Reserve Management Plan: Volume 4 – Dolamore Park Scenic Reserve for public submissions,**

**AND THAT the Council appoint Crs Bolger, Beale and Davis to the Hearing Panel to hear submissions received to the draft reserve management plans.**

**3. REPORT FROM PARKS AND RECREATION MANAGER**

The Committee perused a report from the Manager.

In response to Cr Bolger, the Manager did not expect pest control measures at Dolamore Park to be increased, although having to control rats, mice etc may need to be added which could impact on additional measures that may need to be included.

Cr Gardyne advised genetic engineering was available that could eradicate pests within five generations.

Cr P Grant said the Hokonui Tramping Club did a very good job at eradicating pests in Croydon Bush. There were possum control areas (PCA) established by Environment Southland that he believed should also be established in the urban area.

The Manager advised in response to Cr Davis, that the Council was working with Sport Southland to ensure the school children outside the MLT area were able to be accommodated within the Council's free swimming lesson programme. The Trust area was larger than just the Gore District and the Water Safety NZ funding was now no longer available. He did not expect there to be any cost increase for the Gore District.

**RECOMMENDED on the motion of Cr Davis, seconded by Cr Reid, THAT the report be received.**

**4. GORE A&P JOINT MANAGEMENT COMMITTEE ANNUAL ACCOUNTS (SC1306)**

A copy of the annual report of the Joint Management Committee for the year ending 30 June 2016 had been circulated with the agenda. The Parks and Recreation Manager advised a balance sheet for the Southern Equestrian Park Trust had inadvertently been included on the agenda. The correct Joint Management Committee balance sheet was tabled at the meeting.

His Worship did not believe there was a showgrounds in the South Island that compared with Gore and the partnership the Council had with the A&P was also unique.

**RECOMMENDED on the motion of Cr Highsted, seconded by Cr Sharp, THAT the information be received.**

**5. VETERANS' AFFAIRS – SERVICES CEMETERY MAINTENANCE GRANT (SC0377)**

A memo had been received from the Parks and Recreation Manager together with a copy of a letter from Veterans' Affairs about the maintenance and upkeep of Services cemeteries in the Gore District.

**RECOMMENDED on the motion of Cr Dickson, seconded by Cr Phillips, THAT the information be received.**

6. REPORT OF AQUATIC SERVICES MANAGER

The Committee perused a report from the Aquatic Services Manager for August, September and October.

**RECOMMENDED on the motion of Cr Sharp, seconded by Cr D Grant, THAT the report be received.**

7. REPORT FROM DISTRICT LIBRARIES MANAGER

The Committee perused a report from the District Libraries Manager.

**RECOMMENDED on the motion of Cr Bolger, seconded by Cr Beale, THAT the report be received.**

8. REPORT FROM COMMUNICATIONS/PROMOTIONS MANAGER

The Committee perused a report from the Communications/Promotions Manager.

His Worship relayed comments received from First Retail who were involved with GoRetail and the significant amount of interest in what had been going on in Gore at a conference its representatives had attended recently.

Cr Bolger expressed disappointment at the comments often received about the investment the Council made in promoting itself. He felt the Council should continue with the progress it had made to date. The Council did not tell its story well or of the value it delivered to the community. It should be unashamed to tell people the value ratepayers and residents receive for their rating dollar.

**RECOMMENDED on the motion of Cr Davis, seconded by Cr D Grant, THAT the report be received.**

9. REPORT OF THE DISTRICT ARTS AND HERITAGE CURATOR

The Committee perused a report from the District Arts and Heritage Curator for August, September and October.

Cr Davis asked for an outline of the association the Hokonui Moonshine Trust had with the Invercargill Brewery.

Cr Beale advised the Trust had recently commissioned barrel 3 and would soon commission barrel 4. The quality of what had been produced by Steve Nally to date was beyond expectations.

Cr P Grant said the Trust had intended hosting an evening at the Thomas Green to launch the product range in time for Christmas, but he was not sure if it was going to take place or not.

**RECOMMENDED on the motion of Cr Sharp, seconded by Cr Beale, THAT the report be received.**

**10. REPORT FROM THE EVENTS AND PROMOTIONS COORDINATOR**

The Committee perused a report from the Events and Promotions Coordinator.

The Chief Executive advised the draft events strategy would be considered by the Council in the new year.

**RECOMMENDED on the motion of Cr Dickson, seconded by Cr Reid, THAT the report be received.**

**11. REPORT FROM GORE VISITOR CENTRE SENIOR CONSULTANT**

The Committee perused a report from the Visitor Centre senior Consultant.

**RECOMMENDED on the motion of Cr Gardyne, seconded by Cr Dickson, THAT the report be received.**

**12. GORE SISTER CITY COMMITTEE**

A copy of the minutes of the Gore Sister City Committee meeting held on 29 September had been received.

**RESOLVED on the motion of Cr Beale, seconded by Cr D Grant, THAT the minutes be received.**

Cr P Grant thanked the staff for their input over the past year. It had been a pleasure dealing with them.

The meeting concluded at 4.47pm



**RURAL CITY LIVING**

Report of the ordinary meeting of the Operations Committee held in the Council Chambers, 29 Bowler Avenue, Gore on Tuesday 22 November 2016, at 4.48pm.

**Present** His Worship the Mayor (Tracy Hicks, JP), Cr Davis (Chairperson), Crs Beale, Bolger, Dickson, Gardyne, D Grant, P Grant, Highsted, Phillips, Reid and Sharp.

**In Attendance** The Chief Executive (Mr Stephen Parry), General Manager District Assets (Mr Paul Withers), Chief Financial Officer (Mr Luke Blackbeard), Parks and Recreation Manager (Mr Ian Soper), Transport Manager (Mr Peter Standring), HR/Administration Manager (Susan Jones), Communications Manager (Sonia Gerken), Building Control Manager (Mr Russell Paterson), 3 Waters Project Manager (Mr Sam Bunting), Senior Corporate Support Officer (Mrs Ceri Macleod), Planner (Miss Rosie Given) and one member of the public in the gallery.

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Cr Davis called for any conflicts of interest.

Cr Phillips declared an interest in item 8, installation of fire hydrant at Tulloch Park, due to his being a member of the Mataura Fire Brigade.

In response to Cr Davis, the Chief Executive did not believe Cr Phillips had a conflict of interest.

#### 1. CRM STATISTICS

A schedule of CRM (customer request management) statistics for the period 1 July to 31 October 2016 had been circulated with the agenda.

**RECOMMENDED** on the motion of Cr P Grant, seconded by Cr Beale, **THAT** the information be received.

**2. WASTENET WASTE ADVISORY GROUP MEETING COMMITTEE MINUTES – 25 AUGUST AND 6 OCTOBER 2016**

A copy of the unconfirmed committee minutes from the WasteNet Waste Advisory Group meetings held on 25 August and 6 October 2016 had been circulated with the agenda.

**RECOMMENDED on the motion of Cr D Grant, seconded by Cr Bolger, THAT the unconfirmed committee minutes of the WasteNet meetings held on 25 August and 6 October 2016, be received.**

**3. REPORT FROM 3 WATERS ASSET MANAGER**

The Manager was not in attendance due to the recent arrival of he and his wife's new baby.

The General Manager introduced Sam Bunting, 3 Projects Manager to the Council.

The Committee perused a report from the 3 Waters Asset Manager for August, September and October 2016.

In response to Cr Phillips, the Project Manager advised there had not been any complaints received since the water upgrade in Albion Street had been completed.

**RECOMMENDED on the motion of Cr Bolger, seconded by Cr Highsted, THAT the report be received.**

**4. LEAK RESOLUTION WORK (SC0647)**

A report from the 3 Waters Manager on leak resolution work had been received. Field staff were continuing to work through repairing leaks identified in the Council's network from the surveys completed earlier in the year. There had been a noticeable reduction in water consumption as a result.

The General Manager District Assets advised that while it appeared there was a decrease in water consumption, it did not necessarily mean the wells were full. There was also no guarantee that there would not be water restrictions over the summer period.

The Chief Executive said the resource consent conditions also dictated that the Council had to impose water restrictions depending on the level of the river. The Council was also bound by the Conservation Order.

Cr P Grant said people did not understand because of the success of the leak resolution work, that water restrictions might not be imposed.

Cr Beale said people would soon ask why the Council was spending a lot of money on leak detection if it was not necessarily going to remove the need for water restrictions.

Cr Gardyne asked if the limiting factor was the consent.

Cr Davis replied it was the Conservation Order. Once the river dropped below 17 cumecs, the Order came into effect.

The General Manager District Assets said the condition of the consent required the Council to promote water conservation when the river flow dropped below 17 cumecs. The 3 Waters team monitored the river levels.

Cr Davis said water restrictions were not unique to Gore. It was a national issue.

Cr Gardyne felt the solution was water storage.

Cr Sharp asked why there was only a day's water storage in East Gore. There should be another tank installed and have a week's storage.

Cr Davis was surprised at Cr Sharp's comments. The Council had had several discussions about water storage issues.

Cr D Grant said about four years ago at a workshop, Cr Sharp had floated the idea of damming a stream at River Road which was estimated to cost \$24 million.

Cr Davis said Cr Sharp should be well aware of the water issues the Council had.

Cr Bolger said the quickest and probably the cheapest option for water conservation was finding the leaks. It was brilliant there had been so much success and water saved as a result of the work done to date.

The Chief Executive added it was part of the water strategy and the Council had decided to understand its network better. The other part of the strategy were big ticket items and with the other commitments the Council had with capital projects, there were significant costs involved.

Cr Gardyne said people in the rural area when applying for a building consent, had to install tanks for fire fighting purposes so why could urban areas not be required to have storage tanks for new buildings.

Cr Bolger thought it was a great idea and it may well come through in the review of the District Plan.

Cr Beale had advocated water harvesting and that had been an option for industrial developments. To implement it for new residential buildings was an issue to be considered.

Cr Beale asked if there was no emphasis on pipes being repaired, financial hardship or not, that could be quite detrimental to the Council through the property owner not repairing the leak.

The General Manager District Assets said the staff needed to ascertain what the issues were and where the regulatory approach should be taken in developing a policy.

**RECOMMENDED on the motion of Cr Bolger, seconded by Cr Highsted, THAT the report be received,**

**AND THAT an information gathering exercise be completed to better understand leaks on private property and the implications of repairing them.**

**5. WATER CONNECTIONS TO PROPERTIES AT 162, 166, 168, 170 AND 172 CHARLTON ROAD (SC0647)**

A report from the 3 Waters Manager had been received advising that the water supply to the above properties was fed from the Council's network from Charlton Road via a private supply network which was not the responsibility of the Council.

Cr Sharp felt it was a fair solution for the Council to cover the cost and then recover some of it through a surcharge levied on the property owners.

Cr Highsted was concerned it was a private network and it would set a precedent to fund private works. He wondered if a type of loan scheme could be established for recovering the costs.

The General Manager District Assets said the pipe work would be in the Council road and the properties would need to connect to the new pipe.

Cr Davis asked if the property owners were fully aware they would not get water if they chose not to connect to the new Council pipe, assuming it was laid.

The General Manager District Assets said he was waiting for the Committee's consideration before formally advising the residents and asking for their commitment.

**RECOMMENDED on the motion of Cr P Grant, seconded by Cr Sharp, THAT the report be received,**

**AND THAT the Council give consideration to funding the infrastructure required to allow individual connections to be made for each of the properties from 162 to 172 Charlton Road, using funding from the water supply annual operating budget.**

**6. SOUTHLAND REGIONAL TRANSPORT COMMITTEE (SC1312)**

A copy of a letter from Environment Southland seeking an alternate member from the Gore District Council to the Southland Regional Transport Committee.

**RECOMMENDED on the motion of Cr Davis, seconded by Cr D Grant, THAT Cr Bolger be appointed as the Council's alternate member on the Southland Regional Transport Committee.**

**7. REPORT OF THE TRANSPORT MANAGER**

The Committee perused a report from the Transport Manager for October 2016.

Cr Beale was pleased that the contractor had been instructed to widen the rural roads through grading. He referred to the poor re-sealing work that had been carried out about two years ago and some areas that were still to be repaired. He referred to an area on Wentworth Street near East Gore school that still had to be rectified.

The Manager said MWH was overseeing that work and there were still some areas outstanding.

Cr Davis asked for those areas to be reported on in the future so Councillors knew the status of the work.

Cr Gardyne said people had rung him complaining about roading issues that had no follow-up which was frustrating for ratepayers. He referred to one lane of Waikaka Road that had been patched but nothing done on the other.

The Chief Executive said Council staff had recently committed to a customer service project that would ensure appropriate follow-up was enforced. The group would be reporting back by the end of April.

In response to Cr P Grant, the Manager said there had been no formal speed monitoring of the speed humps installed at the Ontario Street bridge.

The Manager advised there had been some spraying of moss and lichen on roads and there was more to be undertaken.

Cr Davis urged Councillors to speak directly to the Transport Manager about any general queries they had about roading issues.

His Worship asked for an update at some stage about the One Network Road system.

**RECOMMENDED on the motion of Cr D Grant, seconded by Cr Gardyne, THAT the report be received.**

**8. INSTALLATION OF FIRE HYDRANT AT TULLOCH PARK (SC0633)**

A report from the 3 Waters Manager was considered by the Committee. The Mataura Volunteer Fire Brigade had requested that a hydrant be installed at Tulloch Park, Mataura.

The Chief Executive thought the cost of the hydrant could be accommodated within existing budget.

**RECOMMENDED on the motion of Cr Sharp, seconded by Cr Bolger, THAT the report be received,**

**THAT \$27,915 be allocated to installing a fire hydrant at Tulloch Park,**

**AND THAT a report be provided on the impact of funding this expenditure from within existing budgets.**

**9. UPDATE ON GORE WATER TREATMENT PLANT UPGRADE (SC1433)**

A report had been received from the 3 Waters Manager providing an update on the Gore water treatment plant upgrade. It had been agreed that drilling under the Mataura river would proceed as that had been deemed to be the riskiest part of the treatment plant upgrade, prior to proceeding with design development of a single treatment plant.

Anderson Lloyd had been contracted to undertake the easement process on the eastern side of the Mataura river. LINZ had advised that due to the river having moved and the vacant land not being on any public land record, it would take the Commissioner of Crown Lands up to one year to decide if the land was owned by the Crown or another entity.

In addition, David Abercrombie and Associates had been contracted to prepare a land status report and report its findings to LINZ with the aim of shortening the 12 month timeframe. His Worship had also written to the Minister of Lands seeking an expeditious resolution to clarifying the status of the land in question.

**RECOMMENDED on the motion of Cr D Grant, seconded by Cr Phillips, THAT the report be received.**

The meeting concluded at 5.55pm

**RURAL CITY LIVING**

**Report of the ordinary meeting of the Regulatory and Planning Committee held in the Council Chambers, 29 Bowler Avenue, Gore on Tuesday 22 November 2016, at 5.57pm.**

**Present** His Worship the Mayor (Tracy Hicks, JP), Cr Highsted (Chairperson), Crs Beale, Bolger, Davis, Dickson, Gardyne, D Grant, P Grant, Phillips, Reid and Sharp.

**In Attendance** The Chief Executive (Mr Stephen Parry), General Manager District Assets (Mr Paul Withers), Chief Financial Officer (Mr Luke Blackbeard), Parks and Recreation Manager (Mr Ian Soper), Transport Manager (Mr Peter Standring), HR/Administration Manager (Susan Jones), Communications Manager (Sonia Gerken), Building Control Manager (Mr Russell Paterson), 3 Waters Project Manager (Mr Sam Bunting), Senior Corporate Support Officer (Mrs Ceri Macleod), Planner (Miss Rosie Given) and one member of the public in the gallery.

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Cr Highsted called for any conflicts of interest. None were declared.

**1. ANIMAL CONTROL ACTIVITIES REPORT**

The Committee perused a report from the Animal Control Officer for August, September and October.

Cr Sharp referred to an article in the newspaper about a hard line being taken by Wairoa District Council in respect of dog control.

In response to Cr Highsted, the Chief Executive said probably the only thing the Council did a little differently to other local authorities was taking more of a compliance approach rather than punitive. In another area, a high profile case had cost ratepayers as much as \$120,000.

Cr Sharp said during his time on the Council, the number of wandering dogs averaged one per day.



The Chief Executive acknowledged wandering dogs were an issue. The animal control service had been taken back in-house to be more proactive rather than reactive. Wandering dogs were mobile and even with despatching the officer as soon as a complaint was received, were not always able to be found.

Cr Davis noted the comment from Hon Louise Upston, Associate Minister of Local Government when opening the Institute of Animal Management's conference about a national action plan to try and reduce the number of dog attacks. It would be a two year strategy and include legislative changes, best practice guidance and a desexing programme.

His Worship said the Government was proposing to introduce legislation in February 2017.

The Chief Executive added the Council had included in its bylaw that any dog classified as menacing had to be neutered.

**RECOMMENDED on the motion of Cr P Grant, seconded by Cr Reid, THAT the report be received.**

*The Dog Control Administrator departed the meeting at 6.10pm*

## **2. KEEPING OF ANIMALS, POULTRY AND BEES BYLAW** (SC1448)

A memo had been received from the Policy and Planning Officer advising that the Keeping of Animals, Poultry and Bees Bylaw had been publicised for public consultation, with no submissions being received at the close of the consultation period.

**RESOLVED on the motion of Cr D Grant, seconded by Cr Davis, THAT the Keeping of Animals, Poultry and Bees Bylaw 2016 be adopted and ordered to come into effect from 16 December 2016.**

## **3. BUILDING CONTROL ACTIVITIES REPORT**

The Committee perused a report from the Building Control Manager for August, September and October.

Cr Highsted advised he had received pleasing comments from the community about the good service offered by the building control staff.

**RECOMMENDED on the motion of Cr Sharp, seconded by Cr Phillips, THAT the report be received,**

**AND THAT a workshop be held with a sub-committee comprising Crs Highsted, Bolger and Sharp to investigate a possible submission on the Building (Earthquake-prone Buildings) Amendment Act 2016, to be completed before the 15 December 2016 deadline.**

#### **4. SCHEDULE OF BUILDING CONSENTS ISSUED**

A schedule of building consents issued for September and October 2016 had been circulated with the agenda.

**RECOMMENDED on the motion of Cr Beale, seconded by Cr D Grant, THAT the information be received.**

#### **5. SCHEDULE OF LANDUSE CONSENTS**

A schedule of subdivision and landuse consents issued for the period ending 9 November 2016 had been circulated.

Cr D Grant referred to the length of time some consent applications remained on the schedule.

The Planner advised the Planning Consultant had been monitoring them.

**RECOMMENDED on the motion of Cr Dickson, seconded by Cr Reid, THAT the information be received.**

#### **6. COUNCIL BUILDINGS – EARTHQUAKE PRONE BUILDING ASSESSMENT** (SC1603)

A copy of a report from the Parks and Recreation Manager had been received following a desktop assessment of Council owned buildings in relation to earthquake prone buildings. The assessment was based on four criteria as follows:

1. Built pre 1976
2. Masonry façade
3. Unreinforced
4. Could building fall onto footpath or road

The initial assessment assessed 43 Council buildings and of these, one was found to have all four of the factors listed above. Another had three factors, with nine having two and 11 just one single factor.

Formal building assessments in line with accepted industry practice would need to be undertaken by qualified engineers. There would be an unbudgeted financial implication for this work, the value of which would be included in the next Annual Plan.

**RECOMMENDED on the motion of Cr Davis, seconded by Cr Dickson, THAT the information be received.**

**7. PROPOSED AMENDMENTS TO THE NATIONAL ENVIRONMENTAL STANDARD FOR ASSESSING AND MANAGING CONTAMINANTS IN SOIL TO PROTECT HUMAN HEALTH – SUBMISSION (SC0502)**

A memo had been received from the Policy and Planning Officer advising that proposed amendments to the national Environmental Standard for Assessing and Managing Contaminants in Soil to Protect Human Health had been released by the Ministry for the Environment for public submission and had closed on 14 October.

A copy of the Council's submission had been circulated together with a summary to the proposed amendments.

**RECOMMENDED on the motion of Cr Bolger, seconded by Cr Reid, THAT the Council note and endorse the submission made in response to the proposed amendments to the National Environmental Standard for Assessing and Managing Contaminants in Soil to Protect Human Health.**

The meeting concluded at 6.21pm

**RURAL CITY LIVING**

**Report of the ordinary meeting of the Finance and Policy Committee held in the Council Chambers, 29 Bowler Avenue, Gore on Tuesday 22 November 2016, at 6.22pm.**

**Present** His Worship the Mayor (Tracy Hicks, JP), Cr Bolger (Chairperson), Crs Beale, Davis, Dickson, Gardyne, D Grant, P Grant, Highsted, Phillips, Reid and Sharp.

**In Attendance** The Chief Executive (Mr Stephen Parry), General Manager District Assets (Mr Paul Withers), Chief Financial Officer (Mr Luke Blackbeard), Parks and Recreation Manager (Mr Ian Soper), Transport Manager (Mr Peter Standring), HR/Administration Manager (Susan Jones), Communications Manager (Sonia Gerken), Building Control Manager (Mr Russell Paterson), 3 Waters Project Manager (Mr Sam Bunting), Senior Corporate Support Officer (Mrs Ceri Macleod), Planner (Miss Rosie Given) and one member of the public in the gallery.

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**1. ENVIRONMENT SOUTHLAND CLEAN AIR LOAN SCHEME (SC1582)**

A memo had been received from the Chief Financial Officer advising that in 2015 Environment Southland made changes to its regional air plan with the goal of improving air quality in the Gore air shed. As part of its long term plan, Environment Southland set aside money for three years to fund a low interest loan scheme in Invercargill and Gore. The original intent was for each Council to match the funding to share the cost of the scheme. In the 2016 annual plan consultation document, the Gore District Council asked the community if it would like to co-fund the scheme with Environment Southland. There were 13 submissions received on the issue. Seven did not want to partner while six were in favour. The Council resolved not to contribute to the scheme and proceeded with the budgets outlined in the Long Term Plan. Invercargill City opted into the scheme and was currently administering the clean air loans on behalf of Environment Southland.

Cr Highsted advised he was now the Council's representative on the Southland Warm Homes Trust and had attended his first meeting recently. He supported the first part of the recommendation for the Council to be involved in administering a

clean air loan scheme. The Trust had been assisting those landlords who had tenants with a community services card to insulate their properties. The Trust received funding from EECA that had 18 months left before it was all expended. He asked if there was an opportunity for the Council to again canvas its participation in the next annual plan.

The Chief Executive said legally it could, but morally it was questionable. The Council had decided through the last annual plan process to not be involved with funding of the loan scheme.

Cr Highsted proposed a pilot scheme for Gore for say \$50,000 with interest to be charged at the same rate as the Council paid. He added the loans granted by the Warm Homes Trust did not often last very long as the properties were sold and they were repaid as a result.

**RECOMMENDED on the motion of Cr Highsted, seconded by Cr D Grant, THAT the report be received.**

**AND THAT the Council agree to administer the clean air loan scheme, interest free, in accordance with the terms in the draft Memorandum of Understanding on behalf of Environment Southland.**

Cr Davis asked if the Council was not already contributing to the Warm Homes Trust.

Cr Highsted said it was. It contributed \$15,000 per year, but the Trust was only funding landlords with properties who had tenants with a community services card. The criteria was very narrow.

Cr Davis asked if there were other funders available. Perhaps the Council should find that out before committing itself.

Cr Highsted said EECA was the Government funder, but its funding would cease in 18 months time.

**Cr Highsted recommended THAT a low interest bearing insulation scheme for \$50,000 be established as a pilot to take effect as soon as possible.**

Cr Davis had a moral question mark over the Council's involvement given the number of submissions received against being involved at the 2015-16 annual plan.

Cr Highsted noted there had been 13 submissions received, seven against and six for.

**The recommendation was seconded by Cr Dickson, was put and was carried.**

## 2. QUARTERLY DEBT REPORT (SC1195)

A memo had been received from the Chief Financial Officer together with a quarterly debt report from Bancorp.

**RECOMMENDED on the motion of Cr D Grant, seconded by Cr P Grant, THAT the report be received.**

## 3. FINANCIAL REPORT FOR SEPTEMBER 2016

A financial report for September 2016 was perused by the Committee.

Cr Gardyne asked if a report on the Council's existing debt could be tabled. Federated Farmers had asked for details about it.

Cr Highsted questioned the value of that and thought the Committee needed to decide if it should be provided.

Cr Bolger advised the Council worked on paying down aged debt first. It borrowed money for solid assets. When people talked about debt it disappointed him sometimes that they never talked about what it equated to in solid assets. Over the past ten years and while the debt had increased by about \$4-5 million, the Council had achieved capital projects valued at about \$40 million. He encouraged Cr Gardyne to obtain the information from the Chief Financial Officer.

Cr Sharp also asked for a copy of it.

Cr Beale asked if there was any restriction on where the information ended up?

The Chief Executive said if he received an official information request he would be obliged to provide it. As Cr Highsted had said, it was something that would only be worth receiving annually.

Cr Highsted said the balance of a loan on any one day did not reflect the reality.

The Chief Executive thought an accompanying report could be useful so the table could be understood in context.

Cr Bolger preferred informal discussions with the Chief Financial Officer.

**RECOMMENDED on the motion of Cr Bolger, seconded by His Worship the Mayor, THAT the financial report for the three months ended 30 September 2016 be received.**

The meeting concluded at 6.49pm

COUNCIL MEETING AGENDA

TUESDAY 13 DECEMBER 2016

5. YOUTH COUNCIL

Representatives from the Gore Youth Council will be in attendance to provide an update on recent activities.

## 6. PROGRESS REPORT TULLOCH PARK REDEVELOPMENT

(Report from Parks and Recreation Manager – 29.11.16)

### **Background**

The Council direction from its meeting 10 May ratified the Mataura Community Boards resolution:

*That professional advice be sought to develop, in conjunction with the Parks and Recreation Department, a long term recreational plan for the Tulloch Park asset, incorporating these suggestions and fleshing out the capital cost – individually and collectively – of the six components as well as a realistic timeline for establishing these assets at Tulloch Park.*

The Mataura Community Board has a desire that the ultimate solution will be a vibrant recreational attraction in Mataura that is unique to the Gore District. This is the vision the Mataura Community Board has for Tulloch Park and, in partnership with the Gore District Council, wish to develop a strategy to transform the area into a recreational hub for the District.

### **Progress to date**

In July Council officers undertook an invited tender process of suitably qualified consultants. The process determined a preferred consultant that was subsequently engaged. This consultant company is Xyst Limited.

Work on the project commenced in August with several workstreams being worked upon concurrently.

These were;

- concept plans
- landscape plans
- specific project element plans
- building assessment by Quantity Surveyors

This work culminated in a draft summary report which was then workshopped with the Mataura Community Board and the Council in November.

### **Where to from here**

The Council has given staff further direction at the workshop. This is to further develop redevelopment options for Tulloch Park with an amended project scope.

The amendments determine that the ultimate result should be or include:

- An indoor facility
- Grand and inspirational
- Bold design
- Fiscal leveraging
- Encompassing of all prior consultations



There was combined consensus was that a working group be formed to work with staff through this process in the coming months. This working group would comprise three district Councillors, three Mataura Community Board members, Project Consultant Paul Wilson and the Parks and Recreation Manager.

It is envisaged that the working group will report back to the Council in May 2017.

**RECOMMENDATION**

**THAT the information be received,**

**THAT the Council approve the appointment of Crs D Grant, Highsted, Phillips and Mataura Community Board members Alan Taylor, Geoff Colvin and Greg Chaffey along with project consultant Paul Wilson and the Parks and Recreation Manager to the Tulloch Park redevelopment project working party,**

**AND THAT the working party report back to the Council no later than May 2017.**

## 7. GORE DISTRICT LICENSING COMMITTEE

(Memo from Chief Executive – 30.11.16)

At the first meeting of the Council following the recent local government elections, Crs Highsted and Davis were appointed to the Gore District Licensing Committee, with Cr Highsted inserted as Chairman. Under the Sale and Supply of Alcohol Act 2012, each Council must have at least one District Licensing Committee to consider alcohol licensing matters in its area.

The quorum of the committee is one for unopposed applications which are dealt with by the Chair, and constitute the vast majority of business transacted by the committee. For opposed applications the quorum is the two members of the committee.

Under the Sale and Supply of Alcohol Act 2012, a local alcohol policy has to be prepared for either a district or region. The three territorial authorities in Southland agree to prepare a local alcohol policy covering the entire Southland region and accordingly, this policy which was adopted on 31 May 2016 is an important navigational aid for the District Licensing Committee when making decisions on applications for a liquor license.

When district licensing committees were established in late 2013, the chairs of each Council's District Licensing Committee were not added to a combined list in order that they could sit as members on a hearing panel of other Councils in the Southland region. This report recommends the addition of the respective District Licensing Committee chairs to a combined list so that they may sit as members on a hearing panel of each Council, should an opposed application be received.

The benefit of this approach is that the chairs alcohol licensing experience and knowledge together with the benefits of regional consistency will hopefully flow through district licensing committee decisions.

To ensure the availability of service at all times, it is recommended that Cr Gavin MacPherson as Chairperson of the Southland District Licensing Committee and Cr Darren Ludlow as Chairperson of the Invercargill City Licensing Committee be appointed as commissioners, in the event that Cr Highsted is unable to act. The Southland District and Invercargill City Councils intend to make similar recommendations, including appointing Cr Highsted to act as Commissioner for those Councils.

### **RECOMMENDATION**

**THAT the Council appoint Cr Gavin MacPherson of the Southland District Council and Cr Darren Ludlow of the Invercargill City Council, as commissioners of the District Licensing Committee, to act at any time when the Chairperson is absent and their presence is required to maintain a quorum,**

**THAT the Council agree to establish, maintain and publish a combined list of persons approved by those authorities to be members of any of those territorial authorities licensing committees in the event that a quorum is required,**

**AND THAT the Council approve Cr Highsted and Cr Davis to be included on the combined list.**

## 8. TRADE WASTE BYLAW

(Memo from Policy and Planning Officer – 23.11.16)

At the August Council meeting, a draft Trade Waste Bylaw (the Bylaw) and accompanying Statement of Proposal were approved for public consultation pursuant to Sections 148, 155 and 156 of the Local Government Act.

Following the release in August of the draft Bylaw no submissions have been received.

- ✶ Under section 148(1) of the Local Government Act 2002, a territorial authority must send a copy of the proposed bylaw to the Minister of Health (the Minister) for comment, before adopting a new trade waste bylaw. Please find enclosed correspondence exchanged with the Minister.

Matters raised by the Minister relate to pharmaceutical waste which is not a significant issue in our district due to the limited services and functions that the Gore Hospital provides. Minor amendments to the Bylaw have been made in order to address some matters raised by the Minister. In particular, Schedule 1B has been amended to include the prohibition of cytotoxic waste (eg chemotherapy waste) and the name of the radiation regulatory body has been updated.

- ✶ A copy of the Bylaw as amended is attached.

The amendments are considered to be minor in nature, therefore, no further public consultation is recommended. The Council is now in the position to formally adopt the Trade Waste Bylaw as amended.

### **RECOMMENDATION**

**THAT the Trade Waste Bylaw 2016 be adopted and ordered to come into effect from 19 December 2016.**

**RURAL CITY LIVING**

11 October 2016

The Minister of Health  
Ministry of Health  
PO Box 5013  
Wellington 6140

29 Civic Avenue, Gore 9710  
PO Box 8, Gore 9740

**Phone** 03 209 0330  
**Fax** 03 209 0357  
**Email** info@goredc.govt.nz  
**www.goredc.govt.nz**

Dear Minister

**Gore District Council Trade Waste Bylaw**

The Gore District Council has taken steps to make a Trade Waste Bylaw in accordance with the requirements of the Local Government Act 2002 (the Act).

The Council's Trade Waste Bylaw 2008 was automatically revoked in 2015 in accordance with section 160A of the Act due to the absence of a review. It has therefore been necessary to follow the provisions of the Act in order to establish a new Trade Waste Bylaw.

A draft Trade Waste Bylaw has been developed based on the 2008 bylaw with some improvements.

Please find enclosed:

1. The draft Gore District Trade Waste Bylaw 2016;
2. The associated Statement of Proposal.

This draft Trade Waste Bylaw 2016 has been subjected to the special consultative process as outlined in Sections 86 and 156 of the Act and no submissions have been received.

We propose to submit this bylaw to the elected members of the Council for adoption at the next Council meeting on Tuesday 6 December 2016. I therefore invite you, pursuant to section 148(1) of the Act, to make comment on the proposed bylaw prior to that date.

We look forward to receiving any comments you may wish to make.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Stephen Parry".

Stephen Parry  
Chief Executive



## Office of Hon Peter Dunne

MP for Ohariu

Minister of Internal Affairs

Associate Minister of Health

Associate Minister of Conservation

21 NOV 2016

Mr Stephen Parry  
Chief Executive  
Gore District Council  
info@goredc.govt.nz

Ref. 1630244

Dear Mr Parry

Thank you for your letter of 11 October 2016 to the Minister of Health, Hon Dr Jonathan Coleman, and the attached copy of the proposed Trade Waste Bylaw for Gore District Council. I am responding as the matters you raise fall within my portfolio responsibilities as Associate Minister of Health.

The Ministry of Health supports the use of trade waste bylaws as a means of reducing waste to councils' sewage treatment plants. These bylaws also protect the sewerage system, sewerage workers and the environment. I am advised that Gore District Council's Trade Waste Bylaw is comprehensive and largely follows the requirements set by the New Zealand Standard (NZS) Model Bylaw for Trade Waste, and exceeds them in places.

Ministry officials have asked me to draw to the Council's attention the disposal of liquid waste from pharmacies. These are generally products that have been returned by customers in accordance with the Health and Disability Services Standards – Pharmacy Services Standard NZS 8134.7:2010. However, Ministry officials also recommend that in the Schedules of your Bylaw, cytotoxic waste is prohibited, and controls are placed on the disposal of liquid antibiotics. Although NZS 304:2002 Management of Healthcare Waste currently states that cytotoxic waste can be discharged to a sewer with the local authority's permission, this is no longer considered appropriate. When this Standard comes up for review, the Ministry will seek to have this advice amended.

In addition, the Ministry supports the advice of the Pharmacy Guild of New Zealand that the amount of liquid pharmaceutical waste discharged monthly will not exceed the following volumes and concentrations of active ingredients:

Volume Limit	Active Concentration
10 Litres	125mg / 5 ml
5 Litres	250mg / 5 ml
3 Litres	Above 250mg / 5ml

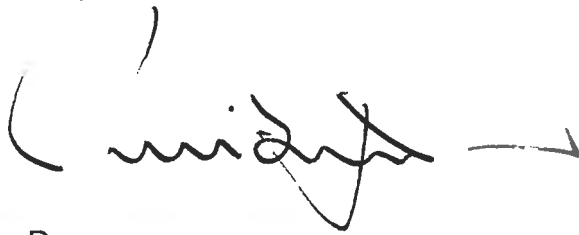
Any discharge above these limits should be a controlled discharge and require a trade waste agreement.

Finally, I am advised that the radiation regulatory body has changed from the National Radiation Laboratory to the Office of Radiation Safety. Therefore, the Schedules should refer to the Office of Radiation Safety Code of Practice CSP1 for the use of Unsealed Radioactive Material.

In accordance with section 148(4) of the Local Government Act 2002, I do not have any representatives of the owners or occupiers of trade waste premises that I require you to consult with as I note you have already consulted extensively with these groups.

You can contact Mr Paul Prendergast (Public Health Engineer, Environmental and Border Health) at the Ministry on (04) 816 2672 or by email (paul\_prendergast@moh.govt.nz) if you wish to discuss any aspect of the Bylaw further.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter Dunne', with a long horizontal stroke extending to the right.

Hon Peter Dunne  
**Associate Minister of Health**

**DRAFT  
GORE DISTRICT COUNCIL  
TRADE WASTE BYLAW 2016**





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**FOREWORD\***

This Bylaw has been prepared using the New Zealand Standard “NZS 9201: Part 23:2004 Model General Bylaws - Trade Waste” as a base document.

This Bylaw regulates the discharge of trade waste to the Gore District Council’s sewerage systems operated by or on behalf of the Council as a Wastewater Authority. The purpose of this Bylaw is to:

- i. To ensure the protection of the Council’s personnel and the general public.
- ii. To protect the ability of the Council to meet the requirements of the Resource Management Act 1991 and in particular their resource consents for the discharge of treated sewage (and also the placement of sludge and biosolids on land).
- iii. To provide for an equitable spread of costs between domestic and trade waste discharges.
- iv. To protect the investment in the existing and any future infrastructure, treatment plant and disposal facilities;
- v. To ensure compatibility between liquid, solid and gaseous phases of trade waste discharges. This compatibility can relate to such matters as meeting landfill acceptance criteria for solids and sludges and meeting resource consents for emissions to air as well as the trade waste discharge itself, into the Council’s sewer system.
- vi. To ensure trade waste dischargers consider, and where appropriate and practicable implement, waste minimisation and cleaner production techniques to reducing the quantity and improve the quality of their trade waste discharges, thereby assisting the Council to meet the targets of the New Zealand Waste Strategy.
- vii. To foster consistency between Wastewater Authorities with respect to trade waste requirements.

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\* This foreword does not form part of this Bylaw.

## 1. Introduction

### 1.1 Title

This Bylaw may be cited as the “Gore District Council Trade Waste Bylaw 2016”.

### 1.2 Commencement and Application

This Bylaw shall come into force on the *xxx day of xxx 2016* and shall apply to the whole of the Gore District.

### 1.3 Repeals

The Gore District Council Trade Waste Bylaw 2008 was revoked by section 160A of the Local Government Act 2002 on 1 August 2015.

### 1.4 Scope of the Bylaw

#### 1.4.1 Scope

The Bylaw provides for the:

- (a) Acceptance of long-term, intermittent, or temporary discharge of trade waste (including tankered waste) to the Council’s sewerage system;
- (b) Establishment of three grades of trade waste: permitted, conditional and prohibited;
- (c) Evaluation of individual trade waste discharges to be against specified criteria;
- (d) Correct storage of materials in order to protect the Council’s sewerage system from spillage;
- (e) Installation of flow meters, samplers or other devices to measure flow and characteristics of the trade waste discharge;
- (f) Pre-treatment of waste before it is accepted for discharge to the Council’s sewerage system;
- (g) Sampling and monitoring of trade waste discharges to ensure compliance with the Bylaw;
- (h) The Council to accept or refuse a trade waste discharge;
- (i) Charges to be set to cover the cost of conveying, treating and disposing of, or reusing, trade waste and the associated costs of administration and monitoring;
- (j) Administrative mechanisms for the operation of the Bylaw; and

- (k) Establishment of waste minimization and management programmes (including sludges) for trade waste producers.

#### 1.4.2 **Compliance with other Acts**

Nothing in this Bylaw shall derogate from any of the provisions of the:

- (a) Building Act 2004 and Regulations;
- (b) Fire Service Act 1975;
- (c) Hazardous Substances and New Organisms Act 1996 and regulations;
- (d) Health Act 1956 and Regulations;
- (f) Health and Safety in Employment Act 1992;
- (g) Land Transfer Act 1952;
- (h) Land Transport Rule Dangerous Goods 1999, Rule 45001/1
- (i) Local Government Act 2002;
- (j) Local Government (Rating) Act 2002;
- (k) Property Law Act 1952;
- (l) Plumbers, Gasfitters and Drainlayers Act 1976;
- (m) Plumbers, Gasfitters and Drainlayers Act 2006 and
- (n) Resource Management Act 1991; and

In the event of any inconsistency between legislation the more stringent requirement applies.

#### 1.4.3 **Trade Premises and other users to which the Bylaw applies**

This Bylaw shall apply to all trade premises within the District where trade wastes are discharged or sought or likely to be discharged to the sewerage system operated by the Council or its agents. The Bylaw shall also apply to tankered wastes collected for the purpose of discharge to the sewerage systems operated by the Council or its agents.

Pursuant to section 196 of the Act the Council may refuse to accept any type of trade waste which is not in accordance with this Bylaw.

### 1.5 **Referenced Documents**

#### ***New Zealand Standards***

NZS 4304:2002- - -Management of healthcare waste

NZS 5465:2001- - -Self containment for motor caravans and caravans

NZS 9201:2004- - - -Model general bylaws Part 23: 2004: Trade Waste

***Joint Australian/New Zealand Standards***

AS/NZS 5667:- - - - Water quality – Sampling

Part 1:1998 Guidance on the design of sampling programmes, sampling techniques and the preservation and handling of samples

Part 10:1998 Guidance on sampling of wastewaters

***British Standards***

BS 3680:- - - - Measurement of liquid flow in open channels

Part 11A:1992 Free surface flow in closed conduits – Methods of measurement

Part 11B:1992 Free surface flow in closed conduits – Specification for performance and installation of equipment for measurement of free surface flow in closed conduits

BS 5728:- - - - Measurement of flow of cold potable water in closed conduits

Part 3:1997- - - - Methods for determining principal characteristics of single mechanical water meters (including test equipment)

BS 6068: - - - - Water quality

Part 6: Sampling

Section 6.10:1993 Guidance on sampling of wastewaters

BS EN 25667-1: 1994 - - - - Water quality. Sampling. Guidance on the design of sampling programmes

BS 6068-6.1:1981

BS EN 25667-2: 1993 - - - - Water quality. Sampling. Guidance on sampling techniques

BS 6068-6.2:1991

BS EN 5667-3: 2003 - - - - Water quality. Sampling. Guidance on the preservation and handling of water

BS 6068-6.3:2003- - - - Samples

***Other Publications***

Agricultural and Resource Management Council of Australia and New Zealand (ARMCANZ) and

Australia New Zealand Environment and Conservation Council (ANZECC)

***Guidelines for Sewerage Systems: Acceptance of Trade Wastes (industrial waste) 12 (1994)***

Document available from Australian Water Association (AWA)

[www.awa.asn.au](http://www.awa.asn.au)

Field Code Changed

American Water Works Association

Standard methods for the examination of water and Wastewater 20th Edition (1999)

Document available from American Water Works Association  
[www.awwa.org](http://www.awwa.org)

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Building Industry Authority

New Zealand Building Code (NZBC) 1992 and Approved Documents

Document available from Building Industry Authority (BIA) [www.bia.govt.nz](http://www.bia.govt.nz)

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Ministry for the Environment (MfE)

Landfill Acceptance Criteria (2004)

The New Zealand Waste Strategy (2002)

Documents available from Ministry for the Environment New Zealand  
[www.mfe.govt.nz](http://www.mfe.govt.nz)

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~~National Radiation Laboratory~~ Office of Radiation Safety (NRL)

~~NRL C1 CSP1~~ Code of safe practice for the use of unsealed radioactive materials (1996).

Document available from ~~National Radiation Laboratory~~ the Office of  
Radiation Safety [www.nrl.moh.govt.nz](http://www.nrl.moh.govt.nz) [www.health.govt.nz/our-work/radiation-safety](http://www.health.govt.nz/our-work/radiation-safety)

Field Code Changed

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New Zealand Water and Wastes Association (NZWWA)

Guidelines for the Safe Application of Biosolids to Land in New Zealand (2003)

Liquid and Hazardous Wastes Code of Practice (2003)

Documents available from New Zealand Water & Wastes Association (NZWWA) [www.nzwwa.org.nz](http://www.nzwwa.org.nz)

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New Zealand Water Environment Research Foundation (NZWERF)

New Zealand Municipal Wastewater Monitoring Guidelines (2002)

Document available from New Zealand Water Environment Research Foundation (NZWERF)  
[www.nzwerf.org](http://www.nzwerf.org)

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Sydney Water Corporation

Trade Waste Policy (2004)

Document available from Sydney Water Corporation  
[www.sydneywater.com.au](http://www.sydneywater.com.au)

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United States Environment Protection Agency (US EPA)

Method 9095A Paint Filter Liquids Test (1996)

Document available from United States Environmental Protection Agency

[www.epa.gov](http://www.epa.gov)

Field Code Changed

## 1.6 Definitions and Interpretations

1.6.1 The Interpretation Act 1999 shall apply to this Bylaw.

1.6.2 In this Bylaw, unless the context otherwise requires:

Access Point	Is a place where access may be made to a public or private sewer for inspection (including sampling or measurement), cleaning or maintenance. The location of the access point shall be in accordance with the New Zealand Building Code.
Act	Means the Local Government Act 2002.
Analyst	Means a testing laboratory approved in writing by the Council.
Approval	Means approval by the Council or any authorised officer so authorised on behalf of the Council and any approval may include conditions.
Authorised Officer	Means any person delegated, appointed or authorised in writing by the Council to act on its behalf and with its authority.

Biosolids	Means sewage sludge derived from a sewage treatment plant that has been treated and/ or stabilized to the extent that it is able to be safely and beneficially applied to land and does not include products derived solely from industrial Wastewater treatment plants. The term biosolid/biosolids is used generically throughout this Bylaw to include products containing biosolids (eg composts).
Characteristic	Means any of the physical or chemical characteristics of a trade waste and may include the level of a characteristic.
Cleaner Production	Means the implementation on trade premises, of effective operations, methods and processes appropriate to the goal of reducing or eliminating the quantity and toxicity of wastes. This is required to



	<p>minimize and manage trade waste by:</p> <ul style="list-style-type: none"> <li>(a) Using energy and resources efficiently, avoiding or reducing the amount of wastes produced;</li> <li>(b) Producing environmentally sound products and services;</li> <li>(c) Achieving less waste, fewer costs and higher profits.</li> </ul>
Condensing Water or Cooling Water	Means any water used in any trade, industry, or commercial process or operation in such a manner that it does not take up matter into solution or suspension.
Conditional Trade Waste	Means trade waste discharge that does not comply with all the physical and chemical characteristics set out in Schedule 1A but which may be approved for discharge by the Council subject to conditions.
Consent	Means a consent in writing given by the Council and signed by an authorised officer authorising a person to discharge trade wastes to the Council's sewerage system.
Consent Holder	Means the person occupying trade premises who has obtained a Consent to discharge or direct the manner of discharge of trade waste from any premises to the Council's sewerage system, and includes any person who does any act on behalf or with the express or implied consent of the consent holder (whether for reward or not) and any licensee of the consent Holder.
Contaminant	<p>Includes any substance (including gases, odorous compounds, liquids, solids and micro-organisms) or energy (excluding noise) or heat, that either by itself or in combination with the same, similar, or other substances, energy or heat:</p> <ul style="list-style-type: none"> <li>(a) When discharged into water, changes or is likely to change the physical, chemical, or biological condition of water; or</li> <li>(b) When discharged onto or into land or into air, changes or is likely to change the physical, chemical, or biological condition of the land or air onto or into which it is discharged; or</li> <li>(c) As described or contained in the</li> </ul>

	Resource Management Act 1991.
Contingency Management Procedures	Means those procedures developed and used to avoid, remedy, or mitigate the actual and/or potential adverse effects of these activities on the environment from an unexpected or unscheduled event resulting in discharge, or potential discharge of contaminants of concern into the Council's sewerage system.
Council	Means the Gore District Council or any Committee of the Council or officer delegated to exercise the authority of the Council.
Disconnection	Means the physical cutting and sealing of any of the Council's water services, utilities, or public sewer for use by any person.
District	Means the territory of the Council.
Domestic Sewage	Means foul water (with or without matter in solution or suspension therein) discharged from premises used solely for residential purposes, or wastes of the same character discharged from other premises; but does not include any solids, liquids, or gases that may not lawfully be discharged into the Council's sewerage system and may include geothermal water.
Enterococci	Means an indicator organism used to assess for the presence of human waste.
Foul Water	Means the discharge from any sanitary fixtures (any fixture which is intended to be used for sanitation – the term used to describe activities of washing and/or excretion carried out in a manner or condition such that the effect on health is minimized, with regard to dirt and infection) or sanitary appliance (an appliance which is intended to be used for sanitation which is not a sanitary fixture – included are machines for washing dishes and clothes).
Hazardous Wastes	Means hazardous substances as defined by the Hazardous Substances and New Organisms Act 1996.
Infiltration	Means water entering a public or private sewer from groundwater through defects such as poor joints, and cracks in pipes or manholes. It does not include inflow.
Inflow	Means water discharged into a public or

	private sewer from non-complying connections. It includes stormwater entering through illegal down pipe connections or from low gully traps.
Infringement	Means an offence as specified by this Bylaw under section 243 and 259 of the Act.
Management Plan	Means the plan for management of operations on the premises from which trade wastes come, and may include provision for cleaner production, trade waste and domestic wastewater separation, waste minimisation, discharge, contingency management procedures, and any relevant industry Code of Practice.
Mass Limit	Means the total mass of any characteristic that may be discharged to the Council's sewerage system over any stated period from any single point of discharge or collectively from several points of discharge.
Maximum Concentration	Means the instantaneous peak concentration that may be discharged at any instant in time.
Occupier	Means the person occupying a trade premises connected to the Council's sewerage system.
Permitted Discharge	Means a trade waste discharge that has been approved by, or is acceptable to, the Council and as long as it has the physical and chemical characteristics which comply with the requirements of the Council standard as defined in schedule 1A of this Bylaw.
Person	Includes a corporation and also a body of persons whether incorporated or unincorporated.
Point of Discharge	Is the boundary between the public sewer and a private sewer but for the purposes of monitoring, sampling and testing shall be as designated in the trade waste consent.
Pre-Treatment	Means any processing of trade waste designed to reduce or vary any characteristic in a waste before discharge to the Council's sewerage system in order to comply with a trade waste consent.

Premises	<p>Means either:</p> <ul style="list-style-type: none"> <li>(a) A property or allotment which is held under a separate certificate of title or for which a separate certificate of title may be issued and in respect to which a building consent has been or may be issued; or</li> <li>(b) A building that has been defined as an individual unit by a cross-lease, unit title or company lease and for which a certificate of title is available; or</li> <li>(c) Land held in public ownership (eg reserve) for a particular purpose; or</li> <li>(d) Individual units in buildings which are separately leased or separately occupied, or</li> <li>(e) For the purposes of this Trade Waste Bylaw, tanker trucks, trailers, vehicles, or other means of conveyance for tankered waste are considered premises.</li> </ul>
Private Sewer	Means that section of sewer between the consent holder's premises and the point of discharge through which trade waste is conveyed from the premises. This section of sewer is owned and maintained by the consent holder.
Public Sewer	Means the main public sewer and lateral connections that carry away Wastewater and trade waste from the point of discharge. The public sewer is owned and maintained by the Council.
Public Notice	Has the same meaning as assigned to it in the Act and "published" and "publicly notified" have corresponding meanings. A public notice setting forth the object, purport, or general effect of a document shall in any case be sufficient notice of that document.
Prohibited Trade Wastes	Means a trade waste that has prohibited characteristics as defined in schedule 1B and does not meet the conditions of schedule 1A. The waste is not acceptable for discharge into the Council's system unless specifically approved by them as a conditional trade waste.

Schedule of Rates and Charges	Means the prices set by the Council pursuant to section 150 of the Act for services associated with the discharge of trade waste and contained in the list of terms and items defined in schedule 1C (and detailed in the Annual Plan).
Sewage	Means foul water and may include trade wastes.
Sewage Sludge	Means the material settled out and removed from sewage during the treatment process.
Sewer	Means a pipe or series of pipes constructed or laid for the conveyance of sewage, effluent or stormwater.
Sewerage System	Means the collection, treatment and disposal of sewage and trade wastes, including all sewers, pumping stations, storage tanks, sewage treatment plants, outfalls, and other related structures operated by, or on behalf of the Council and used for the reception, treatment and disposal of trade wastes.
Significant Industry	Is a term to indicate the relative size of a given industry compared to the capacity of the Council's sewerage system (including sewage treatment plant) which services that industry. Industry size relates to volume and/or loads discharging into the Council's sewerage system. Loads can be the conventional loadings of BOD <sub>5</sub> and SS or some other particular contaminant (e.g. boron, chromium) which will have an effect or the propensity to have an effect on the sizing of the Council's sewerage system, the on-going system operation and/or the quality of the treated effluent that is discharged.
Stormwater	Means surface water run-off resulting from precipitation.
Tankered waste	Is water or other liquid, including waste matter in solution or suspension, which is conveyed by vehicle for disposal, excluding Domestic Sewage discharged directly from house buses, caravans, buses and similar vehicles. For purposes of this Bylaw, tankered waste is defined as including trade waste.

Temporary Discharge	Means any discharge of an intermittent or short duration. Such discharges include the intermittent or short-term discharge of waste not provided for under an existing discharge consent.
Trade Premises	Includes: <ul style="list-style-type: none"> <li>(a) Any premises used or intended to be used for any industrial or trade purpose; or</li> <li>(b) Any premises used or intended to be used for the storage, transfer, treatment, or disposal of waste materials or for other waste management purposes, or used for composting organic materials, or vehicles conveying tankered waste; or</li> <li>(c) Any other premises from which a contaminant is discharged in connection with any industrial or trade process;</li> <li>(d) Any other premises discharging other than domestic sewage;</li> </ul> and includes any land or premises wholly or mainly used for agricultural or horticultural purposes.
Trade Waste	Is any liquid, with or without matter in suspension or solution, that is or may be discharged only from a trade premises to the Council's sewerage system in the course of any trade or industrial process or operation, or in the course of any activity or operation of a like nature; and may include tankered waste, condensing or cooling waters; stormwater which cannot be practically separated, or domestic sewage.
Wastewater	Means domestic sewage and may include trade wastes.
Wastewater Authority	Means the Council, including its authorised agents, responsible for the collection, treatment and disposal of trade waste and wastewater.
Working Day	Has the same meaning as in section 5 of the Act.

### 1.6.3 Abbreviations

\$/kg	dollars per kilogram
\$/L/s	dollars per litre per second
\$/m <sup>3</sup>	dollars per cubic metre
°C	degrees Celsius
ANZECC	Australian New Zealand Environment and Conservation Council
B	boron
cBOD <sub>5</sub>	Carbonaceous Biochemical Oxygen Demand
Br <sub>2</sub>	bromine
BTF	Biological Trickling Filter
Cl <sub>2</sub>	chlorine
CN	cyanide
cfu	Coliform Forming Units
COD	Chemical Oxygen Demand
DAF	dissolved air floatation
DP	deposited plan
DS	dry solids
F	fluoride
FOGs	fats, oils and greases
g/m <sup>3</sup>	grams per cubic metre
GST	goods and services tax
H <sub>2</sub> S	hydrogen sulphide
HAHs	halogenated aromatic hydrocarbons
HCHO	formaldehyde
HCN	hydrogen cyanide
Hr	hour
kg/day	kilogram per day
L	litre
L/s	litre per second
m <sup>3</sup>	cubic metre
max.	maximum
MBAS	methylene blue active substances
MfE	Ministry for the Environment
mg/L	milligram per litre
mL/L	millilitre per litre
mm	millimetres

MSDS	material safety data sheets
N	nitrogen
NH <sub>3</sub>	ammonia
NH <sub>3</sub> -N	ammoniacal nitrogen
P	phosphorus
PAHs	polycyclic (or polynuclear) aromatic hydrocarbons
PBBs	polybrominated biphenyls
PCBs	polychlorinated biphenyls
PH	measure of acidity/alkalinity
s	second
SBR	sequencing batch reactor
SO <sub>4</sub>	sulphate
SS	suspended solids concentration
TOG	total oil and grease
UV	ultra violet
UVT	ultra violet transmission
WC	water closet

- 1.6.4 Words importing the masculine gender include the feminine gender and the neuter gender.
- 1.6.5 Words importing the singular number include the plural number, and words importing the plural number include the singular number.
- 1.6.6 For the purposes of this Bylaw the word "shall" refers to practices that are mandatory for compliance with the Bylaw, while the word "should" refers to practices which are advised or recommended.
- 1.6.7 The headings to the clauses of this Bylaw shall not affect the construction thereof.



## **2. Compliance with the Bylaw**

### **2.0 Control of Discharges**

No person shall:

- (a) Discharge, or allow to be discharged, any trade waste to the Council's sewerage system except in accordance with the provisions of this Bylaw; or
- (b) Discharge, or allow to be discharged, a prohibited trade waste into the Council's sewerage system; or
- (c) Add or permit the addition of condensing or cooling water to any trade waste which discharges into the Council's sewerage system unless specifically approved by the Council; or
- (d) Add or permit the addition of stormwater, infiltration or inflow to any trade waste which discharges into the Council's sewerage system unless specifically approved by the Council; or
- (e) Use refuse or garbage grinders, and macerators to dispose of solid waste from trade premises to the Council's sewerage system unless specifically approved by the Council.

### **2.1 Failure to Comply**

- (a) In the event of failure to comply with clause 2.1.1 (a) – (e) the Council may physically prevent discharge to the Council's sewerage system if a reasonable alternative action cannot be established with the discharging party or parties.
- (b) Failure to comply with clause 2.1.1 (a) - (e) or to maintain control of the discharge, or of significant non-compliance with either the bylaw or trade waste consent may result in a review of the consent. If a review is required by Council, the consent holder shall submit, at its own expense and in a time specified by Council, a report from a suitably qualified, independent, technical expert approved by Council verifying that any declaration and all information supplied by the consent holder may be relied upon as accurate and that the consent holder has taken all reasonable steps to comply with this Bylaw. As a result of the review, new conditions may be imposed, or a list of modifications may be required to the consent holder's process or to the plant to achieve compliance within the time specified by Council.

2.1.1 Any person discharging to the Council's sewerage system shall also comply with requirements of the Hazardous Substances and New Organisms Act 1996 and the Resource Management Act 1991.

**2.2 Storage, Transport, Handling and use of Hazardous or Harmful Materials**

- (a) All persons on trade premises shall take all reasonable steps to prevent the entry of any of the materials listed in 2.2(c) of this Bylaw from entry into the Council's sewerage system as a result of leakage, spillage, failure to take adequate precautionary measures or other mishap;
- (b) No person shall store, transport, handle or use, or cause to be stored, transported, handled or used any hazardous substance as defined by the Hazardous Substances and New Organisms Act or any of the materials listed in clause 2.2(c) in a manner that may cause the material to enter the Council's Sewerage System;
- (c) Materials referred to in clause 2.2 (a) and (b) are:
  - (i) A product or waste containing corrosive, toxic, biocidal, radioactive, flammable or explosive materials; and
  - (ii) Likely to generate toxic, flammable, explosive or corrosive materials in quantities likely to be hazardous, when mixed with the wastewater stream; and
  - (iii) Likely to be deleterious to the health and safety of humans or animals or be harmful to the Council's sewerage system.

### **3. Trade Waste Discharges and consents**

#### **3.1 Restrictions on Discharge of Trade Waste**

No person shall discharge, or cause to be discharged, a trade waste into the sewerage system except in accordance with the provisions of this Bylaw.

#### **3.2 Classification of Trade Waste Discharges**

Trade Waste discharge shall be classified as:

- (a) Permitted, in which case the Council may require that prior written consent be obtained; or
- (b) Conditional, in which case the Council shall require that prior written consent be obtained; or
- (c) Prohibited, in which case the Council's consent for discharge will not be granted.

#### **3.3 Obligation and Discretion of the Council**

- (a) No person shall be entitled to discharge trade waste into the sewerage system and the Council is not obliged to accept any trade waste.
- (b) An application for the discharge of trade waste shall not be approved when the trade waste discharge contains, or is likely to contain, characteristics which are prohibited in accordance with schedule 1B of this part of this Bylaw

#### **3.4 Formal Application**

3.4.1 Every person who does, proposes to, or is likely to:

- (a) Discharge into the Council's sewerage system any trade waste (either continuously, intermittently or temporarily); or
- (b) Vary the characteristics of a consent to discharge that has previously been granted; or
- (c) Vary the conditions of consent to discharge that has previously been granted; or
- (d) Significantly change the method or means of pre-treatment for discharge under an existing consent, shall, if required by the Council to complete an application in the prescribed form for the consent of the Council (see Appendix A), to the discharge of that trade waste, or to the proposed variations.

3.4.2 The Council reserves the right to deal with the owner as well as the occupier of any trade premises.

3.4.3 Where the trade premises produces trade waste from more than one area a separate application and "Description of Trade Waste

and Premises” (see Appendix B) shall be completed for each trade waste point of discharge. This applies whether or not the separate areas are part of a single or separate trade process.

- 3.4.4 The applicant shall ensure that the application and every other document conveying required information is properly executed and any act done for, or on behalf of, the eventual consent holder (whether for reward or not) in making any such application shall be deemed to be an act of the consent holder.
- 3.4.5 The Council may require an application to be supported by an independent report/statement completed by a suitably experienced and external auditor to verify any or all information supplied by the applicant, and this may include a management plan.
- 3.4.6 Every application shall be accompanied by a trade waste application fee in accordance with the Council’s schedule of rates and charges.

### **3.5 Information and Analysis**

- 3.5.1 On the receipt of any application for a trade waste consent to discharge from any premises or to alter an existing discharge, the Council may:
  - (a) Require the applicant to submit any additional information which it considers necessary to reach an informed decision;
  - (b) Require the applicant to submit a management plan to the satisfaction of the Council;
  - (c) Whenever the Council deems it appropriate it may have the discharge investigated and analysed as provided for in clauses 5.1 and 5.3 of this Bylaw.
- 3.5.2 The Council shall notify the applicant of any requirement under clause 3.5.1 within 10 working days of receipt of the application.

### **3.6 Consideration of an Application**

Within 20 working days (or extended as necessary by the Council) of receipt of an application complying with this Bylaw and/or all requirements under clause 3.5, whichever is the later, the Council shall, after considering the matters in clause 3.7 action one of the following in writing:

- (a) Grant the application as a permitted trade waste and inform the applicant of the decision by issuing the appropriate notice; or
- (b) Grant the application as a conditional trade waste discharge consent and inform the applicant of the decision and the conditions imposed on the discharge by issuing the appropriate notice of consent to the discharge; or

- (c) Decline the application and notify the applicant of the decision giving a statement of the reasons for refusal.

### 3.7 Consideration Criteria

In considering any application for a trade waste consent to discharge from any trade premises or tankered waste into the Council's sewerage system and in imposing any conditions on such a consent, the Council shall take into consideration the quality, volume, and rate of discharge of the trade waste from such premises or tanker in relation to:

- (a) The health and safety of humans or animals or harm to the sewerage system;
- (b) The limits and/or maximum values for characteristics of trade waste as specified in Schedules 1A and 1B of this part of the Bylaw;
- (c) The extent to which the trade waste may react with other waste or foul water to produce settlement of solids, production of odours, accelerated corrosion and deterioration of the sewerage system or other undesirable effects;
- (d) The flows and velocities in, and the material and construction of the public sewer and sewerage system;
- (e) The capacity of the public sewer and sewerage system and the capacity of any sewage treatment works and other facilities;
- (f) The nature of the sewage treatment process and the degree to which the trade waste is capable of being treated in the sewage treatment works;
- (g) The timing and balancing of flows into the sewerage system;
- (h) Enactments relating to
  - (i) The discharge of raw or treated wastewater into receiving waters;
  - (ii) The disposal of sewage sludges;
  - (iii) The beneficial use of biosolids;
  - (iv) The discharge into the atmosphere; and
  - (v) Resource consents, discharge permits and water classification;
- (i) The effect of the trade waste discharge on the ultimate receiving environment;
- (j) The conditions applicable to resource consents for the sewerage system and the residuals from it;
- (k) The possibility of unscheduled, unexpected or accidental events and the degree of risk these could cause to humans, the sewerage system and the environment;
- (l) Consideration of other existing or future discharges;

- (m) Amenability of the trade waste to pre-treatment;
- (n) Existing pre-treatment works on the premises and the potential for their future use;
- (o) Cleaner production techniques and waste minimisation practices;
- (p) Requirements and limitations related to sewage sludge disposal and reuse;
- (q) Extent to which storm water is excluded from trade waste and domestic sewage;
- (r) The management plan; and
- (s) Tankered waste being discharged at an approved location.

### **3.8 Conditions of Trade Waste Consent**

Any trade waste consent to discharge may be granted subject to such conditions that the Council may impose, including but not limited to:

- (a) The public sewer or sewers into which the discharge will be made;
- (b) The maximum daily volume, the maximum rate, and the duration of discharge;
- (c) The maximum limit or permissible range of any specified characteristics of the discharge, including concentrations, bacteriological limits, and/or mass limits determined in accordance with clause 4.2;
- (d) The period or periods of the day during which the discharge, or a particular concentration, or volume of discharge may be made;
- (e) The degree of acidity, or alkalinity of the discharge at the time of discharge;
- (f) The range of temperature of the trade waste allowed at the time of discharge;
- (g) The provision by the consent holder at own expense of screens, grease traps, silt traps or other pre-treatment works to control trade waste discharge characteristics to the consented levels;
- (h) The provision and maintenance by the consent holder at own expense of inspection chambers, manholes or other apparatus or devices to provide reasonable access to drains for sampling and inspection;
- (i) The provision and maintenance by the consent holder at own expense of a sampling, analysis and testing programme and flow measurement requirements;
- (j) The method or methods to be used for measuring flow rates and/or volume and taking samples of the discharge for use in determining the amount of trade waste charges applicable;

- (k) The provision and maintenance by the consent holder at own expense of meters or devices that may be required to measure the volume or flow rate of any trade waste discharged from the Premises, and for the testing of the meters;
- (l) The provision and maintenance by the consent holder at own expense of services, (whether electricity, water or compressed air or otherwise), that may be required to operate meters and similar devices;
- (m) At times specified the provision in the approved format by the consent holder to the Council of all flow and/or volume records and results of analyses, including pre-treatment by-products such as sewage sludge disposal;
- (n) The provision and implementation of a management plan;
- (o) Risk assessment of damage to the environment in the event of accidental discharge of a chemical;
- (p) Waste minimisation and management;
- (q) Cleaner production techniques;
- (r) Remote control of discharges;
- (s) Third party treatment, carriage, discharge or disposal of by-products of pre-treatment of trade waste (including sewage sludge disposal);
- (t) Requirement to provide a bond or insurance in favour of the Council where failure to comply with the consent could result in damage to the Council's sewerages, its treatment plants, or could result in the Council being in breach of any statutory obligation; and
- (u) Remote monitoring of discharges.

### **3.9 Duration**

#### **3.9.1 Permitted Discharges**

- (a) A permitted trade waste discharge consent shall remain in force until:
  - (i) It is cancelled under clause 3.11; or
  - (ii) The quantity and nature of the discharge changes significantly. (Consent for temporary discharges shall be made in accordance with schedule 1, Appendix C of this Bylaw); or
  - (iii) If in the opinion of the Council the discharge changes or is likely to change to such an extent that it becomes a conditional trade waste discharge or prohibited trade waste discharge in accordance with clause 3.2; or
  - (iv) The Council changes the trade waste management

procedures by amendment of the conditions provided for in clause 3.8 or any amendment to, or replacement of this Bylaw; or

- (v) The conditions on resource consents held by the Council issued under the Resource Management Act 1991 for the sewerage system and the residuals from it change.
- (b) After consultation with the Council regarding its requirements, the consent holder shall apply within ten working days of the aforesaid change occurring for a conditional trade waste consent, in accordance with clause 3.4 of this part of the Bylaw. No discharge of trade waste shall take place until the application for a conditional trade waste consent is approved.

### 3.9.2 Conditional Discharges

Subject to the provisions of clause 3.7 and 3.8, a consent for conditional discharge of trade waste shall be issued for a period determined by the Council. In setting the term of a consent, the Council will have regard to:

- (a) A conditional trade waste consent may be issued for a period of up to five years to a consent holder who at the time of application satisfies the Council that the:
  - (i)
    - (a) Nature of the trade activity; or
    - (b) Process design; and/or
    - (c) Management of the premises.

are such that the consent holder has a demonstrated ability to meet the conditions of the consent during its term;

and/or

    - (ii)
      - (a) Cleaner production techniques are currently being successfully being utilized on the premises, or
      - (b) That a significant and substantial investment in cleaner production equipment or techniques is being made.

and/or

      - (iii) Significant and substantial investment in pre-treatment facilities has been made to the extent that a longer period of certainty for the amortizing of this investment is considered reasonable.
  - (b) Where the criteria in clause (a) are not met, a conditional trade waste discharge consent shall not generally be issued



for longer than two years.

- (c) When
  - (i) The holder of the consent;
  - (ii) The owner of the premises; or
  - (iii) The use of the consent
 changes, a new application for a conditional trade waste discharge consent shall be made by the consent holder.
- (d) When the conditions on resource consents for the sewerage system and the residuals from it change the Council may review the conditional trade waste discharge consent.

3.9.3 The Council may review the conditions of a trade waste consent from time to time for one or more of the following reasons:

- (a) The level of compliance with the conditions of the consent, including any accidents including spills or process mishaps;
- (b) Considerations relating to the Council's resource consents for the sewerage system;
- (c) Considerations relating to the Council's environmental policies and the intended objectives and outcomes.
- (d) New control and treatment technologies and processes that are implemented by the Council;
- (e) Any of the considerations outlined in clause 3.7;
- (f) Considerations relating to the Council's legal obligations that affect the conditions of a trade waste discharge consent.

### **3.10 Technical Review and Variation**

3.10.1 The Council at any time may require a person undertaking a permitted discharge to apply for a consent in accordance with clause 3.9.1 of this Bylaw.

3.10.2 The Council may at any time during the term of a trade waste consent, by written notice to the consent holder (following a reasonable period of consultation), vary any condition to such an extent as the Council considers necessary following a review of the technical issues considered when setting conditions of consent. This is due to new information becoming available or to meet any new resource consent imposed on the discharge from the Council's treatment plant, or with any other legal requirements imposed on the Council.

3.10.3 A consent holder may at any time during the term of a consent, by written application to the Council, seek to vary any condition of

consent, as provided for in clause 3.8 of this Bylaw.

### **3.11 Cancellation of the Right to Discharge**

#### **3.11.1 Suspension or cancellation on notice**

The Council may suspend or cancel any consent or right to discharge at any time following 20 working days notice to the consent holder or person discharging any trade waste:

- (a) For the failure to:
  - (i) Comply with any condition of the consent;
  - (ii) Maintain effective control over the discharge; or
  - (iii) Limit in accordance with the requirements of a trade waste discharge consent the volume, nature, or composition of trade waste being discharged;
  - (iv) Provide, and when appropriate, update a management plan as required for a conditional trade waste disposal consent;
  - (v) Follow the management plan provisions at the time of an unexpected, unscheduled or accidental occurrence; or
  - (vi) Pay any charges under this Bylaw
- (b) In the event of any negligence which, in the opinion of the Council, threatens:
  - (i) The safety of the sewerage system;
  - (ii) To cause damage to any part of the sewerage system or the treatment plant; or
  - (iii) The health and safety of humans or animals;
- (c) If an occurrence happens that, in the opinion of the Council,
  - (i) Poses a serious threat to the environment; or
  - (ii) Renders it necessary in the public interest to cancel the right to discharge.
- (d) In the event of a breach of a resource consent held by the Council issued under the Resource Management Act 1991;

#### **3.11.2 Cancellation Timeframes**

- (a) Before taking any steps envisaged in clause 3.11.1 the Council shall give 20 working days written notice of its intention to the holder of a trade waste discharge consent or a right to discharge trade waste.
- (b) During the notice period provided for in clause (a) the Council may enter into discussion with the holder of the

trade waste discharge consent or the right to discharge trade waste affected by the notice to rectify the defect or to take steps to ensure compliance with the Council's requirements to the Council's satisfaction.

- (c) If any process changes require more than 20 working days, reasonable time may be given to rectify the defects or comply with the Council's requirements.

### **3.11.3 Summary Cancellation**

Notwithstanding the requirements of clause 3.11.1 and 3.11.2, a trade waste discharge consent or discharge may at any time be summarily cancelled or stopped by the Council by giving to the consent holder or person discharging written notice of summary cancellation if:

- (a)
  - (i) A prohibited substance is discharged; or
  - (ii) Trade waste is unlawfully discharged; from that person's premises;
 or
- (b) The continuance of discharge, in the opinion of the Council,
  - (i) May be a threat to the environment or public health;
  - (ii) May result in a breach of a resource consent held by the Council in accordance with the Resource Management Act 1991; or
  - (iii) Puts at risk the ability of the Council to comply with conditions of a resource consent issued to it in accordance with the Resource Management Act 1991 or requires identified additional treatment measures or costs to avoid a breach of a resource consent; or
- (c) The Council is lawfully directed to terminate the consent summarily.

#### **4. Trade Waste Approval Criteria**

##### **4.1 Pre-Treatment**

- (a) The Council may consent to a trade waste discharge subject to the provision of appropriate pre-treatment system to enable the person discharging trade waste to comply with this Bylaw.
- (b) The pre-treatment system shall be provided, operated and maintained by the person discharging the trade waste at their own expense.
- (c) Except with the prior written consent of the Council, a person shall not use refuse or garbage grinders and macerators to dispose of solid waste from the trade premises to the sewerage system.
- (d) Except with the prior written consent of the Council, a person shall not add or permit the addition of any potable, condensing, cooling, infiltration or storm water to the trade waste stream in order to vary the level of any characteristics of the waste.

##### **4.2 Mass Limits**

- (a) A conditional trade waste discharge consent may impose controls on trade waste discharged by specifying mass limits for one or more characteristics of the trade waste.
- (b) Unless approved otherwise by the Council, a characteristic permitted by mass limit shall also have its maximum concentration limited to the value scheduled.
- (c) When setting mass limit allocations for a particular characteristic the Council shall consider:
  - (i) The operational requirements of and risk to the sewerage system, and risks to occupational health and safety, public health, and the ultimate receiving environment;
  - (ii) Whether or not the levels proposed pose a threat to the planned or actual beneficial reuse of biosolids or sewage sludge;
  - (iii) Conditions in the sewerage system near the trade waste discharge point and elsewhere in the sewerage system;
  - (iv) The extent to which the available industrial capacity was used in the last financial period and is expected to be used in the forthcoming period;
  - (v) Whether or not the applicant uses cleaner production techniques within a predetermined period to the satisfaction of the Council;
  - (vi) Whether or not there is any net benefit to be gained by the increase of one characteristic concurrently with the

- decrease of another to justify any increased application for industrial capacity;
- (vii) Any requirements of the Council to reduce the pollutant discharge of the sewerage system;
  - (viii) How great a proportion the mass flow of a characteristic of the discharge will be of the total mass flow of that characteristic in the sewerage system;
  - (ix) The total mass of the characteristic allowable in the sewerage system, and the proportion (if any) to be reserved for future allocations; and
  - (x) Whether or not there is an interaction with other characteristics which increases or decreases the effect of either characteristic on the public sewer reticulation, treatment process, or receiving water (or land).
- (d) In the event that a consent holder exceeds the allowable mass limit for a characteristic of its discharge; the Council may apply a surcharge through the charging rate for that characteristic.

## 5. Sampling, Testing and Monitoring

### 5.1 Flow Metering

5.1.1 Flow metering may be required by the Council:

- (a) On discharges when there is not a reasonable relationship between a metered water supply to the premises, and the discharge of trade waste;
- (b) When the Council will not approve a method of flow estimation; or
- (c) When the discharge represents a significant proportion of the total flow/load received by the Council.
- (d) When flows are estimated at over 5 cubic metres per day and uncertainty exists between water inflow and wastewater discharged, an outflow meter must be installed.

5.1.2 The consent holder shall be responsible for the supply, installation, reading and maintenance of any meter required by the Council for the measurement of the rate or quantity of discharge of trade waste. These devices shall be subject to the approval of the Council, but shall remain the property of the consent holder.

5.1.3 Records of flow and/or volume shall be available for inspection at any time by the Council, and shall be submitted to the Council at prescribed intervals by the consent holder in a format approved by the Council. This may include, at the sole discretion of the Council, a requirement to upload flow or volume data as collected online in real time to the data management system and format specified by the Council.

5.1.4

- (a) Meters shall be:
  - (i) Located in a position approved by the Council;
  - (ii) Provide the required degree of accuracy; and
  - (iii) Shall be readily accessible for reading and maintenance.
- (b) The meters shall be located in the correct position according to the manufacturer's installation instructions.

5.1.5

- (a) The consent holder shall arrange for in situ calibration of the flow metering equipment and instrumentation by a Person and method approved by the Council upon installation and at least once a year thereafter to ensure its performance.
- (b) The meter accuracy should be  $\pm 10\%$  but with no greater a deviation from the previous meter calibration of  $\pm 5\%$ .

- (c) A copy of independent certification of each calibration result shall be submitted by the consent holder to the Council.

5.1.6 Should any meter, after being calibrated, be found to have an error greater than that specified in clause 5.1.5(b) as a repeatable measurement, the Council may make an adjustment in accordance with the results shown by such tests back-dated for a period at the discretion of the Council but not exceeding twelve months, and the consent holder shall pay or be credited a greater or lesser amount according to such adjustment.

## **5.2 Estimating Discharge**

5.2.1 Where no meter or similar apparatus is warranted, the Council may require that a percentage of the water supplied to the premises, or other basis that it deems reasonable be used for estimating the rate or quantity of flow for the purposes of charging.

### **5.2.2**

- (a) When a meter is inoperative or removed, the Council shall estimate the discharge for the period since the previous reading of such meter, based on the average of the previous twelve months charged to the person discharging trade waste and that Person shall pay according to such estimate.
- (b) When, due to a large variation of discharge due to seasonal or other causes, the average of the previous twelve months is an unreasonable estimate of the discharge, the Council may take into consideration other evidence for the purpose of arriving at a reasonable estimate, and the person discharging shall pay according to such an estimate.

5.2.3 Where in the opinion of the Council a meter has been tampered with the Council, without prejudice to the other remedies available, may declare the reading void and estimate discharge as provided for in clause 5.2.2.

## **5.3 Sampling and Analysis**

5.3.1 As determined by the Council sampling, testing and monitoring may be undertaken to determine:

- (a) If a discharge complies with the provisions of this Bylaw;
- (b) If a discharge is to be classified as a permitted, conditional or prohibited, refer to clause 3.2;
- (c) If a discharge complies with the provisions of schedule 1A for permitted discharge and any consent to discharge; and
- (d) What trade waste consent charges are applicable to that discharge.

5.3.2 The taking, preservation, transportation and analysis of the sample shall be undertaken by an authorised officer or agent of the Council, or the person discharging in accordance with accepted industry standard methods, or by a method specifically approved by the Council. The person discharging shall be responsible for all reasonable costs. Where a dispute arises as to the validity of the methods or procedures used for sampling or analysis, the dispute may be submitted to a mutually agreed independent arbitrator.

5.3.3 All authorised officers or authorised agents of the Council, or any analyst may enter any premises believed to be discharging trade waste at any time in order to determine any characteristics of any actual or potential discharge by:

- (a) Taking readings and measurements;
- (b) Carrying out an inspection; and/or
- (c) Taking samples for testing, of any solid, liquid, or gaseous material or any combination or mixture of such materials being discharged.

Authorisation for entry to premises is given under the Act and entry shall be in compliance with the health and safety policies of that particular site.

## **5.4 Monitoring**

### **5.4.1 Monitoring for Compliance**

The Council is entitled to monitor and audit any trade waste discharge for compliance. Whether for a permitted trade waste discharge or a conditional consent trade waste discharge, monitoring may be carried out, and may include, without limitation, all or any of the following:

- (a) The Council or its authorised agent will take the sample and arrange for this sample to be analysed in an approved laboratory by agreed/approved analytical methods;
- (b) The sampling procedure will be appropriate to the trade waste and the analysis;
- (c) The Council will audit the sampling and analysis carried out by a self-monitoring trade waste discharger. Analysis will be performed by an approved laboratory. Inter-laboratory checks are to be part of this process;
- (d) The Council will audit the sampling and analysis carried out by an analyst. Analysis will be performed by an approved laboratory. Inter-laboratory checks are to be part of this process; and



- (e) The Council will audit the trade waste consent conditions including any management plans.

At the sole discretion of the Council, a consent holder may be required to enter analytical results from sampling when received as well as upload monitoring data collected online in real time to a data management system and format specified by Council.

At the discretion of the Council all costs of monitoring shall be met by the discharger either through direct payment to the laboratory or to the Council.

#### **5.4.2 Sampling methodology**

Normally a single grab or composite sample is sufficient. If required the grab or composite sample can be split equally into three as follows:

- (a) One portion of the sample goes to the trade waste discharger for appropriate analysis and/or storage;
- (b) A second portion of the sample shall be analysed at a laboratory approved by the Council;
- (c) A third portion of the sample is retained by the Council for 20 working days, for additional analysis if required.

Due consideration will be applied to any changes that could occur in retained trade waste samples and provisions to mitigate against changes will be adopted where practicable.

In all cases the samples shall be handled in an appropriate manner such that the characteristics being tested for are, as far as reasonably possible, preserved.

All samples shall be preserved, handled, transported and delivered to an approved laboratory according to best possible practice and approved standards.

#### **5.4.3 Tankered Wastes**

Tankered wastes shall only be discharged into the Council's sewerage system by consent holders compliant with the Liquid and Hazardous Wastes Code of Practice. Fees for acceptance of tankered waste will be charged a handling charge for each delivery and a fee per cubic metre of waste as indicated in the Council's schedule of fees and charges.

The Council may accept tankered wastes for discharge at an approved location. Tankered wastes shall:

- (a) Be transported by a consent holder to discharge domestic septic tank or industrial wastes;
- (b) Have material safety data sheets (MSDS) supplied to the Council detailing the contents of a waste;
- (c) Be tested to determine their character if the contents of the waste are not known. Specialist advice on pre-treatment or acceptance may be required. The cost of all testing and advice shall be borne by the consent holder;
- (d) Not be picked up and transported to the disposal site until appropriate arrangements and method for disposal have been determined by the Council;
- (e) To prevent cross-contamination between tanker loads, the tanker shall be thoroughly washed prior to collecting a load for disposal into the sewerage system; and
- (f) Have 24 hours notice given for the disposal of wastes other than those sourced from domestic septic tanks.

Any person illegally disposing of, or causing to be disposed, tankered waste either by incorrect disclosure of contents (characteristics and/or amount) or dumping into the Council's sewerage system other than the prescribed location will be in breach of the Bylaw.

## **6. Bylaw Administration**

### **6.1 Review of Decisions**

If any person is dissatisfied with any decision by an authorised officer made under this Bylaw, that person may, by notice delivered to the Chief Executive Officer of the Council not later than 20 working days after the decision by the authorised officer is served upon that person, request the Chief Executive Officer to review any such decision and such a decision shall be final.

Nothing in this clause shall affect any right of appeal under the Act.

### **6.2 Accidents and Non-Compliance**

The person discharging shall inform the Council immediately on discovery of any accident including spills or process mishaps which may cause a breach of this Bylaw.

In the event of any accident occurring when the person holds a conditional consent, then the Council may review the consent under clause 3.10 or may require the consent holder, within 20 working days of the date such requirement is notified to the consent holder in writing, to review the contingency management procedures and re-submit for approval the management plan with the Council.

In the event of an accident occurring on the premises of a permitted discharge, the Council may require the person discharging to apply for a conditional consent.

### **6.3. Dispensing Power**

6.3.1 Where in the opinion of the Council full compliance with any of the provisions of this Bylaw would needlessly or injuriously affect any person, or the course or operation of the business of, or be attended with loss or inconvenience to any person without any corresponding benefit to the community, the Council may, on the special application of that person, dispense with the full compliance with the provisions of this Bylaw; provided that any other terms or conditions (if any) that Council may deem fit to impose shall be complied with by that person.

6.3.2 The Council may, after consideration of any representation by affected persons and if in its opinion it is justified, extend, withdraw or amend the dispensation granted in terms of clause 6.3.1

6.3.3 Except if expressly granted otherwise, the dispensation by the Council in terms of clause 6.3.1 shall only be applicable to the

person it is granted to and shall be restricted to the particular issue considered by the Council and such dispensation will not constitute a justification for the breach of the provisions of this Bylaw outside the expressed terms of the dispensation.

## **6.4 Charges and Payments**

### **6.4.1 Charges**

The Council may recover fees and charges in accordance with section 150 of the Act. Schedule 1C outlines a regime of possible charges. In addition, if a person discharges in excess of the allowable mass limit indicated in the consent, the Council will levy a surcharge indicated in schedule 1C for any amount in excess of the allowable limit. In situations where the pH of the discharged waste is outside allowable limits, a surcharge may be imposed based on the volume discharged over the charging period.

### **6.4.2 Invoicing**

All charges determined in accordance with clause 6.4.1 of this Bylaw shall be invoiced in accordance with the Council's standard commercial practice. The invoice shall provide each person discharging with a copy of the information and calculations used to determine the extent of any charges and fees due, in regard to a discharge.

### **6.4.3 Cease to discharge**

The person discharging shall be deemed to be continuing the discharge of trade waste and shall be liable for all charges, until notice of disconnection is given.

### **6.4.4 Failure to pay**

All fees and charges payable under this Bylaw shall be recoverable as a debt. If the person discharging fails to pay any fees and charges under this Bylaw the Council may cancel the right to discharge in accordance with clause 3.11 of the Bylaw.

### **6.4.5 Recovery of costs**

The Council may recover costs under the Act relating to section 150 and section 151, for wilful damage or negligent behaviour (section 175 of the Act) and remedying damage arising from breach of this Bylaw (section 176 of the Act).

## **6.5 Authorised Officers**

- 6.5.1 All officers appointed by the Council under or for the purpose of the revoked Gore District Council Trade Waste Bylaw 2008, and holding office at the time of the coming into operation of this Bylaw, shall be deemed to have been appointed under this Bylaw.
- 6.5.2 All authorised officers of the Council, or other persons authorised under section 174 or section 177 or paragraph 32 of schedule 7 of the Act, shall possess and produce on request warrants of authority and evidence of identity.
- 6.5.3 Any authorised officers may at any reasonable time enter any premises believed to be discharging trade wastes to determine any characteristic of any discharge by:
  - (a) Taking readings and measurements; or
  - (b) Taking samples or any solids, liquids or gaseous material or any combination or mixtures of such materials being discharged; or
  - (c) Observing accidental occurrences and clean-up.
- 6.5.4 The extent and level of delegation to authorised officers will be in accordance with the Council's register of statutory delegations and warrants.
- 6.5.5 Authorisation for entry to premises is given under the Act and entry shall be in compliance with the health and safety policies of that particular site.

## **6.6 Transfer or Termination of Rights and Responsibilities**

- 6.6.1 A trade waste consent to discharge shall be issued in the name of the given consent holder. The consent holder shall not, unless written Approval is obtained from the Council:
  - (a) Transfer to any other party the rights and responsibilities provided for under this Bylaw, and under the consent;
  - (b) Allow a point of discharge to serve another premises, or the private drain to that point to extend by pipe or any other means to serve another premises; or
  - (c) In particular and not in limitation of the above, allow sewage from any other party to be discharged at their point of discharge.
- 6.6.2 Renewal of a trade waste consent on change of ownership of premises shall not be unreasonably withheld if the characteristics of

the sewage remain unchanged.

- 6.6.3 The person discharging shall give 48 hours notice in writing to the Council of their requirement for disconnection of the discharge connection and/or termination of the discharge consent, except where demolition or relaying of the discharge drain is required, in which case the notice shall be within seven working days. The person discharging shall notify the Council of the new address details for final invoicing.

On permanent disconnection and/or termination the person discharging may at the Council's discretion be liable for trade waste charges to the end of the current charging period.

- 6.6.4 When a person discharging ceases to occupy premises from which trade wastes are discharged into the Council sewerage system any consent granted shall terminate but without relieving the person discharging from any obligations existing at the date of termination.

## **6.7 Service of Documents**

### **6.7.1 Delivery or post**

Any notice or other document required to be given, served or delivered under this Bylaw to a person discharging may (in addition to any other method permitted by law) be given or served or delivered by being:

- (a) Sent by pre-paid ordinary mail, courier, or facsimile, or email to the person discharging at the person discharging's last known place of residence or business;
- (b) Sent by pre-paid ordinary mail, courier, or facsimile, or email to the person discharging at any address for service specified in a consent to discharge;
- (c) Where the person discharging is a body corporate, sent by pre-paid ordinary mail, courier, or facsimile, or email to, or left at its registered office; or
- (d) Personally served on the person discharging.

### **6.7.2 Service**

If any notice or other document is:

- (a) Sent by post it will be deemed received on the first day (excluding weekends and public holidays) after posting;
- (b) Sent by facsimile or email and the sender's facsimile or email machine produces a transmission report indicating

that the facsimile or email was sent to the addressee, the report will be *prima facie* evidence that the facsimile or email was received by the addressee in a legible form at the time indicated on that report; or

- (c) Sent by courier and the courier obtains a receipt or records delivery on a courier run sheet, the receipt or record of delivery on a courier run sheet will be *prima facie* evidence that the communication was received by the addressee at the time indicated on the receipt or courier run sheet, or left at a conspicuous place at the trade premises or is handed to a designated person(s) nominated by the consent holder then that shall be deemed to be service on, or delivery to the consent holder at that time.

### **6.7.3 Signature**

Any notice or document to be given, served or delivered shall be signed by an authorised officer.

## **6.8 Offences**

6.8.1 Every person or consent holder or owner or occupier of trade premises who:

- (a) Fails to comply with or acts in contravention of any provision of this Bylaw;
- (b) Breaches the conditions of any consent to discharge granted pursuant to this Bylaw; or
- (c) Fails to comply with a notice served under this Bylaw.

commits an offence under section 239 of the Act, and is liable to a fine as specified in section 242 of the Act, or the issue of an Infringement notice under section 245 of the Act.

6.8.2 In all cases the Council may recover costs associated with damage to the Council's sewerage system and/or breach of this Bylaw in accordance with section 175 and section 176 of the Act respectively.

## **6.9 Transitional Provisions**

### **6.9.1 Applications**

Any application for a consent to discharge trade waste made under the Gore District Council Trade Waste Bylaw 2008 for which a consent has not been granted at the time of this new Bylaw coming into force shall be deemed to be an application made under clause 3.2 of this Bylaw.

### 6.9.2 Existing Trade Waste Consents

Every existing trade waste consent shall continue in force as if it were a consent under this Bylaw until it reaches its expiry date provided that the Council may review and amend any condition of any existing consent (or permit) to ensure such align with this Bylaw.

**The Common Seal of the Gore District Council was hereto affixed pursuant to a resolution passed at a meeting of the Gore District Council held on the *xxx Day of xxx 2016*.**

..... Mayor

..... Chief Executive



## Appendix A

### Trade Waste Bylaw 2016

#### Application for Trade Waste Discharge

##### Trade name and street address of trade premises

Name of premises:	
Physical address:	
Postal address:	
Email:	
Telephone (day):	Mobile:
Telephone (after hours):	Fax:

##### Owner details and postal address of customer for charging

Name of owner of premises:	
Postal address:	
Email:	
Telephone (day):	Mobile:
Telephone (after hours):	Fax:

##### Contact details for further enquiries

Name of owner of premises:	
Postal address:	
Email:	
Telephone (day):	Mobile:
Telephone (after hours):	Fax:

**Term of consent sought**

From (date): \_\_\_\_\_

☐ 1 year      ☐ 2 years      ☐ 5 years      ☐ Other \_\_\_\_\_
**Legal Description**

Valuation Number: \_\_\_\_\_

Lot: \_\_\_\_\_ DP: \_\_\_\_\_

Section: \_\_\_\_\_ Block: \_\_\_\_\_

Survey District: \_\_\_\_\_

**This application relates to**☐ Proposed new discharge☐ An existing discharge for which no consent exists

Current point or place of discharge: \_\_\_\_\_

☐ Renewal of a consent☐ Variation to an existing consent

Nature of variation: \_\_\_\_\_

*Use and attach additional sheets as required***Are the premises already connected to the public sewer?**☐ Yes      ☐ No**Are the domestic and trade waste streams separated**☐ Yes      ☐ No

**Number of connections required**

Size:	No:
Size:	No:

**Note:** minimum size is 100mm.

**Description of main trade activity**


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**Declaration**

I am duly authorised to make this application and I believe the information contained in this application is true and correct.

Full Name: \_\_\_\_\_

Position: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

FOR OFFICE USE ONLY

First Point of Contact:

☐ Owner ☐ Applicant

Consent posted to:

☐ Owner ☐ Applicant

Application Fee	\$
Other	\$
GST	\$
Total Fee payable	\$

Receipt Number:  
\_\_\_\_\_

Cash/Chq/ Eftpos/ EB

Building Consent Number:  
\_\_\_\_\_

File No:  
\_\_\_\_\_

DVR No:  
\_\_\_\_\_

**Trade Waste Consent approved by:**

Name:  
\_\_\_\_\_

Officers Signature:  
\_\_\_\_\_

Position:  
\_\_\_\_\_

Date:  
\_\_\_\_\_

**Diagram for connection location**

(Show distances from boundaries, kerbs, buildings etc)

**Important Note:**

*If you have any questions about completing the information contained in this application form, please phone 03 209 0330 and ask for the Council's 3 Waters Department.*

## Appendix B

### Trade Waste Bylaw 2016

#### Description of Trade Waste and Premises

##### General premises (1.10)

Name of premises:

Physical address:

Postal address:

Email:

Telephone (day):

Mobile:

Telephone (after hours):

Fax:

##### Owner details

Name of owner of premises:

Postal address:

Email:

Telephone (day):

Mobile:

Telephone (after hours):

Fax:

##### Contact details for further enquiries

Name of owner of premises:

Postal address:

Email:

Telephone (day):

Mobile:

Telephone (after hours):

Fax:

### Total volume of wastes

Average daily volume:	m <sup>3</sup>
Maximum volume in any 8 hour period:	m <sup>3</sup>
Maximum daily volume:	m <sup>3</sup>
Maximum flow:	m <sup>3</sup>
Seasonal fluctuation: (range)	ℓ /sec

### General characteristics of wastes

<b>Temperature (°C)</b>	<b>PH</b>
Typical:	Typical:
Range:	Range:
<b>cBOD<sup>5</sup> (g/m<sup>3</sup>)</b>	<b>Oil and Grease (g/m<sup>3</sup>)</b>
Typical:	Typical:
Range:	Range:
<b>COD (g/m<sup>3</sup>)</b>	<b>Enterococci (cfu/100ml)</b>
Typical:	Typical:
Range:	Range:
<b>Suspended Solids (g/m<sup>3</sup>)</b>	
Typical:	
Range:	

### The source of water used on the premises is

(a) from the Gore District Council	m <sup>3</sup> / working day
(b) from other sources (state source)	m <sup>3</sup> / working day

The wastes do contain condensing water or stormwater and the layout of the drains on the premises is not such as to reasonably exclude the possibility of such becoming mixed with trade wastes.

It is proposed that domestic wastewater and trade wastes should be discharges at the same point of discharge.

**Proposed method for flow measurement is**

- ☐ A permanent installation of suitable flow measuring equipment  
☐ Based on water usage as measured by meter  
☐ Other

Specify: \_\_\_\_\_

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**List any substances contained in Schedule 1A or 1B of the bylaw that are stored, used, or generated on the premises.**

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**Describe mitigating measure employed to prevent accidental spillages of these substances from entering the public sewer or stormwater system.**

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Site plans of the premises are attached clearly showing the location of the following as appropriate

- |  |  |
|--|--|
| <input type="checkbox"/> Process areas devices       | <input type="checkbox"/> Emergency spill                           |
| <input type="checkbox"/> Trade waste drains devices  | <input type="checkbox"/> Stormwater drains                         |
| <input type="checkbox"/> Domestic wastewater drains  | <input type="checkbox"/> Open areas draining to trade waste drains |
| <input type="checkbox"/> Emergency spill containment | <input type="checkbox"/> Other                                     |
| <input type="checkbox"/> Flow measures               | <input type="checkbox"/> Specify:                                  |

#### Main trade waste pretreatment systems

- |   |   |
|---|---|
| <input type="checkbox"/> Screens            | <input type="checkbox"/> pH Control           |
| <input type="checkbox"/> Flow balance       | <input type="checkbox"/> Grease traps         |
| <input type="checkbox"/> Chemical treatment | <input type="checkbox"/> Biological treatment |

Detailed drawings and descriptions for the following are attached as appropriate

- |   |   |
|---|---|
| <input type="checkbox"/> Pretreatment systems             | <input type="checkbox"/> Flow measuring devices |
| <input type="checkbox"/> Emergency spill containment      | <input type="checkbox"/> Sampling points        |
| <input type="checkbox"/> Method of flow meter calibration |   |

An independent waste audit of the premises **has / has not** been carried out by:

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A discharge management plan is attached:

The health and safety requirements and security arrangements for the Gore District Council staff entering the premises are as follows:

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### Process

Use a separate page for each process and attach copies of typical analysis for wastewater from each separate process.

Process name and description:

Type of product processed:

Average daily volume:	m <sup>3</sup>
Maximum flow:	ℓ /sec

### Volume of wastewater

Average daily volume:	m <sup>3</sup>
Maximum flow:	ℓ /sec

### If batch discharges

Quantity	m <sup>3</sup>
Frequency: (hour/day/week)	
Rate of discharge:	ℓ /sec

The wastewater contains the following characteristics, which when mixed with other wastewaters and discharged from the premises, or neat or in excess of the limits stipulated in schedule 1B of the bylaw.

**NOTE:** The characteristics in table 1A.2 and table 1A.3 have a limit of zero unless approval for that particular characteristic is applied for.

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#### Value or concentration

	From process		At point of discharge	
	Typical	Maximum	Typical	Maximum

The following steps have been / will be taken to improve the trade process as part of a strategy of cleaner production.

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**Important Note:**

Not all of the sections in this application may apply to your application to discharge trade waste. If you require assistance in completing this application, please contact the Council's 3 Waters Department.

## Appendix C

### Application for temporary discharge

Please print clearly

#### Applicant

Name: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Phone: \_\_\_\_\_ Mobile: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

#### Applicant responsible for liquid waste

☐ Transportation

☐ Generation

☐ Licensed transporter

#### Generator/Transporter of Liquid Waste

(Delete applicant's responsibility)

Name: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Phone: \_\_\_\_\_ Mobile: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

#### Applicant sought for

☐ One discharge

☐ A number of discharges of the same kind of liquid waste

#### Proposed point of disposal

\_\_\_\_\_

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**Proposed timing of disposal/s**

Time:

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am/pm

Date:

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**Liquid waste**Quantity: m<sup>3</sup>

Source:

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Process in which waste was produced:

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**General Characteristics**cBOD<sup>5</sup> g/ m<sup>3</sup>COD: g/ m<sup>3</sup>Suspended Solids: g/ m<sup>3</sup>

pH

Oil and Grease: g/ m<sup>3</sup>Enterococci: Cfu/100ml

List any characteristics which are likely to be greater than 50% of concentrations stipulated in Schedule 1A of the Trade Waste Bylaw:

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**Analysis**

(Check with GDC whether this is required)

☐ Appended☐ Not required

**Declaration**

We hereby certify that the above liquid waste is accurately described

Applicant: \_\_\_\_\_

Transporter / Generator: \_\_\_\_\_

**FOR OFFICE USE ONLY**

Application Number: \_\_\_\_\_

Application: \_\_\_\_\_

Received by: \_\_\_\_\_

Date: \_\_\_\_\_

**Discharge:**                      **Approved / Not Approved**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**Temporary Discharge**

If approved:

Where discharged: \_\_\_\_\_

Time and date: \_\_\_\_\_

If not approved:

Where referred to: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Temporary Discharge Fee**

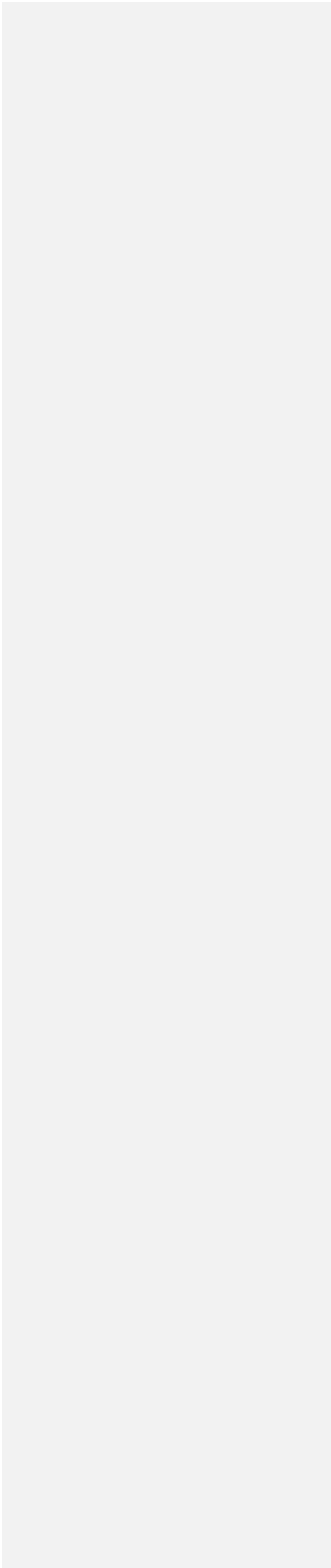
Amount: \$ \_\_\_\_\_

GST: \$ \_\_\_\_\_

Total: \$ \_\_\_\_\_

Cashier Receipt: \_\_\_\_\_

File No: \_\_\_\_\_



## Appendix D Trade Waste Consent Form

### Consent to Discharge Trade Waste to the Public Sewer

#### Pursuant to the Gore District Council Trade Waste Bylaw 2016

To (consent holder trade name):	
Address (street address of trade premises):	
Telephone:	Fax:
Name (contact name):	
Address (address for charging and service of documents):	

#### Trade activity

In response to, and in terms of, the information declared in your application to discharge trade waste from the above premises, the consent of the Gore District Council is hereby given for the term and subject to the conditions set out below:

1. That this consent relates to a proposed renewal of a consent.
2. That this is a \_\_\_\_\_ consent.
3. That the conditions in appendix 1 attached are abided by at all times.
4. That the provisions of the Gore District Council Trade Waste Bylaw 2016 are complied with at all times.
5. That this consent is valid for a period of \_\_\_\_\_ years and will expire on \_\_\_\_\_.

6. \_\_\_\_\_ That the trade waste discharged under this consent shall consist only of wastes from the following processes:

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7. That this consent is subject to the specific conditions set out in the attached schedule, appendix 1.

**For and on behalf of the Gore District Council**

Authorised Officer

Name:

\_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**For Office Use Only**

Consent No: \_\_\_\_\_

Application No: \_\_\_\_\_

File No: \_\_\_\_\_

## **SCHEDULE 1A - PERMITTED DISCHARGE CHARACTERISTICS**

### **1A.1 Introduction**

#### **1A.1.1**

The nature and levels of the characteristics of any trade waste discharged to the Council's sewer system shall comply at all times with the following requirements, except where the nature and levels of such characteristics are varied by the Council as part of an approval to discharge a trade waste.

#### **1A.1.2**

The Council shall take into consideration the combined effects of trade waste discharges and may make any modifications to the following acceptable characteristics for individual discharges the Council believes are appropriate.

#### **1A.1.3**

Mass limits for characteristics in tables 1A.1, 1A.2 and 1A.3 may be applied by the Council as required, refer clause 4.2 of the Bylaw.

#### **1A.1.4**

The nature and levels of any characteristic may be varied to meet any new resource consents or other legal requirements imposed on the Council, refer to clause 3.9 of the Bylaw.

### **1A.2 Physical characteristics**

#### **1A.2.1** *Flow*

- (a) The 24 hour flow volume shall be less than 5 m<sup>3</sup>.
- (b) The maximum instantaneous flow rate shall be less than 2.0 L/s.

#### **1A.2.2** *Temperature*

The temperature shall not exceed 40°C.

#### **1A.2.3** *Solids*

- a) Non-faecal gross solids shall have a maximum dimension which shall not exceed 15 mm.
- b) The suspended solids content of any trade waste shall have a maximum concentration which shall not exceed 2000 g/m<sup>3</sup>. For significant industry this may be reduced to 600 g/m<sup>3</sup>.
- c) The settleable solids content of any trade waste shall not exceed 50 mL/L.

- d) The total dissolved solids concentration in any trade waste shall be subject to the approval of the Council having regard to the volume of the waste to be discharged, and the suitability of the sewerage system and the treatment plant to accept such waste.
- e) Fibrous, woven, or sheet film or any other materials which may adversely interfere with the free flow of sewage in the sewerage system or treatment plant shall not be present.

#### **1A.2.4 Oil and grease**

- a) There shall be no free or floating layer.
- b) Emulsified oil, fat or grease shall not exceed  $200 \text{ g/m}^3$  as petroleum ether extractable matter when the emulsion is unstable at a temperature of  $15^\circ\text{C}$  and when the emulsion is in contact with and diluted by a factor of 10 by raw Sewage throughout the range of pH 4.5 to pH 10.0.
- c) A trade waste with oil, fat or grease unavoidably emulsified, which in the opinion of the Council is biodegradable shall not exceed  $500 \text{ g/m}^3$  when the emulsion is stable at a temperature of  $15^\circ\text{C}$  and when the emulsion is in contact with and diluted by a factor of 10 by raw sewage throughout the range of pH 4.5 to pH 10.0.
- d) Emulsified oil, fat or grease shall not exceed  $100 \text{ g/m}^3$  as petroleum ether extractable matter when the emulsion is unstable at a temperature of  $15^\circ\text{C}$  and when the emulsion is in contact with an diluted by a factor or 10 by raw sewage sewage throughout the range of pH 4.5 to pH 10.0.

#### **1A.2.5 Solvents and other organic liquids**

There shall be no free layer (whether floating or settled) of solvents or organic liquids.

#### **1A.2.6 Emulsions of paint, latex, adhesive, rubber, plastic**

- a) Where such emulsions are not treatable these may be discharged into the Sewer subject to the total suspended solids not exceeding  $1000 \text{ g/m}^3$  or the concentration agreed with the Council.
- b) The Council may determine that the need exists for pre-treatment of such emulsions if they consider that trade waste containing emulsions unreasonably interferes with the operation of the Council's treatment plant eg reduces % UVT (ultra violet transmission).
- c) Such emulsions of both treatable and non-treatable types, shall be discharged to the sewer only at a concentration and pH range that prevents coagulation and blockage at the mixing zone in the public sewer.

**1A.2.7 Radioactivity**

Radioactivity levels shall not exceed [National Radiation Laboratorythe Office of Radiation Safety](#) Guidelines.

**1A.2.8 Colour**

No waste shall have colour or colouring substance that causes the discharge to be coloured to the extent that it impairs wastewater treatment processes or compromises the treated sewage discharge consent.

**1A.3 Chemical characteristics****1A.3.1 pH value**

The pH shall be between 6.0 and 10.0 at all times.

**1A.3.2 Organic strength****1A.3.2.1**

The Biochemical Oxygen Demand ( $\text{cBOD}_5$ ) of any waste may require to be restricted where the capacity for receiving and treating  $\text{cBOD}_5$  is limited. A  $\text{cBOD}_5$  restriction may be related to mass limits.

Where there is no Council treatment system for organic removal the  $\text{cBOD}_5$  shall not exceed 1000 g/m<sup>3</sup>. For significant Industry this may be reduced to 600 g/m<sup>3</sup>. Additional limitations to the total daily mass of  $\text{cBOD}$  discharged and also to the timings of discharges may be necessary in order to reduce the risk of adverse effects upon the Council's sewerage system. Where this is necessary, appropriate limits will be specified in the conditional trade waste consent.

**1A.3.3 Maximum concentrations**

The maximum concentrations permissible for the chemical Characteristics of an acceptable discharge are set out in table 1A.1, table 1A.2 and table 1A.3.

**Table 1– General chemical characteristics**

(Mass limits may be imposed, refer to 4.2)

Characteristic	Maximum concentration (g/m <sup>3</sup> )
MBAS (Methylene blue active substances)	500
Ammonia (measured as N)	
– free ammonia	50
– ammonium salts	200

Kjeldahl nitrogen	150
Total phosphorus (as P)	50
Sulphate (measured as SO <sub>4</sub> )	500 1500 (with good mixing)
Sulphite (measured as SO <sub>2</sub> )	15
Sulphide – as H <sub>2</sub> S on acidification	5
Chlorine (measured as Cl <sub>2</sub> )	
– free chlorine	3
– hypochlorite	30
Dissolved aluminium	100
Dissolved iron	100
Boron (as B)	25
Bromine (as Br <sub>2</sub> )	5
Fluoride (as F)	30
Cyanide – weak acid dissociable (as CN)	5

**Table 2 – Heavy metals**

(Mass limits may be imposed, refer to 4.2)

<b>Metal</b>	<b>Maximum concentration (g/m<sup>3</sup>)</b>	<b>Metal</b>	<b>Maximum concentration (g/m<sup>3</sup>)</b>
Antimony	10	Manganese	20
Arsenic	5	Mercury	0.05
Barium	10	Molybdenum	10
Beryllium	0.005	Nickel	10
Cadmium	0.5	Selenium	10
Chromium	5	Silver	2
Cobalt	10	Thallium	10
Copper	10	Tin	20
Lead	10	Zinc	10

**Note:** The concentration for chromium includes all valent forms of the element. Chromium (VI) is considered to be more toxic than chromium (III), and for a discharge where chromium (III) makes up a large proportion of the characteristic, higher concentration limits may be imposed.

**Table 3 – Organic compounds and pesticides**

(Mass limits may be imposed, refer to 4.2)

<b>Compound</b>	<b>Maximum concentration (g/m<sup>3</sup>)</b>
Formaldehyde (as HCHO)	50
Phenolic compounds (as phenols) excluding chlorinated phenols	50
Chlorinated phenols	0.02
Petroleum hydrocarbons	30
Halogenated aliphatic compounds	1
Monocyclic aromatic hydrocarbons	5
Polycyclic (or polynuclear) aromatic hydrocarbons (PAHs)	0.05
Halogenated aromatic hydrocarbons (HAHs)	0.002
Polychlorinated biphenyls (PCBs)	0.002
Polybrominated biphenyls (PBBs)	0.002 each
Pesticides (general) (includes insecticides, herbicides, fungicides and excludes organophosphate, organochlorine and any pesticides not registered for use in New Zealand)	0.2 in total
Organophosphate pesticides	0.1

## SCHEDULE 1B - PROHIBITED CHARACTERISTICS

### 1B.1 Introduction

This schedule defines prohibited trade wastes.

### 1B.2 Prohibited characteristics

#### 1B.2.1

Any discharge has prohibited characteristics if it has any solid liquid or gaseous matters or any combination or mixture of such matters which by themselves or in combination with any other matters will immediately or in the course of time:

- a) Interfere with the free flow of sewage in the Council's sewerage system;
- b) Damage any part of the Council's sewerage system;
- c) In any way, directly or indirectly, cause the quality of the treated sewage or residual biosolids and other solids from any sewage treatment plant in the catchment to which the waste was discharged to breach the conditions of a consent issued under the Resource Management Act, or water right, permit or other governing legislation;
- d) Prejudice the occupational health and safety risks faced by humans;
- e) After treatment be toxic to fish, animals or plant life in the receiving waters;
- f) Cause malodorous gases or substances to form which are of a nature or sufficient quantity to create a public nuisance; or
- g) Have a colour or colouring substance that causes the discharge from any sewage treatment plant to receiving waters to be coloured.

#### 1B.2.2

A discharge has prohibited characteristics if it has any characteristic which exceeds the concentration or other limits specified in schedule 1A unless specifically approved for that particular consent.

#### 1B.2.3

A discharge has a prohibited characteristic if it has any amount of:

- a) Harmful solids, including dry solid wastes and materials which combine with water to form a cemented mass;
- b) Liquid, solid or gas which could be flammable or explosive in the wastes, including oil, fuel, solvents (except as allowed for in schedule 1A),

calcium carbide, and any other material which is capable of giving rise to fire or explosion hazards either spontaneously or in combination with sewage;

- c) Asbestos;
- d) The following organo-metal compounds:
  - Tin (as tributyl and other organotin compounds);
- e) Any organochlorine pesticides;
- f) Genetic wastes, as follows:

All wastes that contain or are likely to contain material from a genetically modified organism that is not in accordance with an approval under the Hazardous Substances and New Organisms Act. The material concerned may be from premises where the genetic modification of any organism is conducted or where a genetically modified organism is processed;

g) The discharge of cytotoxic waste to a sewerage system is prohibited;

h) Any health care waste prohibited for discharge to a sewerage system by NZS 4304 or any pathological or histological wastes; or

i) Radioactivity levels in excess of the [National Radiation Laboratory Office of Radiation Safety](#) Guidelines.

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**SCHEDULE 1C - TRADE WASTE CHARGES**

Fees and charges are set by Council resolution. This will be done through the Annual Plan or other similar process in accordance with the Act.

In the following table, the Council states what categories it will charge, or may charge, under the tenure of this Bylaw.

**Table 4 – Rates and charges**

<b>Category</b>	<b>Description</b>
Compliance monitoring	The cost of sampling and analysis of trade waste discharges
Trade waste application fee	Payable on an application for a trade waste discharge
Re-inspection fee	Payable for each re-inspection visit by the Council where a notice served under this bylaw has not been complied with by the trade waste discharger
Temporary discharge fee	Payable prior to receipt of temporary discharge
Annual trade waste charges	<p>An annual management fee for a trade waste discharge to cover the Council's costs associated with for example:</p> <ul style="list-style-type: none"> <li>(a) Administration;</li> <li>(b) General compliance monitoring;</li> <li>(c) General inspection of trade waste premises;</li> <li>(d) Use of the Council's sewerage system;</li> <li>(e) The volume and composition of the trade waste;</li> </ul> <p>This charge may vary depending on the trade waste sector and category of the discharger.</p>
Tankered wastes	Set as a fee(s) per tanker load, or as a fee(s) per cubic metre, dependent on trade waste category

<p align="center"><b>SYSTEM OF CHARGING IN RESPECT OF VOLUME AND STRENGTH OF TRADE WASTES AND SPECIAL WASTES</b></p>
--

1. Trade wastes producers will be charged the actual cost involved in treating the trade wastes received by the Council into the sewer or treatment plant.
2. The total cost to Council of receiving, conveying, treating and disposing of wastewater from within its district is made up of administrative, general operating and specific operating costs.
3. The costs for each discharger of wastewater are apportioned to volume, Biochemical Oxygen Demand (BOD<sub>5</sub>), suspended solids (SS), and total phosphorous (TP) of discharged wastewater, and summed to give the total costs of reticulation to, and treatment at, the treatment plant.
4. The average annual volume in cubic metres of all sewage, wastes etc received at the Council's treatment plant where the trade wastes are treated, during each subsequent financial year, is designated as Q (m<sup>3</sup>/year).
5. The average annual BOD<sub>5</sub> in kilograms of all sewage wastes etc received at the Council's treatment plant where the trade wastes are treated, during each financial year shall be designated as B<sub>w</sub> (kg/year).
6. The average annual SS in kilograms of all sewage wastes etc received at the Council's treatment plant where the trade wastes are treated, during each financial year shall be designated as S<sub>w</sub> (kg/year).
7. The average annual TP in kilograms of all sewage wastes etc. received at the Council's treatment plant where the trade wastes are treated, during each financial year shall be designated as P<sub>w</sub> (kg/year).
8. The estimated annual cost of receiving and disposing of (but not treatment) all such sewage during each subsequent financial year is designated as C<sub>1</sub> (\$). This is made up of the administrative costs relating to the Drainage Activity.
9. The estimated annual costs to the Council for treatment of all sewage during each financial year is designated as C<sub>2</sub> (\$). This is made up of two components: C<sub>A</sub> a general operational component which is made of Activity costs excluding administration, electricity and depreciation except for, treatment plant depreciation and electricity and includes a pond de-sludging fee. C<sub>B</sub> is specifically applicable to the trade waste discharger and includes its share of any pump station, aerator and pipeline electricity and depreciation costs.

The estimated apportionment of costs is shown below; however the Council reserves the right to amend the basis of apportionment based on actual operational costs incurred in a given financial year.

% of total operational treatment cost apportioned to*			
Volume	BOD <sub>5</sub>	SS	TP
38%	28%	28%	6%

\* to be revised following future upgrades

10. Charges in respect of volume of wastes shall be based on either the measured volume of wastewater discharged from the premises or the volume estimated from the measured volume of water entering the premises during the period corresponding most closely with each financial year. This volume shall be designated as V (m<sup>3</sup>/year).
11. The charges in respect of BOD<sub>5</sub>, SS and TP shall be based on the measured composition of wastewater discharged from the premises during the period corresponding most closely with each financial year. This BOD<sub>5</sub>, SS and TP shall be respectively designated B<sub>T</sub>, S<sub>T</sub>, and P<sub>T</sub> (kg/year). Actual figures will be updated at the conclusion of each financial year and any charges made throughout the year will be adjusted accordingly with either an additional charge or credit to balance the amount paid with the level of the discharge.
12. The charge provided for in Clause 6.3.1 for each financial year levied by the Council on the occupier shall be calculated using the following formula:

Annual Trade Waste Charge =

$$\left( C_1 \times \frac{V}{Q} \right) + \left[ C_2 \times \left( \frac{V}{Q} \times Volume \right) + \left( \frac{B_T}{B_W} \times BOD \right) + \left( \frac{S_T}{S_W} \times SS \right) + \left( \frac{P_T}{P_W} \times TP \right) \right]$$

Where volume, BOD<sub>5</sub>, SS, and TP should be replaced by the relevant percentages shown in (9) above.

In calculating any such charge any domestic sewage discharged from the premises affected shall be deemed to be trade wastes.

13. Pursuant to clause 5 (in the main document), the occupier shall also be levied all reasonable costs incurred by the Council to measure the discharge volume or characterise the discharged wastewater as required to determine (10) and (11) above.
14. Where the trade waste charge calculated, is less than the uniform water closet/ urinal charge which would be applicable to this property, then the uniform water closet /pan charge will apply.
15. The Council reserves the right to amend this trade waste charging system as required to recover actual operational costs relating to wastewater reticulation, treatment and disposal.

### Schedule 1D – Discharges producing Trade Waste

Table 5 – Examples of discharges/processes producing trade waste

Permitted	Conditional	
Beautician	Abattoir	Manufacturers of fertilizer
Building Construction – slab formation	Approved stormwater discharged to sewer	Manufacturers of paper and paper products
Café (no cooking)	Beverage manufacturers (including wineries)	Marae
Carpet cleaning mobile units	Bakeries	Mechanical workshops/service stations
Ceramics and pottery (hobby club)	Cafes	Medical laboratories
Coffee Lounge (no cooking)	Churches (with catering facilities)	Metal furnishers
Community hall (no hot food cooked)	Clothing manufacturers	Mortuaries
Day care centre (with no hot food cooked and served onsite)	Concrete batching plants	Municipal swimming pool
Delicatessen (no meat cooked onsite. No hot food prepared or served.)	Dairy processing plants	Optical factory
Doctors surgeries (excluding day care surgical facilities)	Day care centre (with hot food cooked and served onsite)	Photo processors
Dog groomers	Dentists	Premises with commercial macerators
Florist	Doctors surgeries/medical centres (with day care surgical facilities)	Printers
Fruit and vegetable market (retail)	Dry Cleaners	Restaurants (excluding those with commercial macerators)
Funeral parlour	Electroplaters	Schools, polytechnics, universities (with laboratories)
Hairdressing salon	Fellmongers	Scientific and other laboratories
Ice cream parlour	Food processors including canneries	Spray painting facilities
Kennels	Foundries	Stock sale yards
Nut shop	Fruit and vegetable processors including canneries	Takeaway premises

Permitted	Conditional	
Optical processes	Galvanizers	Tinkered wastes
Painter (small commercial)	Hospitals (including day care surgical facilities)	Tanneries and leather finishing (including fellmongery)
Pet shop (retail)	Hotels and Motels with catering facilities	Textile fibre and textile processors
Sandwich bar/Salad bar	Laundries	Truck wash facilities
School canteen (no cooking)	Landfills (leachate discharge)	Vaccine manufacturers
School ceramics and pottery	Manufacturers of chemicals, and of chemical petroleum, coal, rubber and plastic products	Vehicle wash facilities
Swimming pool (non municipal)	Manufacturers of clay, glass, plaster, masonry, and mineral products	Veterinary surgeries
Takeaway food (no hot food)	Manufacturers of fabricated metal products, machinery and equipment	Waste management processors
Venetian blind cleaning	Woolsourers	Wholesalers/retailers including butchers, greengrocers and fishmongers (excluding those with commercial macerators)

**Note:** Any discharge other than from a domestic dwelling may be required to apply for a Trade Waste Consent. It is possible the Council may require a condition to be placed upon any discharge in which case it then becomes subject to a Conditional Trade Waste Consent. Table 5 however is not an exhaustive list.

## 9. CANCELLATION OF BUILDING-LINE RESTRICTION – 113 BROUGHTON STREET

(Memo from Resource Management Planner – 01.12.16)

### **Introduction**

The Council has received a request to remove a building-line restriction. This request relates to land at 113 Broughton Street owned by Carpentry Solutions Limited. The site is legally described as Lot 1 Deposited Plan 4683 as set out in Computer Freehold Register SL186/158 and has an area of 784 square metres. This site is zoned Residential B in the Gore District Plan.

The request for the removal of the building-line restriction has been sought under Section 327A of the Local Government Act 1974, which reads:

#### 327A Building-line restrictions

Where a building-line restriction has been imposed under this Act or any former enactment, and the council subsequently determines that the building-line restriction be cancelled, the council shall send notice of cancellation to the District Land Registrar or Registrar of Deeds, as the case may require, who shall amend his or her records accordingly.

### **Background**

The Municipal Corporations Act 1954 (now repealed) required roads to have a minimum width of 20.12 metres. The property was subdivided in 1953 and as part of that process a building-line restriction was imposed on the south boundary adjoining Duke Street East. This was to ensure no buildings could be erected within 10.06 metres of the Duke Street centre line and allow the Council the ability to use the land to widen the street if required.

- ✚ The Council's aerial mapping system shows that a garage has been erected within the 10.06 metre set back. There is supporting documentation on the property file which indicates this occurred around 1988. An aerial photograph is attached.

As the building-line restriction is still registered on the Computer Freehold Register for 113 Broughton Street, the Council still has the ability to use that land to widen Duke Street. It must be noted not all properties along Duke Street east have a building-line restriction registered.

### **Assessment**

Duke Street east is a well-established street with a chip seal surface. The road reserve width is 10 metres with 6.1 metres being sealed carriage way.

The Council's Roading Department advised it is not aware of any future plans that would require Duke Street East to be widened. Should there be a significant increase in traffic volume in the future, the Roading Department advised that street could either be converted to a one way system or restricted parking be imposed to allow for a wider lane. On that basis the Roading Department is not opposed to the removal of the building-line restriction.

The District Plan contains yard rules. This provides an expectation that buildings in residential zones will be setback 4.5 metres from road boundaries and that 4.5 metres is an appropriate setback for residential zones. The building-line restriction imposes a further 0.53 metre setback then what is required by the District Plan.

Having regard to the matters above I conclude the building-line restriction is no longer required.

**RECOMMENDATION**

**THAT the Council grant approval under Section 237A of the Local Government Act 1974, to allow the removal of the building-line restriction,**

**AND THAT the Chief Executive be authorised to sign a certificate cancelling the building-line restriction.**





## DUKE STREET PROPERTIES WITH A BUILDING LINE RESTRICTION GORE

Drawn:  
SHEWLETT

Date: 29/11/2016  
Scale 1:1100  
Ref: 1935.WOR

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## 10. SERVICE DELIVERY REVIEW FOR ROADING

(Memo from General Manager District Assets - 01.12.16)

- ✚ Councils are required by Section 17A of the Local Government Act 2002 to undertake service reviews of all their activities by 17 August 2017. A guide on conducting service delivery reviews, produced by SOLGM is attached (Appendix 1).

There are three statutory trigger points for when a review must be undertaken:

- When considering significant changes to service levels
- Within two years of expiration of a contract or other binding agreement
- At a maximum of six yearly intervals.

Regardless of these triggers, the first review must be completed by 17 August 2017.

- ✚ The review has been completed by Richard Kirby Consulting Limited and is attached (Appendix 2).

The purpose of this report is to review the management and service delivery options for the Roding activity undertaken by the Gore District Council. This review has come to the following conclusions:

1. The Council has committed sufficient professional services to manage and deliver the roading activity cost-effectively. Currently these professional services are around 11% of the total costs of delivering the roading activity. This is considered fair and reasonable.
2. The Council needs to review the owner and enabler/specifier tasks to clearly determine which are undertaken by the in-house professional services and which by the external professional services. The Council could complete a business case to bring all professional services in-house if it wanted to consider that option.
3. That the status quo option 2 (d) comprising the Council undertaking the governance and funding aspects and the service delivery by separate entities under contract be retained. These should continue to be procured in accordance with Council's NZTA approved procurement policy.
4. That there are other feasible options that could deliver the roading activity cost-effectively. However, these would require justification via a business case along with cooperation and commitment from adjacent Councils before they could be implemented.
5. That the Council continue to participate in collaboration discussions with other Councils in the Southland region. These discussions should focus on the viability of the other options in delivering the most cost-effective roading activity for each Council individually or as a collaborative arrangement across the region.

**RECOMMENDATION**

**THAT the report be received,**

**THAT the status quo be retained for the foreseeable future as it is still the most cost-effective option for the delivery of governance, funding and service delivery;**

**AND THAT the Council be involved in any regional initiatives around the delivery of the various functions within the roading activity.**

# Service delivery reviews

Conducting a service delivery review under section 17A  
of the *Local Government Act 2002*



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## FOREWORD

This guide discusses the requirement to conduct reviews of service delivery under *section 17A* of the *Local Government Act 2002*. It is the last piece of SOLGM's planned suite of guidance that covering the legislative amendments made during 2014.

The legal requirements are not greatly different from the internal reviews of services that all of us have undertaken at some point in our careers. The only strikingly 'new' elements are is that there are two legal triggers for the review process and that the legislation sets a deadline for completion of the first set of reviews.

Of course, we review our services to ensure that we are getting the best value for our community. Possibly the most significant challenge we will face in implementing *section 17A* is to ensure that this does not turn the service delivery review process into a compliance exercise.

This guide will show you how to integrate the *s17A* requirements into your own processes for conducting reviews. The guidance provides navigation through what is one of the more complex pieces of drafting (at least for what it was attempting to achieve). The guide will help you develop a forward programme for reviews. And it will help you understand how to document your processes to safeguard against the legal risks.

This guide has primarily been the work of SOLGM's Planning and Accountability Working Party. I thank them for their work on this guide and the other products in our suite of guidance over the past year.

Barbara McKerrow  
President SOLGM  
August 2015

### Disclaimer

This guide represents the collective wisdom of the local government sector on the conduct of a service delivery review that will meet the obligations under *section 17A* of the *Local Government Act*.

Every effort has been made to ensure that the information in this guide is as accurate as possible, including review by legal advisors.

The guide is not a substitute for appropriate legal and policy advice. Neither SOLGM nor the individuals involved in the preparation of this document accepts any liability for loss or damage arising from the use of material contained herein. Reading or using the information beyond this point constitutes acceptance of the terms of this disclaimer.

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## 1 WHAT IS A SERVICE DELIVERY REVIEW?

This guide discusses the requirement to conduct a review of service delivery under *section 17A* of the *Local Government Act 2002 (LGA02)*.

A service delivery review is a process of determining whether the existing means for delivering a service remains the most efficient, effective and appropriate means for delivering that service. The legislation requires that a service delivery review should periodically assess *“the cost-effectiveness of current arrangements for meeting the needs of communities within its district or region for good-quality local infrastructure, local public services, and performance of regulatory functions”*.

One of the policy objectives underpinning the Better Local Government programme of 2012-14 was the promotion of efficient service delivery and governance arrangements. The *section 17A* requirements were one of a set of amendments along these lines, including:

- amendments to the reorganisation process to better enable community-led reorganisation
- a new principle that local authorities should “actively seek” to collaborate and cooperate with others
- an expansion of the scope of the triennial agreement between all councils in each region to address how issues of mutual benefit will be addressed, and to enable the agreement to include commitments to joint committees or other shared governance arrangements
- improved clarity about the process by which territorial authority functions can be transferred to regional councils, or vice versa and
- an explicit framework for agreements to constitute joint committees.

The requirement to periodically review services supports the changes to the purpose of local government (*section 10, Local Government Act 2002*).<sup>1</sup> The review provides a statutory encouragement to actively seek efficiencies and is therefore a good way of demonstrating that your local authority is delivering its services in a manner that is most cost-effective for households and businesses.

Previous SOLGM guidance has emphasised that the term cost-effectiveness is not the same thing as ‘least cost’.<sup>2</sup> Councils must also consider the effectiveness of current arrangements. Cost effectiveness is therefore much more consistent with ‘least cost consistent with the achievement of the council’s objectives for delivering the service’.

While the periodic review of services is now a legal requirement, every local authority has conducted a review of service delivery at some time. Parliament intended only that local authorities conduct reviews on a regular basis, there was no intent to point towards a particular outcome or even cut across the review processes local authorities currently have.

### 1.1 Why do a service delivery review?

Doing a service delivery review well can result in any or all of the following benefits:

- *efficiency gains* – either from financial cost savings or reductions in resource requirements freeing up resources for use elsewhere
- *improvements in services*
- *improving relationships with other local authorities, community groups and private sector providers* – working through options for some services with other bodies builds trust and confidence, and might stimulate other ideas for review

<sup>1</sup> Unless otherwise stated, all subsequent references to ‘the Act’ or ‘the LGA’ refer to the *Local Government Act 2002*.

<sup>2</sup> See SOLGM (2012), Purpose Clause, Frequently Asked Questions (available on request from SOLGM).



- *better understanding of available options* – identifying alternative means for service delivery can be a useful spur for future thought even if you decide not to pursue them in the current review. It also helps guard against complacency.

A service delivery review is therefore best viewed as an opportunity to improve the delivery of services to your residents and ratepayers. If your local authority approaches a review with a compliance mindset, it is likely to land on 'more of the same' outcomes.

Unlike many of SOLGMs other guides, the processes and pointers in this guide have a far stronger good practice element. Feel free to adapt to fit your own programme of reviews. You might even choose to ignore some aspects altogether.

## 1.2 What's a service?

*Section 17A* uses the same terminology as *section 10*, that is to say that it refers to the 'local infrastructure, local public services, and the performance of regulatory functions'.

The starting point for your definition of service should be the activities (not groups) that you disclose for reporting in your long-term plan. As noted later you might then elect to combine like services together for *s17A* purposes (for example by combining resource consents, building consents and licensing into one).

If a service is large, and consists of a number of elements where separation of one or more aspects of the service is a realistic prospect then you might consider disaggregating an activity into more than one subactivity or component. For example with an activity such as roading, you might de-couple transport planning from the physical infrastructural development. One involves retention of a strategic capability and might be a strong candidate for keeping in house, another must be delivered at arms-length (if funded by central government).

On a strict reading the *Act* is focused solely on the public-facing services. SOLGM considers that including back-office services such as debt collection (or other more transactional elements of the finance function) is consistent with Parliament's intentions. Those sceptical of this should remember that back office functions such as IT and debt collection were among the first candidates for the so-called shared service arrangements.

## 1.3 What must a service delivery review include?

A *section 17A* review determines the cost-effectiveness of different funding, governance and service delivery options for meeting the needs of communities. There is no definition of the terms funding, governance or service delivery in the legislation. In broad terms however:

- *a funding arrangement* involves the manner in which the financial resources are provided to support the service, including both the mix of sources of revenue or capital and any arrangement or agreement that governs the provision of these resources (such as a contract, deed of trust etc)
- *a governance arrangement* revolves around who has the right to make binding decisions about the overall objectives for provision of the service, and set the strategic framework in which the service operates. In the local authority context governance options fit into two broad categories – political or arms-length (which in itself is a catch-all term for a variety of models ranging from corporate forms to various forms of trusts)
- *a service delivery arrangement* essentially describes the body that physically undertakes the work or provides the service.

To give an example of the difference, take the delivery of passenger transport. In most New Zealand local authorities:

- the funding is provided by a mix of user charges and subsidies from the regional council and the New Zealand Transport Agency (there are exceptions to this in some areas)
- the governance of the activity is undertaken by a regional council and
- passenger transport services are provided under a contractual arrangement with a private sector agency.

*Section 17A* requires consideration of the following options:

- a) funding, governance and delivery by your local authority
- b) responsibility for funding and governance is undertaken by your local authority and delivery is undertaken by another local authority
- c) responsibility for funding and governance is undertaken by your local authority and delivery is undertaken by a CCO, wholly owned by your local authority
- d) responsibility for funding and governance is undertaken by your local authority and delivery is undertaken by a CCO, where your local authority is a part owner (the other owner or owners might be a local authority or other organisation)
- e) responsibility for funding and governance is undertaken by your local authority and delivery is undertaken by some other person or agency (such as a private or community sector agency)
- f) responsibility for funding and governance is delegated to a joint committee or other shared governance arrangement, and delivery is undertaken by some other person or agency
- g) any other reasonably practicable option for funding, governance and delivery (*section 17A* does not limit the options to those above)

We've been asked whether the review should consider options for generating efficiency gains even if no change in the funding , governance and delivery is proposed (we'll refer to these as refinement options) .

There is no legislative requirement to do this. The choice is one for your local authority to make. However, *section 17A* was intended to get local authorities thinking about ways to encourage efficiency gains. In many cases change options may not be practicable, in which case closing off on refinement options may be closing off on potential gains. Refinement options may sometimes be of more interest to elected members. Regardless, the data requirements are identical and reviews that are too unnecessarily frequent are likely to create an unsettled team culture with all that this involves (e.g. high turnover, low morale etc).



## 2 DEVELOPING A PROGRAMME OF REVIEWS

### 2.1 The trigger points

There are three statutory trigger points when a review must be undertaken:

1. *when considering significant changes to service levels* – that is to say if you are considering a significant change, then you must undertake a review of service delivery in conjunction. We interpret the phrase significant change to include starting a new service, or significantly increasing or decreasing a level of service. This means your local authority will need to be keep a close eye on developments in the legislative and policy environment that have (or could have) a significant impact on levels of service
2. *within two years of expiration of a contract or other binding agreement to deliver a service* – that is to say, if someone is delivering the service on your behalf, and that is due to expire inside two years, then you will need to conduct a review. We suspect that in practice this will be this most commonly triggered circumstance.

We've been asked about contracts that have a right of renewal, for example a five year contract with a three year right of renewal. There isn't a single right answer in this case. Our advice is to carefully scrutinise the wording of the contract and look for the point when the contract or agreement would be most likely to end. Often this would be the end of the renewal period, as the intent is the agreement will be renewed except for underperformance. In cases where the agreement provides your local authority with more flexibility as to renewal, then the review should be undertaken within two years of the end of the first period. We suggest that the *section 17A* process should occasion a review of whether and in what circumstances your local authority offers rights of renewal.

3. a review of service delivery has a maximum statutory life of six years from your last review under *section 17A*. For example, suppose you complete a review of a service on 6 August 2017, the next review would have to be completed by 5 August 2023 (unless something happens to trigger the review in the intervening period, or your local authority decides to undertake a review of its own accord).

Other circumstances do not trigger a review in and of themselves. For example, reviewing the funding of an activity as part of a review of your revenue and financing policy does not mean that your local authority needs to review governance and service delivery as well.

Regardless of the above, the *LGA* has a transitional provision that requires that all services must be reviewed by 8 August 2017.<sup>3</sup>

### 2.2 The exceptions

There are two statutory circumstances where a review is not necessary (even when triggers have been activated). These are:

- there is a contract or other agreement in place that cannot reasonably be changed within two years (though if something happens that makes a change reasonably practicable you would need to do the review then)
- your local authority is satisfied that the costs of doing a review outweigh the benefits of doing a review.

<sup>3</sup> Clause 2, schedule 1AA.

In cases where either of these exceptions have been triggered then you'll need to have evidence to support your judgement that these circumstances apply.

In the case of contracts or other binding agreements you'll need to document the reason why this document cannot reasonably be changed. This will generally revolve around penalties or other impositions around termination, the difficulties involved in changing providers in mid-project or similar.

The second instance (costs outweighing benefits) was designed to ensure the requirement is observed in a workable fashion. It was designed more for circumstances where the service is small, or where significant cost savings are unlikely or where a review has been conducted relatively recently.

This does not require a formal cost/benefit analysis or necessitate hiring consultants (though for larger, more complex or contentious review projects you might wish to do so). It will require consideration of costs and benefits, and clear documentation of the reasons why you decided not to conduct the review.

Some local authorities have set a policy which sets out a minimum contract value before the local authority will undertake a service delivery review. In effect, this is a policy judgement that reviewing a contract below this size is unlikely to generate savings that outweigh the costs. This approach works well for very small services and smaller contracts (most probably for services that aren't capital intensive).

A more sophisticated approach will be needed for larger services. Your consideration of the costs and benefits that might arise from a review might include:

- *the anticipated cost of the review* – there are a wide variety of different processes for undertaking a review, select one or two options that appear most practicable as the basis for costing (in this way you've developed a potential range, and given yourself some protection from claims that you looked at a single option)
- *the total cost in providing the service* – a 10 percent per annum saving on a \$1 million service may justify a review, a 10 percent per annum saving on a \$50,000 service may not
- *the elapsed time since the last review* – if your local authority has done the last review of the service recently it may well be that you would end up with a similar result to your last review (unless there have been significant changes in the operating environment)
- *changes in the environment in which the service is delivered* – changes in the legislative environment might have made some options feasible, or reduced the potential to use other options (a hypothetical example might revolve around changes to the maximum time period set in section 130 of the Act for contracting out delivery of water services)
- *effectiveness of current arrangements* – are the current arrangements meeting the councils objectives for providing the service, is there any credible (and quantified) evidence that a change in service delivery might provide improved service<sup>4</sup>
- *capacity/capability gains and losses* – some joint delivery options or options that involve delivery by third parties may result in the creation of greater capacity to manage complex issues (this is often one of the benefits that people cite as a rationale for creating CCOs to manage network infrastructure). Some options for delivering some services might remove or reduce the capacity within your local authority in places such as policy and procurement (need to "know what your local authority is buying from suppliers").

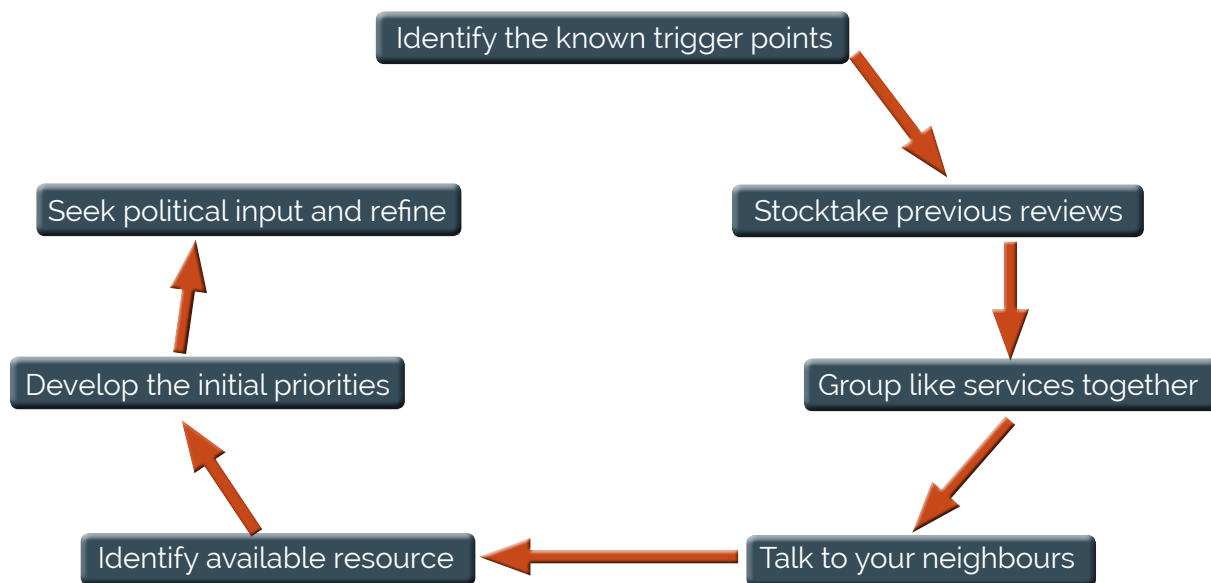
<sup>4</sup> Be sure to separate fact from fiction with this one, there are some agencies and groups that deal in unsupported assertions.

## 2.3 Developing a forward programme for reviews

The obligation to undertake *section 17A* reviews applies to all services, with both an initial review and an obligation to conduct reviews on a regular basis. Conducting a full review of all of your services is a large task, but fortunately the ability exists to stage the reviews. It would be wise to take advantage of this by developing a forward programme for the reviews, both up to August 2017 and beyond.

As the statutory “life” of a *section 17A* review is six years, it's generally wise to set a forward review programme of six years. This ensures that all services are incorporated in the review, and that all interested or affected parties have an approximate idea of when their service is likely to come up for review. Developing a six year programme does not mean it's set in stone, the programme should be reviewed at least once per annum, and should retain the flexibility to adapt as developments occur.

Figure 1 shows an approximate order of steps to develop a forward programme of reviews



**Figure 1: Developing a forward programme of reviews**

### Identifying the known trigger points

Your first step should be to identify the likely points that will trigger a *section 17A* review i.e. that there is less than two years to the expiry of a contract, or that there is a significant change to a level of service.

Likely information sources for that include:

- *your local authority's contract documentation* will tell you when each contract is up for renewal, what amount and what each contract covers. Where joint procurement options have been arranged this documentation will also identify interested or affected parties. One implication of this is that those local authorities that do not already do so should consider some centralised register or other readily accessible information about contracts
- *your local authority's long-term plan or asset/activity management plans* – these documents will identify any significant changes in levels of service that have been planned. Look for matters such as the expiry of resource consents, and use judgement as to what implications

are likely to have for levels of service. Don't forget that the obligation to review services applies to any significant change in levels of service – a significant decrease in levels of service decrease is as much a trigger for a review as a significant increase

- *the Government's policy agenda* (in as much as it is known) – if central government has signalled that a level of service for an activity will change significantly, for example if there were to be a change to the microbiological and protozoal components of drinking water standards, then a review of water services might be needed at that point
- *your significance and engagement policy* – will provide guidance for considering what is and isn't a significant change in levels of service, and what other issues or decisions might require engagement, when and how.

### Stocktake any previous reviews

It's always a good idea to identify the previous service delivery reviews that you've undertaken. This includes both those undertaken under the authority of *section 17A*, and those undertaken of your own initiative. These reviews can provide lessons around:

- *undertaking the process* – for example who should be engaged in the process and at what point
- *previous thoughts around the cost-effectiveness of different options* – what conclusions did the council reach in that previous review and why. Be wary of placing too much weight on the results of a previous review however. Market conditions can change, developments in technology might make some options feasible, even changes in the political direction of council might make the outcomes of a previous review less relevant.

The results of these reviews can help identify priority targets for review – for example those where you know there has been some development that might mean a fresh option is feasible.

When reviewing the results of previous reviews that were 'voluntary' be sure to assess whether these reviews met the requirements of *section 17A*. For example, did your last review consider all of the options that are mandated under *section 17A* (our sense is that most will not have done so). If your last review missed one of these requirements it should not be treated as having been a *s17A* review and the service is most probably a candidate for early review.

### Group like services together

There is nothing in legislation to preclude local authorities from grouping like services together to undertake *section 17A* reviews.

Giving thought to matters such as the degree of interconnection between the services, commonalities in the rationale for service delivery and common patterns of benefit might reduce the size of your work programme in a sensible way. For example, drinking water supply and sewage disposal are almost always managed as an integrated whole, and might be combined for the purposes of developing a programme.

### Talk to your neighbours

Several of the options that must be considered involve joint delivery with groupings of other local authorities. Getting together with your neighbours to discuss a joint programme of *s17A* reviews avoids duplication of effort (and the result where two neighbouring councils conduct reviews in parallel and come to a different result). The initial place to start this discussion is in your regional networks (where they exist), although ad-hoc groups or some groupings at sub-regional level may make sense.

### Identify available resource

Having broadly determined what needs to be done, it is time to consider when it needs to be done and by whom. These steps turn a list of tasks into a forward programme of work.

At this step you'll need to consider workflow amongst the different portions of council, especially your activity managers and the different parts of your governance structure. There are a wide range of matters you'll need to consider including:

- *statutory policy development* – including the development of the LTP, annual plan, and the activity that precedes that (such as asset management planning and development of financial and infrastructure strategies), district plan reviews, assessments of water and sanitary services et al. To take an example, a review that identifies a change in the funding of a particular service, might necessitate a change in your revenue and financing policy, which requires consultation and potentially an audit (if the change is significant).
- *non-statutory development* – how and when does your local authority undertake work such as rating reviews, level of service reviews and any other significant or contentious non-statutory plans and policies
- *consultation* – some options (such as establishment of a CCO) might require consultation, allow time for these processes to run
- *the political process* – there will be times when it may not be practicable to progress reviews with elected members. Few elected members will welcome being called on to make significant changes in the period before the election. Inducting elected members and activity such as direction setting may also preclude their taking significant decisions in the first few months after the triennial election.

As with the previous step, there are benefits in undertaking this work at regional or sub-regional level. Availability of resource across all of your regional partners means some synchronisation in the timetables is essential.

And don't forget to leave some degree of flexibility in the programme for amendments or adaptations as and when opportunities arise.

### Develop the initial priorities

And at last you're in a position to develop a set of initial priorities. Some things to consider at this point are:

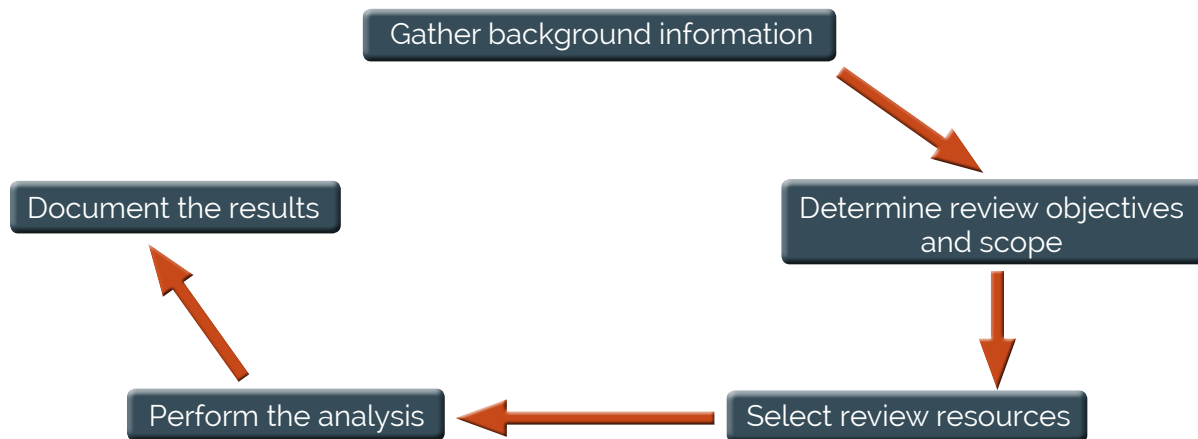
- *timing of previous s17A reviews* – make things easy for your local authority. All things being equal if you've done an s17A review of service delivery in the last year, you would avoid placing it amongst those services up first for review (unless something triggers the review or there is some other compelling reason to)
- *when and in what circumstances s17A reviews might be triggered* – see the discussion above
- *the 80-20 rule* – use your professional judgement to identify those services where efficiency gains are most likely to sit, and which all things being equal, might be those your local authority tackles earlier in the programme
- *consultation* – where reviews could generate changes that require consultation then there may be benefits in aligning that with other consultation and taking advantage of the concurrent consultation provisions of the LGA02.

### Seek political input and refine as needed

Service delivery, and changes to service delivery can be an intensely political issue. We recommend that your proposed programme for reviews should be exposed to the decision-makers before it is finalised.

### 3 CONDUCTING A SERVICE DELIVERY REVIEW

Having developed a forward review programme, let's now turn to conducting an individual review of service delivery.



#### 3.1 Gather background information

This preliminary phase draws together information about the current state of the service into a single place to serve as the basis for the identification and analysis of options.

In the first instance this should be the responsibility of the activity manager or other staff that deliver the service. They will (or should) have ready access to most of this information.

A full information set would include the following:

- *a clear definition of the service* – what is this service, what does it do, what's been included and excluded from the scope of this service and why
- *current arrangements for funding, delivery and governance* – describe these succinctly including any contracts or other arrangements that relate to the funding, delivery or governance of the activity
- *legislative requirements* – is this a service that is required by legislation (and if so, what is the legislation) or is it discretionary
- *rationale for service delivery*<sup>5</sup> – why is that you provide the service (or have somebody provide the service on your behalf). In particular look for linkages between the service and your council's various strategies, policies and plans; and any other intervention logic (e.g. a territorial authority provides dog control services to promote public health and safety, not just because the *Dog Control Act 1996* requires it)
- *how does council currently define effective performance for the activity* – what are the council's objectives for the service and how do you know whether or not these objectives have been met (in the parlance of performance management – what are the levels of service and performance measures). This is your basis for making judgements about the effectiveness both of the current arrangements and future arrangements
- *the cost and resource involved in delivering the service* – provide a breakdown of the operating and capital cost for the activity, and other significant resources involved in its delivery. Ideally some trend information (for example the last five years) would be provided to garner some idea of expenditure trends and cost drivers. Forecasted budgets for the

<sup>5</sup> SOLGM (2010), *Performance Management Frameworks: Still Your Side of the Deal*, provides further information and some worked examples for developing rationale for service delivery.



service should also be provided – this is the basis for comparing the cost of different options

- *risks and risk management arrangements* – what are the financial, political, hazard, and legal risks with this service. How (and how well) are these managed under current arrangements
- *funding provided for the service, and the source(s) for this funding*
- *user/customer information* – this covers a variety of different topics including results of customer satisfaction surveys (where these exist); the common areas of customer complaints, requests for service, and other feedback to the provider of the service, what information exists on the views and preferences for the service
- *other stakeholder information* – including the views and preferences of your elected members and staff involved in delivery of the service
- *results of the last review* – whether conducted voluntarily or under the authority of *section 17A*.

### Scaling

The above list has been developed on the assumption that your review is of moderate scale. A smaller scale review might omit one or more of the items in the above list. A full scale review would include information to a greater level of detail and potentially formality. For example:

- the cost and funding information would be presented at 'line item' level and might well be forecasted ten to twenty years into the future
- documentation of the last review might be more in-depth and explain in detail which options were traversed at length and why.

## 3.2 Determine review objectives and scope

In this phase of the review you determine objectives for the review and how far the review will extend. Although a *s17A* review must always have the primary objective of determining which options are most cost-effective for households and businesses, you may add other matters as well, such as improving customer service.

We've been asked if local authorities are obligated to review the governance, delivery and funding of an activity together or whether partial reviews can be undertaken. For example, governance and delivery might be reviewed at one time, and the funding at another. The short answer is that this is permissible, but that in most instances reviewing the three together is common sense, especially if change to governance or delivery are realistic options. Here are some reasons for keeping reviews of services unified:

- too many reviews, even limited reviews, can have impacts on staff morale with consequent impacts on service performance, staff retention etc
- it can be difficult to sensibly separate the funding of an activity from its delivery or governance, which means fragmenting reviews and involves a degree of relitigating issues thought 'resolved' in other issues
- reviewing one of the aspects of the service might generate ideas for improvement elsewhere, that require a subsequent review
- too many reviews can create fatigue amongst elected members and the community (where they are making decisions on, or being consulted on, the review)
- reviews have direct and indirect costs, including the opportunity cost of the time that could be spent on other activities.

This is the point where your local authority makes an informed judgement as to whether the costs of the review outweigh the benefits of the review (using the criteria above or others).

This phase of a review should see a 'first pass' at the options. At this phase the intent is not to conduct detailed analysis but to eliminate those that are obviously not feasible. For example any option that involves delivery of water services by a party other than a local authority or CCO could be constrained by the time limit on contracting out contained in *section 130* of the *Act*. It is not a licence to remove options based on perceptions that a particular option might not have political support, or might raise community concern.

Local authorities are not required to engage with the community when undertaking reviews. Obligations to engage may exist where levels of service are being changed or at the point when options such as establishment of a CCO are mooted. If engagement is likely, whether voluntary or because legislation requires it, then this should be identified at the scoping stage of the review.

### Scaling

The scoping decision will be an important part of the scaling of the review. It is important that the service manager be involved in the scoping process, but the final decision on review scope should sit elsewhere. If the review is smaller in scope then it may be the service manager's immediate superior, if larger it may be a matter for your senior leadership team. If the review is to seriously traverse joint delivery options it may require council consideration.

### 3.3 Select review resource(s)<sup>6</sup>

Having determined the scope of the review and gathered the necessary background information, it's time to resource the review.

How you resource any review is a matter that is entirely up to your local authority. The resourcing of any review could be as small as a single person (such as the service manager) or as large as a multidisciplinary team (with supporting review panels). Likewise the decision to use your own staff, or contract out the review to consultants sits entirely within your local authority's discretion

Some things to consider at this stage of the process are:

- *place in your overall review programme* – where several reviews are being conducted, a desire for consistency in methodology and overall policy approach can sometimes lend itself to undertaking reviews using a common resource (this might also be the case where one or more reviews are undertaken by groupings of local authorities)
- *the scope of the review* – if a review is larger in scope and is likely to create a diversion from "business as usual" then there may be a case for having the review done externally
- *the desired degree of independence* – generally the people who know the service best are the service manager and the staff involved in delivering the service. There will be a need to consider their knowledge against the possibility that an independent reviewer (whether from inside or outside the council) might provide new thinking and an independent approach (e.g. they are not reviewing their own roles)
- *the balance of skills and knowledge* – a successful review incorporates skills, knowledge and experience from many professional disciplines. Where reviews are conducted internally it may be important to balance the representation from within the service with skills in financial analysis, asset or activity management, community engagement etc. Look for a balance of skills rather than ensuring that every area of council is represented. A moderate sized review might have 2-3 people involved with one designated as the overall review manager, and a relatively simple project structure

<sup>6</sup> We use the term review agent as a 'catch-all' term for any person or group assigned to conduct the review. This might include an individual, a project team assembled from within council, consultants or some combination of options.



- *access to specialist skills or knowledge* – where specialist economic or financial analysis skills are needed it may be necessary to acquire that knowledge from outside your local authority.
- involvement of elected members – this is one of the key decisions in resourcing a review project. Most elected members will have some views about options ranging from the “contract out for efficiency” to “public delivery and funding are important for their own sake” and all points in between. Elected members may also have strong views about what constitutes effective performance. There is a tension between securing elected member input during the review and ensuring the robustness in the analysis of options. In a larger or more politically contentious review it may be desirable to have elected members involved as part of an overall steering or review group (though watch for situations where some elected members may be seen to “know more” than others). Regardless of the decision around formal involvement of elected members, there will be a need to keep all elected members informed throughout the review process
- involvement of staff – how and when will staff in the service under review be involved in the review process, and how and when will other staff be involved (including those not directly providing the service). The box below discusses employee involvement in more detail.

### Scaling

The amount and type of resources you devote to the review is clearly one of the most scalable items present in the review.

A moderate sized review might involve a team of 2-3 drawn from within the council. A smaller review might involve only one person performing the work, with a senior manager (or the CE) providing peer review. A larger more complex review might have a team of four or five performing the review, or be outsourced, with either option having the support of a review panel.

### The service delivery review process and employees

Nothing in s17A removes or reduces the rights of staff in employment law, or abrogates from the Chief Executive's responsibilities under employment law, or as a good employer under clause 36, schedule seven of the *LGA02*. The immediate implication of this is that employees (and any representative bodies such as the unions) must be involved in the process.

But involving employees in the process is also the smart thing to do, regardless of the legal niceties. Staff can provide a useful front-line perspective of whether the objectives for a service are being met that no performance measure can ever provide. Staff have a working knowledge of how the service is being used or accessed on the ground, and therefore have a better understanding of the practical issues involved with alternative options. And, in the final analysis, the interaction of staff with the public will play some part in determining how the public view any actual change.

There are few hard and fast rules for determining when and where staff should be involved, up to the point where change is under serious consideration and options such as redundancy or redeployment are being considered. Otherwise it's a matter of common sense and application of the 'do unto others' rule.

In the scoping phases of a review, staff will need an understanding of what the review process involves and why it's being undertaken. At that point it is generally useful to seek feedback on the review objectives, and for feedback on the way the service is operating and suggested improvements.

Where working groups have been created, it is generally advisable to ensure staff are represented. Ensure that you've considered balancing representation from those staff who are members of unions, and those who are not, and how the views of all employees can be identified and considered during the review process.

Another place where you might consider inviting specific feedback is at the point where your review has narrowed options to a small number. An invitation to provide feedback at this point would state how and why the council these options appear the most practicable, and why others do not appear as practicable.

As with any employment process, and any consultation or decision-making process the obligation to approach the process with an open mind applies.

## 3.4 Analysis

The key principle in this phase is that a review of the options should involve a true consideration of the options.

Cost-effectiveness involves a degree of policy judgement, and therefore is a judgement for your local authority to make. Courts could intervene if your local authority has not turned its mind to the requirement, or on administrative law grounds.<sup>7</sup>

But in making that judgement, some factual evidence will be needed as to:

- what constitutes effectiveness and why it is that the selected option is at least as effective as others

<sup>7</sup> In this context, the most likely way such a case would be made out through a lack of documentation and robust evidence about the effectiveness of a particular option and documentation that suggests that option has a lower cost than the council's preferred option.

- what the costs of the different options are (SOLGM considered that the nature of the cost/effectiveness balancing does not mean that costs have to be quantified with precision but they should be sufficient to enable a reasonable person to draw a similar conclusion as the decision-maker).

### Costing options

The legislation requires an assessment of the cost-effectiveness of different options for funding, governance and delivery. This means that a *section 17A* review will require some assessment of the costs of different options.

This does not mean that you undertake a formal cost/benefit study for every review. The depth of analysis is a decision for the scoping phase of the review. But reviews should generate at least a 'ball park' idea of the differences in cost involved.

Decisions to change governance and delivery are not always easy to reverse or amend. For that reason your assessment of costs of the different options should take a medium to long term focus. For a service that is not asset-intensive we recommend a ten year horizon as aligning with the timeframes set for long-term planning purposes. For a service that is asset intensive, we would suggest that 30 years is the absolute minimum and that good practice would be to consider costs over the lifecycle of the asset.

A robust costing of different options needs to be as much on a like for like basis as possible. That means taking the projected levels of service, projects and expenditures signalled in the activity plan and projecting them across the different options consistently. We've all seen studies that claim that a particular favoured option projects savings, where savings have turned out to come from reductions in levels of service or deferral of work.

Sometimes an activity management plan contains a project or programme added purely for political reasons, where alternative governance such as a CCO or a private sector agency would probably not proceed with. In these instances it is acceptable to remove these projects or programmes, but document these as part of your analysis.

And then the next part of the costing involves making assumptions about the form of delivery, its structure and method of operation. Again document all assumptions and your rationale for selecting these.

In costing different options it may be useful to draw comparisons from other local authorities where a particular governance or delivery option is employed. For example, those few local authorities that still collect waste 'in house' will probably find a wealth of information from those where the service is outsourced.

Watch for the so-called "stranded overheads". These are corporate level costs that will not transfer in the event that a service that will not transfer in the event that a service moves to a CCO, divested etc.

### Service delivery reviews and performance improvement methodologies

Many local authorities use performance improvement tools such as Baldrige, balanced scorecard, six sigma and the like. These can be useful support tools and the metrics that they generate can provide useful information with which to judge the effectiveness of service delivery (a service that is meeting performance standards is, or should be effective by definition). These frameworks also provide useful thinking about the overall direction your review process should take.

However the *section 17A* test is a legal standard and requires a judgement of cost effectiveness. The legal standard takes precedence over anything that an off the shelf methodology will tell you. Be wary about relying solely on these tools as the basis for your judgements.

### Benchmarking with other local authorities

Another common analytical technique is to benchmark performance with other comparable local authorities. While the term benchmarking may immediately conjure images of “league tables”, many local authorities maintain informal benchmarking with peer groups across selected services. That might, for example, include comparisons of outcome information, levels of service, costs, resources employed, and funding needs and sources.

With careful design and interpretation, benchmarking can reveal areas where your local authority's financial or non-financial performance is an outlier (that is, either the exemplary or execrable). For example, if your local authority is delivering a service that meets the council's objectives, to a higher standard than others, and at less cost that's probably a good indicator of cost-effectiveness.

If you are interested in doing benchmarking for this purpose alone, try to find peer councils that use different service delivery models (where these exist). If all local authorities are delivering using the same model then the information from benchmarking may not be a good basis to assess the effectiveness of different options.

### Refinement options

Although not a statutory requirement, it is good practice to consider whether there are opportunities for efficiency gains even if your model is the most cost-effective of the options. Some of the options might include:

- a redesign of existing processes for delivering the service, for example, by removing duplicate collection of information
- investing in training and development of staff so that staff are able to ‘multi-task’ and handle more than one aspect of a regulatory process
- the selective use of technology – for example moving a service online to make the service available 24/7 or remove the need for people to physically come to the council office
- revisiting how and when governance input is necessary and when it not – for example by reviewing the delegations to take decisions. Remission and postponement of rates is a good example. Some applications might have a strategic element to them, but most are purely administrative and may not need authorisation by council or council committee.<sup>8</sup>

### Engagement

There are no direct obligations to engage the community when undertaking a service delivery review. Your local authority may need to engage in circumstances where the review triggers an obligation under your significance and engagement policy. Your local authority may have to engage if the review suggests a change is necessary – for example if your local authority decides it wishes to establish a CCO as a result of the review.<sup>9</sup>

It's worth remembering that you are obliged to consider community views and preferences when making any decision under the *Act*. Depending on the information you already hold on views and preferences you may need to obtain, update, or get more specific information in regards community views and preferences. In particular if significant change is a serious option then your local authority should err on the side of caution. In these instances it would be wise to regard consultation as being in accordance with *section 82* of the *Act*.

<sup>8</sup> A good example of the former is a rate remission or postponement for economic development purposes, a good example of the latter is the power to waive a penalty on an overdue rate.

<sup>9</sup> *Section 56, LGA*.

## Alternative models

There is a wide range of literature (especially from overseas) available about the merits of different approaches to delivery. Often it is service specific – for example there is a great deal of research on alternative models for providing water services.

As a general rule the service might be a better candidate for shared service if:

- *there is evidence that economies of scale (savings from doing things on a bigger scale) or economies of scope exist* – but be careful that the evidence you base this on is robust and not merely opinion masquerading as evidence
- *the service requires a high level of specialist or technical expertise* – for example, some local authorities currently exploring delivery of water services by CCO see benefits from sharing expertise in both the strategic and technical aspects of asset management
- *the service is high volume and there is little variation in service delivery* – if the service is provided to or used in a relatively standard way then it may be a candidate for moving into a shared service arrangement. Don't forget many of today's shared services organisations have their roots in agglomerating back office functions such as debt collection
- *the service is non-strategic* – some services may play an important role in the achievement of your local authority's strategic objectives, in these cases it may be wise for your local authority to retain funding and governance control
- *the service would benefit from the application of commercial disciplines* – often this means that your local authority should consider both shared service, CCO type organisations and delivery by the private sector as alternative options
- *there are legal or regulatory barriers that impede your being able to deliver the service efficiently* – the establishment of Metrowater and Manukau Water<sup>10</sup> are both historic, but still relevant, examples. The councils wanted to be able to use pricing to manage demand and found the tools available under the *Rating Act* did not achieve everything the council wished to, so these CCOs were formed and given powers to charge volumetrically for wastewater
- *the service is self-contained* – that is to say it's not closely linked to other services. For example, few local authorities would seriously consider forming a CCO (or outsourcing) delivery of their wastewater disposal services alone, because they are so closely linked with the provision of drinking water.

Additionally a service might be a better candidate for delivery by a private sector organisation (e.g. a company):

- *there is an ability to charge for the service* – in particular there are cost-effective means to exclude people from using or accessing the service
- *the service has a low level of community or political interest*
- *the service is exposed to commercial risk* – for example, there are many active private sector competitors<sup>11</sup>
- *there are a large numbers of potential providers* – meaning that your local authority can secure the 'best value' through running a competitive tender process
- *the service requires investment in new technologies.*

Additionally, a service might be a better candidate for delivery by a community or voluntary sector agency if:

- the objectives for providing the service are wholly or primarily non-commercial

<sup>10</sup> These were CCOs of the historic Auckland City Council and Manukau City Council that were subsumed into Watercare (and now Auckland Water) during the amalgamation of 2010.

<sup>11</sup> It is an open question whether an activity that has multiple private sector competitors sits with the purpose of local government. In particular can a service that has multiple private sector competitors truly be said to be a public service?

- there is little or no ability for the deliverer to charge for the service – generally this means your local authority will retain a role in funding the service
- the community or voluntary sector provider has a better track record of identifying and engaging with the primary users or beneficiaries of the service than your local authority (this might especially be the case with parts of the community that have traditionally been regarded as hard to reach)
- the provider has better networks within the community – one of the ‘coming ideas’ from English local government is the notion of local government building the capacity of the community to help itself through judicious partnering with, and development of, of the community and voluntary sector.<sup>12</sup>

### 3.5 Documenting your results

The decisions you take will be scrutinised, especially those decisions that involve the movement of services into and out of council delivery. In rare instances a decision to retain the status quo may even attract scrutiny. You will need to have evidence on hand that you have met the obligations of s17A.

The essential elements that need documenting are the:

- name of the service
- trigger (level of service, contract, expiry of the six years) or whether you are doing the review voluntarily
- decision whether or not the costs of doing the review outweigh the benefits and your basis for reaching that conclusion
- identification of options, and a statement as to whether each is reasonably practicable (and if not, why not)
- consideration of the costs and benefits of each option
- conclusion and recommendations for further analysis (if any).

SOLGM advises local authorities to develop a template to help ensure that each review has a clear trail of evidence. The template and working paper in the appendices to this guide are one way of meeting the obligations. However it's important that the template not force the way that your local authority undertakes any individual review, the important thing is to be systematic in your identification and analysis of options.

<sup>12</sup> For example, see the New Local Government Network, Local Government and the Commons.

## 4 SERVICE DELIVERY REVIEW TEMPLATE

### Author's notes:

The template that follows is one way of meeting the legislative requirements, and is consistent with the guidance above. It is intended to be 'scalable' to the size of the review. Readers are encouraged to amend, add or subtract as meets the needs of their local authority – noting that SOLGM advises that templates receive a legal review before their first use.

The template is not as scary as it looks. It presents different combinations of options for funding, service delivery and governance. Having rejected some options will generally lead to the rejection of others. For example, if delivery by CCO is not feasible or viable and cost effectiveness then rejection of option 2 in the template, means that generally options 3,7, and 8 will also be rejected.

Don't forget that there may be other reasonably practicable options that you need to look at.

Present arrangements	
Name of the service and scope	(Identify the service and briefly describe the service. Try to keep this consistent with descriptions of the service in documents such as the long-term plan, asset/activity plan etc.)
Rationale for service provision	<p>(Describe the reasons why the service is provided. Please consider:</p> <ul style="list-style-type: none"> <li>• the community outcomes that the service contributes to</li> <li>• any council strategy or plan that this service contributes to</li> <li>• any legal requirements to provide or have the service provided).</li> </ul> <p>The rationale should be consistent with any rationale for the service stated in the long-term plan.</p>
Present arrangements	(Briefly describe the current arrangements for governing, funding and delivery of the service).
Last review	(When was the last review of this service undertaken? Briefly describe the results of the review.)
Performance	<p>(Describe how the council knows or is able to assess the effectiveness of the current arrangements in achieving the rationale for service delivery.</p> <p>Consider levels of service and performance measures for the activity. You might also consider any benchmarking information that is available.)</p>
Cost	(Note the total operating and capital cost of the service over the past three and next 10 years).



Decision to review	
Why is the review required? (s17A(2))	<p>(Describe the reasons why the review must be undertaken. Either:</p> <ul style="list-style-type: none"> <li>• there is a significant change to a relevant level of service – don't forget that this includes increases and decreases</li> <li>• a contract for delivery of the service is due to expire within 2 years or</li> <li>• it has been six years or more since the last review of service delivery under <i>section 17A</i> was undertaken or</li> <li>• set out other reasons for undertaking the review.)</li> </ul>
Does the cost of undertaking a review outweigh the benefits? (s17A(3))	<p>(Consider:</p> <ul style="list-style-type: none"> <li>• the anticipated cost of the review</li> <li>• the total cost of providing the service – both operating and capital</li> <li>• the elapsed time since the last review</li> <li>• any changes in the policy and regulatory environment since the last review</li> <li>• the effectiveness of current arrangements</li> <li>• the ability of other local authorities to participate in the review</li> <li>• cost and capacity implications – especially where those relate to a statutory function</li> <li>• views and preferences of the users/beneficiaries of the service and of the community.)</li> </ul> <p>Author's note: If your local authority has other criteria it wishes to have considered as part of this process, it should include/substitute as desired.</p>
Recommendation whether or not to review	<p>(Record your recommendation to review and your reasons for undertaking or not undertaking the review.</p> <p>Recommendations require the approval of [insert name of delegated officer])</p>
Place in review programme	<p>(Describe the service's place in the review programme (if any). How urgent is the review, and what are your reasons for reaching this conclusion)</p>

<b>Analysis of options</b> (The options listed below are those listed in s17A(4))	The Working Paper on page 25 has been developed to document the analysis in more detail.
1. Governance, funding and delivery by (insert your council name).	(Insert summary comment on the cost effectiveness of this option – your evidence base should be appended.)
2. Governance and funding by (insert your council name) with delivery by a CCO wholly owned by (insert your council name).	(Insert summary comment on the cost effectiveness of this option – your evidence base should be appended.)
3. Governance and funding by (insert your council name) with delivery by a CCO partly owned by (insert your council name) and partly owned by other local authorities.	(Insert summary comment on the cost effectiveness of this option – your evidence base should be appended.)
4. Governance and funding by (insert your council name) with delivery by another local authority.	(Insert summary comment on the cost effectiveness of this option – your evidence base should be appended.)
5. Governance and funding by (insert your council name) with delivery by a person or agency not listed above.	(Insert summary comment on the cost effectiveness of this option – your evidence base should be appended.)
6. Governance and funding by joint committee or other shared governance with delivery by (insert your council name)	(Insert summary comment on the cost effectiveness of this option – your evidence base should be appended.)
7. Governance and funding by joint committee or other shared governance with delivery by a CCO wholly owned by (insert your council name).	(Insert summary comment on the cost effectiveness of this option – your evidence base should be appended.)
8. Governance and funding by joint committee or other shared governance with delivery by a CCO partly owned by (insert you council name) and partly owned by other parties.	(Insert summary comment on the cost effectiveness of this option – your evidence base should be appended.)

9. Governance and funding by joint committee or other shared governance with delivery by another local authority.	(Insert summary comment on the cost effectiveness of this option – your evidence base should be appended.)
10. Governance and funding by joint committee or other shared governance with delivery by a person or agency not listed above.	(Insert summary comment on the cost effectiveness of this option – your evidence base should be appended.)
11. Other reasonably practicable options (identify in detail).	(Insert summary comment on the cost effectiveness of this option – your evidence base should be appended.)
<u>Conclusion</u> Which of the above options is most cost effective?	(Insert comment on most cost-effective option.)
Recommendations from the service delivery review:	<p>(Insert recommendations, note this includes a decision to retain the status quo.</p> <p>Please include recommendations for any next steps such as whether engagement is required (and why?)</p> <p>Where your recommendation is for a separation of governance and delivery you will need to ensure a contract or other binding arrangement is in place. This should include:</p> <ul style="list-style-type: none"> <li>• service levels and the associated performance measures and targets</li> <li>• how performance will be assessed and reported on</li> <li>• funding</li> <li>• risk management</li> <li>• any sanctions or other means for enforcing performance and accountability expectations.)</li> </ul>

## 5 WORKING PAPER: ANALYSIS OF OPTIONS

Authors note: The working paper that follows has been designed to work in conjunction with the template in the proceeding pages. It is intended to be 'scalable' to the size of the review and to help those conducting the reviews to draw the evidence together. Readers should note that this is a device for recording evidence to support their conclusions – this working paper is not a substitute for the generation of this evidence.

Options analysis: Name of service review	
Name of the option	<p>(Insert the option name here – include <i>section</i> reference from the <i>LGA</i>.)</p> <p>Is this the 'status quo' option?</p>
Feasibility	<p>Is a change to governance or delivery subject to a contract or binding agreement that is not reasonably practicable to alter in the next two years? If not, why not?</p> <p>Is the option feasible under current law – if not, why not?</p>
Community views and preferences	<p>Note any relevant information that your council holds on community views and preferences. Also include an assessment of when and how this information was gathered and how 'on point' this is to the issue at hand.</p> <p>Authors note: This is not an obligation to engage or consult in and of itself.</p>
Assessment of the effectiveness of this option	<p>How would this option impact on</p> <ul style="list-style-type: none"> <li>(i) the achievement of the council's objective(s) for the service</li> <li>(ii) the use of, experience of, or benefit received by the users or beneficiaries of the service?</li> </ul> <p>Be objective in your assessment and be prepared to justify your assessment with evidence.</p>

Cost of the options	<p>Identify the operating and capital cost for the option. SOLGM recommends taking a ten year horizon – unless the service is one of the mandatory inclusions in the infrastructure strategy (in which case thirty year horizons might be justified).</p> <p>Be prepared to justify your comments with objective analysis.</p>
Overall assessment of cost-effectiveness	Record your judgement of the overall cost effectiveness of the option.
Enhancements to status quo option	If this option is the status quo option, then are there any enhancements that would improve the cost effectiveness of the option.



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## Report

File Ref	GDC
<b>To</b>	Paul Withers, Group Manager, District Assets, Gore District Council
<b>From</b>	Richard Kirby, Richard Kirby Consulting Ltd
<b>Date</b>	2 <sup>nd</sup> August 2016
<b>Subject</b>	<b>Gore District Council Roading – LGA s17A Review Management and Service Delivery Options</b>

### 1.0 Purpose

The purpose of this report is to review the governance, management and service delivery options for the Roading Activity undertaken by the Gore District Council. The objective is that this review would comply with the requirements of a Local Government Act 2002 (the Act) section 17A.

### 2.0 Scope

As outlined in the Act, a service delivery review is a process of determining whether the existing means for delivering a service remains the most efficient, effective and appropriate means for delivering that service.

A local authority must review the cost-effectiveness of current arrangements for meeting the needs of communities within its district or region for good-quality local infrastructure, local public services, and performance of regulatory functions

The Act requires that a service delivery review should periodically assess *“the cost-effectiveness of current arrangements for meeting the needs of communities within its district or region for good quality local infrastructure, local public services, and performance of regulatory functions”*.

Any review must be undertaken:

- a) *in conjunction with consideration of any significant change to relevant service levels; and*
- b) *within 2 years before the expiry of any contract or other binding agreement relating to the delivery of that infrastructure, service, or regulatory function; and*
- c) *at such other times as the local authority considers desirable, but not later than 6 years following the last review under subsection (1).*

The Act allows for some discretion under s17A(3), where a local authority is not required to undertake a review:

- a) to the extent that the delivery of that infrastructure, service, or regulatory function is governed by legislation, contract, or other binding agreement such that it cannot reasonably be altered within the following 2 years; or*
- b) if the local authority is satisfied that the potential benefits of undertaking a review in relation to that infrastructure, service, or regulatory function do not justify the costs of undertaking the review.*

The review must consider options for the governance, funding and delivery of services<sup>1</sup>, and require specified options to be considered. Section 17A(4) of the Act outlines these options as follows;

*A review under subsection (1) must consider options for the governance, funding, and delivery of infrastructure, services, and regulatory functions, including, but not limited to, the following options:*

- (a) Responsibility for governance, funding, and delivery is exercised by the local authority:*
- (b) Responsibility for governance and funding is exercised by the local authority, and responsibility for delivery is exercised by—*
  - (i) A council-controlled organisation of the local authority; or*
  - (ii) A council-controlled organisation in which the local authority is one of several shareholders; or*
  - (iii) Another local authority; or*
  - (iv) Another person or agency:*
- (c) Responsibility for governance and funding is delegated to a joint committee or other shared governance arrangement, and responsibility for delivery is exercised by an entity or a person listed in paragraph (b);(i) to (iv).*

## 4.0 Present Arrangements

### 4.1 Quantum

The Gore District roading network comprises of 896 kilometres of roads, with 358 kilometres sealed and 538 kilometres unsealed. There are 99 kilometres of footpath, 90 bridge structures and 25 culverts greater than 3.4m<sup>2</sup>. The total roading budget for the roading activity is \$7.67 million comprising \$4.82 million of operational expenditure and \$2.85 million of capital expenditure.<sup>2</sup> The

<sup>1</sup> *Governance relates to strategic direction and decisions about a service, funding relates to how finance is provided to deliver that service, and delivery is how the service is provided.*

<sup>2</sup> *Based on the Gore District Council LTP 2015/16 for the roading activity.*



figures used in this report are based on the 2015/16 financial year and this year is considered to be typical of Council's ongoing roading investment.

## 4.2 Rationale

The Gore District Council has stated *that roads, bridges, and footpaths are provided and maintained to ensure safe and efficient passage of people and goods throughout its community, contributing to the effective functioning of the community and economy. Public ownership of the roading network ensures appropriate property access and freedom of travel throughout the District for all residents and visitors. Well maintained roads, footpaths, and street lighting provide for the safe and efficient travel of motor vehicles, cyclists, and pedestrians.*<sup>3</sup>

As the Council is the road controlling authority under the Local Government Act 1974, it has responsibility for all legal road (excluding state highways) within the Gore District.

## 4.3 Governance

The Gore District Council comprises a Mayor and 11 Councillors, which provide governance for the roading activity within the Gore District. Council is also represented on the Environment Southland Regional Transport Committee. Environment Southland and the Otago Regional Council have aligned their two Land Transport Plans to produce the Otago Southland Regional Land Transport Plans. These plans encompasses the Gore District.

Council also has its own Roding Asset Management Plan, which guides its governance, management and service delivery functions. It summarises how Council manages the Roding Activity and it has a planning horizon of 10 years. At a governance level it explains Council's key performance targets and measures and the funding requirements to deliver them.

## 4.4 Management

The roading activity is the responsibility of the Group Manager – District Assets, who reports to the Chief Executive. A Roding Manager and two Roding Engineers report to the Group manager and are primarily dedicated to the roading activity. These positions are employed by the Council.

The two Roding Engineers are employed within an internal business unit of Council. The Roding Manager essentially fulfils an ownership role, but does undertake some of the other roles in facilitating the delivery of services. The two Roding Engineers primarily undertake contract management and customer interface roles. Out-sourcing of the contract management role is specifically targeted at clearly defined projects and/or those requiring specialist input.

The Council has a professional services contract with Southland District Council, which has a contract with consultants MWH. Under that contract MWH provide professional services to the Gore District Council. All professional services and physical works associated with the roading activity is procured in accordance with the Council's NZTA approved Procurement Strategy.

The design, specification and supervision of major work is generally outsourced.

<sup>3</sup> Excerpt from Gore District Council LTP 2015/16 for the roading activity

## 4.5 Funding

The roading activity is funded as follows (as per LTP 2015/16);

- Targeted Rate \$2.283 million
  - NZTA Funding Assistance \$2.122 million
  - Other Revenue<sup>4</sup> \$0.992 million
- Total Revenue \$5.397 million**

## 4.6 Service Delivery

The service delivery role is primarily outsourced. This is not unusual for Councils in New Zealand as it is primarily the simplest way of attracting NZTA funding. For Gore District Council, the key functions in the roading activity and their associated outsourcing mechanisms are outlined in the following Table 4.6;

**Table 4.6 Outlining Outsourcing Mechanisms for Roothing Functions**

Function	Operations and Maintenance	Capital – Renewals and New
Projects (Minor safety and other specific projects)	Not applicable	Specific one-off Contracts
Road Corridor and Carriageway	Maintenance Contract (Downer until 30 June 2018)	Maintenance Contract (Downer until 30 June 2018)
Bridges and Structures	Maintenance Contract (Downer until 30 June 2018)	Specific one-off Contracts
Streetlighting	Streetlighting Contract (Otago Power Services until 30 June 2018)	Streetlighting Contract (Otago Power Services until 30 June 2018)
Roadmarking	Maintenance Contract (Downer until 30 June 2018)	Not applicable
Resealing	Not applicable	Specific Annual Contract
Footpaths and vehicle crossings (unsubsidised)	Maintenance Contract (Downer until 30 June 2018)	Maintenance Contract (Downer until 30 June 2018)

## 4.7 Statutory Framework for Service Delivery

The Land Transport Management Act 2003 (LTMA) gives clear direction on the procurement of suppliers in the delivery of roading outputs. The relevant parts of the LTMA are;

- a. LTMA s25 (1) requires Council (approved organisation under the LTMA) to have procurement procedures approved by the New Zealand Transport Agency (NZTA). These procurement

<sup>4</sup> Other revenue comprises petrol taxes (\$102k), grants (\$331k), internal recoveries (\$172k), Reserves (\$196k), reimbursements (\$57k) and loans (\$134k).

procedures must be designed to obtain the best value for money spent in the roading activity where funding is required from the Land Transport Disbursement Account.

- b. LTMA s25 (2) requires the procurement procedures to have regard to enabling persons to compete fairly for the right to supply roading outputs, provide 2 or more persons are willing and able to provide those outputs.
- c. LTMA s25 (2) requires the procurement procedures have regard to encouraging competitive and efficient markets for the supply of roading outputs.
- d. LTMA s25 (4) states that it is a condition of every procurement procedure that Council must procure a provider that is not Council itself or its employees.
- e. However LTMA s25 (5) states that nothing in s25 (4) prevents Council from procuring its own business unit in the provision of minor and ancillary works on terms approved by NZTA.

The LTMA also outlined exemptions to the clauses outlined above. The relevant exemptions that may influence this review are outlined as follows;

- a. LTMA s26 (a) states that where the costs of the procurement are disproportionate to the value of the proposed activity or combination of activities then this is exempt of s25 requirements. Although this is not likely to influence the options assessed within this review, it could influence the procurement options for smaller scale activities within each option.
- b. LTMA s26 (b) states any approved administrative activity is exempt, provided it is approved by NZTA. Although this is not likely to influence the options assessed within this review, it could influence the procurement options for the administration aspects within each option.
- c. LTMA s26 (c) states that s25 does not apply in respect of in-house professional services that are approved by the NZTA. These are in-house professional services utilising either Council's own staff and assets or another Council's staff and assets. It should be noted that NZTA approval would probably be conditional on proof that utilising in-house staff and assets would obtain best value for money outputs.

There appears to be no opportunity for Council to utilise its own staff and assets to deliver anything other than administration and professional services. The closest Council could get to this option would be to establish a CCO (Council Controlled Organisation) which would then have to compete with other suppliers. Establishing a CCO would require investment in capital and personnel. If Council wanted to consider this, as a minimum it would need to undertake a rigorous business case to support such a decision. Council's roading activity is sufficiently small in scale that should the supplier market become constrained or depleted, this option could prove to be viable.

## 4.8 Regional Roding Activities

Council's neighbouring councils include Southland District Council, Invercargill City Council, Clutha District Council, Central Otago District Council and Queenstown Lakes District Council. The following Table 4.8 compares the roading networks for these Councils.

**Table 4.8 Roding Network Comparisons\***

		<b>GDC</b>	<b>SDC</b>	<b>ICC</b>	<b>CDC</b>	<b>CODC</b>	<b>QLDC</b>
<b>Sealed Network</b>	<b>km</b>	358	1959	703	776	490	473
<b>Unsealed Network</b>	<b>km</b>	538	3003	227	2140	1360	398
<b>Structures</b>	<b>No</b>	114	857	51	361	176	97
<b>Annual O&amp;M</b>	<b>\$m</b>	4.8	13	13.7	5.5	6.4	8.4
<b>Capex</b>	<b>\$m</b>	2.8	20	3.4	11.1	4.9	12.7
<b>Rural</b>	<b>%</b>	60	95	58	80	80	69
<b>Urban</b>	<b>%</b>	40	5	42	20	20	31

*\*Information obtained from various LTP 2015/25 and Asset Management Plans*

This table indicates that the scale of the Council's roding network is significantly smaller than the others in the region. This does not necessarily compromise Council's influence in any collaborative initiatives. Council should always be open to achieving greater efficiency and effectiveness. To achieve this Council may need to consider relinquishing its direct governance and management role. Any such consideration would need to be with the assurance that the most effective and efficient delivery model is explored and implemented.

## **4.9 Regional Collaboration**

The Mayors and Chief executives of the Councils within the Southland region meet on frequent occasions to discuss relevant matters. At a recent meeting it was mooted that given the successes in collaboration amongst Councils in southern Canterbury and in the Waikato, that Southland should also consider pursuing similar types of collaboration. This was specifically focused at the roding activity. The outcome was general agreement that this should be considered further.

This s17A review does outline and assess the various options that Council could pursue should such regional collaboration progress any further.

## **5.0 Decision to Review**

### **5.1 Why is a Review Required?**

In early 2016, the Council's Roding Manager resigned and left the Council to take up a similar position with another Council. This resignation prompted the Chief Executive to initiate a review of the Roding Activity before deciding whether or not to appoint a new Roding Manager. In the interim Council has seconded a Roding Manager on a part time temporary basis.

### **5.2 Does the cost of undertaking a Review outweigh the Benefits?**

The Council has decided that given the smaller size of its roding activity compared to adjacent councils plus the opportunities of collaborating with these adjacent Councils and with NZTA, that a review is justified.

### 5.3 Objective of the Review

The primary objective of this review is to comply with the requirements of the Local Government Act (the Act) section 17A. Although a s17A review has the primary objective of determining which options are the most cost-effective, Council has the opportunity to include other aspects such as improving consultation or delivering enhanced customer services. In this case Council has only focused on the primary objective of determining the most cost-effective options.

## 6.0 Role Definition, Allocation and Costs

### 6.1 Overview

It is imperative that the various roles within the governance, management and delivery of roading services are clearly defined. This review has been undertaken in the context of clearly defined roles. Role definition, if not undertaken effectively, could compromise the cost-effective delivery of the roading activity.

There are three primary roles in the delivery of the roading activity. These are also generic to the other infrastructural activities. The three roles are;

1. **The Owner/Client** – the steward of the roading activity on behalf of the district community. Essentially comprising the governance and management functions, providing clarity of vision and outcomes in the delivery of services;
2. **The Enabler/Specifier** – Translating the vision and outcomes into key performance targets and measures, ensuring the service delivery is clearly specified. This role may also include specialist technical expertise for some of the functions;
3. **The Service Deliverer** – essentially provides the expertise and resources to deliver the services specified. The service deliverer primarily operates at the ‘coal face’ of service delivery.

The analysis of the various options in this review will address the first two roles and how they could be allocated and resourced to maximise the cost-effective delivery. The service delivery role is currently out-sourced through competitive bid, so it is likely that there are sufficient mechanisms to ensure its cost-effective delivery.

### 6.2 Owner/Client Role

The core role of the Owner/Client is within the governance and management functions. The owner/client role has the overall responsibility for the roading activity. Councils are the owners and stewards of the local roading infrastructure on behalf of their communities.

Consequently, it is considered that the owner/client role should be retained within Council. It is imperative that Council directly employs appropriate expertise to maintain its ‘smart’ capability to cost-effectively deliver its governance and management role.

The specific functions undertaken by this role are;

- a) **Network Management** – managing all the aspects related to governing the roading activity.

- b) **Journey Management** – managing the customer enquiries and consultation related to the roading activity, including the road corridor management responsibilities.
- c) **Contract Management** – managing the operational and maintenance contracts. These contracts are also linked to the journey management role.

The Journey Management and Contract Management roles carry a greater uncertainty in terms of inputs. Dealing with customer enquiries and managing maintenance contracts cannot be scoped accurately. By their very nature they are entirely dependent on daily events that cannot be accurately predicted. Outsourcing these roles with either fixed sum or time cost is not the most cost-effective delivery option. Retaining them in-house is considered to be the most cost-effective option.

Table 6.5 lists and allocates responsibility for the various tasks associated with these 3 functions. Some of the tasks could be delegated to the enabler/specifier and the Table 6.5 outlines these with a ‘?’.

### 6.3 Specifier/Enabler Role

The specifier/enabler role comprises the translating of the owner/client’s vision and outcomes into key performance targets and measures. These must clearly specify how the services should be delivered. This role is responsible for inventory management, contract documentation and contract management. It may include specialist technical expertise for some of the functions. This role is essentially a link between the owner and the service deliverer.

This role could be delivered in-house by Council. It would need to be established as an internal business unit with the necessary performance indicators in order to attract NZTA funding. Council has established an internal business unit for its roading professional services.

This role can be defined and scoped with a degree of certainty so it could be outsourced. The specific functions undertaken by this role are;

- a) **Inventory Management** – managing the inventory including data collection, condition rating, treatment selection algorithms and information outputs for the roading network.
- b) **Contract Documentation & Management** – undertaking the preparation of contract documentation, including design and specifications. Implementing procurement comprising tender advertising, evaluation and reporting. Providing specialist expertise as required for specific contracts.
- c) **Specific Technical Expertise** – undertaking network inspections, developing and monitoring maintenance and renewal intervention strategies, undertaking bridge and other structure inspections and processing overweight permit applications and undertaking geotechnical assessments.

Table 6.5 lists and allocates responsibility the various tasks associated with these 3 functions. Some of the tasks can be delegated to the service deliverer and the Table 6.5 outlines these with a ‘?’.

### 6.4 Service Delivery Role

The service deliver role essentially provides the expertise and resources to deliver the services specified. The service deliverer is primarily involved in the physical works aspects related to maintenance activities, renewal and capital projects.

Table 6.5 below lists and allocate responsibility for the physical works tasks.

## 6.5 Task Allocation within Roles

The following Table 6.5 lists and allocates the various tasks within the 3 roles in the roading activity.

**Table 6.5 Allocating the Tasks to the 3 roles in the Roding Activity**

Roles and Functions			Function Delivery Allocation		
			In-House	Outsourced	
				Professional Services	Contractor Services
Owner	Network Management	Reporting to and Advising Councils	✓		
		Overseeing Delivery of Roding Activity	✓		
		Overseeing Development and implementation of LoS	?	✓	
		Responsible for Development of Technical LoS	?	✓	
		Responsible for Land Transport AMPs	✓		
		LT Programme and FWP	✓		
		Stakeholder Consultation	✓		
		Network Modelling and Demand Forecasting	?	✓	
	Journey Management	Customer Service Requests/Inquiries	✓		
		Corridor Access Requests	✓		
		Consultation on LoS Delivery	✓		
		Road Safety	✓		
		Traffic Management Plans	✓		
	Contract Management	Operations and Maintenance Contracts	✓		
		Consulting on Specific Projects	?	✓	
		Incident Callouts and Emergency Management	✓		
Enabler/Specifier	Inventory Management	Condition Rating		✓	
		Inventory Data Collection and Validation		✓	
		Treatment Selection Algorithms		✓	
		Traffic Count Programme		✓	
		Valuations		✓	
		Roding Portion of GIS Data		✓	
	Contract Documentation and Management	Design		✓	
		Specifications		✓	
		Tendering, Evaluation and Recommendations		✓	
		Procurement		✓	
		Project Management and Supervision		✓	
	Specific Technical Expertise	Maintenance Intervention Strategies		✓	
		Renewal Intervention Strategies		✓	
		Network Inspections		✓	
		HPMV and Overweight Permits		✓	
		Bridges and Structures		?	✓
		Geotechnical		?	✓
Service Delivery	Maintenance, Renewals and Capital	Carriageway, Berms and Road Corridor			✓
		Bridges, Culverts and Structures			✓
		Streetlighting			✓
		Footpaths			✓
		Traffic Services and Signage			✓
		Drainage			✓
		Street Cleaning and Litterbins			✓

## 6.6 Role Costs

### 6.6.1 Owner and Enabler/Specifier Professional Services

The ownership role comprises various tasks as outlined in Table 6.5 above. Council currently employs a Group Manager – District Assets, a Roding Manager (currently vacant) and two Roding Engineers as outlined in section 4.4.

The Group Manager is not entirely dedicated to the roading activity and the costs of this position are included in the overheads (\$259,067) that are charged to the roading activity.

The other three positions (Roading Manager and two Roading Engineers) are charged directly to the roading activity. For this report these three positions are described as internal professional services.

The costs of both the internal and external professional services used in the roading activity are outlined in Table 6.6.1 below. Currently Council does not allocate professional services to specific tasks so the costs of the owner role cannot be accurately determined. It is likely that the internal professional services also undertake some of the enabler/specifier roles. The cost of the internal professional services is around \$314,000 per annum.

Council has engaged Southland District Council to undertake its external professional services. Southland District Council has contracted MWH as its external consultant and MWH provide the external professional services to Gore District Council. The costs of the external professional services is around \$169,000 per annum.

The physical works costs for the roading activity total is around \$3,956,000 per annum. The internal and external professional services (\$463,858) equates to around 11% of the total cost of physical works plus professional fees (\$4,439,000).

The generally accepted market position for professional services for the roading activity is generally between 10-12% of the physical works plus professional services costs. Of that it would be expected that approximately 30-40% would be allocated to undertaking the ownership role tasks and the remaining 60-70% the enabler specifier role. There is no fixed rule on this it is just an indication.

**Table 6.6.1 Professional Fees (internal and external)<sup>5</sup>**

	Physical Works		Professional Services			Total Roding Programme (\$/yr)
	(\$/Yr)	Internal	External	Total		
		(\$/Yr)	(\$/Yr)	(\$/Yr)		
TLA/NZTA Investment Programme (Subsidised)						
Gore District Council	\$	3,438,090	\$ 294,858	\$ 169,000	\$ 463,858	\$ 3,901,948
Sub Total TLA/NZTA Programme	\$	3,438,090	\$ 294,858	\$ 169,000	\$ 463,858	\$ 3,901,948
TLA Investment Programme (non subsidised)						
Gore District Council	\$	518,145	\$ 18,821	\$ -	\$ 18,821	\$ 536,965
Sub Total TLA Programme	\$	518,145	\$ 18,821	\$ -	\$ 18,821	\$ 536,965
Total Roding Programme	\$	3,956,234	\$ 313,679	\$ 169,000	\$ 482,679	\$ 4,438,913

## 6.6.2 Commentary on Gore District Council Professional Services

The total cost of the professional services (\$463,858) translates to around 11% of the total roading cost. This is considered to be within the generally accepted market position of 10-12%.

The internal professional services are around 65% of the total professional fees. It is likely that the internal professional services are undertaking the ownership role and a portion of the enabler/specifier roles. This probably needs further investigation. There is an opportunity to refine, and if appropriate, modify specific roles and tasks within the job descriptions of the internal professional services. Concurrently there is also the opportunity of refining and amending the roles and tasks of the external professional services. This would enhance the effectiveness and efficiency

<sup>5</sup> All figures are based on Gore District Council LTP 2015/16 for roading activity.



of the whole professional service delivery, and minimise duplication of roles and ensure everything is included.

The assessment of the current resources at Council's disposal suggests that;

1. Council retain the Roding Manager role in-house as it is pivotal to ensuring appropriate expertise remains in-house. It is important that Councils do directly employ appropriate skills and expertise to maintain their 'smart' buyer capability;
2. Council review the tasks within the ownership and enabler/specifier roles to determine which are more appropriately undertaken in-house and which could be out-sourced. Without predetermining the outcomes of this task review, indications are that Council could probably justify one roding engineer in-house and depending on what it wanted to out-source it would need to justify a second roding engineer.

Council also has the option of bringing all the professional services in-house. This option would need a 'best value for money' exercise undertaken to not only give Council confidence but also NZTA so that it attracted funding from the Land Transport Disbursement Account.

## 7.0 Analysis of Options

### 7.1 List of Options

The Local Government Act 2002 (the Act) is clear that the following options need to be analysed for the whole roading activity. Given that the Act is intended to cover the range of Council sizes and scale, some of these options are not necessarily applicable to Council. The following Table 7.1 outlines the various options that need to be assessed across governance, funding and service delivery.

**Table 7.1 Summary of Options as outlined in LGA s17A [4]**

Options	Governance	Funding	Service Delivery
<b>1</b>	Council		
<b>2</b>	Council		a) Council CCO b) Joint council-owned CCO c) Another Council d) Another person or entity
<b>3</b>	Delegated to a Joint Committee or other shared governance arrangement		a) Council b) Council CCO c) Joint council-owned CCO d) Another Council e) Another entity
<b>4</b>	Other options for delivery can be considered.		

Each of the options outlined in Table 7.1 are described in more detail as follows;

- Option 1** the governance, funding and service delivery functions are undertaken entirely by Council. Council would directly employ the necessary expertise and resources to undertake all three functions.
- Option 2 (a)** the governance and funding are undertaken by Council with the service delivery by a CCO wholly owned by Council. It is likely that the CCO would be engaged via a contract or a service level agreement.
- Option 2 (b)** the governance and funding are undertaken by Council with the service delivery by a CCO partly owned by Council and partly owned by other councils. It is likely that the CCO would be engaged via a contract or a service level agreement.
- Option 2 (c)** the governance and funding are undertaken by Council with the service delivery by a CCO wholly owned by another Council. It is likely that the CCO would be engaged via a contract or a service level agreement.
- Option 2 (d)** the governance and funding are undertaken by Council with the service delivery by a person or entity. This person or entity would most likely be engaged in a

formal contract and depending on the risks and scale could be via a service level agreement.

- Option 3 (a)** the governance and funding are undertaken by a joint committee or other shared governance with the service delivery undertaken entirely by Council. Council would directly employ the necessary expertise and resources to undertake the service delivery functions.
- Option 3 (b)** the governance and funding are undertaken by joint committee or other shared governance with the service delivery by a CCO wholly owned by Council. It is likely that the CCO would be engaged via a contract or a service level agreement.
- Option 3 (c)** the governance and funding are undertaken by joint committee or other shared governance with the service delivery by a CCO partly owned by Council and partly owned by other councils. It is likely that the CCO would be engaged via a contract or a service level agreement.
- Option 3 (d)** the governance and funding are undertaken by joint committee or other shared governance with the service delivery by a CCO wholly owned by another Council. It is likely that the CCO would be engaged via a contract or a service level agreement.
- Option 3 (e)** the governance and funding are undertaken by joint committee or other shared governance with the service delivery by a person or entity. This person or entity would most likely be engaged in a formal contract and depending on the risks and scale could be via a service level agreement.
- Option 4** the governance, funding and service delivery are undertaken by other reasonably practicable options. These could be via alliances, public private partnerships or other governance/management structures where all three functions of governance, funding and service delivery are undertaken jointly.

## 7.2 Analysis of Options

The following Table 7.2 summarises the analysis of the options. It reviews the feasibility of each option to Council, the likely community views and preferences and an assessment of the effectiveness of each option. Although most of the options have not been costed in detail, an indication of the potential scale of investment for each option is given. An overall assessment of cost effectiveness for each option is also outlined.

Table 7.2 Analysis of Options

Option LGA s17A[4]	Feasibility	Community Views and Preferences	Assessment of the Option Effectiveness	Cost of Option	Overall Assessment of Cost- Effectiveness
<b>Option 1</b> (All three functions are undertaken entirely by Council)	This is not feasible if Council wants to retain funding assistance from NZTA. The LTMA precludes the service delivery function being undertaken entirely by Council staff and assets. .				
<b>Option 2 (a)</b> (Governance and funding by Council and service delivery by Council CCO)	This is feasible. Council would need to establish wholly owned CCO. If this option was considered it would need to be coordinated with the expiry of current contracts. The main contract is the maintenance contract which does not expire until June 2018.	Council establishing a wholly owned CCO and the associated hiring of expertise and resources may trigger the significance policy. This would necessitate further analysis and potentially public consultation	The current contractual arrangements have key performance measures and tendered rates established. These could be transferred to a wholly owned CCO and result in similar outcomes to present arrangements.	Council would need to invest in establishing wholly owned CCO. This could be in the order of \$100,000 to \$150,000. The CCO would have to invest in hiring staff, purchase roading equipment and resources. This would involve capital investment. Potentially the roading activity costs could be similar to the current \$7,667,000 p.a.	Although the annual roading activity costs could be similar, there would be initial capital outlay to establish and resource a CCO. The current key performance measures and the associated fiscal tension could be applied within a contract or service level agreement with the CCO the same as any other contracted entity.
<b>Option 2 (b)</b> (Governance and funding by Council and service delivery by CCO jointly owned by Council and other Councils)	This is feasible. Council would need to establish a jointly owned CCO with other council(s). It would need to be coordinated with the expiry of current contracts. The main contract is the maintenance contract which does not expire until June 2018.	Establishing a jointly owned CCO with other councils may trigger the significance policy for all councils involved. This would necessitate further analysis and potentially public consultation	The current contractual arrangements have key performance measures and tendered rates established. These could be transferred to a jointly owned CCO and result in similar outcomes to present arrangements.	Council would need to invest in establishing a jointly owned CCO with other Councils. This shared cost could be in the order of \$50,000 to \$75,000 per Council. The CCO would have to invest in hiring staff, purchase roading equipment and resources. This would involve capital investment. Potentially the roading activity costs could be similar to the current \$7,667,000 p.a.	Although the annual roading activity costs could be similar, there would be initial capital outlay to establish and resource a jointly owned CCO. The current key performance measures and the associated fiscal tension could be applied within a contract or service level agreement with the CCO the same as any other contracted entity.

Option LGA s17A[4]	Feasibility	Community Views and Preferences	Assessment of the Option Effectiveness	Cost of Option	Overall Assessment of Cost- Effectiveness
<b>Option 2 (c)</b> (Governance and funding by Council and service delivery by CCO wholly owned by another council)	This not a feasible option at this stage as there are no Councils in the Southland region with a CCO that has roading expertise and resources. .				
<b>Option 2 (d)</b> (Governance and funding by Council and service delivery by a person or entity)	This is the status quo option with Southland District Council providing professional services expertise. Downer is contracted to undertake the service delivery function.	As this is the status quo option and has been for some time, it is assumed that it is acceptable to the community. However it has not been assessed whether this is the community's preferred option.	This option is effective in that Council has retained its governance and funding responsibilities in-house. It has also out-sourced and competitively bid its professional services and physical works	Currently the roading activity costs are \$7,667,000 per annum and as this is the status quo these costs are only going to be affected by scope change and market trends. .	The overall assessment is that the status quo option is cost-effective. This is primarily because most of the variable and higher risk tasks are undertaken in-house and the more defined and less risk tasks are outsourced and competitively bid.
<b>Option 3 (a)</b> (Governance and funding undertaken by a joint committee or other shared governance and service delivery by Council)	This is not feasible because the LTMA precludes the service delivery function being undertaken entirely by Council staff and assets.				
<b>Option 3 (b)</b> (Governance and funding undertaken by a joint committee or other shared governance and service delivery by Council CCO)	This is a potentially feasible option however not recommended as having a joint committee providing governance and funding whilst Council's CCO provides the service delivery is considered to be unnecessary for the roading activity the size of Gore District.		Transferring the governance and funding to a joint committee or other shared governance arrangement whilst retaining the service delivery with a Council CCO is likely to introduce conflicting demands at governance level resulting in inefficiencies in service delivery.		

Option LGA s17A[4]	Feasibility	Community Views and Preferences	Assessment of the Option Effectiveness	Cost of Option	Overall Assessment of Cost- Effectiveness
<b>Option 3 (c)</b> (Governance and funding undertaken by a joint committee or other shared governance and service delivery by CCO jointly owned by Council and other Councils)	This not considered a feasible option as its potential would be dependent on having sufficient similarities and compatibility between the roading activities of the contributing councils.		The mutual advantage is likely to be compromised in that it could be seen as one Council taking over another. It would also need to have sufficient quantum to engender economies of scale. Therefore it is not considered to be an effective option.		
<b>Option 3 (d)</b> (Governance and funding undertaken by a joint committee or other shared governance and service delivery by CCO wholly owned by another council)	This is a feasible option which essentially relinquishes Council's responsibilities in the governance, funding and service delivery functions in favour of another Council.	This is a totally different vehicle for delivering the roading activity so there would need to be community consultation should this option be pursued.	The comparatively smaller size and scale of the Gore District Roading activity would result in this being absorbed into the roading activity of any of the adjacent councils. There may be some savings through economies of scale, however there is a risk that Gore District may become the 'poor cousin' with compromised influence at governance level.	Council would need to jointly invest in establishing a joint committee and associated management structure. This shared cost could be in the order of \$50,000 to \$75,000 per Council. The other Council CCO would have to invest in hiring additional staff, purchase roading equipment and resources. This would involve capital investment. Potentially the roading activity costs would be similar to the current \$7,667,000 p.a.	The overall assessment is that this could be a feasible option if the roading activity of the contributing councils had sufficient similarities and compatibility. Council's roading activity is much smaller than any of the other Councils which could compromise the effectiveness of this option to Gore District roading activity.
<b>Option 3 (e)</b> (Governance and funding undertaken by a joint committee or other shared governance and service delivery by a person or entity)	This is a feasible option as it is essentially the service delivery is the same as the status quo option but with governance and funding by a joint committee or other shared governance arrangement.	The community may have some views on establishing a joint committee or other shared governance arrangement as it would not be directly managed by Council. There would need to be some community consultation if this option was pursued.	This option could not be effective, however the Gore District community may perceive the governance and funding responsibilities are compromised by a joint committee or other shared governance arrangement	Council would need to jointly invest in establishing a joint committee and associated management structure. This shared cost could be in the order of \$50,000 to \$75,000 per Council. Potentially the roading activity costs would be similar to the current \$7,667,000 p.a.	The overall assessment is that this could be a feasible option provided Council was comfortable with transferring the governance and funding functions to a joint committee of other shared governance arrangement.

Option LGA s17A[4]	Feasibility	Community Views and Preferences	Assessment of the Option Effectiveness	Cost of Option	Overall Assessment of Cost- Effectiveness
<b>Option 4</b> (Governance, funding and service delivery undertaken by other reasonably practicable options)	This is a feasible option, however by its very nature it would require commitment from at least two councils to combine their roading activities to make this option viable. There would need to be a very sound business case developed to justify implementing this option.	This option would require some significant consultation across all contributing Councils before it could be implemented.	This would need a detailed developed business case before any assessment could be made on its potential effectiveness.	This option would involve establishing a completely new entity to provide the governance, funding and service delivery functions. This would require a considerable initial capital outlay to establish. A business case would need to outline all these costs and determine the value such investment would accrue over time.	This option is unlikely to be cost-effective as it is difficult to envisage sufficient efficiencies over time to economically justify the initial capital investment. This would need to be confirmed with a detailed business case. At this stage it is not a recommended option.

### 7.3 Summary of Options

The following Table 7.3 summarise the options analysed, the likely capital investment and annual costs with a recommendation.

**Table 7.3 Summary of Options and Recommendations**

	Description	Capital Investment	Annual Costs	Recommendation
<b>Option 1</b>	All three functions are undertaken entirely by Council			Not feasible therefore not recommended
<b>Option 2 (a)</b>	Governance and funding by Council and service delivery by Council CCO	\$100-\$150k + \$10-12 million	Similar to current spend	Feasible and could be considered by Council
<b>Option 2 (b)</b>	Governance and funding by Council and service delivery by CCO jointly owned by Council and other Councils	\$50-\$75k + \$10-12 million	Similar to current spend	Potentially feasible and could be considered by Council however would require commitment from other Council(s)
<b>Option 2 (c)</b>	Governance and funding by Council and service delivery by CCO wholly owned by another council			Not Feasible at this stage as no other Council in region has a CCO for roading
<b>Option 2 (d)</b>	Governance and funding by Council and service delivery by a person or entity	none	Similar to current spend	Status Quo Option and recommended
<b>Option 3 (a)</b>	Governance and funding undertaken by a joint committee or other shared governance and service delivery by Council			Not feasible therefore not recommended
<b>Option 3 (b)</b>	Governance and funding undertaken by a joint committee or other shared governance and service delivery by Council CCO			Potentially feasible and could be considered by Council however would require commitment from other Council(s)
<b>Option 3 (c)</b>	Governance and funding undertaken by a joint committee or other shared governance and service delivery by CCO jointly owned by Council and other Councils			Not Feasible at this stage as no other Council in region has a CCO for roading and there are no initiatives on establishing a jointly owned CCO.
<b>Option 3 (d)</b>	Governance and funding undertaken by a joint committee or other shared governance and service delivery by CCO wholly owned by another council	\$50-\$75k + \$10-12 million	Similar to current spend	Not Feasible at this stage as no other Council in region has a CCO for roading.
<b>Option 3 (e)</b>	Governance and funding undertaken by a joint committee or other shared governance and service delivery by a person or entity	\$50-\$75k	Similar to current spend	Potentially feasible and could be considered by Council however would require commitment from other Council(s).
<b>Option 4</b>	Governance, funding and service delivery undertaken by other reasonably practicable options			Not feasible at this stage, however would require commitment from at least two Councils before becoming a viable option.



Option 2 (d) is the option that is currently implemented by Council. Although there are other feasible options they are not recommended at this stage for one or more of the following reasons;

1. They would require significant capital investment and would need a business case to justify their consideration and implementation;
2. They could provide an environment that could complicate governance and/or make delivery less efficient;
3. They require Council to relinquish its governance and funding role. This would need tangible justification, community support and a political will to achieve an outcome;
4. At this stage, there are no CCOs within the region that have the capability or capacity to undertake the physical works aspects of the roading activity;
5. They require adjacent councils to enter into joint ventures, alliances and other governance models for the greater good;
6. They would require community support.

## **7.4 Recommendation**

It is recommended that;

1. The status quo be retained for the foreseeable future as it is still the most cost-effective option for the delivery of governance, funding and service delivery;
2. Council be involved in any regional initiatives around the delivery of the various functions within the roading activity.

## **8.0 Conclusion**

The purpose of this report is to review the management and service delivery options for the Roothing activity undertaken by the Gore District Council. This review has come to the following conclusions;

1. Council has committed sufficient professional services to manage and deliver the roading activity cost-effectively. Currently these professional services are around 11% of the total costs of delivering the roading activity. This is considered fair and reasonable.
2. Council needs to review the owner and enabler/specifier tasks to clearly determine which are undertaken by the in-house professional services and which by the external professional services. Council could complete a business case to bring all professional services in-house if it wanted to consider that option.
3. That the status quo Option 2 (d) comprising Council undertaking the governance and funding aspects and the service delivery by separate entities under contract be retained. These should continue to be procured in accordance with Council's NZTA approved procurement policy.

4. That there are other feasible options that could deliver the roading activity cost-effectively. However, these would require justification via a business case along with cooperation and commitment from adjacent Councils before they could be implemented.
5. That Council continue to participate in collaboration discussions with other Councils in the Southland region. These discussions should focus on the viability of the other options in delivering the most cost-effective roading activity for each Council individually or as a collaborative arrangement across the region.



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August 2016

## 11. INSULATION LOAN PILOT SCHEME

(Memo from Chief Financial Officer – 01.12.16)

### **Background**

At the most recent Finance and Policy Committee meeting, the Committee recommended the Council agree to administer Environment Southland's clean air loan scheme in Gore, interest free. This loan scheme provides a loan of up to \$5,000 to assist with the installation of a clean heat source (pellet fire or heat pump) for residents in the Gore airshed. The catch however is that Environment Southland's loan funds cannot be used for insulation upgrades which may be required as well as clean heat installation. In these circumstances, Awarua Synergy, the scheme contractor, will not approve funds for heating installation, thus leaving an applicant without assistance to convert to a clean heating solution.

As part of the 2015/16 Annual Plan consultation the community was asked what it thought of the Council contributing to a joint loan scheme with Environment Southland. The Council's preferred option was to not participate financially in the loan scheme. Of the 13 submitters who expressed a view on the issue, seven were against and six were for such a scheme. At the conclusion of the Annual Plan process, the Council consciously decided to not contribute financially to the joint loan scheme with Environment Southland. As more information has become available about how the scheme would work, and also the necessity to ensure the adequacy of home insulation prior to a clean heat installation, the committee expressed a wish to consider a pilot scheme for insulation loans to work in with the Environment Southland loan scheme.

### **Pilot scheme**

Environment Southland's initial proposal was for the Council to match its own contribution of \$140,000 a year for three years. However, to assess the demand for insulation loans, the Council could run a small scheme with a pool of \$50,000. As the funds would be recovered in time, the Council could use the cash from its term deposits instead of rating or borrowing the money. When the loan scheme ends the money would be reinvested.

The opportunity costs of using the term deposit fund would be a loss of interest revenue and the inability for the Council to utilise these cash reserves for another purpose. The loss in revenue from this amount would be small, around \$1,500 per year. To put this in context, the Council earned \$105,000 in interest revenue in the last financial year. As the funds would not be drawn on in one hit, it is more than likely the Council could use its general cash flow, saving the need to dip into the term deposits.

The results of the pilot scheme would be reported back to the Council periodically, enabling it to form a view as to whether or not a greater level of investment is required to meet demand.

Under the joint scheme, residents in the Gore airshed could apply for a loan of up to \$5,000 regardless of whether it will be used to fund clean heat or insulation. Where the total of clean heat and insulation exceeds the maximum value of the loan, the split between Environment Southland's and Council's funds will be determined by the relevant portion of the total cost.

The scheme would be administered through the Council's debtor's system.

#### **Alternative to a pilot scheme**

If the Council simply desired to test the demand for insulation loans, information and statistics from the clean air loan approval process could be examined and reported to the Council. The Council could then build a picture of the number of installations being declined due to inadequate insulation. It should be borne in mind the maximum loan amount is \$5,000. If a ratepayer's clean heat installation exceeds or is close to this amount, they would be required fund any upgrade to their insulation themselves, regardless of whether or not this Council contributes to the loan scheme or not.

#### **Conclusion**

The Council needs to consider a pilot scheme in light of its decision made at the time of the 2016/17 Annual Plan. Specifically, whether or not there is sufficient new information to warrant reversing the Council's decision to not contribute financially to a loan scheme.

The Council could test demand for insulation loans, when the clean heat loan scheme is implemented. The staff could assess the need for insulation from heating applicants and then report back to the Council.

However, if the Council was of a mind to continue with a pilot scheme, financing an interest free pilot scheme from cash reserves is a cost effective way for the Council to get its feet wet with insulation loans. The outcome of the pilot should inform a wider engagement programme with the community as part of the 2017/18 Annual Plan process. It should be noted however that if the outcome of the pilot is to discontinue the scheme, the loans already advanced would need to be allowed to run their course.

#### **RECOMMENDATION**

**THAT the report be received,**

**AND THAT the Council not proceed with a pilot scheme, and assess demand for insulation loan as part of the administration of Environment Southland's clean air loan scheme.**

**OR THAT the Council proceed with a \$50,000 interest free insulation loan pilot scheme as part of the joint arrangement with Environment Southland.**

## **12. HEALTH AND SAFETY REPORT**

(Report from Human Resources Manager – 01.12.16)

### **Shared Services**

It is very pleasing to report that the group has recently released to each partner Council, the health and safety manual for publication and distribution to all staff. This is the culmination of a lengthy process with many iterations considered and questions posed amongst the group.

For the Gore District - and as with the other Councils - the manual will be put together with specific hazard and risk information as these relate to each local authority. I expect it will be made available to our staff early in the new year. The document will be reviewed every two years by the group.

With that large tranche of work behind the group, the focus will be turning to other tasks that have been identified. These include drafting a request for proposal for a specific health and safety software system, a health and safety plan for Council and some public events, finalising pre-qualification for contractors and further staff training.

An electronic pre-qualification process for contractors has been developed by the Waikato Local Authority Shared Services group in conjunction with a software provider. The Southland group viewed a demonstration on 10 October and agreed to progress it. The new software developed was rolled out in September to the Waikato Councils and from 1 November to the Bay of Plenty Councils. The Southland Councils will be the next “cab off the rank” from March next year.

There is no cost to the Councils and the risk of Council Managers having to check what can sometimes be a huge amount of paperwork submitted by contractors is removed entirely. The software programme allows a contractor to submit its information once and that is then available to all others with access rights. For instance, Downer would complete the information and then if any of the other Southland Councils needed to use Downer, the pre-qualification process has been completed and is accessible from the database to that Council. There is a cost – based on the number of employees - to contractors to join the scheme. It relates to pre-qualification only and will ensure a consistent practice across the region. The pre-qualification approval lasts for two years.

### **Incident schedule**

A total of 76 incidents were reported for the period 31 July to 17 November 2016. A total of seven incidents were reported from Downer between 19 August and 10 November 2016.

### **RECOMMENDATION**

**THAT the report be received.**

### 13. UPDATE OF GORE WATER TREATMENT PLANT UPGRADE

(Memo from General Manager District Assets – 01.12.16)

On 22 November a report was tabled at the Operations Committee regarding the delays to the Gore water treatment plant upgrade project, whilst an easement is sought from LINZ. This process is likely to take up to one year.

To progress the Gore water treatment plant upgrade project, a trial with filter cartridges and different filter media is proposed. The trial will be undertaken to determine how effective these different filters are at removing manganese and iron from Jacobstown bore water. In order to conduct the trial, a sampling regime has been put in place. To date, the samples have not contained manganese or iron. Council staff have theorised that this is likely to be due to the amount of recent rain and as a result, the aquifer water level being high.

During this sampling process, the Council has received results from Coopers Wells testing carried out by Environment Southland. The results revealed manganese levels had risen over the past months. The original proposal was to remove manganese and iron from the Jacobstown water supply only. Given the recent results, it is likely that Coopers Wells water will also require manganese and iron removal.

The delays in the project have created some space to allow for more sampling. In order to progress the project, Council staff considered proposing a change in scope so that ultraviolet treatment (UV) could proceed and manganese removal could be installed at a later date. At the time of writing this report, the risk to UV filtration from manganese and iron is not known. OPUS are in discussion with the UV suppliers to determine the level of risk and then make a recommendation on whether the Council should consider progressing with UV installation first.

The outcome of these enquiries will be the subject of the next update report to the Council. In the meantime, sampling of both supplies will continue.

#### **RECOMMENDATION**

**THAT the report be received.**

#### 14. PYRAMID BRIDGE REPLACEMENT PROJECT

(Report from Transport Manager – 02.12.16)

##### **Background**

Pyramid Bridge is a single lane bridge built in 1930 consisting of seven 12.2m spans with steel beams and a timber deck. In recent times a number of defective structural components have been identified which have resulted in the bridge being posted to 80% of Class 1 and it being closed during flooding due to concerns that it could be washed away.



In 2014 it was agreed between the key stakeholders (Southland District Council, Gore District Council and NZTA) that a joint response was needed to the ongoing concerns all party's had with the state of the Pyramid bridge and the critical link it provided between the two networks.

The challenge was to formulate a solution that was both fit for purpose and one that would address the risk to the network by securing the strategic crossing point.

MWH was employed to prepare a strategic case on the future of the Pyramid bridge.

This determined that investment in this bridge would align with NZTA's strategic priorities and respond to a true need. It was recommended that the business case process be progressed. At this stage the highest cost option identified was expected to have a cost value in the order of \$ 1 million.

The business case process should:

- Accurately identify the problem
- State the benefits
- Explore alternatives
- Have informed discussion
- Present findings
- Recommend actions

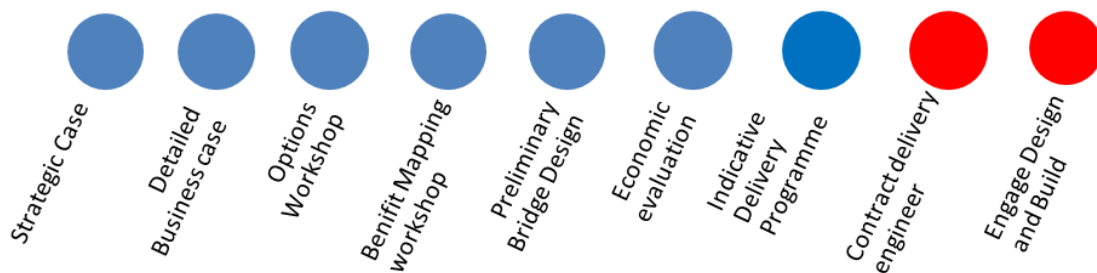
The decision to replace the existing structure came after this thorough assessment. It was determined the replacement option had the highest positive benefits for environmental, social, safety and the best economic outcomes and alignment with the investment objectives.

The stakeholders agreed that based on the discussion regarding risks, opportunities and dependencies, along with the option assessment, that the bridge replacement option should be the preferred option carried forward for further investigation.

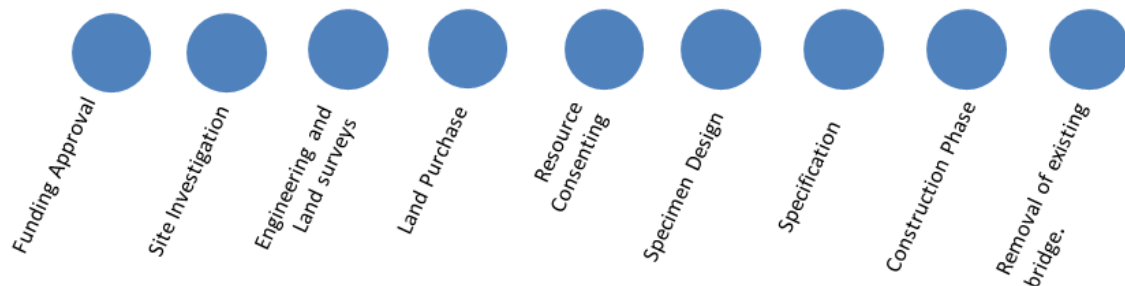
Due to the limited number of options and the expected construction cost, a decision was reached with our investment partners to complete a combined indicative/detailed business case.

✎ A copy of the detailed business case is attached.

### Process to date



### Process ahead



### Finance

Once the decision was made to replace the bridge with a single lane replacement a more accurate estimate of the cost was able to be undertaken.

The preliminary bridge design was valued between \$1,233,000 and \$2,052,000, depending on the materials used and the design philosophy.

Faced with this estimate, the NZ Transport Agency has forecast an allowance of \$1,750m (midpoint between the two estimates) for the Pyramid bridge replacement in its RLTP for 2017/18. Costs will be claimed under NZTA work activity



*322 replacement of bridges and other structures and  
324 road improvements - approaches to bridge replacements.*

The Council has an NZTA Financial Assistance Rate of 55%, meaning 45% of the project cost will be split evenly by the two Councils.

The Council has made allowance in its 2017/18 budget for a project cost of \$1million, if the out turn cost is \$1,750,000 it does leave a shortfall of potentially \$170,000 local share.

The Council has already committed \$241,211 from its 2017/2018 programme. We propose the \$170,000 shortfall could be committed from the rural roading reserve funds.

Cost apportioning	2017-18	Extra costs
Total cost	1,048,744	1,750,000
NZTA	566,322	
Local share	482,422	
Southland District Council	241,211	
Gore District Council	241,211	170,000
Funded by	(Rates)	(Reserves)

### Project Leadership

To date there has been a joint project team across this work consisting of a representative from each of the stakeholders plus several engineers from MWH. As we progress to the next stage we envision carrying on in a similar role as the reference team and connection with our respective Councils.

Due to the restraints around this project and the associated risks we collectively think that an early engagement of an appropriately qualified engineer would be prudent.

The consultancy would need to have the ability to manage a project such as this as well as having the structural background to deliver a successful outcome.

### RECOMMENDATION

**THAT the Council reaffirm its previous commitment to this project by resolving to:**

**Endorse the detailed business case report;**

**Accept the recommendation of the report *“to progress the bridge replacement option to pre-implementation as a design/build contract to ensure a balance of timeframes, optimum material and costs are met”*;**

**Approve an increase in the local share of \$170,000 which could be committed from the rural roading reserve funds; and**

**Endorse the engagement of a suitably qualified structural consultant to oversee the project as it advances from concept to design and through to construction.**

# PYRAMID BRIDGE

## COMBINED INDICATIVE/DETAILED BUSINESS CASE REPORT

Prepared for Gore District Council

September 2016



**MWH**<sup>®</sup>

**BUILDING A BETTER WORLD**



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16/09/2016



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## REVISION SCHEDULE

Rev No	Date	Description	Signature or Typed Name (documentation on file).			
			Prepared by	Checked by	Reviewed by	Approved by
1	26/8/16	Draft for comment	KB	AM	JL	AM
2	2/9/16	Draft for Comment	KB	AM	JL	AM
3	16/9/16	Final	KB	AM	JL	AM

## Executive Summary

Pyramid Bridge is a single lane bridge built in 1930 consisting of seven 12.2m spans with steel beams and a timber deck. A number of defective structural components have been identified which have resulted in the bridge being posted to 80% of Class1 and it being closed during flooding due to concerns that it could be washed away.

A Strategic Case, completed in 2014, included a facilitated Investment Logic Mapping workshop with problem owners (Southland District Council and Gore District Council) and key stakeholders, to gain a better understanding of the nature and scale of the issues relating to Pyramid Bridge. The attendees agreed on the following problems:

- Problem 1: The age and type of bridge means it is no longer fit for purpose (50%).
- Problem 2: The topography/historic location means the bridge provides a key crossing for the area (40%).
- Problem 3: The continuing deterioration of the bridge increases the risk of failure (10%).

The potential benefits that could be realised through investment were identified during a facilitated Benefit Mapping workshop. The meeting attendees identified the following potential benefits for the proposal, with the relative importance of fully realising the benefits shown in brackets:

- Benefit 1: Reduced risk of catastrophic failure (5%).
- Benefit 2: Continued access at this crossing point (45%).
- Benefit 3: Future proofing for access (50%).

The Strategic Case determined that investment in Pyramid Bridge would align with strategic priorities and respond to a true need and it was recommended that the business case process be progressed.

As the options and alternatives that could resolve the problems for the site are also limited, a preliminary long list of options was determined, by the workshop attendees, during the strategic case phase. The highest cost option identified was expected to have a cost value in the order of \$ 1 million. Due to the limited number of options and the expected construction cost value a decision was reached with investment partners to complete a combined Indicative/Detailed Business Case.

The long list of options were reduced to a short list during the April 2016 investment partner meeting. The short list consisted of:

- Do-minimum (with reducing level of service and eventual closure).
- Close Bridge.
- Upgrade existing bridge.
- Replace bridge.

A list of indicative investment objectives were determined by the investors (and confirmed by the stakeholders) based on the confirmed problem and benefit statements. The confirmed investment objectives, with the numbers which have been quantified by MWH later, are:

- Investment Objective 1: Reduce maintenance and backlog faults by 60% over 30 years.
- Investment Objective 2: Maintain current and future level of use and availability to modes and entities.
- Investment Objective 3: Reduce the number and cost of strikes occurring to the bridge by 50%.

An option assessment was completed on each of the four shortlisted options. This assessment consisted of an implementability screen, multi criteria analysis and an assessment against the investment objectives. This process was replicated and discussed with stakeholders during the Preferred Option Workshop which resulted in changes being made to the scoring. This assessment showed that the replacement option had the highest positive benefits for environmental, social, safety and economic outcomes and the best alignment to the investment objectives.

The bridge replacement option was the only option which would future proof the current crossing point, provide for the current wide agricultural vehicles and future proof for increasing heavy vehicle weight limits. Other opportunities identified for the bridge replacement option included making improvements to the existing horizontal alignment on the approaches to the bridge and improving the approach aprons to allow for unobstructed single lane flow.

The stakeholders agreed that based on the discussion regarding risks, opportunities and dependencies, along with the option assessment, that the bridge replacement option should be the preferred option carried forward for further investigation.

A preliminary bridge design was then undertaken which determined that the estimated cost of a single lane replacement bridge was between \$1,233,000 and \$2,052,000, depending on the materials used and the design philosophy. The midpoint range of lowest cost option was used to complete an economic evaluation with a sensitivity test being undertaken using the overall highest and lowest cost across all suitable options. This information along with a strategic fit and effectiveness assessment have been combined to determine an assessment profile for replacement of MML using the work categories W/C: 322 Replacement of bridges and other structures and W/C 324 Road improvements - approaches to bridge replacements costing in excess of \$50,000.

It is recommended that the bridge replacement option be progressed to pre-implementation as a design-build contract to ensure timeframes are met and an optimum material and cost balance is met.

# **Gore District Council**

## **Pyramid Bridge**

### **Combined Indicative/Detailed Business Case Report**

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# 1 Introduction

Pyramid Bridge is a single lane bridge built in 1930 consisting of seven 12.2m spans with steel beams and a timber deck. A number of defective structural components have been identified which has resulted in the bridge being posted to 80% of Class1 and it being closed during flooding due to concerns that it could be washed away. An aerial photograph of the site is shown below.



**Figure 1-1: Aerial View of Pyramid Bridge**

A Strategic Business Case was completed in May 2014<sup>1</sup> which documented the case for change in relation to access across the Mataura River near Riversdale.

Currently the bridge is restricted to a vehicle loading that does not exceed 80% of Class 1 due to the deterioration of the bridge and the connections between the deck and support beams. The effect of this bridge restriction is that most loaded trucks cannot use the bridge and must make a detour.

The piers are also in a highly degraded state and are at risk of failure, particularly under flood conditions when debris are caught on them. This increases the lateral load on the piers, which risks a sudden collapse, potentially while people and their vehicles are on the bridge.

The strategic business case noted that there were economic impacts as a result of this restriction, and wider socio-economic and social impacts if the bridge was closed altogether.

During the strategic business case a facilitated Investment Logic Mapping workshop was undertaken with problem owners (Southland District Council and Gore District Council) and key stakeholders, to gain a better understanding of the nature and scale of the issues relating to Pyramid Bridge.

<sup>1</sup> An update to the Strategic Case Report was completed in April 2016 to align the assessment profile with NZTA's Investment Assessment Framework

The attendees agreed on the following problems:

- Problem 1: The age and type of bridge means it is no longer fit for purpose (50%).
- Problem 2: The topography/historic location means the bridge provides a key crossing for the area (40%).
- Problem 3: The continuing deterioration of the bridge increases the risk of failure (10%).

The potential benefits that could be realised through investment were identified during a facilitated Benefit Mapping workshop. The meeting attendees identified the following potential benefits for the proposal, with the relative importance of fully realising the benefits shown in brackets:

- Benefit 1: Reduced risk of catastrophic failure (5%).
- Benefit 2: Continued access at this crossing point (45%).
- Benefit 3: Future proofing for access (50%).

The Strategic Case determined that investment in Pyramid Bridge would align with strategic priorities and respond to a true need and it was recommended that the business case process be progressed.

The core project team, consisting of joint asset owners Gore District Council and Southland District Council, along with key investment partners NZ Transport Agency and business case writers MWH, determined that the next phase of the business case process would be to complete a combined Indicative Business Case (IBC) and Detailed Business Case (DBC).

The rationale for this decision is included below in Section 1.1.

## **1.1 Business Case Process**

As stated, the meeting of investment partners determined that a combined IBC/DBC should be completed for the site. It was noted that the Agency's Planning and Investment Knowledge Base (PIKB) states that "the business case process is scalable so that the level of effort and deliverables required to develop the investment case is appropriate to the size and risk of the problem and the proposed investment." This project represents an example where the input has been scaled so that sufficient evidence is collected to inform decision making while ensuring an efficient use of resources.

Due to the reasonably uncomplicated nature of the quiet rural site, the problems and benefits were identified prior to the time allowance for the ILM workshop. As the options and alternatives that could resolve the problems for the site are also limited, a preliminary long list of options was determined by the workshop attendees during the strategic case phase. The highest cost option identified was expected to have a cost value in the order of \$ 1 million which demonstrates the relatively low investment required.

## 2 Context

### 2.1 Overview

The One Network Road Classification (ONRC) for the road approaches to Pyramid Bridge shows that Riversdale Pyramid Road and Otama Road are secondary collector roads and Pyramid Waiparu Road is an access road. Land use, economic flows, whole of life costs, traffic data, crash information and emergency events and lifeline infrastructure were examined to inform the Strategic Case. This information used was contained within the Environment Southland Strategic Network Plan (SNP).

The SNP includes a scenario which was run to show the impact of the removal of the Pyramid Bridge. It showed that the bridge carried a significant value of exports each year of \$32 million which could increase to more than \$150 million per annum under a full pastoral to dairy land use conversion scenario. The model also showed that if the bridge was removed, the export flow (therefore likely heavy vehicle movement) almost doubles along a route that has existing safety and bridge resilience issues. It showed that the removal of the bridge would likely add flow into an intersection with State Highway 94 with safety issues adjacent to school and community hall access. This was validated in the IBC workshop with Fonterra and transport operator stakeholders.

### 2.2 Strategic Case

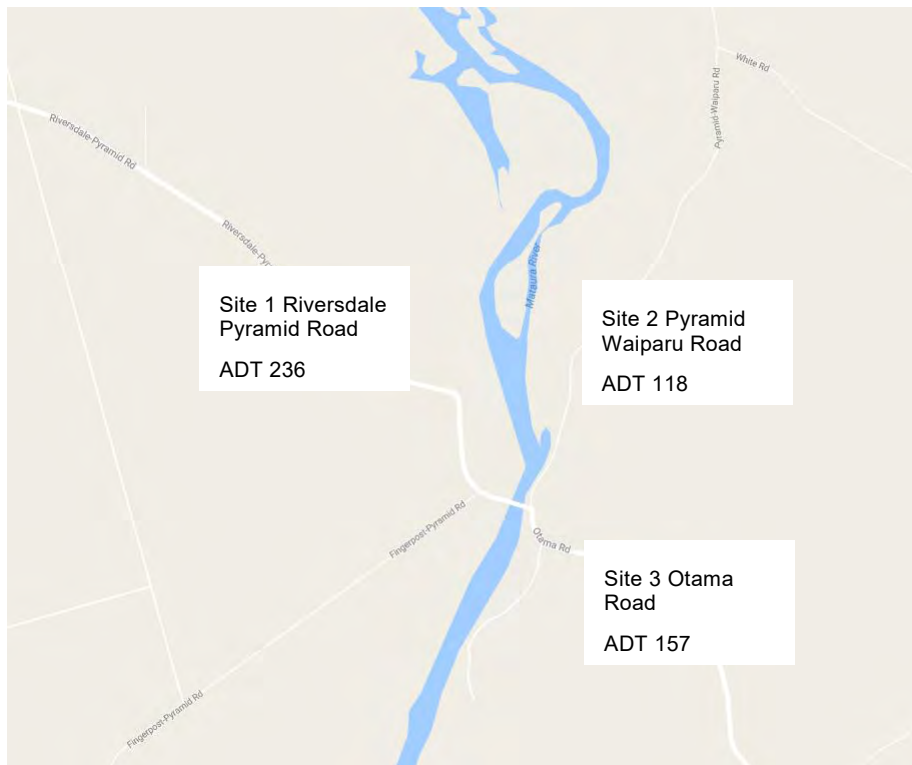
The Strategic Case was updated in April 2016 to align with the Agency's Investment Assessment Framework (IAF). During this update the evidence included within the strategic case was checked and changes to this evidence, along with additional and supplementary evidence, have been included in this report.

One of the major changes which has occurred since the completion of the strategic case is that the bridge was posted in October 2014 and is restricted to 80% of Class 1 due to its continuing deterioration. Discussions with one of the main heavy transport users of the bridge indicates that the current posting equates to a 10km longer detour route for 550 truck movements during the peak session (October to December) with additional truck movements also affected during the shoulder season. The additional route adds 10 minutes to each trip (in each direction) and results in extra vehicle operating costs. The safety and suitability of the alternative route has also been raised as an issue by the heavy vehicle operator.

To provide additional information alongside the strategic case, traffic counting was completed on Riversdale Pyramid Road, Pyramid Waiparu Road and Otama Road at the beginning of August 2016. The results of this are summarised in the table below:

**Table 2-1: Traffic Counts**

Location	Description	ADT	% Cars	% Heavy	85 <sup>th</sup> % Speed
1. Riversdale Pyramid Road	RP 6360 (E of Fingerpost Pyramid Road to Pyramid Waiparu Road)	236	85	15 (MCV 7%, HCVI 5%, HCVII 2%)	61km/h
2. Pyramid Waiparu Road	RP 15 (N of Riversdale Pyramid Road to White Road)	118	80	20 (MCV 4%, HCVI 14%, HCVII 2%)	61km/h
3. Otama Road	RP 15 (S of Riversdale Pyramid Road to White Road)	157	81	19 (MCV 11%, HCVI 6%, HCVII 2%)	54 km/h



**Figure 2-1: Traffic Count Locations**

This latest count was undertaken to try to identify the predominant direction of travel around the eastern abutment of the bridge.

It suggests a higher portion of traffic travels on the Otama/Riversdale Pyramid route than the Pyramid Waiparu/Riversdale Pyramid route.

As the bridge is posted and the count was taken outside the main dairy season, it will not necessarily reflect the split of traffic on a full strength bridge during the season.

As partly loaded trucks can still use the bridge at its current posting, it is not possible to say from these counts whether the posting limit is being breached.

## 2.3 Land Use Changes

Significant growth in dairy tanker movements is expected as land use changes continue to occur. The rate of dairy conversions has slowed with the drop in dairy prices globally, however, there continues to be growth with conversions noted in the catchment area of the bridge over the past 3 years. The route over the Pyramid Bridge is an efficient route for dairy tankers on their journey back to Edendale, with Fonterra noting the significant negative impact of the recent restrictions placed on the bridge to their number of vehicle kilometres travelled (additional 55,000 km per annum which will increase as land use changes continue to occur).

No other likely land use changes are currently noted as having a potential impact on the use of Pyramid Bridge.

## 2.4 Regulatory Impacts

It was noted in stakeholder workshops that changes to the number of stock that can be wintered on pasture in Southland, as a result of Regional Council constraints on water use, will result in a significant increase in annual stock movements across and out of the region. This will mean that there will be an increased number of stock truck movements across the network, an increased demand for the Pyramid Bridge as part of an efficient route for these stock trucks, and therefore an increased need for the bridge to be retained to deliver efficient economic outcomes for the agriculture sector in the Southland Region.

## 2.5 Bridge Strikes

The strategic case identified that the key problem (50% of the total problem identified) for the bridge is that its age and type of bridge means it is no longer fit for purpose. This is due to advances in technology which have created an increase in the size of agricultural vehicles.

During the ILM workshop anecdotal evidence was presented regarding the frequency and cost of repairs to the bridge and the attached Otama Water Scheme Pipe, due to the inability of large agricultural vehicles to adequately negotiate the bridge. It was also noted that as vehicle dimensions continue to increase so does the risk of major damage to the bridge and water pipe.

To understand the magnitude of this problem a search was carried out of the Road Assessment and Maintenance Management (RAMM) software to identify the recorded number and cost of these incidences.

The majority of the bridge maintenance events entered into RAMM have been entered by GDC with a small number of maintenance events entered in the SDC RAMM system.

The following shows the financial year, number of maintenance items and associated cost for the bridge.

**Table 2-2: Total Pyramid Bridge Maintenance Costs**

Financial Year	Number of Events	Average Cost	Overall Cost
2003/04	1	\$2,287.06	\$2,287.06
2004/05	1	\$746.10	\$746.10
2005/06	6	\$450.09	\$2,700.56
2006/07	0	-	\$0.00
2007/08	0	-	\$0.00
2008/09	20	\$113.74	\$2,274.75
2009/10	21	\$44.37	\$931.85
2010/11	6	\$324.91	\$1,949.46
2011/12	61	\$427.51	\$26,078.08
2012/13	4	\$145.20	\$580.80
2013/14	7	\$248.21	\$1,737.47

The majority of these bridge maintenance items have been coded as unknown fault and cannot be directly attributed to damage occurring due to large agricultural vehicles. A small number of items have been coded as side rail maintenance which, apart from normal deterioration and small items like repainting, are more likely to be attributed to strike damage. These maintenance items are included in the table below:

**Table 2-3: Pyramid Bridge Side Rail Maintenance Costs**

Financial Year	Number of Events	Average Cost	Overall Cost
2003/04	1	\$2,287.06	\$2,287.06
2004/05	1	\$746.10	\$746.10
2005/06	2	\$787.24	\$1,574.47
2013/14	5	\$125.45	\$627.27



The existing maintenance does not show a strong link between the anecdotal evidence and the recorded data. The majority of the maintenance items have been coded as “unknown fault” which makes it difficult to determine the cause of the maintenance requirements.

Gore District Council has investigated the costs to determine the overall maintenance costs for the bridge. They have determined that the costs for the 2012 and 2013 calendar years was \$29,294.13 and no other previous maintenance data has been found. Maintenance work completed on GDC bridges which is under \$500 is at the contractor’s expense as per the specifications of the roading maintenance contract.

## **2.6 Bridge Structural Issues**

Currently the bridge is restricted to a vehicle loading that does not exceed 80% of Class 1. This is due to the deterioration of the bridge overall and the connections between the deck and support beams in particular.

The effect of this bridge restriction is that most loaded trucks cannot use the bridge and must make a detour.

The piers are also in a highly degraded state and are at risk of failure, particularly under flood conditions when debris are caught on them. This increases the lateral load on the piers, which risks a sudden collapse, potentially while people and their vehicles are on the bridge. In the meantime this risk is being reduced by closing the bridge at times of flooding in the river.

## **2.7 CAS Data**

Although road safety was not identified as a problem during the strategic case, the crash records from the Crash Analysis System (CAS) database have been extracted for completeness.

No reported crashes in the vicinity of the bridge have occurred since the completion of the strategic case in 2014.

## **2.8 Alignment to Existing Strategies/Organisational Goals**

The Otago Southland Regional Land Transport Plan 2015-2021 (RLTP) was completed in 2015 and outlines the approach to future transport in the Otago and Southland region. The strategy focuses on maintaining the established transport networks while making key improvements to transport services and infrastructure, focussing on:

- Reducing the social cost of crashes;
- Supporting economic productivity and growth by enabling freight journeys and visitor journeys;
- Increasing network resilience; enabling all modes of transport appropriate access to the network; and
- Ensuring value for money investments.

Pyramid Bridge Replacement is included in the Otago Southland RLTP in priority band1 (highest priority) category.

The Gore District Council Long Term Plan (LTP) 2015-2025 states the purpose of bridge replacements in the district is to ensure continuity of service in a reliable manner and for bridges to remain safe and serviceable. Replacement of Pyramid Bridge is included in the LTP for the 2017/2018 financial year in partnership with Southland District Council.

## **2.9 Development of Investment Objectives**

The problem and benefit statements were reconfirmed at the April 2016 investors meeting, subject to adding specific target numbers, and during the preferred programme workshop with stakeholders.

The investment objectives were based on the confirmed problem and benefit statements and consisted of following:

- Investment Objective 1: Reduce maintenance and backlog faults by 60% over 30 years
- Investment Objective 2: Maintain current and future level of use and availability to modes and entities
- Investment Objectives 3: Reduce the number and cost of strikes occurring to the bridge by 50%.

The specific objective numbers have been added by MWH after further consideration.

A diagram showing the development from problem and benefits to investment objectives is shown in Appendix D.

### 3 Partners and Key Stakeholders

The bridge is co-owned and managed by Gore and Southland District Councils and they along with the Transport Agency are the investment partners in relation to the bridge.

The key stakeholders that have an interest in the expected outcomes or can influence the investment proposal are:

- **NZTA Planning and Investment (P&I):** NZTA's P&I unit provide advice and funding for roading projects and improvements throughout New Zealand for local authorities and State Highway networks. The P&I team have also been heavily involved in the implementation of the business case approach and their involvement at the early stages in the project facilitates the decision making process.
- **Environment Southland:** Environment Southland (ES) is the regional authority responsible for chairing the Regional Transport Committee (RTC) as well as the preparation and monitoring of the Regional Land Transport Strategy (RLTS). ES provides a regional level focus for the project which is particularly important as the bridge straddles two local authority areas.
- **Gore District Council- Otama Water Scheme:** The Otama Water Scheme supplies water suitable for farming purposes to approximately 248 properties. The main trunk pipe is attached to the existing Pyramid Bridge structure with a pump station located on the western side of the bridge and all of the water scheme users are located on the eastern side of the bridge. Changes to the current bridge arrangement will have a significant impact to the current scheme.
- **Federated Farmers:** Representing the farming community. The practical knowledge about current farming trends, including land use, vehicle and machinery types and movements, as well as an understanding of the rural community needs is valuable to determine the problems and benefits of investing in the area.
- **Fonterra:** Fonterra are a key transport operator in the area and have an understanding of freight movements and roading requirements for heavy vehicles.
- **Rural Contactors Association:** Representing a key bridge user and have further practical knowledge regarding current and future rural machinery and vehicle trends.

These stakeholders were invited to the options workshop discussed in Section 4.4. As the project progressed through the business case phases the stakeholder group changed to suit the requirements and impacts of the project.



## 4 Option Development and Assessment

A preliminary long list of options was identified during the ILM workshop completed as part of the Strategic Case in 2014. As the business case is focused on a single rural bridge, the numbers of possible options are limited. The stakeholders determined the range of options (long list) and no option was discounted during this process. A range of options were considered which ranged from no future provision at the existing crossing to replacement. An outline of each option is included below.

A copy of the preliminary evaluation of the options, can be found in Table 4-1 Option Assessment.

### 4.1 Option Generation

#### 4.1.1 Do-Nothing

The do-nothing would consist of the bridge deteriorating without major intervention until its eventual closure or collapse, with gradual increasing use of alternative routes which coincide with increasing vehicle restrictions on the existing structure.

#### 4.1.2 Close Bridge and Remove

This option considered closing the bridge in 2016 and removing the structure including relocation of the Otama Water Scheme pipe.

#### 4.1.3 Restrict Access

Restricting bridge access by mode and time was considered by the group. These restrictions could be by time eg. when heavy rain/flooding was likely to occur or at certain times of the day, as well as by mode eg. posting or heavy vehicle restrictions.

#### 4.1.4 Structural Improvements

Upgrading the existing bridge was considered with bridge strengthening and either deck repairs or deck replacement. The Agency's PIKB framework states that widening of an existing bridge is included within bridge replacement as opposed to structural component replacement and therefore has not been included in this option. Similarly "modifying an existing bridge to increase its structural capacity to a level higher than originally provided" is a qualifying activity under the replacement of bridges and structures work category.

The technical ability to complete a structural improvement at the bridge was questioned due to the poor condition of all of the bridge components. While the implementability of this option was uncertain it was decided to retain this option in the shortlist for the workshop participants to discuss.

#### 4.1.5 Move Bridge

Moving the bridge would involve replacing the bridge but in a different location to the current bridge with possible additional flood banking work along with relocation of the water main.

#### 4.1.6 Bridge Replacement

This option would consist of replacement of the existing bridge in a similar location to its existing position. Determination of the bridge provision and configuration and approach alignments were not discussed during the strategic case.

### 4.2 Shortlisting

A first sift of the long list of options was completed by the MWH in their proposal to GDC and was confirmed by the investment partners at a workshop held on the 8<sup>th</sup> April 2016. The rationale for shortlisting prior to meeting with the wider stakeholder group was because the long list consisted of a small number of separate and finite options as opposed to a range of options and alternatives that could be mixed to form programmes. The long list also consisted of options that are conventional treatments with well-defined risk profiles. The long and short lists are outlined in Appendix G.

The shortlisted options are:

- Do-minimum (with reducing level of service and eventual closure).
- Close bridge.
- Upgrade existing bridge.
- Replace bridge.

The options excluded from further evaluation are:

- Restrict access.
- Move bridge.

The restrict access option is already incorporated into the existing management strategy for the bridge with closures currently occurring during high river flow events, posting by weight, and the current configuration placing a restriction on wide vehicles. The access restriction option is not seen as a standalone option as deterioration of the bridge will continue if no physical intervention is taken and the bridge will eventually need to be closed. To this end, access restrictions form part of the do-minimum option with a reducing level of service and eventual closure. Access restrictions relating to the time of day eg. closing the bridge at night, are unlikely to reduce the deterioration and eventual closure of the bridge.

Moving the bridge would involve rebuilding the bridge at another location with new approaches. This option has been excluded from further investigation as it does not align with the problem and benefit statements or the investment objectives. This option is not well aligned with Problem 2 (the topography/historic location means the bridge provides a key crossing for the area) determined by the stakeholders during the ILM workshop. Problem 2 makes up 40% of the problem for the site and is “the topography/historic location means the bridge provides a key crossing for the area.” This problem statement along with Benefit 2: Continued access at this crossing point strongly suggest that the crossing point is currently located in optimal and logical location.

## 4.3 Shortlisted Option Assessment

The following sections provide the methodology and results of the option assessment completed.

### 4.3.1 Implementability Screen

An initial implementability screen was completed on the short listed options which considered:

- Feasibility: technically how straightforward an option is to implement, operate or maintain.
- Affordability: a high level assessment of the capital costs associated with each option along with consideration given to funding risks, funding methods and ongoing operational costs.
- Timeframe: potential implementation timeframe.
- Public/Stakeholders: anticipated impacts and opinions by the community or stakeholders.

Based on this screen the feasibility of completing structural component renewal was raised. The existing condition of the piers means that replacing the deck or other structural components is unlikely to provide anything but a short term solution as the piers, which form the foundations of the bridge, appear to be close to the ends of their lives. Any upgrade may therefore not provide a long term solution with high implementation costs compared to the monetary benefits gain.

Based on this assessment the Structural Improvements option is an unlikely option; however there was not enough evidence to reject it outright and it has been carried forward in the assessment process.

### 4.3.2 Multi Criteria Analysis

Multi-criteria analysis (MCA) is a recognised method to bring together information to assist in identifying a preferred option when a diverse range of aspects (or criteria) must be brought into an evaluation, and when these aspects include intangible values which cannot readily be translated into monetary terms.

A multi criteria analysis was undertaken to help with option assessment to help to determine which option should be carried forward for further investigation. The initial qualitative assessment was made based on the following criteria:

- Environmental (impact to flora, fauna, habitat, and water courses; air quality and noise effects; and, any archaeological impacts).
- Social (accessibility for all transport users; promote active modes of transport, retaining community links).
- Safety (crash safety and personal safety/security).
- Economic (how will option affect travel times, LoS, reliability of travel times and traffic volumes; will there be gainers and losers; potential to enhance the development potential of adjacent land; attract new jobs; and, help existing businesses).

A 7 point scale was used in the evaluation with 1 being a major benefit and 7 representing a major cost or negative impact. A copy of the option assessment including the MCA and the rating scale can be found in Table 4.1.

### **4.3.3 Assessment Against Investment Objectives**

An assessment was completed on how well each of the shortlisted options aligns with each of the investment objectives. A qualitative assessment was completed with a High, Medium and Low ranking scale. An option scored highly if it had a significant positive alignment to an investment objective and scored a low ranking if it did not have a possible result in regards to the objective.

Due to the limited number of options and investment objectives no weighting of the relative importance of each investment objective has been completed. It should be noted however that Investment Objective (IO) 1: Reduce maintenance costs and backlog faults, is related to the benefit statement “reduced risk of catastrophic failure” which only accounts for 5% of the benefit of investing.

## **4.4 Option Workshop**

A workshop was held with the key investment partners and stakeholders on the 7<sup>th</sup> June 2016. The purpose of the workshop was to discuss the various constraints, risks, dependencies and opportunities in conjunction with the short list of options to determine a preferred option.

The strategic case and context was outlined and reconfirmed and the problem and benefit statements along with the investment objectives for the project were discussed.

The risk, dependencies and opportunities relating to each option were then discussed and are summarised in the meeting minutes included in Appendix E.

The preliminary assessment, which included the MCA and the assessment of each option against the investment objectives, was introduced to the stakeholders followed by a discussion regarding each options risks, dependencies and outcomes. A change was made to the assessment following this discussion with the environmental score being changed from 5 to 4 for the structural upgrade and to 3 for the bridge replacement option.

**Table 4-1: Option Assessment**

Option	Investment Objectives					MCA (1 Major Benefit, 4 Neutral, 7 Major Cost/Impact)		
	IO1: Reduce Maintenance Costs and Backlog Faults by X% over X Years	IO 2: Maintain Current and Future Level of Use and Availability for Modes and Utilities	IO3: Reduce the Number and Cost of Strikes Occurring to the Bridge by X	Environment	Social	Safety	Economic	Implementability Risks
Do Nothing	Low	Low	Low	5	6	6	6	Medium
Close bridge and remove	Low	Low	High	5	6	6	6	Medium
Structural Improvements	Medium	Medium	Low	4	2	3	2	Very High
Rebuild-replacement	High	High	High	3	1	3	1	High

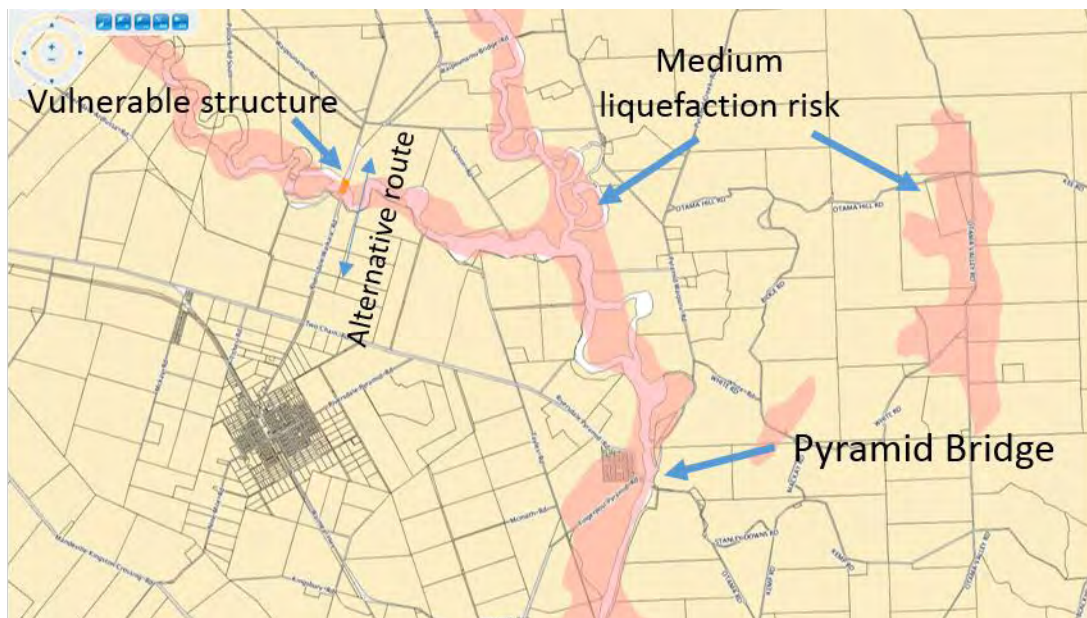
The assessment shows that the do-nothing and the close bridge and remove option have the lowest implementability risks associated with them which is due to the limited construction required to implement these options. The implementability risks associated with the Structural Improvement option and the current condition of the structure led to the workshop participants discounting this option. Structural improvement is unlikely to be possible to implement due to the current poor condition of all the bridge's structural elements.

The do-nothing and close bridge options however did not receive positive MCA scores as they create negative social and economic outcomes due to reduced and/or restricted access and increased travel times and distances for the community and heavy vehicles and because they do not improve or maintain resilience of the network. The local Rural Fire Service in the area is located in Riversdale, and services the Otama area. Fire call outs are predominately related to dwellings (as opposed to scrub/vegetation fires) and additional travel time and distance have the potential to impact on the Fire Service's ability to save houses in the event of a fire.

The increased travel distance also has an impact on vehicle emissions which lead to the do-nothing and bridge closure receiving negative environmental scores.

The do-nothing and close bridge option are not well aligned with the investment objectives, with the do-nothing not providing any improvement in the number or cost of bridge strikes, the future maintenance costs or the future level of service and availability for modes. The close bridge option would need to include upgrades to the alternative route to ensure their suitability for heavy vehicles however as the bridge would be closed and removed there would no longer be bridge strikes occurring which has led to the option scoring highly against Investment Objective 3.

In the context of this option assessment, safety was defined to encompass both personal security and road safety. One of the benefits determined at the ILM was reducing the risk of catastrophic failure which the do-nothing option does not achieve. Improvements to road safety road are not included in the do-nothing or the close bridge option and while road safety was not one of the main contributing factors for change there is a lost opportunity to improve the perceived safety risk relating to the bridge approaches and the turning aprons in the do-nothing and the close bridge and remove option.



**Figure 4-1: Reduced resilience through removal of Pyramid Bridge**

Figure 4-1 uses information from the Environment Southland Strategic Network Plan. This shows that there is an earthquake vulnerable bridge on the alternative route if Pyramid Bridge is closed. The alternative route also crosses two areas of medium liquefaction risk, and reduces the number of potential river crossing options in the event of an earthquake.

The bridge replacement option was the only option which would future proof the current crossing point and provide for the current wide agricultural vehicles and future proof for increasing heavy vehicle weight limits. Other opportunities identified for the bridge replacement option included making improvements to the existing horizontal alignment on the approaches to the bridge and improving the approach aprons to allow for unobstructed single lane flow.

Bridge replacement is also likely to be the most positively supported option by the community and general public as it allows for continuation of the crossing point.

The qualitative multicriteria analysis completed, along with the assessment against the investment objectives and implementability screen, showed that the replacement option has the highest positive benefits for environmental, social, safety and economic outcomes. The stakeholders agreed, based on the discussion regarding risks, opportunities and dependencies, along with the option assessment, that the bridge replacement option should be the preferred option carried forward for further investigation.

## 4.5 Preferred Option Alignment

Time permitted the workshop attendees to begin to discuss the form and philosophy for a potential bridge replacement. The group agreed that a 2 lane bridge was not warranted based on the expected cost difference vs the limited additional benefit due to the traffic volumes and expected delays.

A plan showing four possible alignments for the preferred option was discussed by the stakeholders. The plan is attached in Appendix A and shows the two upstream and two downstream alignments that had been drafted. The philosophy for these alignments was to retain a crossing point close to the existing bridge and explore a range of safety and cost objectives. The attendees ranked the options based on these objectives with 1 being the best ranking and 4 being the worst. The results of these rankings are shown in the table below:

**Table 4-2: Preferred Option Ranking**

Option	Sight Distance/Safety	Cost
Option A	3	1=
Option B	4	1=
Option C	1	4
Option D	2	3

As expected the alignments which made the biggest improvement to sight distance and road safety on the approaches are likely to cost the most as they involve a longer bridge with additional road realignment when compared to Option A and Option B.

The budget set for bridge replacement physical works is \$1 million which has limited flexibility to ensure funding is available. This led to Option C being discounted as it is unlikely to meet the funding criteria.

Of the remaining three options Option A and Option D provide the best balance of safety and cost outcomes and have been carried through for further investigation.

While Option D would provide a better safety outcome due to increased sight distances, it was discounted due to the tight project budget and higher costs associated with it. This option would require a longer bridge than options A and B, more bank protection, more land take, a longer length of approach road and a longer relocation of the water main.

Options A and B are similar in terms of costs and sight distances with Option A having better sight distance to the south and Option B having better sight distance to the north. Option A has slightly more flexibility in terms of location for the eastern abutment as Option B is more constrained by the position of the existing bridge and the location of the pump house and water main.

On balance, Option A has been chosen as the most suitable within the budget constraints. Once detailed survey has been carried out, the choice between Option A and Option B can be confirmed as part of detailed design.



The following design philosophy decisions were also determined during the preferred option workshop:

- The maximum target budget for bridge replacement is \$1 million.
- The stakeholders agreed that a minimum width of 4.2m should be achieved with a maximum width of 4.5m (if cost allows or dependant on the decking system).
- Impact on the Otama Water Scheme will need to be considered, particularly during construction and the switch over from the old pipeline.
- Side protection was discussed and it was decided that there is insufficient demand to require side protection measure for pedestrians and cyclists. Guardrail would be preferable if the budget allows although this could impact on the room needed on the approach aprons, or sight rails if necessary. The requirements for side protection should be explored during the preliminary bridge design.
- There is no other lighting in the vicinity of the bridge. Due to the rural nature of the site and the limited traffic volumes lighting is not needed at the bridge.
- Bridge should be HPMV enabled and meet HN-HO-72 requirements.
- Piers should reduce the ability for debris to get caught under the bridge and spans should be longer than the current 12m if possible.

#### **4.5.1 Stakeholder Engagement**

As part of the preferred option alignment process, an initial call was made to a number of stakeholders to determine constraints that may affect the preliminary design. The following stakeholders were contacted:

- Department of Conservation.
- Environment Southland.
- Te Ao Marama.
- Fish and Game.

The main constraints identified were the need to ensure construction was completed outside the spawning period for trout (May- June) with the ideal construction period being during the low summer flows which are historically February and March. Sediment control during construction was also raised as an important consideration in the design and consenting process. The consultation completed is included in Appendix F.

Land acquisition will likely only be required on the west side of the bridge if a new bridge is constructed. Southland District Council and Gore District Council have been in contact with the potentially affected landowners to discuss the current proposals. Ongoing consultation with these landowners will need to continue through the development of this project.

## **4.6 Preliminary Bridge Design**

A preliminary design has been completed to determine the potential bridge form, materials and rough order cost. This preliminary design has been completed to help with decision making regarding the best procurement method for the site.

To aid the preliminary design, bore hole testing was carried out in the vicinity of the abutments proposed for Option A. This testing showed the presence of soft rock on both sides of the river, as shown in the test results in Appendix I. Because of the relatively consistent test results at both abutments, it was decided not to carry out a mid-stream test at this stage. This test will be required before any bridge goes out to tender, but any uncertainty at this stage has been dealt with through additional contingency in the estimates. While having rock is good from the point of view of holding a bridge up, it creates some difficulties and additional costs when it comes to holding the bridge down under lateral loadings (earthquake and flood flows on debris rafts). These extra costs are reflected in the estimates.

Four different bridge design options were explored as part of the preliminary bridge design to help determine the optimal materials for the required design loading, number of spans and construction/maintenance costs.

The design and estimates were based on the following assumptions:

- The bridge is 86m long with a clear width of 4.2m and no specific provision for pedestrians or cyclists.
- The bridge is founded on shallow rock.
- The abutments are 6m high with the abutment on the Gore side of the bridge being two times the length of the western abutment (to provide better turning radius onto bridge).
- The abutments would be supported by 1m diameter piles which are 6.5m deep.
- The average pier height is 9m above the river bed.
- Each pier would be supported by two piles 800mm in diameter and 7.5m below the river bed.
- Lighting at the bridge is not required.

The table below details the design options explored along with rough order costing. Supporting information including a more detailed cost breakdown is included in Appendix C.

**Table 4-3: Preliminary Bridge Design Options**

Option Description	No. of Spans	Design Loading	Total Cost	Confidence Limit	Estimate Range \$000s
A: Hollowcore Deck and Concrete Piers	4	HN-HO-72	\$1,725,000	±15%	1,474 1,977
B: 410UB Composite Deck and UC Piers	6	HN-HO-72	\$1,627,000	±25%	1,233 2,022
C: Hollowcore Deck and UC (braced) Piers	4	HN-HO-72	\$1,718,000	±20%	1,380 2,052
D: Double T Deck and Concrete Piers	6	Class 1- Rural (comparison only)	\$1,543,000	±15%	1,319 1,767

- The estimates allow for the bridge and roading physical works, including relocation of the water main, and professional services costs.
- A nominal sum has been included for land purchase costs, consent costs and legal survey.
- The confidence limits in the estimates reflect the level of detail carried out in the preliminary design and the confidence with piling requirements and likely tendering results.
- Final prices will be very dependent on the level of competition in the bridge construction market at the time of tender. Given how much construction work is happening around New Zealand, this competition may not be as strong as originally hoped for. This is reflected in the range of the estimates.
- Full survey and more detailed design will enable the estimates to be refined and the confidence limit ranges reduced.
- The estimates assume that the cost of removal of the old bridge is partly offset by allowing the contractor to retain ownership of any salvageable materials.



- To keep the costs of approach work down, there have been no allowances made for slip lanes or turning lanes at the east end of the bridge. This has been done because of the high cost of trying to gain additional road width at this approach due to the unstable hillside on the east of the road. While this is not ideal from a safety point of view, due to site distances and encountering stationary traffic, it should be no worse than the current situation. To mitigate some of the safety risks the following options have or should be considered or have been allowed for:
  - Reducing speed limits in the area.
  - Installing advanced warning signs.
  - Changing the priority on the new bridge to give traffic travelling from east to west the priority. This will reduce the amount of time traffic spends queuing on the eastern approach.
  - The cost of building slip lanes can be estimated during detailed design after the survey has been done, but given budget constraints it is unlikely these can be afforded.
  - On the western approach allowance has been made for 130m of new road to be built from the existing road onto the new bridge.
  - The bridge estimate allows for guardrail to be provided across the bridge. If this is not provided and the existing handrail is upgraded and reused, this has the potential to save approximately \$50,000 from the cost of the bridge replacement.
  - If the new bridge could be built on the alignment of the existing bridge, particularly at the western end, this could have a net potential saving of \$100,000 as a new western approach would not need to be built and land would not need to be bought or legalised. This option would obviously cause a lot of inconvenience for bridge users while the bridge was closed and a way to temporarily support the water main would need to be found.

## 5 Preferred Option Assessment

### 5.1 Risk Assessment

#### Technical

- **Cost of foundations:** There is not full certainty of what the foundation conditions will be along the full length of the bridge.
- **Construction cost and tender competition:** The degree of contractor interest in the project will have a significant effect on the final cost of the replacement.
- **Certainty of bridge location:** The final layout and location is subject to a number of factors including detailed survey.

#### Operational

- **Maintenance costs:** Increased maintenance costs from improvements (eg. guardrail- if chosen).
- **Security of water supply:** Impact on existing services (Otama Water scheme pipe).
- **Future vehicle types and impact on structure:** Width- vehicle dimensions and mass may increase in the future.

#### Financial

- **Cost certainty:** Inaccurate cost estimate due to level of available data at this preliminary stage, including utility information and assumptions in regards to topography and land value/use.
- **Funding availability:** Project unable to get funding due to higher cost estimate.
- **Ground conditions variability:** leading to increased construction costs.

#### Stakeholder/Public

- **Delay and cost risk:** Land acquisition issues.
- **Cultural risk:** Potential to affect sites of cultural, heritage or environmental significance.
- **Traffic diversions and delays:** Traffic impacts during construction.

#### Environmental/social responsibility

- **Adverse environmental effects:** during construction.
- **Resource consent delays:** Difficulties in obtaining resource consent and/or alteration to designation.

#### Safety

- **Crashes on the bridge approaches:** Safety risks predominantly relate to the existing arrangement and approaches.
- **Vehicles falling off bridge:** Installation of sight rails provide less side protection than guardrail.

#### Economy

- **Costs of bridge outweigh benefits:** Indicative BCRs inaccurate due to the high level investigation of costs and benefits.

A number of these risks have been identified during the option development process to allow for them to be mitigated or minimised.

### 5.2 Value for Money

#### 5.2.1 Economic Evaluation

A Simplified Procedures 2 (SP2): Structural Bridge Renewal economic evaluation has been completed in accordance with the Agency's Economic Evaluation Manual (EEM). The economic evaluation compared the expected benefits against estimate construction and maintenance costs over a 40 year period. A copy of this is included in Appendix H.

##### 5.2.1.1 Do-Minimum

Due to the continued deterioration of Pyramid Bridge and the current posting the following programme is proposed:

- Closure of the existing bridge in the next year.
- Alternative route via Waipounamu Bridge to the north of Riversdale.
- Additional maintenance costs of the alternative route has been assumed to be \$2000/km/year.

- An allowance of \$100,000 has been included in the alternative route costing to allow for additional intersection safety work to occur at the intersection of Two Chains Road and Riversdale Waikaia Road, noting that some recent safety works have been completed following the 2015 fatal crash at the site.
- A \$100,000 allowance has been made to allow for the continued Otama Water Scheme pipe crossing.

### 5.2.1.2 Preferred Option

The option is to replace the existing bridge with either a precast concrete hollowcore deck or a composite concrete deck supported on steel beams. The piles will either be concrete or driven steel piles. The midpoint of the lowest cost option has been used in the evaluation.

### 5.2.1.3 Assumptions

The following assumptions have been used in the evaluation:

- The default EEM load factor of 70% has been used.
- A traffic growth of 0% has been adopted based on the EEM default value.
- EEM update factors from July 2015 have been applied.
- The traffic direction has been assumed to be an even split in both direction with Riversdale being the common trip point.

### 5.2.1.4 Results

**Table 5-1: Present Value Analysis Summary**

NPV Benefits	Do-minimum (Alternative Route)	Option (Bridge Replacement)
HCV User Costs	\$2,420,689	\$989,590
<b>Total NPV Benefits over 40 Years Analysis Period</b>		<b>\$1,431,099</b>
<b>NPV Costs</b>		
Capital Costs	\$188,000	\$1,627,000
Maintenance Costs	\$461,736	\$16,100
Total PV Costs over 40 Years Analysis Period	\$649,736	\$1,720,636
<b>Total NPV Costs over 40 Years Analysis Period</b>		<b>\$1,070,900</b>
<b>Benefit Cost Ratio (BCR)</b>		<b>1.3</b>
<b>Efficiency Profile</b>		<b>1-3 Low</b>

A simple sensitivity test was completed using the lowest and highest bound of the qualifying options that met the HN-HO-72 standards. The resulting BCR's are shown in the table below:

**Table 5-2: Cost Sensitivity**

NPV Benefits	Cost	BCR
Lowest Bridge Replacement Cost	\$1,233,000	2
Highest Bridge Replacement Cost	\$2,052,000	1

## 5.2.2 Assessment Profile

An assessment profile for the Pyramid Bridge Replacement Option has been determined using the Transport Agency's Investment Assessment Framework (Refer Appendix 2: Investment Assessment Framework) using the criteria for "new and improved infrastructure for local roads". The assessment profile has been determined to be:

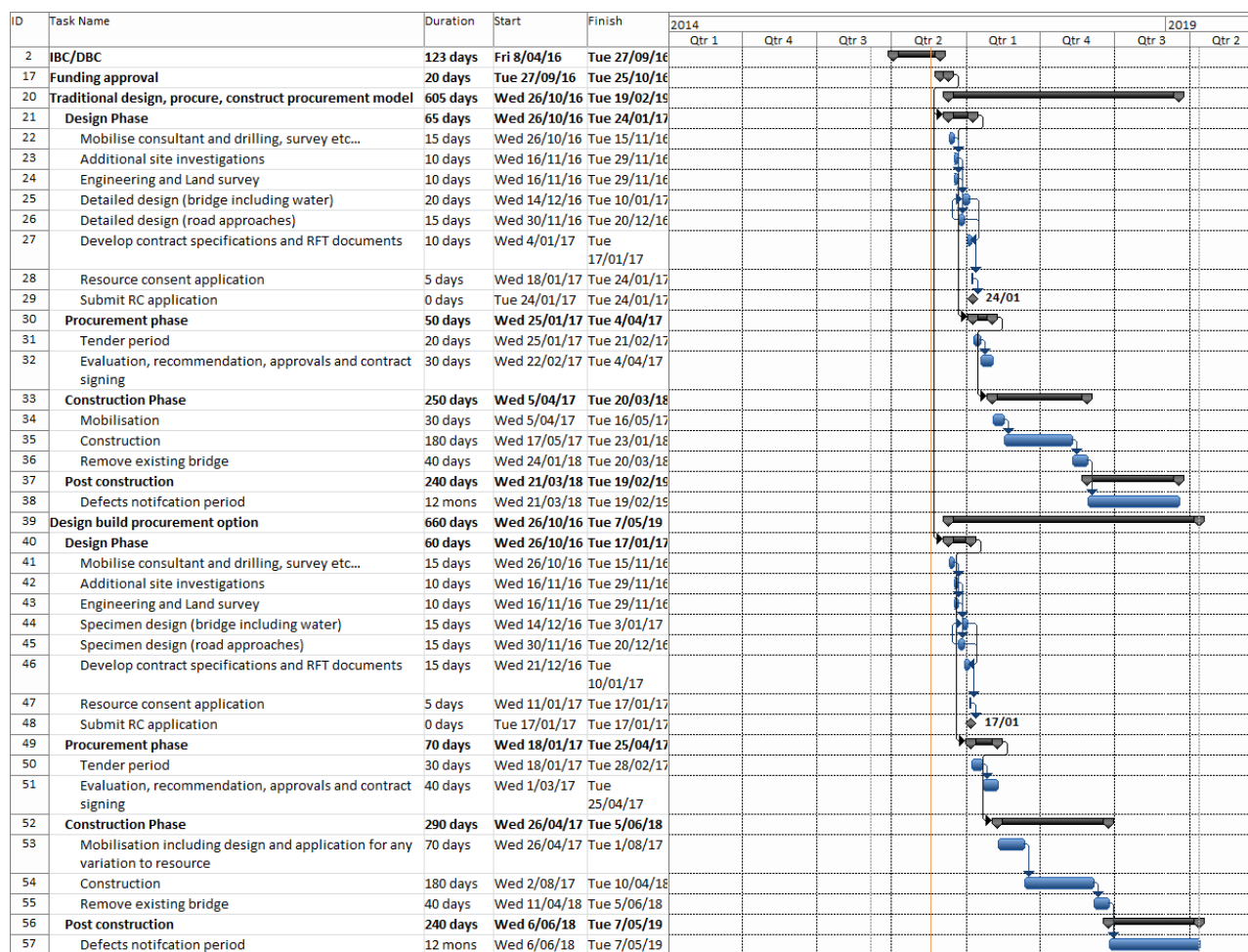
- \* Strategic Fit – Medium
- \* Effectiveness – Medium
- \* Efficiency – Low

Funding for replacement would be spilt over the following two work categories' C 322 Replacement of bridges and other structures W/C 324 Road improvements - approaches to bridge replacements costing in excess of \$50,000.

## 5.3 Procurement Strategy

A traditional detailed design phase and separate construction contract and design and build procurement option have been considered due to the limited timeframe to secure R funding.

An outline delivery programme of works has been prepared for both options. Both can deliver within the required timeline.



**Figure 5-1: Indicative delivery programme – Traditional and Design Build procurement options comparison**

The design build (D&B) strategy is preferred for the following reasons:

- There are a number of potential options for what could get built to service the need. The option that is designed will suit different contractors and expertise.
- It will enable greater chance of innovation to save money enabling different contractors to use their different expertise, with different economics based on the equipment they have available to their business.
- D&B allows for the benefits of innovation to be shared between the Client and Contractor.
- A specimen design will be prepared which will mitigate the risk that not much innovation is provided. There will therefore still be an option that will be reasonably economic to build. But the expectation is that a contractor will come up with something that best fits their capability, which could possibly be delivered cheaper than the specimen design.

## 6 Conclusion

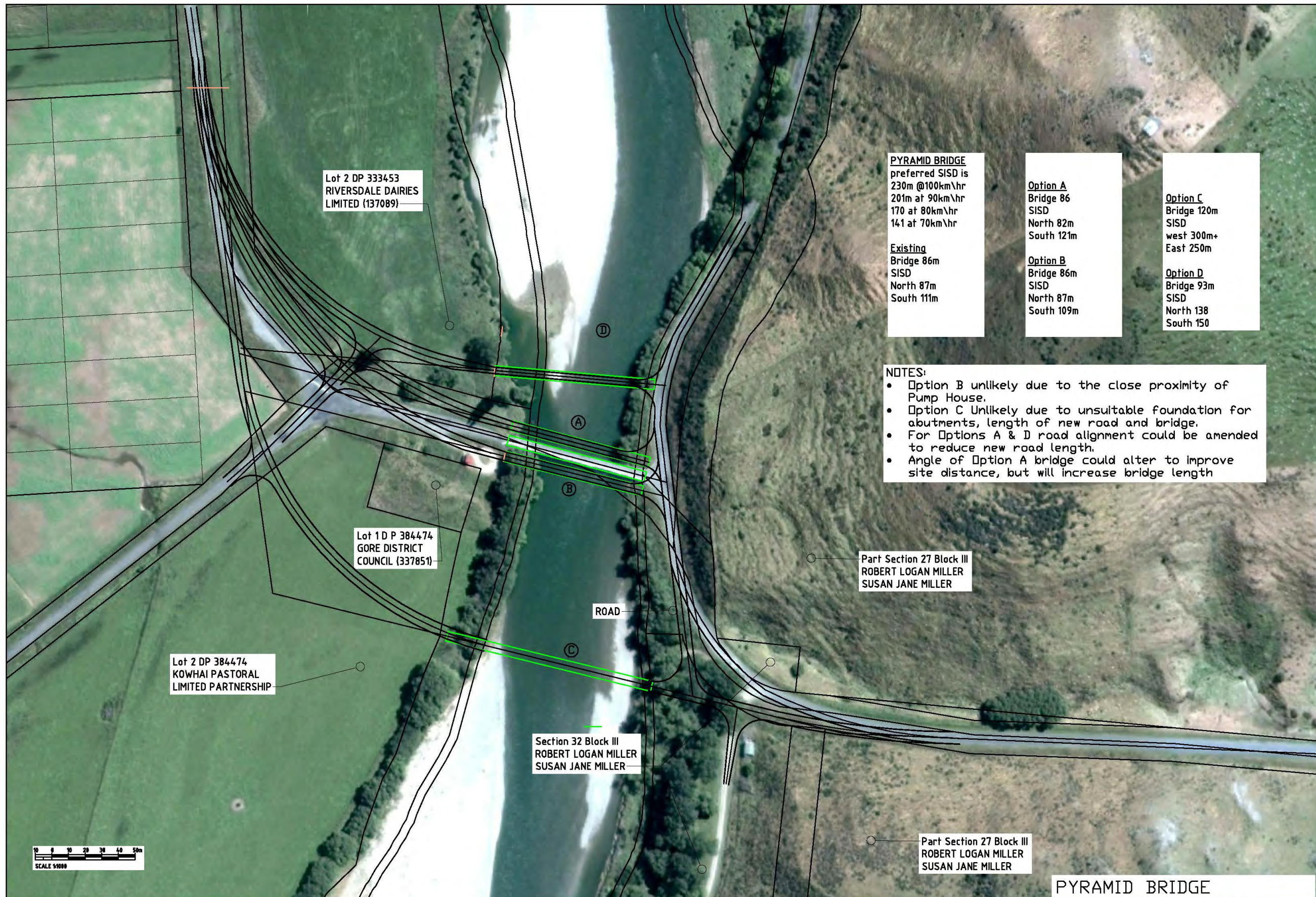
The preferred option for Pyramid Bridge site is replacement of the bridge with a wider single lane bridge to accommodate the current and future vehicles using the crossing. The existing bridge condition is very poor and is currently posted to 80% of Class 1.

The preferred option has an assessment profile for replacement of MML using the work categories W/C: 322 Replacement of bridges and other structures and W/C 324 Road improvements - approaches to bridge replacements costing in excess of \$50,000.

It is recommended that the bridge replacement option be progressed to pre-implementation as a design-build contract to ensure timeframes are met and an optimum material and cost balance is met.

## **Appendix A Bridge Replacement Layout Options**



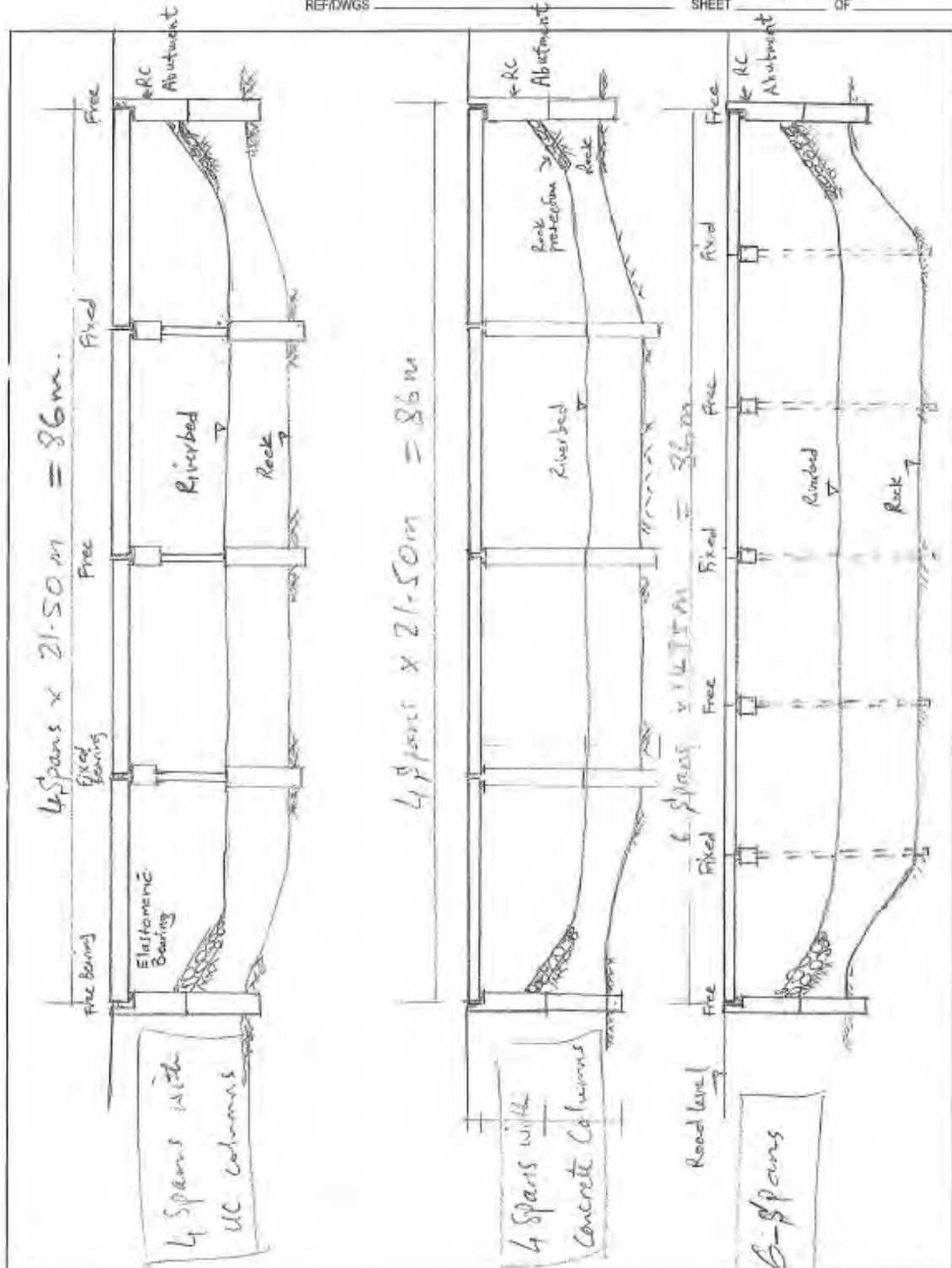





**MWH**

BUILDING A BETTER WORLD

PROJECT Pyramid Bridge - GDE PROJECT NO. 80508850-0104  
 DESCRIPTION Concept Design Options  
 PREPARED BY QA DATE 26/7/2016  
 CHECKED BY \_\_\_\_\_ DATE \_\_\_\_\_  
 REVISIONS \_\_\_\_\_ SHEET \_\_\_\_\_ OF \_\_\_\_\_





## **Appendix B Investment Assessment Framework**

Criteria	Comment
<p>Strategic Fit (Medium)</p>	<p>A medium strategic fit rating may be given if the problem, issue or opportunity involves:</p> <ul style="list-style-type: none"> <li>- Journeys for: <ul style="list-style-type: none"> <li>- employment,</li> <li>- access to economic opportunities, including activities identified in regional economic growth strategies or in support of special housing area orders</li> <li>- access to social opportunities,</li> <li>- tourism, or</li> <li>- freight;</li> </ul> </li> </ul> <p>Where a demonstrated gap in the customer levels of service has been identified for:</p> <ul style="list-style-type: none"> <li>- journey time reliability</li> <li>- resilience (including lifelines),</li> <li>- mismatched capacity and demand that results in congestion and/or</li> <li>- mismatched capacity and demand that results in capacity constraints</li> </ul> <p>or</p> <p>A medium crash risk.</p>
<p>Effectiveness (Medium)</p>	<p>Outcomes Focussed</p> <ul style="list-style-type: none"> <li>o Tangible change in addressing the problem, issue or opportunity identified in the Strategic Fit assessment.</li> <li>o Consistency with levels of service in an appropriate classification system.</li> </ul> <p>Identified long listed options have the ability to create a tangible change and address the issues identified in the Strategic Fit Assessment. Options have been assessed against their alignment to investment objectives.</p>
	<p>Integrated</p> <ul style="list-style-type: none"> <li>o Consistency with the current network and future transport plans.</li> <li>o Consistency with other current and future activities.</li> <li>o Consistency with current and future land use planning.</li> <li>o Accommodates different needs across modes.</li> </ul> <p>Support as an agreed activity across partners.</p> <p>Consideration will need to be given to the needs of a number of modes during the option selection process.</p> <p>Project is included in the Otago Southland Regional Land Transport Plan (2015-2021) in priority band 1. Bridge is a shared asset between Southland District and Gore District and the business case is an agreed activity between these partners.</p>
	<p>Correctly Scoped</p> <ul style="list-style-type: none"> <li>o The degree of fit as part of an agreed strategy or business case.</li> <li>o Has followed the intervention hierarchy to consider alternatives.</li> </ul> <p>The project is following the business case approach adopted by NZTA and a range of alternatives have been considered. Consideration has also been given to spatial</p>

	Criteria	Comment
	<ul style="list-style-type: none"> <li>Is of an appropriate scale in relation to the issue/opportunity.</li> <li>Covers and/or manages the spatial impact (upstream and downstream, network impacts).</li> </ul> <p>Mitigates any adverse impacts on other results.</p>	<p>impacts and adverse impacts of these interventions.</p>
	<p>Affordable</p> <ul style="list-style-type: none"> <li>Demonstrates that adequate funding to deliver the activity, or combination of activities, is available from identified sources, e.g. a funding plan has been identified through the lifecycle for all parties.</li> <li>Has understood and traded off the best whole of life cost approach.</li> <li>Has understood the benefits and costs between transport users and other parties and sought contributions as possible.</li> </ul>	<p>Adequate funding remains as one of the major risks for the preferred option due to the higher than expected preliminary cost estimate.</p> <p>The replacement option is the best whole of life cost approach to address the problems at the site and to achieve the investment objectives identified.</p>
	<p>Timely</p> <ul style="list-style-type: none"> <li>Delivers enduring benefits over the timeframe identified in the justified strategy or business case.</li> <li>Provides the benefits in a timely manner.</li> </ul>	<p>Construction of the bridge can be completed within one financial year with the benefit stream beginning as soon as construction concludes. Benefits continue over the evaluation period.</p>
	<p>Confidence</p> <ul style="list-style-type: none"> <li>Manages current and future risk for results/outcomes.</li> </ul> <p>Manages current and future risk for costs.</p>	<p>Risks have been identified and contingency allowances have been made to reduce the impact on future results/outcomes.</p>
	<p>Assessment based on the lowest rating of all components.</p>	<p>Medium</p>
Efficiency	<p>BCR Range 1-3.</p>	<p>Low</p>

## **Appendix C Bridge Replacement Options Cost Breakdown**

	Option A Hollowcore Deck and Concrete Piers	Option B 410UB Composite Deck and UC Piers	Option C Hollowcore Deck and UC (braced) Piers	Option D: Double T Deck and Concrete Piers
Preliminary Work and Bridge Demolition	\$65,000	\$65,000	\$65,000	\$63,000
Signage and Relocation of Services	\$15,000	\$15,000	\$15,000	\$15,000
Foundations/Piers	\$390,000	\$457,000	\$338,000	\$440,000
Abutments and Approaches	\$445,000	\$500,000	\$540,000	\$415,000
Super Structure	\$500,000	\$280,000	\$450,000	\$300,000
Guard Railing	\$110,000	\$110,000	\$110,000	\$110,000
Consent and Design Fees	\$100,000	\$100,000	\$100,000	\$100,000
Contingencies	\$100,000	\$100,000	\$100,000	\$100,000
Total	\$1,725,000	\$1,627,000	\$1,718,000	\$1,543,000

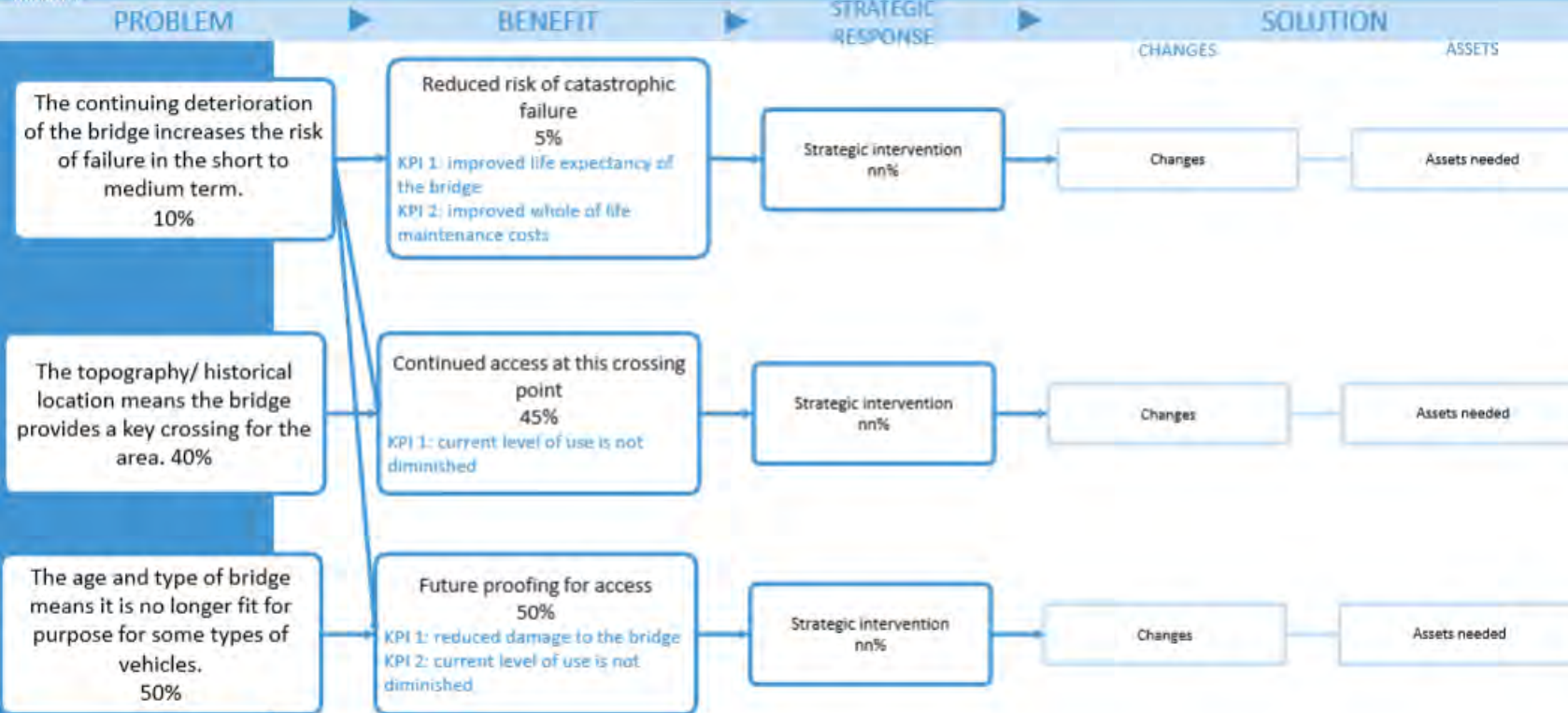
## **Appendix D Problem Benefit Diagram**

## Southland District Council/Gore District Council

### Pyramid Bridge Deterioration

#### INVESTMENT LOGIC MAP

Initiative



Business Problem Owner: Hartley Hare/Murray Hasler  
Facilitator: Matt Barnes  
Accredited Facilitator: No

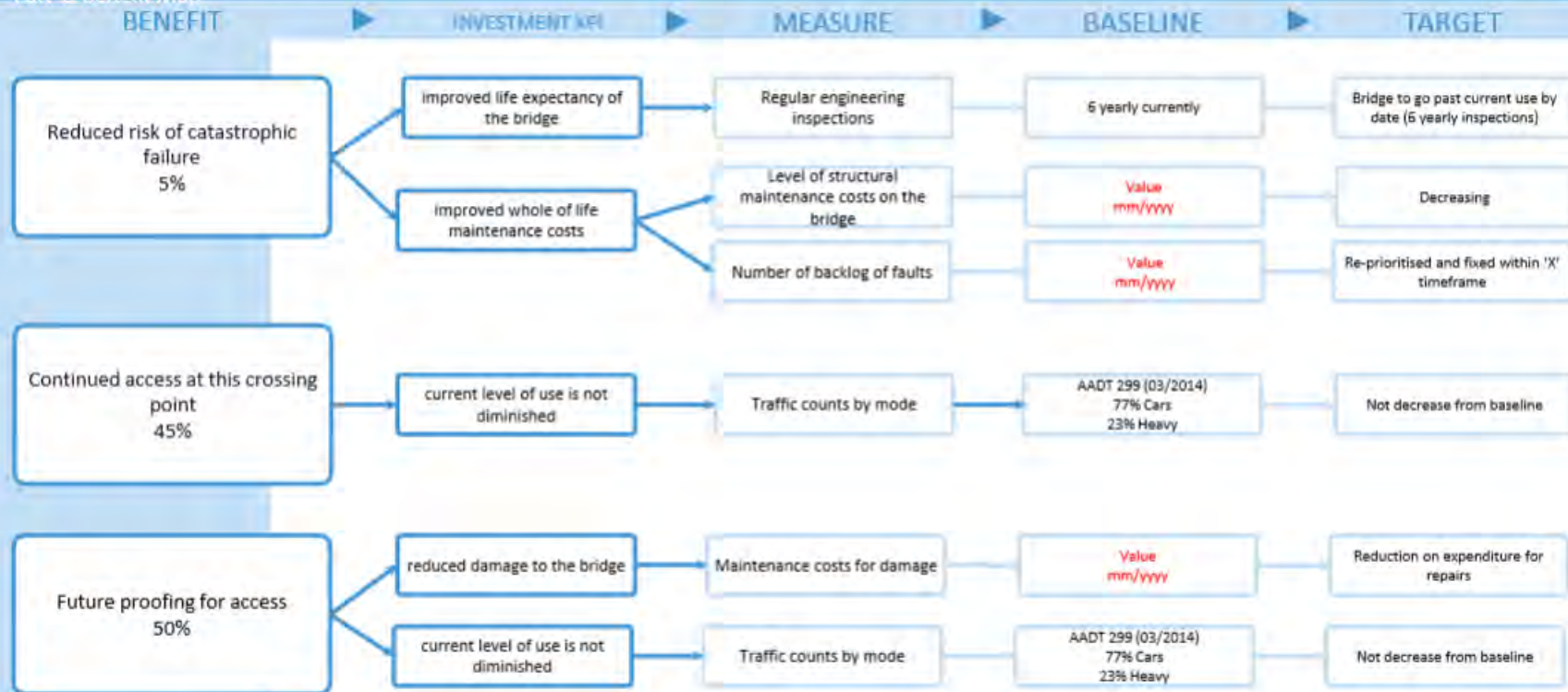
Version no: 0.2  
Initial Workshop: 16/01/2014  
Last modified by: Matt Barnes 25/02/2014  
Template version: 5.0

## Southland District Council/Gore District Council

### Pyramid Bridge Deterioration

#### BENEFIT MANAGEMENT PLAN

##### Part 1: Benefit Map



#### RESPONSIBILITY FOR DELIVERING THE BENEFITS

Name	Position	dd/mm/yyyy
------	----------	------------

Business Problem Owner: Hartley Hare/Murray Hasler  
Facilitator: Matt Barnes  
Accredited Facilitator: No

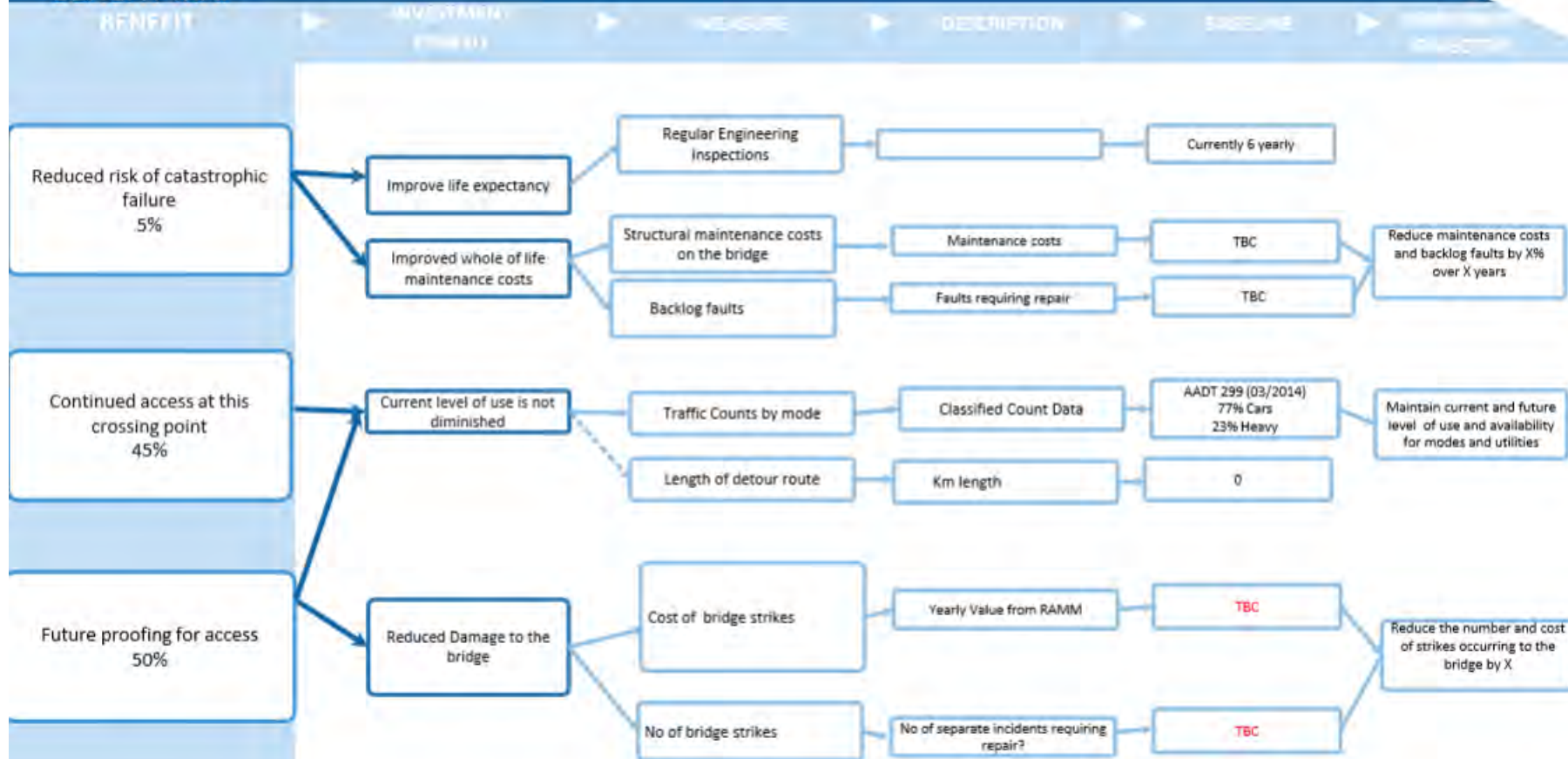
Version no: 0.1  
Initial Workshop: 25/02/2014  
Last modified by: Matt Barnes 25/02/2014  
Template version: 5.0



## Pyramid Bridge Deterioration

### Single Stage Business Case

#### BENEFIT MAP



#### RESPONSIBILITY FOR DELIVERING THE BENEFITS

Name	Position	dd/mm/yyyy
Business Problem Owner: Hartley Hare/Denis Mander		
Facilitator:		
Accredited Facilitator:		

Version no: 0.5  
Initial Workshop: 16/01/2014  
Last modified by: K Blackie 8/04/2016  
Template version:

## **Appendix E Meeting Minutes of Options Workshop**


**BUILDING A BETTER WORLD**

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## Workshop Notes

Meeting Name	Pyramid Bridge Options Workshop		
Meeting Venue	MVWH Invercargill		
Date Of Workshop	7 June 2016	Time of Meeting	11.00 am
Chairperson	Andrew Maughan	Recorder	Kelly Blackie

## Project Details

Client Name Gore District Council  
Project Name Pyramid Bridge Business Case  
Project Number 80508850

## Attendees

John Gardyne  
Athol Lawlor  
Adam Davis  
Hartley Hare  
Matt Bayliss  
Paul Williamson  
Corey Millan  
Joe Bourque  
Gordon McDonald  
John Laskewitz  
Andrew Maughan  
Kelly Blackie

## Organisation

Federated Farmers  
Rural Contractors Federation  
Rural Contractors Federation  
Southland District Council  
Gore District Council (3 Waters)  
Gore District Council  
Fonterra  
Southland District Council  
NZTA  
MWH  
MWH  
MWH

## Item

1. Introduction:
2. Overview of the current business case stage and purpose of workshop
3. Investment Objective
4. Options review
5. Next steps

## 1. Introduction

The participants introduced themselves, their organisation and what they hoped to get out of the workshop

## 2. Purpose of the workshop

Andrew gave an overview of the purpose of the workshop. This was to discuss the various constraints, risks, dependencies and opportunities in conjunction with the short list of options to help us inform a decision on the preferred option.

Ideally, at the end of the Options Workshop we would like key stakeholders to:

- have reviewed the options identifying important key risks, constraints and dependencies
- Have an appreciation of relative costs, risks, benefits and implement-ability of shortlisted options
- Identify a preferred option to carry forward for further investigation
- Have a good understanding of the process to arrive at this point and the next steps that will be taken to develop the preferred option

Kelly gave an overview of the Strategic Case completed in 2014 and discussed the problem and benefit statements.


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### 3. Investment Objectives

Kelly discussed the process used for determining the investment objectives, based on the problem and benefit statements. These have been discussed and confirmed with the key investment partners. The investment objectives will be used to determine how effective each option is in meeting these objectives.

An overview of where we are at in terms of the business case process was also given.

### 4. Options Review

Andrew discussed the long list and the determination of the short list.

The risks, constraints and dependencies associated with each option were then discussed:

#### i. Do-minimum (reducing level of service and eventual closure) Option

- Doesn't address the safety issues on the approaches, the poor sight distance and lack of aprons on the approaches
- Risk to the Otama Water Scheme. The pipe attached to the bridge feeds the entire scheme, which includes some houses and a school. The water comes from a well into an underground aquifer and it's not possible to put the well on other side of the river due to its location and the geology wouldn't allow this. If bridge was taken out by flood supply could be lost for a week or more; this is not sustainable for the properties on the Gore side of the river that depend on this scheme.
- Still being used by HCV's even with restrictions- deterioration rate could be faster
- Fonterra trucks rerouting into Knapdale - on route to Gore, with trucks travelling on narrow roads. Operating cost increase with approximately 20min increase in travel time.
- GPS sends tourists over Pyramid Bridge as part of a shortcut between Milford Sound and Raes Junction.
- Existing bridge is narrow for current agricultural vehicles between 3.6m-4m wide Bridge restrictions and eventual closure would add 20km to trips to Riversdale. For truckies etc this has an impact on a work days productivity.
- Temporary speed restriction may be needed
- Impact on surrounding intersections particularly the known safety issues at the Two Chain Road/Riversdale Waikata Road Intersection
- Lost opportunity- Bridge would have greater use if it was fit for purpose
- Emergency Services- Fire station at Riversdale services to Otama and Otama Valley, 20min delay if link is lost. Predominately house fires
- Reduced convenience for farmer with property on both sides of the bridge
- Popular fishing spot- impact on experience and ability to explore upper reaches

#### ii. Close Bridge and Remove Option

It was determined that this option has almost identical risks to the do-minimum apart from those related to the risk that the Otama scheme pipe would be damaged by a flood as the pipeline would not be attached to the bridge. A major issue however would be retaining the pipe crossing without the existing bridge.

#### iii. Bridge Upgrade Option

The whole structure is at the end of its useful life and it is not a practical option.

#### iv. Replace Bridge Option

- Sequencing of construction would need to consider the operation of the Otama Water Scheme (users should have 2 day storage of water)
- New bridge would need to be relocated north of the existing structure due to the location of the Otama Water Scheme well/pump house, and the large increase in cost of longer span bridge and increased amount of bridge approach works, particularly on the Southland side of the river.
- There is an opportunity to deal with the safety on the approaches (and a risk that the alignment may not allow this)
- Flow paths of the river has changed over time, will continue to do so and this needs to be considered when designing foundations
- Risks associated with cutting into the unstable embankment on the Otama side- slumping and instability





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- Potential consenting issues- Fish and Game and Iwi would need to be consulted
- Otama water scheme pipe goes up the hill, this impacts ability for excavation for sight lines or realignment
- Flood risk- bridge height: current height is OK due to overland flow path around the bridge (anecdotally every 10-20 years flood occurrence)
- Debris catching under the bridge
- Costs- ground conditions, escalation costs
- Closure during replacement
- Land acquisition
- Opportunities-ability to cater for current and future vehicles- they need to achieve quad axle semi turning circle, up to 23m long.
- Expecting growth in tourism, doesn't need to be specifically catered for. Would need to consider safety on single lane bridges and the approaches. Have contacted NavMan to remove the link but old maps will still show this route as well as other providers eg. TomTom.
- Some more conversions but not many more. Growth potential is to the east of the bridge. Still need to be using Pyramid Bridge because of likely tanker routes between collection points
- It was noted that Andrews Transport in Riversdale have a catchment of clients extending over the bridge and that grain is also transported across the bridge.
- ES Water and Land Plan- leaky soils, good for wintering but leaches nitrate into water, will need to winter cows in Central Otago and Otago or sheds from 2018 if approved. This is likely to cause a significant increase in HCV movements due to increased stock movement.

The assessment completed by MWH was discussed with the group. A multi criteria analysis (MCA) was used as a decision making tool to compare multiple criteria at once. The MCA evaluation will be changed to reflect the fact that the replace bridge option (and to some extent the bridge upgrade) will have a more positive environmental impact than the do-minimum and closure options due to the reducing number of trips (corresponding reducing emissions) along with the reduced or eliminated leaching for the old structures timber. The stakeholders agreed that the value should be 3 for replacement and 4 for upgrade.

#### v. Preferred option

The stakeholders agreed that based on the discussion regarding risks, opportunities and dependencies along with the option assessment that the bridge replacement option should be the preferred option carried forward for further investigation.

As time permitted the attendees then began to discuss the form and philosophy for a potential bridge replacement. The group agreed that a 2 lane bridge was not warranted based on the expected cost difference vs the limited additional benefit due to the traffic volumes and expected delays.

A preliminary horizontal alignment was discussed based on four alignments. In terms of sight distance and safety the options were ranked as (1=best, 4=worst):

1. Option C
2. Option D
3. Option A
4. Option B

The cost of each option was ranked (lowest = 1, highest = 4) based on the amount of road realignment and the length of bridge required. This resulted in the following ranking:

1. Option A and B
3. Option D
4. Option C

It should be noted that the maximum budget should be kept under \$1m and the preferred alignment will need to consider road safety on the approaches, cost, impact on the Otama Water Scheme and longer spans if possible.


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The stakeholders agreed that a minimum width of 4.2m should be achieved with a maximum width of 4.5m (if cost allows or dependant on the decking system).

Side protection was discussed and it was determined that there is insufficient demand to require side protection measure for pedestrians and cyclists. Guardrail would be preferable if the budget allows although this could impact on the room needed on the approach aprons, or sight rails if necessary. *Note that the NZTA Bridge Manual will be used to determine the required provisions.*

Lighting is not needed at the bridge.

Bridge should be High Productivity Motor Vehicle (HPMV) enabled and meet HN-HO-72 (standard bridge loading) requirements (as per NZTA Bridge Manual requirements). HPMV were allowed following amendments to the *Land Transport Rule: Vehicle Dimensions and Mass 2010* essentially allowing vehicles to carry heavier loads under certain conditions relating to the configuration of that load.

Piers should reduce the ability for debris to get caught under the bridge and spans should be wider than 12m if possible. Note that this is seen as a practical minimum span; the preliminary design work will determine an optimal configuration that maximises return versus cost (bridge spans, pier configuration, deck, pile depth) but it is recognised the existing spans are around 12 m and the desire is to minimise the occurrence of debris building up against bridge piers during flood events.

Based on the above cost and safety assessment the two alignments for further investigation are Option A and Option D.

##### 5. Meeting Close

Invitees were thanked for their attendance. Further questions or comments regarding the project should be directed to Denis Mander ([dmander@goredc.govt.nz](mailto:dmander@goredc.govt.nz)) or Paul Williamson ([pwilliamson@goredc.govt.nz](mailto:pwilliamson@goredc.govt.nz)) at Gore District Council.

## **Appendix F Stakeholder Engagement**

## Consultation Summary

### Pyramid Bridge

Stakeholders	Contact Person	Email	Phone	Preliminary Design Consultation
Fish & Game	Jacob Smyth	<a href="mailto:jacob.smyth@southlandfishgame.co.nz">jacob.smyth@southlandfishgame.co.nz</a>	032159117	Kelly spoke with Jacob regarding current process and constraints that could help inform our preliminary design. Jacob said as it is a discreet section of the bed it is unlikely to significantly affect the spawning season for trout which occurs in May-June and July however the ideal construction period would be during low summer flows which are historically February and March. Jacob also discussed the need to reduce the release of sediment, however this is likely to be insignificant due to the hard bed with large cobbles. Fish and Game do not have a preference for the location of a new bridge but would like to be kept informed during the design/construction process.
Environment Southland	Steve West - Consents		032115115	Kelly spoke to Steve on 8/8/16 and discussed the current process and queried whether there were any known constraints that could affect the preliminary design. The river is subject to the Water Conservation (Mataura River) Order 1997 and any work would be discretionary under the plan with Te Ao Marama approval essential. The main elements that would need to be covered for consenting are minimising sediment release into the river bed and avoidance of the spawning period. Affected parties include Ngai Tahu, Fish and Game and DOC. Groundwater consents may be required for drilling.
Iwi - Te Ao Marama Southland	Dean Whanga	<a href="mailto:Dean@tami.maori.nz">Dean@tami.maori.nz</a>	039311242	Spoke to Dean, who advised an email should be sent to Stevie- which was completed on 11/07/16.
Iwi - Te Ao Marama Southland	Stevie-Rae Blair- Junior Māori Environmental Officer	<a href="mailto:stevie@tami.maori.nz">stevie@tami.maori.nz</a>		Response from Stevie Rae Blair via email on the 27/07. Email read: My apologies for not having got back to you sooner about the preliminary design of the Pyramid Bridge. I have spoken to Rewi Anglem the rūnanga representative for Hokonui Rūnanga and we are okay with the construction of a new bridge. Considerations during design, consenting and construction are as follows: • There are no known archaeological sites within this area but please include an Accidental Discovery protocol in your consent in case of any finds. • We would be interested in knowing how you are minimising sedimentation and discolouration etc. during construction. Please let me know if you require anything else from us. Once the design is at consenting stage it would be appreciated for us to view and provide our affected party approval.
Department of Conservation	John McCarroll	<a href="mailto:jmccarroll@doc.govt.nz">jmccarroll@doc.govt.nz</a>	032112400	Spoke with John and gave a brief overview of the business case process and current optioneering. Not overly familiar with the area so will be following up with an email to show location of the bridge. Reminder email sent 4/08/2016. Rang and left messages 29/08/16 and 1/9/16.



## **Appendix G Short List Evaluation**

# Long List – notes from Strategic Business Case workshop

Programme Alternatives	Do Nothing	Close Bridge and Remove	Restrict Access - by Mode, Time	Structural Improvements	Move Bridge	Rebuild - Replacement
Cost (Investment/ operational)	Increasing maintenance costs	One off cost to remove Cost to relocate water main However - decreasing maintenance costs and reuse	Signage Enforcement Continued maintenance costs Turning bays?	Capital cost Ongoing maintenance costs	Rebuild + roading costs Flood-banking, water main	\$1m+
Time Scale	Continue until bridge failure	2 years		Ongoing - 2 years	5 years +	3 years +
Risks						
Technical	Bridge will fail over time	Relocation of water main	Possibly not eligible for NZTA funding	Not taking environmental risks (piers)	Time takes to implement - current bridge could fail	Can't produce suitable design - increase costs
Operational	Limited access	Operation and maintenance of	Non-compliance	Restricted access while	Finding suitable location	Keeping water main
Financial	Increasing restrictions	Potential for increase in maintenance of surrounding	Increased inspections	Possible damage to water main - increased costs	Land purchase - pushes up cost	Can't get the funding - left with current situation, cuts options
Stakeholder/Public	Heightens non-compliance issues	Disconnected network at this point	System to notify people (e.g. flooding)	Network use - surrounding use increase	NIMBY issues	Bridge falls before get new bridge
Safety	Increasing maintenance - resources, costs etc	Increased vehicle costs for customers	Increased community costs (variable)	Upgrade may not go far enough		Contract failure
Accessibility	Increasing inspection requirements	Increased costs to customers	Inconvenience (variable)	Increased costs to customer - e.g. using network		Increased maintenance costs on current bridge
Economic	Liability on council/personal	Community severance	Sweat the asset to long	Potential user behaviour		Customers temporarily lose
Other	Financial penalty	Cost to District - customer - time/cost	Effects on communities - services			Change in land use = decrease in value for money
	Cost to District - customer - time/cost	Reduced competitiveness	Community severance (variable)			
	Reduced competitiveness	Effects on communities -				
	Failure if someone on bridge					
	Failure due to flooding					
	Sweat the asset to long					
Dis-Benefits		Community severance	Community severance	Potential waste of investment	Take up of valuable farming	Cultural risk
		Speed up flow of river			Environmental	
Dependencies	Water main	Water main	Emergency services	Emergency uses	Water main	Water main
	Emergency services	Improves water management?			Emergency services	
Rank	4	5	3	2	6	1

Short List Carried through for evaluation:

Do-minimum (reducing level of service over time and eventual closure)

Close bridge

Upgrade existing bridge

Replace bridge

	Investment Objectives			MCA				Implementability Risks (VH,H,M,L)
	IO1: Reduce maintenance costs and backlog faults by X% over X years	IO 2: Maintain current and future level of use and availability for modes and utilities	IO3: Reduce the number and cost of strikes occurring to the bridge by X	Environment	Social	Safety	Economic	
<b>Do Nothing</b>	Low	Low	Low	5	6	6	6	M
	Bridge will continue to deteriorate and maintenance costs and faults would be expected to increase	Increasing postings and closure of the bridge will limit future availability and impact on utilities	Would not impact on the number or cost of bridge strikes					Detour route implementability and suitability of bridge on detour. Impact on communities if link is lost. Retaining Otama Water Scheme pipe. Impact on emergency services and school buses
<b>Close Bridge and Remove</b>	Low	Low	High	5	6	6	6	M
	While maintenance costs at this location are likely to reduce there may be a significant increase in the surrounding routes maintenance	No future use and availability	Closure of the bridge would eliminate bridge strikes					Detour route implementability and suitability of bridge on detour. Impact on communities if link is lost. Retaining Otama Water Scheme pipe. Impact on emergency services and school buses
<b>Structural Improvements</b>	Medium	Medium	Low	4	2	3	2	VH
	Routine maintenance costs should reduce with new bridge components. Remaining bridge components will continue to incur higher maintenance costs	The existing level of use and availability would be maintained however future demand may not be catered for	No widening included and no and cost of bridge strikes would not change					Could potentially be implemented quicker than replacement option. May not provide a long term or technically possible solution due to the condition of the piers. Risks to the surrounding environment
<b>Rebuild - Replacement</b>	High	High	High	3	1	3	1	H
	New structure would reduce ongoing routine maintenance and eliminate backlog faults	Current and future use and availability could be catered for	Fit for purpose bridge would reduce the risk of being hit					Risks to surrounding environment, land purchase, capital costs. Continuing the operating water main

## **Appendix H Economic Evaluation**

## SP2 Structural bridge renewals

Worksheet 2 (5 (1-Jan-2016))

### Worksheet 2 - Evaluation summary for bridge renewal

Worksheet 2 provides a summary of the general data used for the evaluation where a decision is for a structural bridge renewal. The information required is a subset of the information entered into Transport Investment Online.

1 Evaluator(s)		Kelly Blackie					
Reviewer(s)							
2 Activity/package details							
Approved organisation name		Gore District Council					
Activity/package name		Pyramid Bridge Combined IBC/DBC					
Your reference							
Activity description		Single lane bridge replacement					
Describe the issues to be addressed		existing bridge is getting to the end of its useful life (current posted at 60% of Class 1) and is no longer fit for purpose					
3 Location							
Brief description of location		Riversdale					
4 Alternatives and options							
Describe the do-minimum		Close existing bridge, use detour route via Waipounamu Bridge and create crossing for the Orama Water Scheme nine					
Summarise the options assessed		short listed options included bridge closure, structural improvements, reducing level of service and bridge replacement					
5 Timing							
Time zero (assumed construction start date)		1 July		2016			
Expected duration of construction (months)				6			
6 Economic efficiency							
Date economic evaluation completed (mm/yyyy)				Aug-16			
Base date for costs and benefits		1 July		2016			
AADT at time zero				236			
Traffic growth rate at time zero (%)				0.00			
%HCVI	5	ADT HCV I =	12	Existing bridge posting weight limit	80	% Class 1	
%HCVII	2	ADT HCV II =	5	Existing route length	6.50	km	
Attach list of regular HCV users with contract details							
Load factor	0.70			Is alternative route available	Yes		
				If yes, length of alternative =	15.90	km	
7 PV cost of do-minimum				\$ 649,736		A	
8 PV cost of the preferred option				\$ 1,720,636		B	
9 Data from worksheet 4 or 5							
HCV user cost of do-minimum	\$ 2,420,689	C x update factor <sup>VOC</sup>	1.00	=	\$ 2,420,689	Y	
HCV user cost of option	\$ 989,590	D x update factor <sup>VOC</sup>	1.00	=	\$ 989,590	Z	
10	BCR <sub>0</sub> =		PV net benefits		Y - Z		
			PV economic costs		B - A		
					1,431,099		
					1,070,900		
					1.3		
11	FVRR =		PV 1st year benefits		[(Y - Z) / DF] x 0.94		
			PV economic costs		B - A		
					8.1%		

### **<sup>1</sup>SP2 Structural bridge renewals**

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### Worksheet 3 - Cost of option

Worksheet 3 is used to calculate the costs of the different options. At the top of the worksheet, choose the option being evaluated. A separate Worksheet 3 is required for each option evaluated. To convert dollar values from different years to base date values, use the update factors in appendix A12.

The Do Minimum is determined by using worksheet 3 for all options and selecting least cost option as the Do Minimum.

- | 1 | Option (choose option being considered)   | alternative route      |
|---|---|------------------------|
| 2 | PV of estimated cost of proposed work (as per attached estimate sheets)                         |                        |
|   | \$ 200,000 x 0.94 =   | \$ 188,000 (a)         |
| 3 | PV of maintenance cost in year 1  | = \$ (b)               |
| 4 | PV of annual maintenance and inspection costs following the work<br>(years 2 to 40 inclusive) x | 14.52 = \$ 461,736 (c) |

- 5 PV of periodic maintenance costs

Time zero

1st July in the year

2016

[illegible]

Sum of PV of periodic maintenance costs \$	12	(d)
--	----	-----

- 6 PV cost of additional annual maintenance (due to extra HOV trips)

- 7 PV of total costs of option

Plz total costs (a) + (b) + (c) + (d) + (e) = \$ 649,736 B

Transfer total to **B** on worksheet 1. If the preferred option is to close the bridge, then transfer (e) to worksheet 1.



### **<sup>1</sup>SP2 Structural bridge renewals**

Spivak, Ch. 5 (1–20–2018)

**Worksheet 3 - Cost of option**

Worksheet 3 is used to calculate the costs of the different options. At the top of the worksheet, choose the option being evaluated. A separate Worksheet 3 is required for each option evaluated. To convert dollar values from different years to base date values, use the update factors in appendix A12.

The Do Minimum is determined by using worksheet 3 for all options and selecting least cost option as the Do Minimum.

- |          |  |    |           |      |                              |
|----------|--|----|-----------|------|------------------------------|
| <b>1</b> | Option (choose option being considered)  |    |           |      | new bridge                   |
| <b>2</b> | PV of estimated cost of proposed work (as per attached estimate sheets)                          | \$ | 1,627,000 | x    | 0.94 = \$ 1,529,380      (a) |
| <b>3</b> | PV of maintenance cost in year 1   |    |           | = \$ | (b)                          |
| <b>4</b> | PV of annual maintenance and inspection costs following the work<br>(years 2 to 40 inclusive) \$ |    | 15,100    | =    | 14.52 = \$ 190212      (c)   |

- 5 PV of periodic maintenance costs:

[illegible]

- 6 PV cost of additional annual maintenance (due to extra HCV trips)
- |    |       |   |    |   |     |
|----|-------|---|----|---|-----|
| \$ | 15.48 | = | \$ | 0 | (a) |
|----|-------|---|----|---|-----|

7. NPV of total costs of option

PV total costs (a) + (b) + (c) + (d) + (e) = \$	1,720,636	B
---	-----------	---

Transfer total to **B** on worksheet 1: if the preferred option is to close the bridge, then transfer **(e)** to worksheet 1

## SP2 Structural bridge renewals

Document SP2 (1 Jan 2016)

### Worksheet 4 - HCV user costs when there is an alternative route

Worksheet 4 is used for calculating the HCV road user costs for the various options when there is an alternative route. If posting the bridge is the *de minimis*, then the HCV users will either choose to:

- (a) use the existing bridge with load restriction and make more trips in lightly loaded vehicles, or
- (b) use the longer alternative route with fully loaded vehicles.

The HCV users operating costs for both alternatives should be calculated and the lowest HCV user cost used in the benefit cost analysis. If bridge is closed and an alternative route takes all diverted traffic, then the additional VOC, travel time and crash costs for the whole traffic stream are calculated. The additional costs per kilometre, including an adjustment for CO<sub>2</sub> emission costs, have been standardised for the HCV user cost calculations.

<b>1 Option (select)</b>		alternative longer route									
		80	% Class 1 loading								
HCV growth rate		0.00	(per annum)								
<b>2 The existing route at</b>		80	% Class 1 loading								
L	5.5	= ADT HCVI	12	= LF	0.70	x PCF	1.44	x \$2.04 x 365 = \$	57,568		
L	5.3	x ADT HCVII	5	x LF	0.70	x PCF	1.57	x \$3.05 x 365 = \$	37,536		
Sum of HCVI and HCVII user costs = \$										95,104	(a)
PV total HCV user costs for 40 years = \$										95,104	(a) x 15.49 DF = \$ 1,473,153 (b)
<b>3 The alternative longer route</b>											
LA	15.9	x ADT HCVI	12	x LF	0.70	x PCF*	1	x \$2.04 x 365 = \$	97,791		
LA	15.9	x ADT HCVII	5	x LF	0.70	x PCF*	1	x \$3.05 x 365 = \$	38,483		
Sum of HCVI and HCVII user costs = \$										136,274	(c)
PV total HCV user costs for 40 years = \$										136,274	(c) x 15.49 DF = \$ 2,120,689 (d)
*PCF will normally be 1.0 for the alternative route - if not use value from PCF table SP2.1.											
<b>4 The existing route at 100% Class I loading (bridge renewed)</b>											
L	5.50	x ADT HCVI	12	x LF	0.70	x PCF	1	x \$2.04 x 365 = \$	39,978		
L	5.50	x ADT HCVII	5	x LF	0.70	x PCF	1	x \$3.05 x 365 = \$	33,908		
Sum of HCVI and HCVII user costs = \$										63,886	(e)
PV total HCV user costs for 40 years = \$										63,886	(e) x 15.49 DF = \$ 985,580 (f)
<b>5 The existing route at 100% Class I loading (bridge replaced by a ford)</b>											
		ADT HCVI	11.8	x LF	0.70			x \$1.82 x 365 = \$	5,487		
		ADT HCVII	4.72	x LF	0.70			x \$2.87 x 365 = \$	3,461		
Sum of HCVI and HCVII user costs = \$										8,948	(g)
PV user costs for using Ford for 40 years = \$										8,948	(g) x 15.49 DF = \$ 138,608 (h)
PV total HCV user costs for existing route at 100% class I loading where a ford is provided:											
Sum of HCVI and HCVII user costs for existing route (f) + using low cost option (h) =										1128198	(i)
<b>6 Transfer (b), (d), (f), or (j) to C on worksheet 2 - as appropriate.</b>											



### SP2 Structural bridge renewals

(Worksheet 5/1/Jan 2016)

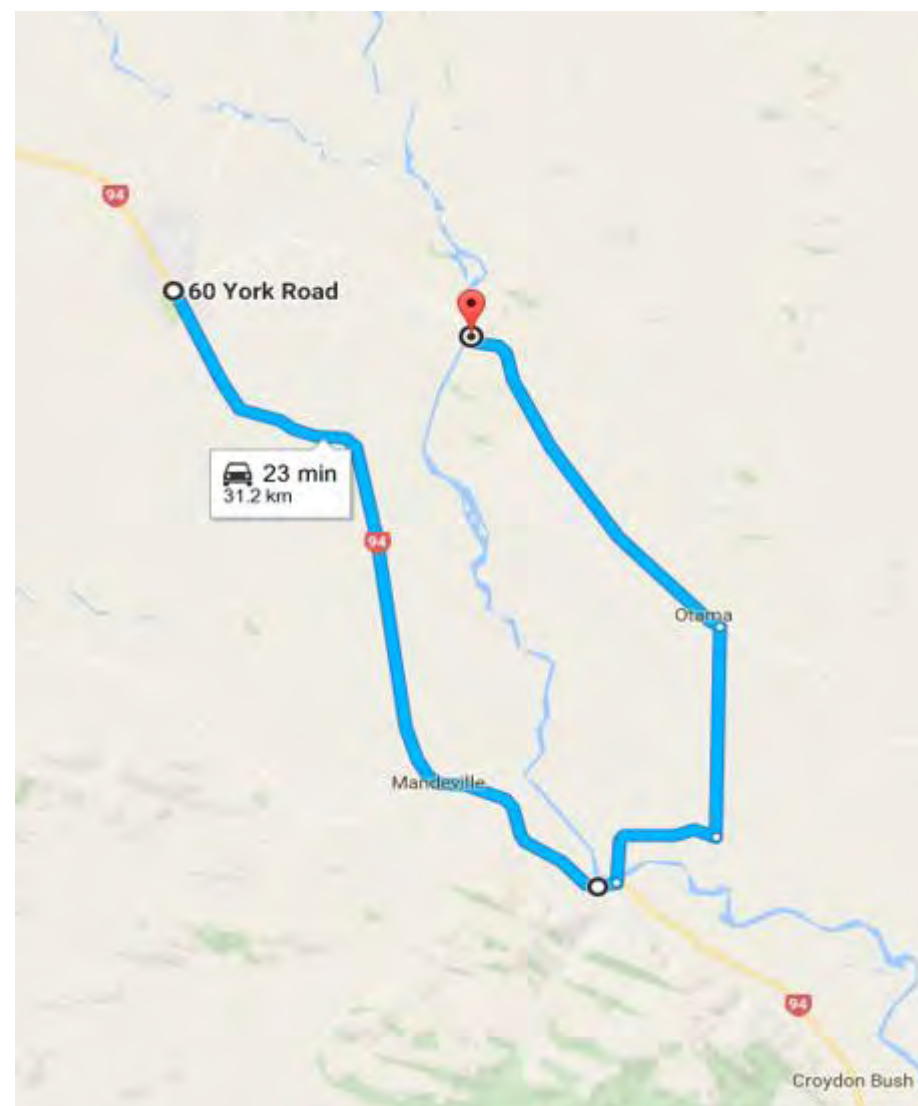
#### Worksheet 5 - HCV user costs when there is no alternative route

Worksheet 5 provides a method for calculating HCV road user costs when no alternative route is available. In this situation, the HCV user costs for bridge crossings should be calculated for the distance between the origin and destination of the trips.

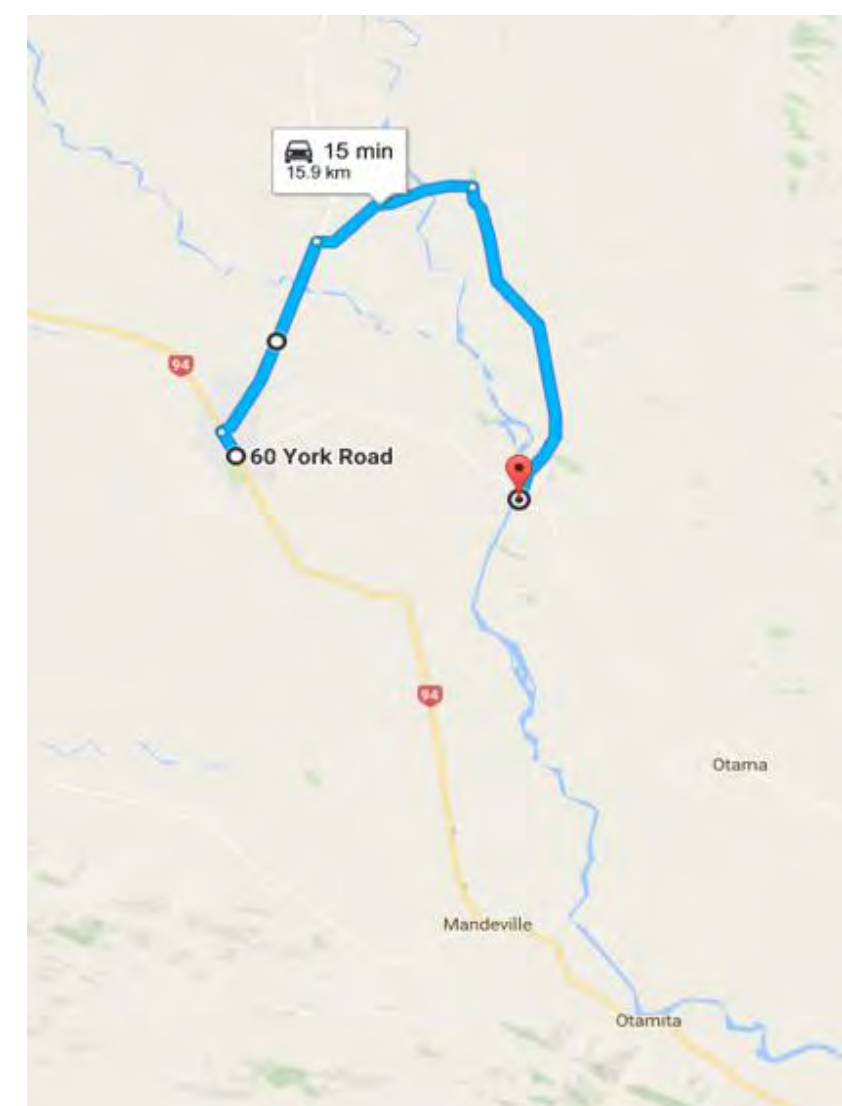
1 Option (select):		existing route at 100% Class I (bridge renewed)											
		80		% Class I loading									
HCV growth rate (per annum)		0.00%											
2 The existing route at				% Class I loading									
L	6.5	x ADT HCVI	12	x LF	0.70	x FCF	0	x \$2.04x365=	\$	0			
L	6.5	x ADT HCVII	5	x LF	0.70	x FCF	0	x \$3.05x365=	\$	0			
Sum of HCVI and HCVII user costs =										\$	0	(a)	
PV total HCV user costs for 40 years:										= \$	0	(a) x 15.49 DF = \$ 0	(b)
*LF is likely to be greater than 0.7 when there is no alternative route.													
3 The existing route at 100% Class I loading (bridge retained)													
L	6.5	x ADT HCVI	12	x LF	0.70	x \$2.04x365=	\$	39,978					
L	6.5	x ADT HCVII	5	x LF	0.70	x \$3.05x365=	\$	23,908					
Sum of HCVI and HCVII user costs =										\$	63,886	(c)	
PV total HCV user costs for 40 years =										\$	63,886	(c) x 15.49 DF = \$ 989,590	(d)
4 The existing route at 100% Class I loading (bridge downgraded and a ford constructed)													
		ADT HCVI	12	x LF		x \$1.82x365=	\$	0					
		ADT HCVII	5	x LF		x \$2.87x365=	\$	0					
Sum of HCVI and HCVII user costs =										\$	0	(e)	
PV total HCV user costs for 40 years										= \$	0	(e) x 15.49 DF = \$ 0	(f)
PV total HCV user costs for existing route at 100% class I loading where a ford is provided:													
Sum of HCVI and HCVII user costs for existing route (d) + using ford (f) =										\$	989,590	(g)	
5 Transfer (b), (d) or (g) to C on worksheet 2, as appropriate.													



**Existing Crossing**



**Detour using Oteramita Bridge**



**Detour using Pounamu Bridge**

Existing Crossing

Assumptions:

Pounamu Bridge is detour – assumption that it is capable and suitable for traffic

Travel direction on SH is split 50/50 with Riversdale township being the common point

Existing bridge will close within year

Per km rate use for yearly maintenance: \$1,000 km/year unsealed

\$2,000 km/year sealed

Existing Route	Yearly Maintenance
6.5	\$13,000

Alternative Route	Yearly Maintenance
15.9	\$318,000

Alternative Route Capital Works with a fatal crash occurring in 2015 will be needed

Otama Water Scheme pipe will need a specific crossing – allow additional \$100,000 for this

## **Appendix I    Test Bore Results**

[illegible]



2274

Site: <u>Pyramid Bridge</u>		Job No.: _____	
Bore No.: <u>BH1 - Right</u>	Date: <u>27-6-16</u>	Equip No.: <u>193</u>	
Co-Ords: _____	Datum: _____	Surface R.L.: _____	
Plant & Technique: <u>Sonic</u>			
Rod: <u>3u</u> mm	Casing: <u>5 1/2</u> mm	G.W.L.: _____	
Technician: <u>Bryon</u>		Checked: _____	
TEST SPECIFICATION NZS 4402 TEST 6.5.1:1988			

Penetration (blows) <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>1</td><td>75mm</td></tr> <tr><td>1</td><td>150</td></tr> <tr><td>1</td><td>225</td></tr> <tr><td>1</td><td>300</td></tr> <tr><td>1</td><td>375</td></tr> <tr><td>1</td><td>450</td></tr> </table>	1	75mm	1	150	1	225	1	300	1	375	1	450	Depth: <u>1.5m</u> Soil Description: _____  N = <u>1</u> N = blows/300mm	Penetration (blows) <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>16</td><td>75mm</td></tr> <tr><td>12</td><td>150</td></tr> <tr><td>10</td><td>225</td></tr> <tr><td>14</td><td>300</td></tr> <tr><td>14</td><td>375</td></tr> <tr><td>12</td><td>450</td></tr> </table>	16	75mm	12	150	10	225	14	300	14	375	12	450	Depth: <u>7.5m</u> Soil Description: _____  N = <u>50 = 440mm</u> N = blows/300mm
1	75mm																										
1	150																										
1	225																										
1	300																										
1	375																										
1	450																										
16	75mm																										
12	150																										
10	225																										
14	300																										
14	375																										
12	450																										
Penetration (blows) <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>2</td><td>75mm</td></tr> <tr><td>2</td><td>150</td></tr> <tr><td>2</td><td>225</td></tr> <tr><td>1</td><td>300</td></tr> <tr><td>1</td><td>375</td></tr> <tr><td>1</td><td>450</td></tr> </table>	2	75mm	2	150	2	225	1	300	1	375	1	450	Depth: <u>3m</u> Soil Description: _____  N = <u>5</u> N = blows/300mm	Penetration (blows) <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>5</td><td>75mm</td></tr> <tr><td>4</td><td>150</td></tr> <tr><td>13</td><td>225</td></tr> <tr><td>18</td><td>300</td></tr> <tr><td>19</td><td>375</td></tr> <tr><td></td><td>450</td></tr> </table>	5	75mm	4	150	13	225	18	300	19	375		450	Depth: <u>9m</u> Soil Description: _____  N = <u>50 = 205mm</u> N = blows/300mm
2	75mm																										
2	150																										
2	225																										
1	300																										
1	375																										
1	450																										
5	75mm																										
4	150																										
13	225																										
18	300																										
19	375																										
	450																										
Penetration (blows) <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>15</td><td>75mm</td></tr> <tr><td>14</td><td>150</td></tr> <tr><td>16</td><td>225</td></tr> <tr><td>18</td><td>300</td></tr> <tr><td>16</td><td>375</td></tr> <tr><td></td><td>450</td></tr> </table>	15	75mm	14	150	16	225	18	300	16	375		450	Depth: <u>4m</u> Soil Description: _____  N = <u>50 = 220mm</u> N = blows/300mm	Penetration (blows) <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>5</td><td>75mm</td></tr> <tr><td>6</td><td>150</td></tr> <tr><td>9</td><td>225</td></tr> <tr><td>15</td><td>300</td></tr> <tr><td>19</td><td>375</td></tr> <tr><td>7</td><td>450</td></tr> </table>	5	75mm	6	150	9	225	15	300	19	375	7	450	Depth: <u>10.5m</u> Soil Description: _____  N = <u>50 = 250mm</u> N = blows/300mm
15	75mm																										
14	150																										
16	225																										
18	300																										
16	375																										
	450																										
5	75mm																										
6	150																										
9	225																										
15	300																										
19	375																										
7	450																										
Penetration (blows) <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>3</td><td>75mm</td></tr> <tr><td>6</td><td>150</td></tr> <tr><td>7</td><td>225</td></tr> <tr><td>8</td><td>300</td></tr> <tr><td>8</td><td>375</td></tr> <tr><td>8</td><td>450</td></tr> </table>	3	75mm	6	150	7	225	8	300	8	375	8	450	Depth: <u>6m</u> Soil Description: _____  N = <u>31</u> N = blows/300mm	Penetration (blows) <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>7</td><td>75mm</td></tr> <tr><td>13</td><td>150</td></tr> <tr><td>22</td><td>225</td></tr> <tr><td>28</td><td>300</td></tr> <tr><td></td><td>375</td></tr> <tr><td></td><td>450</td></tr> </table>	7	75mm	13	150	22	225	28	300		375		450	Depth: <u>12m</u> Soil Description: _____  N = <u>50 = 140mm</u> N = blows/300mm
3	75mm																										
6	150																										
7	225																										
8	300																										
8	375																										
8	450																										
7	75mm																										
13	150																										
22	225																										
28	300																										
	375																										
	450																										

Site: Pyramid Bridge

Job No.: 193

Bore No.: BH1 Ry 4

Date: 27-6-16

Equip No.: 193

Co-Ord's: \_\_\_\_\_

Datum: \_\_\_\_\_

m Surface R.L.: \_\_\_\_\_

Plant & Technique: Sonic

Rod: 36 mm Casing: 5 1/2" mm G.W.L.: \_\_\_\_\_

Technician: B. Yen

Checked: \_\_\_\_\_

TEST SPECIFICATION NZS 4402 TEST 6.5.1:1989

Penetration (blows)		Depth: <u>18.5m</u> Soil Description	Penetration (blows)		Depth: _____ Soil Description
<u>12</u>	75mm	N = <u>50 = 130mm</u> N = blows/300mm		75mm	N = _____ N = blows/300mm
<u>19</u>	150			150	
<u>27</u>	225			225	
<u>23</u>	300			300	
	375			375	
	450			450	
Penetration (blows)		Depth: <u>15m</u> Soil Description	Penetration (blows)		Depth: _____ Soil Description
<u>13</u>	75mm	N = <u>50 = 80mm</u> N = blows/300mm		75mm	N = _____ N = blows/300mm
<u>24</u>	150			150	
<u>38</u>	225			225	
<u>12</u>	300			300	
	375			375	
	450			450	
Penetration (blows)		Depth: _____ Soil Description	Penetration (blows)		Depth: _____ Soil Description
	75mm	N = _____ N = blows/300mm		75mm	N = _____ N = blows/300mm
	150			150	
	225			225	
	300			300	
	375			375	
	450			450	
Penetration (blows)		Depth: _____ Soil Description	Penetration (blows)		Depth: _____ Soil Description
	75mm	N = _____ N = blows/300mm		75mm	N = _____ N = blows/300mm
	150			150	
	225			225	
	300			300	
	375			375	
	450			450	

Site: <u>Pyramid Bridge</u>		Job No.: _____	
Core No.: <u>3H2- left</u>	Date: <u>28-6-16</u>	Equip No.: <u>193</u>	
Co-Ords: _____	Datum: _____	Surface R.L.: _____	
Plant & Technique: <u>Some</u>			
Rod: <u>3w</u> mm	Casing: <u>5 1/2"</u> mm	G.W.L.: _____	
Technician: <u>Byron</u>		Checked: _____	
TEST SPECIFICATION NZS 4402 TEST 6.5.1:1988			

Penetration (blows) <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>1</td><td>75mm</td></tr> <tr><td>1</td><td>150</td></tr> <tr><td>1</td><td>225</td></tr> <tr><td>1</td><td>300</td></tr> <tr><td>3</td><td>375</td></tr> <tr><td>3</td><td>450</td></tr> </table>	1	75mm	1	150	1	225	1	300	3	375	3	450	Depth: <u>1.5m</u> Soil Description  N = <u>7</u> N = blows/300mm	Penetration (blows) <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>5</td><td>75mm</td></tr> <tr><td>45</td><td>150</td></tr> <tr><td></td><td>225</td></tr> <tr><td></td><td>300</td></tr> <tr><td></td><td>375</td></tr> <tr><td></td><td>450</td></tr> </table>	5	75mm	45	150		225		300		375		450	Depth: <u>7.5m</u> Soil Description  Rock Refusal  N = <u>50 = 90mm</u> N = blows/300mm
1	75mm																										
1	150																										
1	225																										
1	300																										
3	375																										
3	450																										
5	75mm																										
45	150																										
	225																										
	300																										
	375																										
	450																										
Penetration (blows) <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>W.O.U</td><td>75mm</td></tr> <tr><td>1</td><td>150</td></tr> <tr><td>1</td><td>225</td></tr> <tr><td>5</td><td>300</td></tr> <tr><td>8</td><td>375</td></tr> <tr><td>6</td><td>450</td></tr> </table>	W.O.U	75mm	1	150	1	225	5	300	8	375	6	450	Depth: <u>3m</u> Soil Description  N = <u>19</u> N = blows/300mm	Penetration (blows) <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td></td><td>75mm</td></tr> <tr><td></td><td>150</td></tr> <tr><td></td><td>225</td></tr> <tr><td></td><td>300</td></tr> <tr><td></td><td>375</td></tr> <tr><td></td><td>450</td></tr> </table>		75mm		150		225		300		375		450	Depth: <u>9m</u> Soil Description  N = _____ N = blows/300mm
W.O.U	75mm																										
1	150																										
1	225																										
5	300																										
8	375																										
6	450																										
	75mm																										
	150																										
	225																										
	300																										
	375																										
	450																										
Penetration (blows) <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>1</td><td>75mm</td></tr> <tr><td>1</td><td>150</td></tr> <tr><td>2</td><td>225</td></tr> <tr><td>3</td><td>300</td></tr> <tr><td>3</td><td>375</td></tr> <tr><td>3</td><td>450</td></tr> </table>	1	75mm	1	150	2	225	3	300	3	375	3	450	Depth: <u>4.5m</u> Soil Description  N = <u>11</u> N = blows/300mm	Penetration (blows) <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td></td><td>75mm</td></tr> <tr><td></td><td>150</td></tr> <tr><td></td><td>225</td></tr> <tr><td></td><td>300</td></tr> <tr><td></td><td>375</td></tr> <tr><td></td><td>450</td></tr> </table>		75mm		150		225		300		375		450	Depth: <u>10.5m</u> Soil Description  N = _____ N = blows/300mm
1	75mm																										
1	150																										
2	225																										
3	300																										
3	375																										
3	450																										
	75mm																										
	150																										
	225																										
	300																										
	375																										
	450																										
Penetration (blows) <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>26</td><td>75mm</td></tr> <tr><td>24</td><td>150</td></tr> <tr><td></td><td>225</td></tr> <tr><td></td><td>300</td></tr> <tr><td></td><td>375</td></tr> <tr><td></td><td>450</td></tr> </table>	26	75mm	24	150		225		300		375		450	Depth: <u>6m</u> Soil Description  N = <u>50 = 95mm</u> N = blows/300mm	Penetration (blows) <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td></td><td>75mm</td></tr> <tr><td></td><td>150</td></tr> <tr><td></td><td>225</td></tr> <tr><td></td><td>300</td></tr> <tr><td></td><td>375</td></tr> <tr><td></td><td>450</td></tr> </table>		75mm		150		225		300		375		450	Depth: <u>12m</u> Soil Description  N = _____ N = blows/300mm
26	75mm																										
24	150																										
	225																										
	300																										
	375																										
	450																										
	75mm																										
	150																										
	225																										
	300																										
	375																										
	450																										



15. AUDIT AND RISK COMMITTEE MINUTES

(Memo from Chief Executive – 01.12.16)

Attached for the Council's information are the minutes of the Audit and Risk Committee meeting held on Wednesday 23 November 2016.

**RECOMMENDATION**

**THAT the minutes of the meeting held on 23 November 2016 be received.**

**Report of a meeting of the Audit and Risk Committee held in the office of His Worship the Mayor, 29 Bowler Avenue, Gore on Wednesday 23 November 2016, at 10.35am.**

<b>Present</b>	<b>His Worship the Mayor (Mr Tracy Hicks JP), Cr Bolger, Cr Highsted (Chair), Cr Davis, Cr P Grant, Cr D Grant and independent member Mr Michael Chamberlain.</b>
<b>In attendance</b>	<b>The Chief Executive (Mr Stephen Parry), Chief Financial Officer (Mr Luke Blackbeard) and the Human Resources/Administration Manager (Susan Jones).</b>

The Chairman welcomed those present to the meeting and advised the Ajax pump station project would be added to the in committee agenda.

**1. REPORT OF PREVIOUS MEETING**

**RESOLVED on the motion of Michael Chamberlain, seconded by His Worship the Mayor, THAT the report of the previous meeting of the Audit and Risk Committee held on 24 August 2016 be confirmed as a true and complete record.**

**2. HEALTH AND SAFETY REPORT**

The Committee considered a report from the Human Resources Manager on health and safety within the Council, including an update on progress being made on the shared services project with other Southland Councils and an incident schedule profiling 76 incidents for the period 31 July to 17 November 2016. A schedule from Downer recording seven incidents from 19 August to 10 November 2016 had also been circulated.

*Brett Tomkins, audit partner from Deloitte attended the meeting at 10.47am.*

The Chair asked if in future the public incidents could be recorded separately from the staff incidents.

The Chief Executive advised the meeting of an independent report commissioned into the aquatic centre that focused on health and safety reporting, communication, staff training and rostering issues. It was noted that the rostering work would now be undertaken by a person independent of the payroll contractor.

**RESOLVED on the motion of Cr D Grant, seconded by Cr Davis THAT the report be received.**

### 3. DELOITTE AUDIT REPORT

A memo had been received from the Chief Financial Officer advising that the Council's external auditors Deloitte had recently concluded its audit of the 2015-16 annual report.

Mr Tomkins discussed the recommendations from Deloitte's focus points outlined in the management letter that had been circulated with the agenda. These included rates, revaluation of infrastructure assets, Local Government Funding Agency and statement of service performance. The brief from the Office of the Auditor General required an audit focus to also review sensitive expenditure, information, related party transactions and conflicts of interest and legislative compliance.

In addition, the following issues were identified for communication with the Council:

- Capital expenditure underspend
- Review of asset useful lives
- Interest rate swaps
- Review of holiday pay calculation
- Incomplete interest register

Mr Chamberlain asked if the interest on capital expenditure was capitalised.

The Chief Financial Officer advised it was expensed.

Mr Tomkins said IFRIS did not allow it to be capitalised, but the public benefit entities accounting standard did. He personally believed it should not be capitalised.

**RESOLVED on the motion of Cr P Grant, seconded by His Worship the Mayor, THAT the report be received.**

*Mr Tomkins departed the meeting at 11.30am*

*The meeting adjourned at 11.30am to go into a public excluded session. It resumed in open meeting at 12.13 pm.*

*His Worship departed the meeting at 12.13pm.*

### 4. SUPPLY OF RAW WATER TO CONSUMERS (SC0641)

A memo had been received from the Chief Executive together with a memo from the 3 Waters Asset Manager outlining the three raw water mains within the urban rating area reticulation and identifying the number of properties which were served with a raw water supply. There were seven properties being supplied raw water on the Mataura supply from the Pleura dam which were included within the Council's water rates regime. The connections were historical and may go back as far as the 1930s

when the water main was first installed. There was no documentation in relation to any agreement reached.

A further problem that had been identified was that the charging of a half-water rate under the Local Government (Rating) Act 2002 was not lawful as it was not covered by the Council's Funding Impact Statement. The best method to correct the anomaly was to convert the amount paid by way of water rate to a fee for water, and collect that fee through the Council's debtor system.

**RESOLVED on the motion of Michael Chamberlain, seconded by Cr Davis, THAT the Committee note this report and the memorandum from the 3 Waters Manager,**

**THAT a further report on the profile of ownership and use of water of the properties receiving water via a Council's raw water main for the Maitara scheme be prepared,**

**AND THAT the Council seek legal advice on the feasibility of developing a water supply agreement for each raw water main consumer that can insulate the Council from liability should the supply be used for the purposes of drinking.**

#### 5. COUNCIL BUILDINGS – EARTHQUAKE PRONE BUILDING ASSESSMENT (SC1603)

A copy of a report from the Parks and Recreation Manager had been received following a desktop assessment of Council owned buildings in relation to earthquake prone buildings. The assessment was based on four criteria as follows:

1. Built pre 1976
2. Masonry façade
3. Unreinforced
4. Could building fall onto footpath or road

The initial assessment assessed 43 Council buildings and of these, one was found to have all four of the factors listed above. Another had three factors, with nine having two and 11 just one single factor.

Formal building assessments in line with accepted industry practice would need to be undertaken by qualified engineers. There would be an unbudgeted financial implication for this work, the value of which would be included in the next Annual Plan.

The report had been considered by the Regulatory and Planning Committee at its meeting held the previous day.

Mr Chamberlain advised reports he had received in Auckland were that some builders were constructing a block of say 3-4 town houses and the steel and insulation was placed in one unit, signed off by the Council and then removed and

placed in the next unit for signing off. He said the fallout was expected to be greater than the leaky homes crisis.

**RESOLVED on the motion of Michael Chamberlain, seconded by Cr D Grant, THAT the information be received.**

**6. BANCORP TREASURY ADVISORS CONTINUATION OF RELATIONSHIP (SC1195)**

A memo had been received from the Chief Financial Officer advising that Bancorp had been appointed as the Council's treasury advisors in November 2015 for an initial one year term. The Officer recommended the appointment be renewed, noting that it could be terminated by one month's notice. The fee was currently \$2,000 per month or \$24,000 per annum and offered face to face meetings on average every two months. The Council had benefitted from the in-depth analysis provided in Bancorp's quarterly reports and it had been instrumental in assisting the Council in transitioning its funding to the LGFA.

A proposal had been received from PwC which had been circulated with the agenda. Its proposed annual fee was \$18,000, but with only two face to face meetings per year.

The Officer advised that Bancorp was unable to budge on its fee.

Cr Davis asked if the service should be tendered in the future and whether that may result in a lower cost.

The Chief Executive believed treasury services were a little like legal services and there needed to be a high level of trust and assurance in the advice given to the Council.

Mr Chamberlain held the view that tenders did not always result in the best outcome.

**RESOLVED on the motion of Cr D Grant, seconded by Michael Chamberlain, THAT the report be received,**

**AND THAT the Council continue the current treasury management relationship with Bancorp Treasury Limited.**

**7. TAX COMPLIANCE REVIEW (SC1491)**

A memo had been received from the Chief Financial Officer advising the Council had adopted a tax risk framework in November 2015 to ensure it was managing its tax obligations. Part of the framework required regular independent reviews through an external review every three years. The Council last had a review undertaken in June

2013 by TaxTEAM who had subsequently merged with Price Waterhouse Coopers (PwC).

A copy of a proposal from PwC had been circulated with the agenda. The proposal highlighted the increased interest the IRD was taking in the sector.

Mr Chamberlain noted the Council's payroll was contracted out and asked if there was an issue with GST for instance, would it be picked up by the annual audit.

The Officer advised Deloitte did not focus too greatly on GST, however, if there was any uncertainty over how a transaction should be treated, then advice would be sought by the staff.

The Chair felt as long as the Council was getting advice on any contentious transactions, he did not see any value in a review being undertaken.

The Officer said the review had been suggested following the tax framework that had been previously adopted by the Committee.

**RESOLVED on the motion of Cr Bolger, seconded by Cr D Grant, THAT the report be received, and PwC be thanked for its submission,**

**AND THAT management be requested to review GST, FBT and PAYE on an annual basis to ensure compliance.**

## **8. ACTION SHEET**

The Committee considered the action sheet detailing action points arising from previous Committee meetings.

The meeting concluded at 12.39pm

16. REPORT FROM MATAURA COMMUNITY BOARD

(Memo from Administration Manager – 01.12.16)

- ✎ A copy of the report of the statutory meeting of the Matura Community Board held on 3 November 2016 is attached.

**RECOMMENDATION**

**THAT the report be received.**



**Report of the statutory meeting of the Mataura Community Board, held in the Mataura Community Centre, McQueen Avenue, Mataura, on Monday 7 November 2016, at 5.43pm.**

**Present** His Worship the Mayor (Mr Tracy Hicks JP)(Chairman), Cr Phillips, members-elect Greg Chaffey, Geoff Colvin, Linda Sinclair and Alan Taylor.

**In attendance** Crs Bolger and D Grant, Administration Manager (Susan Jones), Parks and Recreation Manager (Mr Ian Soper), Communications Manager (Sonia Gerken) and nine members of the public.

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His Worship extended a welcome to those present. He felt the Board had made good progress to date and he extended his best wishes for the next three years.

**1. MAKING AND ATTESTING OF DECLARATIONS**

His Worship took declarations from members-elect Gregory Kopua Chaffey, Geoffrey Trevor Colvin, Linda Shirley Sinclair and Alan Robert Taylor.

**2. ELECTION OF CHAIRPERSON**

His Worship invited nominations for the position of Chairperson of the Board.

Geoff Colvin nominated Alan Taylor. The nomination was seconded by Linda Sinclair.

There being no further nominations, Alan Taylor was declared duly elected, and assumed the chair at 5.53pm. He thanked Board members for their support. He had appreciated working with the previous Board and looked forward to the next three years.

**3. STATUS, ROLE AND POWERS OF COMMUNITY BOARDS**

A memo had been received from the Chief Executive together with relevant excerpts from the Local Government Act 2002 on the status, role and powers of Community Boards.



**RECOMMENDED on the motion of L Sinclair, seconded by G Colvin, THAT the report be received.**

#### **4. MODEL STANDING ORDERS**

A memo had been received from the Chief Executive advising that it was a requirement of Clause 27(1), Schedule 7 of the Local Government Act 2002 that every local authority adopt a set of Standing Orders for the conduct of its meetings and those of its committees. The Council and the Community Board had previously operated from Standing Orders NZS9202:2003. These Standing Orders had recently been updated by Local Government New Zealand to take cognisance of changes introduced by the Local Government Act 2002 Amendment Act 2014, which *inter alia*, enabled Standing Orders of a local authority to permit attendance at a Council meeting by an elected member via audio link or audio-visual link.

A copy of the draft Standing Orders had been circulated with the agenda.

The Administration Manager advised the draft Standing Orders had been adopted by the Council at its statutory meeting held on 3 November. There had been a minor amendment made to paragraph 2 of clause 19.8 that would now read "*The member must leave the table when the matter is considered, but subject to approval of the meeting does not need to leave the room.*"

The Manager advised a clean set of Standing Orders would be provided to each Board member as soon as possible.

**RECOMMENDED on the motion of G Colvin, seconded by L Sinclair, THAT the Community Board approve the adoption of the Gore District Council Standing Orders, effective from 7 November 2016, noting the amendment to clause 19.8 and that the standing orders have been based on a comprehensive review undertaken by Local Government New Zealand.**

#### **5. GENERAL EXPLANATIONS**

A memo had been received from the Chief Executive advising that Clause 21 (5), Schedule 7 of the Local Government Act 2002 required that at the first meeting of the Community Board following the triennial general election, a general explanation must be given of the Local Government Official Information and Meetings Act 1987, and appropriate provisions of:

- (a) The Local Authorities (Members' Interests) Act 1968;
- (b) Sections 99, 105 and 105A of the Crimes Act 1961;
- (c) The Secret Commissions Act 1910; and
- (d) The Financial Markets Conduct Act 2013.

The relevant details had been included with the agenda.

**RECOMMENDED on the motion of G Chaffey, seconded by L Sinclair, THAT the information be received.**

The Chairman had appreciated working with the Council Managers and as a Board, it was vital to have a good relationship when working together for the community and the district. He acknowledged the support received.

#### **6. PRESENTATION TO FORMER BOARD MEMBERS**

The Chairman thanked Barbara Cunningham and Chris Duffy, who had not sought re-election, for their contributions to the Board and to former Cr Steve Dixon for his interest in the community and his assistance to the Board.

His Worship presented certificates of service to Barbara Cunningham and Steve Dixon.

The Chairman said three things came to mind when he considered the next three year term:

- To build a better town for residents;
- To create a better perception of the town and for those who pass through it; and
- Encourage community participation in projects to improve the town.

The meeting concluded at 6.06pm

17. EMERGENCY COMMITTEE

(Memo from Chief Executive – 30.11.16)

With the full Council not meeting until February next year, it would again be prudent to establish an Emergency Committee to deal with any urgent governance or policy issues that may arise over the summer recess.

The Committee would only meet on an as required basis, thus ensuring that staff are not operating in a governance hiatus.

The Committee should be given authority to act on any urgent matters that may arise, with any decisions taken to be reported to the meeting of the Council scheduled for 16 February 2017.

**RECOMMENDATION**

**THAT an Emergency Committee consisting of His Worship the Mayor, the Deputy Mayor, Cr D Grant and Cr P Grant be appointed to deal with urgent governance and policy issues that require actioning prior to the February 2017 Council meeting, with any two of the Emergency Committee members having power to act,**

**AND THAT any decisions made by the Emergency Committee be reported to the next meeting of the Gore District Council to be held on 16 February 2017.**

**18. SCHEDULE OF MEETING DATES FOR 2017**

(Memo from Administration Manager – 30.11.16)

It is usual at its December meeting, for the Council to determine its meeting schedule and times for the following year. In recent years, the Council has met on a six weekly cycle which has worked well, particularly for staff preparing reports for agendas.

- ↳ Based on a six weekly cycle, a similar schedule for 2017 has been developed and is attached.

Councillors will note that no meetings have been scheduled for July which traditionally is a quiet month. The option still remains to hold extraordinary meetings should the need arise for urgent resolution of a matter, however, over the past year these have been few and far between.

**RECOMMENDATION**

**THAT the schedule of meeting dates for 2017 be adopted, noting that the December meeting will commence at 3.00pm.**

**2017 GORE DISTRICT COUNCIL MEETING SCHEDULE**

Council meeting, 7.30pm	Tuesday 14 February
Committee meetings, 4.00pm	Tuesday 14 March
Council meeting, 7.30pm	Tuesday 4 April
Committee meetings, 4.00pm	Wednesday 26 April* (note change of day)
Council meeting, 7.30pm	Tuesday 16 May
Committee meetings, 4.00pm	Tuesday 6 June
Council meeting, 7.30pm	Tuesday 27 June
Council meeting, 7.30pm	Tuesday 1 August
Committee meetings, 4.00pm	Tuesday 22 August
Council meeting, 7.30pm	Tuesday 12 September
Committee meetings, 4.00pm	Tuesday 3 October
Council meeting, 7.30pm	Tuesday 24 October
Committee meetings, 4.00pm	Tuesday 21 November
Council meeting, 3.00pm*	Tuesday 12 December* (note start time)

**Note** – there are no meetings scheduled in July

Good Friday – Friday 14 April

Easter Monday – Monday 17 April

Anniversary Day – Tuesday 18 April

ANZAC Day - 25 April

19. GORE DISTRICT GROWTH COMMITTEE

(Memo from Chief Executive – 05.12.16)

At the inaugural meeting of the Council following the October local authority elections, Cr Doug Grant was appointed as Chair of a new committee to focus on economic development and growth. The terms of reference for this new committee had yet to be developed due to the Council having a workshop on economic and community development matters scheduled for the end of November.

The one-day workshop held at the Gore RSA on 28 November provided a forum in which a possible name of the new committee, together with the scope of its proposed activities, could be explored. Subsequent to this planning day a meeting was convened between Cr Grant as Chair, His Worship, Cr Bolger, the writer and Senior Corporate Support Officer Ceri Macleod to endeavour to articulate possible work streams that could be pursued by the Committee and incorporated into a draft terms of reference.

- ✚ Please find enclosed a draft terms of reference for the new Gore District Growth Committee. Further detail will need to be provided by the Council in relation to the ability for the Committee to act or whether it only has powers to recommend.

**RECOMMENDATION**

**THAT the Council consider the draft terms of reference for the new Gore District Growth Committee and make any amendments or refinements deemed appropriate in order that the Committee can function as early as possible in the New Year.**

**DRAFT TERMS OF REFERENCE**

<b>Name of Committee:</b>	<b>Gore District Growth Committee</b>
<b>Reporting to:</b>	Council
<b>Constitution:</b>	Mayor Committee Chairs Two external members (to be appointed by the Mayor and Committee Chairs)
<b>Chair:</b>	Cr Doug Grant
<b>Meeting Frequency:</b>	Six-weekly
<b>Reporting Frequency:</b>	Quarterly
<b>Quorum:</b>	Two members

**Objective:**

To be proactive and act with alacrity in identifying, nurturing and maximising socio-economic opportunities to support the development of a thriving economy and community, with the ultimate aim of stimulating sustainable population growth within the District.

**Scope of Activity:**

1. To act as a liaison with key sectoral interests and stakeholders to maximise the impact of strategic economic projects such as the Mataura Valley Milk Ltd milk processing plant.
2. To act as a point of contact and champion the Intergenerational Gore project and other initiatives emerging from the Southland Regional Development Strategy (SoRDS).
3. To act as the Council's point of reference for the Hokonui Highway project as a strategic, community-led initiative.
4. To lead in the delivery of a number of themed public fora to identify, consider and make recommendations to Council on socio-economic issues affecting the District.
5. To advocate for, and monitor progress with, improved digital connectivity in the District.
6. To assess the need for commercial, industrial and residential land in the District, taking into account known developments and make recommendations on possible zoning changes to the Planning and Regulation Committee.
7. To monitor the implementation of SoRDS and act as a point of contact in regard to regional initiatives and their impact on the Gore District.
8. To approve new events for the District and promote initiative that will enhance growth in tourism.
9. To liaise and foster close relationships with central government agencies and philanthropic trusts in the region.

**Stakeholders:**

- Mataura Licensing Trust (MLT)
- GoRetail
- Health sector representatives
- Business sector representatives
- Education sector representations, including the Gore District Community of Learning
- Hokonui Runanga/Iwi
- Agricultural sector representatives
- Tourism sector representatives
- Community sector representatives
- Construction sector representatives

**Power to Co-opt**

This Committee may co-opt other members to assist with its work as required on a project-by-project basis to ensure it has the necessary spread of skills.

**Power to Act:**

The Committee has the power to approve expenditure up to a limit of \$50,000 to enable investigation, feasibility studies and/or consultants to be engaged for the purpose of exploring initiatives and concepts within the purview of the Committee's Objective and Scope of Activity.

**Limitations on Authority:**

The Committee's Power to Act is subject to an overriding responsibility to ensure that its actions and decisions are always within the law and relevant Council policy.

**Delegation:**

The Committee has no powers of delegation.



**EXCLUSION OF THE PUBLIC**

His Worship to move that the public be excluded from the following parts of the proceedings of this meeting, namely the items as listed below.

The general subject of each matter to be considered while the public is excluded, the reason for passing the 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:

<b><u>General Subject Matter</u></b>	<b><u>Reason for passing this resolution in relation to each matter</u></b>	<b><u>Grounds under Section 48(1) for the passing of this resolution</u></b>
<b><u>Confirmation of Minutes</u></b>		
Confirmation of the minutes of the ordinary meeting of the Gore District Council, held in committee, on Tuesday 13 September 2016.		
Confirmation of the minutes of an extraordinary meeting of the Gore District Council, held in committee, on Thursday 6 October 2016.		
Confirmation of the minutes of an extraordinary meeting of the Gore District Council, held in committee, on Tuesday 22 November 2016.		
Confirmation of the report of the meeting of the Operations Committee, held in committee, on Tuesday 22 November 2016.		
Confirmation of the report of the meeting of the Regulatory and Planning Committee, held in committee, on Tuesday 22 November 2016.		
<b><u>Other Business</u></b>		
Audit and Risk Committee minutes Silver Fern Farms trade waste consent Procurement strategy for Collaborative Design Team Report on West Gore gravity main Ajax pump station monthly report update Impact of Ajax project projection on LTP Report on progress of sludge removal project Road maintenance contract	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations.	7 (2)(i)
Objection to menacing dog classification	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations, and protect the privacy of natural persons, including that of deceased natural persons.	7 (2)(i) and (a)
Mataura Valley Milk Limited – <b><i>Cr Highested excluded</i></b>	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations.	7 (2)(i)