WHANGAREI DISTRICT COUNCIL

Infrastructure Committee Committee Agenda

Date:	Thursday, 7 September, 2017
Time:	10:30 am
Location:	Council Chamber Forum North, Rust Avenue Whangarei
Elected Members:	Cr Greg Martin (Chairperson) Her Worship the Mayor Sheryl Mai Cr Stu Bell Cr Vince Cocurullo Cr Crichton Christie Cr Tricia Cutforth Cr Shelley Deeming Cr Sue Glen Cr Phil Halse Cr Cherry Hermon Cr Greg Innes Cr Jayne Golightly Cr Sharon Morgan Cr Anna Murphy

For any queries regarding this meeting please contact the Whangarei District Council on (09) 430-4200.

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Infrastructure Committee – Terms of Reference

Membership

Chairperson: Councillor Greg Martin

Members: Her Worship the Mayor Sheryl Mai
Councillors Stu Bell, Crichton Christie, Vince Cocurullo, Tricia Cutforth, Shelley Deeming, Sue Glen, Jayne Golightly, Phil Halse, Cherry Hermon, Greg Innes, Sharon Morgan, Anna Murphy

Meetings: Monthly

Quorum: **7**

Purpose

To oversee the management of council's infrastructural assets, utility services and public facilities.

Key responsibilities include:

- Services including the provision and maintenance of:
  - Infrastructure projects and support
  - Infrastructure project co ordination
  - Transportation
  - Waste and Drainage
  - Water
  - Parks and Reserves.
- Shared Services – investigate opportunities for Shared Services for recommendation to council.

Delegations

(i) All powers necessary to perform the committee's responsibilities, including, but not limited to:

(a) the approval of expenditure of less than $10 million plus GST.

(b) approval of a submission to an external body.

(c) establishment of working parties or steering groups.

(d) power to establish subcommittees and to delegate their powers to that subcommittee.

(e) the power to adopt the Special Consultative Procedure provided for in Section 83 to 88 of the LGA in respect of matters under its jurisdiction (this allows for setting of fees and bylaw making processes up to but not including adoption).

(f) the power to delegate any of its powers to any joint committee established for any relevant purpose under clause 32, Schedule 7 of the Local Government Act 2002

Item 3.1

Infrastructure Committee Meeting Minutes

Date:	**Thursday, 10 August, 2017**
Time:	**10:30 a.m.**
Location:	**Council Chamber** **Forum North, Rust Avenue** **Whangarei**
In Attendance	**Cr Greg Martin (Chairperson)** **Her Worship the Mayor Sheryl Mai** **Cr Stu Bell** **Cr Vince Cocurullo** **Cr Crichton Christie** **Cr Tricia Cutforth** **Cr Sue Glen** **Cr Phil Halse** **Cr Cherry Hermon** **Cr Greg Innes** **Cr Sharon Morgan** **Cr Anna Murphy**
Not in Attendance	**Cr Shelley Deeming** **Cr Jayne Golightly**

Also present:
Chief Executive (Rob Forlong), General Manager Infrastructure (Simon Weston), General Manager Community (Sandra Boardman), Governance Manager (Jason Marris), Manager Waste and Drainage (Andrew Carvell), Water Services Manager (Andrew Carvell), Roading Manager (Jeff Devine), Acting Parks Manager (Aubrey Gifford), Manager Infrastructure Development (Dominic Kula), Team Leaders (Infrastructure Planning and Capital Works), (Jed Whitaker and Marie-Katrin Richter), Team Leader Democracy (Nicolene Pestana), Community Development Adviser (Carla Janssen), Executive Assistant (Judi Crocombe) and Senior Democracy Adviser (C Brindle)

1. Declarations of Interest

2. Apologies

Crs Shelley Deeming and Jayne Golightly

Moved By Cr Greg Innes
Seconded By Cr Sue Glen

That the apologies be sustained.

Carried

3. Confirmation of Minutes of Previous Infrastructure Committee Meeting held 13 July 2017

Moved By Cr Vince Cocurullo
Seconded By Cr Stu Bell

That the minutes of the Infrastructure Committee meeting held on 13 July 2017 having been circulated, be taken as read and now confirmed and adopted as a true and correct record of proceedings of that meeting.

Carried

4. Decision Reports

4.1 Policy for Renewal - Berm Mowing

Moved By Cr Anna Murphy
Seconded By Cr Sharon Morgan

That the Infrastructure Committee approves:

1. Policy 0123 – Roadside Berm mowing.

2. that requests from the community for assistance with mowing of roadside berm in front of private properties, be sent to the Community Funding Committee for consideration for a Community Grant.

Lost

Cr Cutforth joined the meeting at 10.31am during Item 4.1.

4.2 LED St Light Upgrade Programme

Moved By Cr Stu Bell
Seconded By Cr Anna Murphy

That the Infrastructure Committee

1. Notes that due to the 85% subsidy offered by NZTA. The ratepayer funding for this project will be no more than $1.822 million and maybe less than $1 million.

2. Approves the increase in Project budget for the LED St Light Upgrade Programme to $6.6 million for the 2017/18 financial year.

Amendment

Moved By Cr Crichton Christie
Seconded By Cr Vince Cocurullo

That the Infrastructure Committee

1. Notes that due to the 85% subsidy offered by NZTA. The ratepayer funding for this project will be no more than $1 million.
2. Approves the increase in Project budget for the LED St Light Upgrade Programme to $6.6 million for the 2017/18 financial year.

The amendment was Lost
The motion was Carried

4.3 Pohe Island Carpark and Amenity

Moved By Cr Greg Innes
Seconded By Cr Anna Murphy

That the committee

1. approves the '*Spatial Masterplan*' for William Fraser Memorial Park on Pohe Island.
2. utilize the budget for 2017-19 financial years to design and construct access and amenity infrastructure as shown on drawing '*Prioritised Site – 2017-2019 Financial Year'*.

Amendment

Moved By Cr Crichton Christie
Seconded By Cr Vince Cocurullo

That the committee

1. approves the '*Spatial Masterplan*' for William Fraser Memorial Park on Pohe Island.
2. utilize the budget for 2017-19 financial years to design and construct access and amenity infrastructure as shown on drawing '*Prioritised Site – 2017-2019 Financial Year';* subject to the Long Term Plan Process.

On the amendment being put Cr Martin called for a division:

Recorded	**For**	**Against**
Cr Greg Martin		X
Her Worship the Mayor Sheryl Mai	X	
Cr Stu Bell	X	
Cr Vince Cocurullo	X	
Cr Crichton Christie	X	
Cr Tricia Cutforth	X	
Cr Sue Glen		X
Cr Phil Halse		X
Cr Cherry Hermon		X
Cr Greg Innes		X
Cr Sharon Morgan		X
Cr Anna Murphy		X
Results	**5**	**7**

Absent: Crs Shelley Deeming and Jayne Golightly.

The amendment was Lost

On the motion being put Cr Bell called for a division:

Recorded	**For**	**Against**
Cr Greg Martin	X	
Her Worship the Mayor Sheryl Mai	X	
Cr Stu Bell		X
Cr Vince Cocurullo		X
Cr Crichton Christie	X	
Cr Tricia Cutforth	X	

Cr Sue Glen	X	
Cr Phil Halse	X	
Cr Cherry Hermon	X	
Cr Greg Innes	X	
Cr Sharon Morgan	X	
Cr Anna Murphy	X	
Results	**10**	**2**

Absent: Crs Shelley Deeming and Jayne Golightly

The motion was Carried

4.4 Car Park to Park - Working Party

Moved By Her Worship the Mayor Sheryl Mai
Seconded By Cr Sharon Morgan

That the committee

1. approves the formation of a Working Party of Councillors, WDC staff and key stakeholders to drive the Car Park to Park Project; and

2. selects the Councillor(s) that will be part of the Working Party.

   - Cr G Martin – Chairman
   - Cr. C Christie
   - Cr. S Deeming
   - Cr. G Innes
   - Cr Sue Glen.

Amendment

Moved By Cr Sue Glen
Seconded By Cr Cherry Hermon

That Councillor Halse be included on the Working Party.

Procedural motion

Moved By Cr Phil Halse
Seconded By Cr Vince Cocurullo

That this item does lie on the table and not be discussed further at this meeting.

On the procedural motion being put Cr Martin called for a division:

Recorded	**For**	**Against**	**Abstain**
Cr Greg Martin (Chairperson)		X	
Her Worship the Mayor Sheryl Mai		X	
Cr Stu Bell	X		
Cr Vince Cocurullo	X		
Cr Crichton Christie			X
Cr Tricia Cutforth	X		
Cr Sue Glen		X	
Cr Phil Halse	X		
Cr Cherry Hermon		X	
Cr Greg Innes		X	
Cr Sharon Morgan		X	
Cr Anna Murphy			X
Results	**4**	**6**	**2**

Absent: Crs Shelley Deeming and Jayne Golightly

The procedural motion was Lost

On the amendment being put Cr Glen called for a division:

Recorded	**For**	**Against**	**Abstain**
Cr Greg Martin		X	
Her Worship the Mayor Sheryl Mai		X	
Cr Stu Bell	X		
Cr Vince Cocurullo	X		
Cr Crichton Christie		X	

Cr Tricia Cutforth	X		
Cr Sue Glen	X		
Cr Phil Halse			X
Cr Cherry Hermon	X		
Cr Greg Innes		X	
Cr Sharon Morgan		X	
Cr Anna Murphy			X
Results	**5**	**5**	**2**

Absent: Crs Shelley Deeming and Jayne Golightly

The amendment was Lost
on the casting vote of the Chairperson

On the motion being put Cr Martin called for a division:

Recorded	**For**	**Against**	**Abstain**
Cr Greg Martin	X		
Her Worship the Mayor Sheryl Mai	X		
Cr Stu Bell		X	
Cr Vince Cocurullo		X	
Cr Crichton Christie	X		
Cr Tricia Cutforth		X	
Cr Sue Glen	X		
Cr Phil Halse		X	
Cr Cherry Hermon			X
Cr Greg Innes	X		
Cr Sharon Morgan	X		
Cr Anna Murphy			X
Results	**6**	**4**	**2**

Absent: Crs Shelley Deeming and Jayne Golightly

The motion was Carried

5. Information Reports

5.1 Infrastructure Operations Report Update - August 2017

Moved By Cr Greg Innes
Seconded By Cr Greg Martin (Chairperson)

That the Committee note the Infrastructure Operations Report Update.

Carried

5.2 Contracts Approved Under Delegated Authority August 2017

Moved By Cr Cherry Hermon
Seconded By Cr Sue Glen

That the Infrastructure Committee note the Infrastructure contracts awarded under Chief Executive and General Manager delegated authority.

Carried

Cr Murphy left the meeting at 12.26pm during discussions on Item 5.2.

5.3 Service Delivery Review Update - Public Toilets and Cemeteries

Moved By Cr Sharon Morgan
Seconded By Cr Sue Glen

That the committee note the completed Service Delivery Reviews for Public Toilets and Cemeteries activities.

Carried

5.4 Service Delivery Review - Solid Waste Collection

Moved By Cr Sue Glen
Seconded By Cr Jayne Golightly

That the committee note the completed Service Delivery Review.

Carried

6. Public Excluded Business

Moved By Cr Greg Innes
Seconded By Cr Sharon Morgan

That the public be excluded from the following parts of proceedings of this meeting. The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter,

and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered		Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing this resolution
1.1	Procurement	Good reason to withhold information exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public, are as follows:

Item	Grounds	Section
1.1	Maintain legal professional privilege.	
	To enable the council to carry on without prejudice or disadvantage negotiations	Section 7(2)(h)
	To enable the council to carry on without prejudice or disadvantage negotiations (including commercial and industrial negotiations).	Section 7(2)(i)

Carried

Cr Murphy rejoined the meeting at 12.28pm after the resolution to exclude the public had been put.

7. Closure of Meeting

The meeting concluded at 12.41pm

Confirmed this 7th day of September 2017

Councillor Greg Martin (Chairperson)

WHANGAREI DISTRICT COUNCIL

4.1 Camera Obscura Funding Request

Meeting: Infrastructure Committee Meeting

Date of meeting: 7 September 2017

Reporting officer: Simon Weston

1 Purpose

To seek approval from the Infrastructure Committee to partially fund the Camera Obscura project.

2 Recommendation

That the Infrastructure Committee approves funding of $107,000.00 to provide the necessary infrastructure and landscape integration elements to support the Camera Obscura.

3 Background

In 2011, Diane Stoppard and Felicity Christian from Two Architects submitted a sketch design idea for a sculpture competition for the Whangarei Art Park in the form of an artistic Camera Obscura structure. While unsuccessful in that process, the concept was met with enthusiasm, and the concept was revisited in 2015.

The proposal is to build an internationally significant steel sculpture within which will be a Camera Obscura, viewing Whangarei's celebrated Bascule bridge "Te Matau ã Pohe". The project will enable visitors and residents to experience the simple yet wonderful phenomena of light projection including connection via CCTV and web links. It will also an educational opportunity to schools, and is expected to draw overseas visitors into town.

The sophisticated sculpture will be made of curved weathering steel representing a ship's hull, an aluminium wrap representing the maritime history of the river and harbour, and the spiral white roof suggesting the aperture of a camera and form of the river snail. When viewed from the bridge the white roof of the Camera Obscura and the connecting path form a koru suggesting new beginnings, hence the Maori name Timatatanga Hou was chosen.

At the 23 March 2016 meeting Council accepted the Camera Obscura as a gift on behalf of the community and confirmed the building is to be located on Pohe Island as indicated on the attached drawings.

4 Discussion

A rough order cost estimate prepared by the external project team estimate the construction costs at $ 500,000. The external project team plans to meet the cost as follows:

- 30-40% donated by sponsoring construction contractors;

- 10 – 20% cash from community;
- Balance from funding applications.

The external project team has made a request for Council funding to ensure that Council's requirements around safe access to the sculpture, including sufficient lighting and CCTV monitoring, as well as landscape integration elements can be met. The external project team has advised that a positive response to this request would assist them in securing the remaining balance from other sources.

A breakdown of the funding request is detailed in the table below.

Item	Description	Estimated Capital Cost (excl. GST)
1	Construction of landscape elements (concrete pathway, paved area to entry of building with built in concrete seating and cycle stands, signage, rubbish bin and bollard lighting)	$ 80,000
2	Lighting and CCTV along pathway to Camera Obscura	$ 9,000
3	Mangroves removal, including consenting costs	$ 10,000
4	Development of a website for live streaming of the Camera Obscura CCTV cameras	$ 8,000
	Total Funding Request	**$ 107,000**

4.1 Financial/budget considerations

It is proposed to fund the project from Parks & Recreation Sport and Recreation Level of Service Long Term Plan indicator, which has a budget of $2,044,000 in the 2017/18 Annual Plan. If approved there will still be sufficient funds for other level of service projects.

4.2 Options

Option 1 – Approve Funding Request

The Infrastructure Committee approves the Two Architects' funding request of $107,000.

On approval, a detailed landscaping plan will be prepared by WDC's in-house landscape architects. The construction of landscape elements, lighting and CCTV, mangroves removal and implementation of livestreaming of camera obscura CCTV imagery will be managed by a WDC intern Project Engineer.

Whangarei District Council holds an existing resource consent which authorises the removal and pruning of mangroves in the upper Hatea River of the Whangarei Harbour. A variation to this consent will be sought to enable further mangrove removal to ensure unobstructed sightlines between Te Matau ā Pohe and Camera Obscura.

In addition to the above Council's Project Engineer will continue to work closely with the external project team to ensure that the proposed infrastructure meets health & safety, environmental, building code and Council systems and processes requirements.

Option 2 – Decline Funding Request

The Infrastructure Committee declines the funding request.

The external project team would need to obtain sufficient level of funding from other sources.

The Council's Project Engineer will continue work closely with the external project team to ensure that the proposed infrastructure meets all health & safety, environmental, building code and Council systems and processes requirements.

4.3 Risks and Opportunities

Option 1 – Approve Funding Request

Approval of funding means that other level of service projects planned for 2017/18 can still proceed as there is sufficient funding available in the Annual Plan budget.

The addition of the Camera Obscura to the Hatea Loop boosts the amenity factor of Whangarei's well accepted activity zone. It creates an educational destination for Northland and NZ schools. It teaches the science of light, an understanding of how cameras work plus the added interactive art experience offered by CCTV.

There are only a small number of camera obscuras around the world, including Edenborough, Bristol, Aegina (Greece), San Francisco, New York and Nova Scotia. By joining a handful of unique sizeable Camera Obscura structures around the world a valuable tourist attraction for Northland and NZ is created.

There is no risk to Council if the funding request was approved by the Infrastructure Committee.

Option 2 – Decline Funding Request

The project might not proceed due to a lack of funding. Whilst this is not a direct Council risk, this means that the District will not benefit from the opportunities listed above.

5 Significance and engagement

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via Agenda publication on the website.

6 Attachments

Camera Obscura Topographical Plan

Camera Obscura Concept Design

SCALE BAR	SCALE 1:500

REV.	REVISION DETAILS	DRAWN	DATE
C			
B			
A			
-	1ST ISSUE	KH	08-09-16

cook | costello

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ACENZ

PROJECT DETAILS

CAMERA OBSCURA
POHE ISLAND
WHANGAREI

TITLE

TOPOGRAPHICAL PLAN

DESIGNED	CCL REF. No.	DWG NAME & REV.
APPROVED D HOWAT	13009	01
STATUS	SCALE 1:500 @ A3	SHEET No. 1 OF 1

DO NOT REPRODUCE WITHOUT WRITTEN AUTHORITY

DATE PLOTTED: 8/09/2016 FILE PATH: Z:\13000- 13499\13009\CAD\Topo Plan\160906 13009 Topo Plan - Copy.dwg

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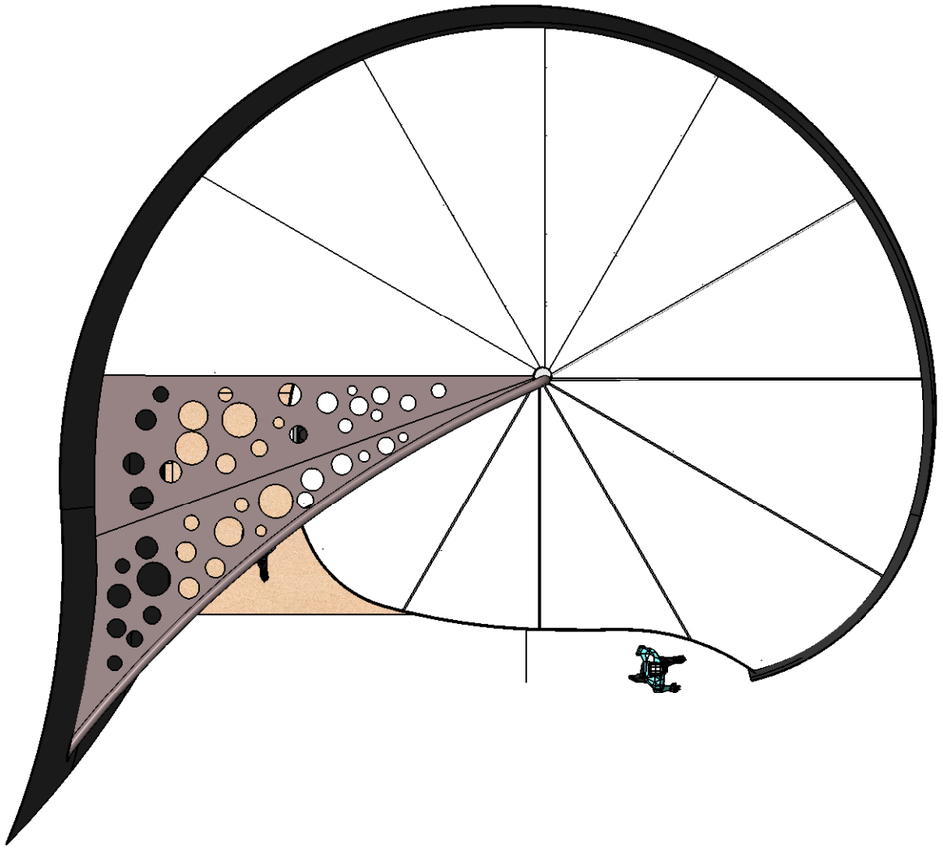

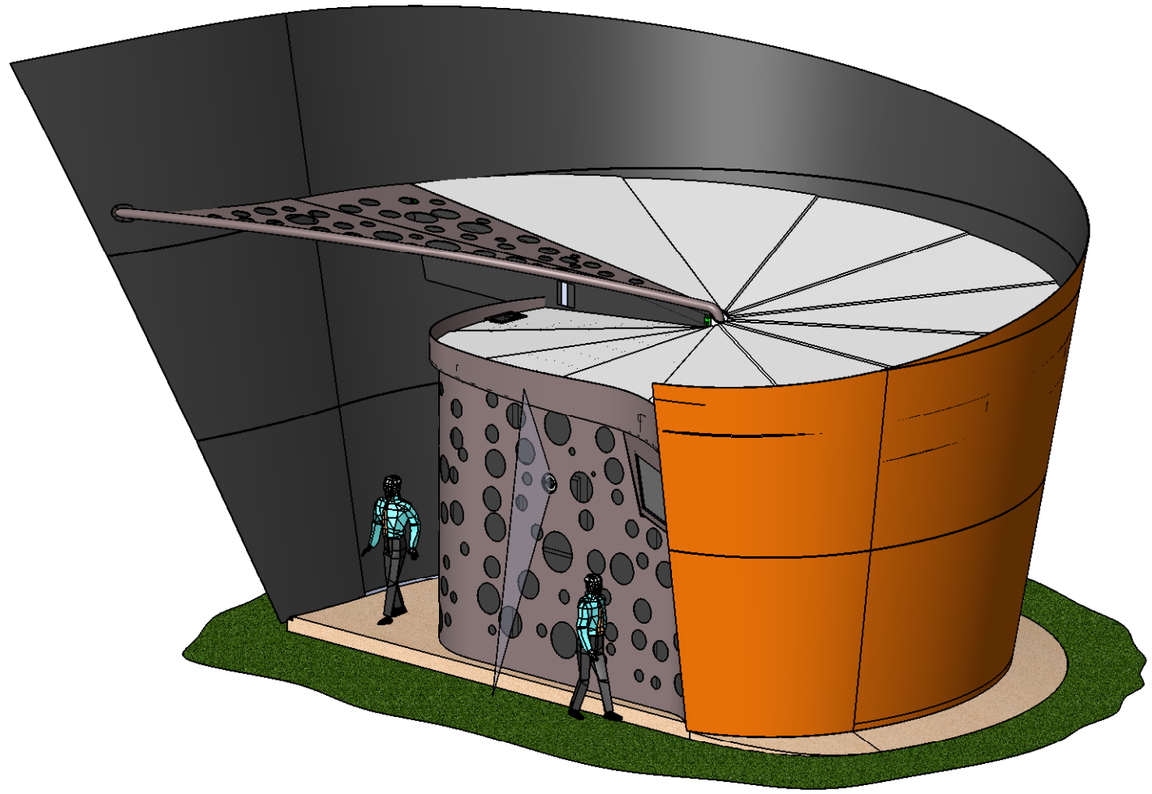

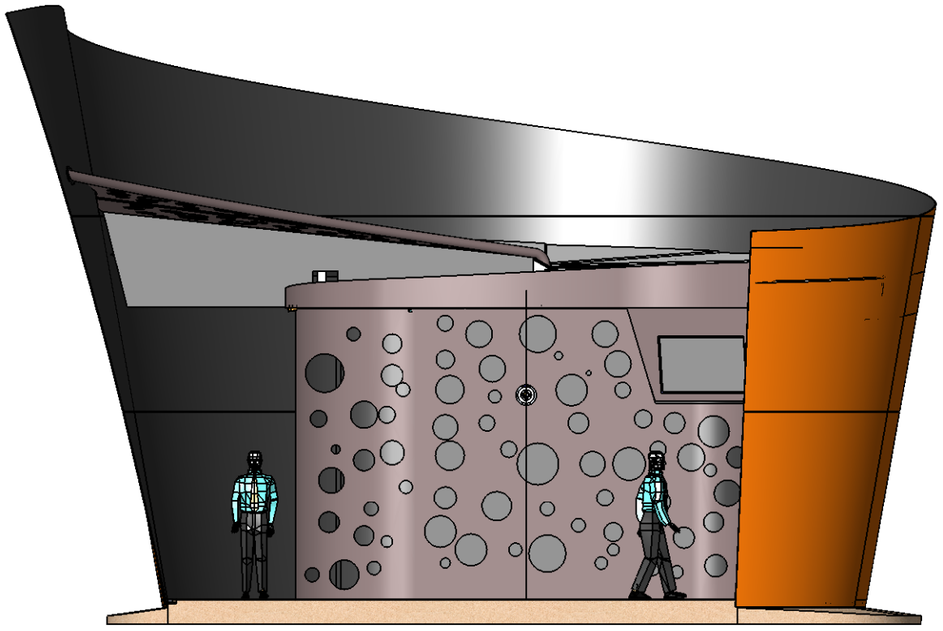

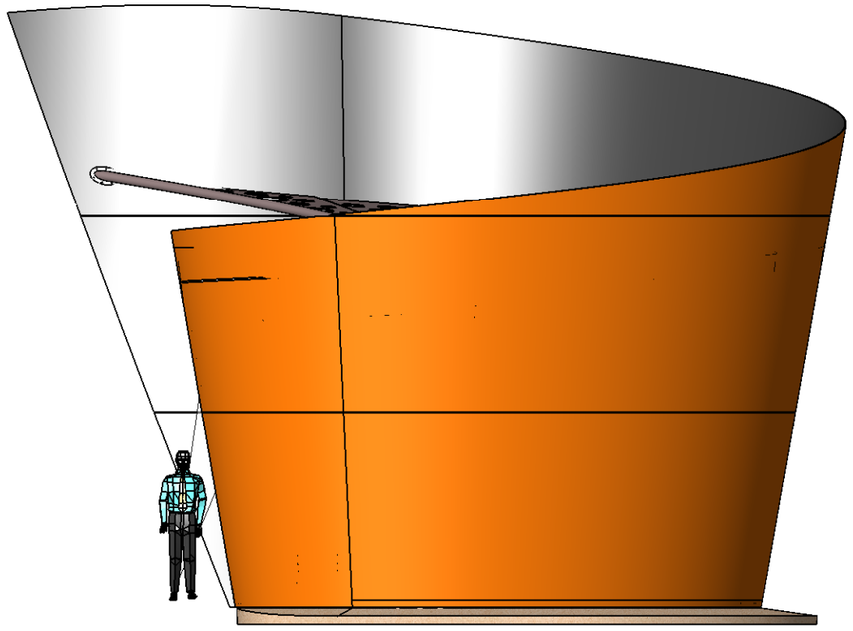

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Rev	Revisions	By	Date	Chkd
	Issued For Information			

General Notes:

Welds 6mm Continuous Fillet UNO
All Butt Welds to be Full Penetration UNO
Paint as per Specification UNO

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PO Box 660

Phone: +64 9 438 7145
Web: www.culham.co.nz

Telarc. Registered
Quality ISO 9001

Project: CAMERA OBSCURA

For: CAMERA OBSCURA

Title: GA00

Drawn: DON Date: 20.12.16 Scale: 1:75 A3

Job No: 12698 Drawing No: GA00 Rev:

WHANGAREI DISTRICT COUNCIL

4.2 Temporary Road Closure

Meeting: Infrastructure Committee

Date of meeting: 7 September 2017

Reporting officer: Jenny Calder

1 Purpose

A temporary road closure is requested to allow a static Big Rig display to be held.

2 Recommendations

That the Infrastructure committee

a) Approves the following road to be closed to ordinary traffic for the static Big Rig display being organised by Whangarei truck owners in accordance with the Local Government Act (1974)

   i) Saturday 14 October 2017

   Okara Drive, from Porowini Avenue roundabout to Port Road roundabout

   Period of closure: 6:00am – 2:30pm

b) Approves the side roads off the road to be closed also be temporarily closed for a distance of up to 100metres from the intersection for safety purposes.

c) Delegates to the Chair of the Infrastructure Committee and the Infrastructure Services Group Manager the power to consider objections and cancel or amend any or all of the temporary road closure if applicable.

3 Background

Being organised by a group of truck owners, the Big Rig event will be a community event to raise funds to go towards NEST (Northland Emergency Services Trust) and raise awareness of the trucking industry in a safe environment.

4 Discussion

The event organisers are liaising with Council to present a well-run, safe event. Traffic management plans will be submitted to Council for approval prior to the event. Included in the traffic management plan will be provision for affected parties to access their property during the event.

This will be a free event for the community to attend, with gold coin donations being collected to go towards NEST. The event will provide a good opportunity for those interested in the industry to get alongside the owner/operators. The public will be able to enjoy a static display of heavy machinery and trucks, and children will enjoy a positive experience.

5 Significance and engagement

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via Agenda publication on the website, Council News and Facebook.

6 Attachment

Temporary road closure application

S.J. REID LIMITED

Bulk Cartage Specialists

Whangarei

09 434 7777
021 938 268

04/08/2017

1135 SH14
R.D.10
Whangarei 0179

Simon Reid on behalf of a group of Whangarei truck owners. We request a temporary road closure for a static "Big Rig" display, to be held on Okara Drive, on 14/10/2017.

To enable the event to be held safely, the following temporary road closure is requested ; Okara Drive, from Porowini Avenue roundabout to Port Road roundabout.

Date of closure: 14/10/2017.

Period of closure: 06.00 to 14.30

The event is being organised by a group of truck owners, of which I am lending my name to, as a point of contact.

The idea has come about as we wish to raise funds to go toward the NEST. That being our local rescue helicopter service. A number of our staff and families have been in situations necessitating use of this service over the years and, it would be nice to give a little back.

We aim to raise awareness of our industry at the same time by, allowing the public to view some of our machinery in a static display. This will give all those interested a chance to come and peruse at their leisure some of the vehicles that share the road with them. This can be done in complete safety with drivers on hand to answer any questions they might have.

All this, for a mere gold coin donation, going to the rescue helicopter service. It is in our plan to invite other organisations along to participate on the day as well.

We will be inviting to attend, the following organisations;

St Johns, Fire service, NorthTec, ACC, Police, C.V.I.U., and any Roadsafe organisations interested in participating on the day.

By expanding the number of displays beyond just the trucks, we hope to draw a larger part of our population along. This in turn makes the scope for fundraising even greater

A traffic management plan will be submitted to council by an approved traffic management company, who will also provide traffic management services for the duration of the temporary road closure.

Kind regards,

S.J.REID.

WHANGAREI DISTRICT COUNCIL

5.1 Infrastructure Operations Report Update – August 2017

Meeting: Infrastructure Committee

Date of meeting: 7 September 2017

Reporting officer: Simon Weston (General Manager Infrastructure)

1 Purpose

To provide a brief overview of work occurring in the current financial year across services that the Infrastructure Committee is responsible for.

2 Recommendation

That the Committee note the Infrastructure Operations Report Update.

3 Background

In December 2016, Council adopted committee terms of reference for the 2016-2019 triennium, with the purpose of the Infrastructure Committee being to 'oversee the management of Council's infrastructural assets, utility services and public facilities'.

This report provides the Committee with a brief summary of the operational highlights from the Infrastructure Monthly Report, July 2017.

4 Significance and engagement

The decisions or matters of this report do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via report publication.

5 Attachments

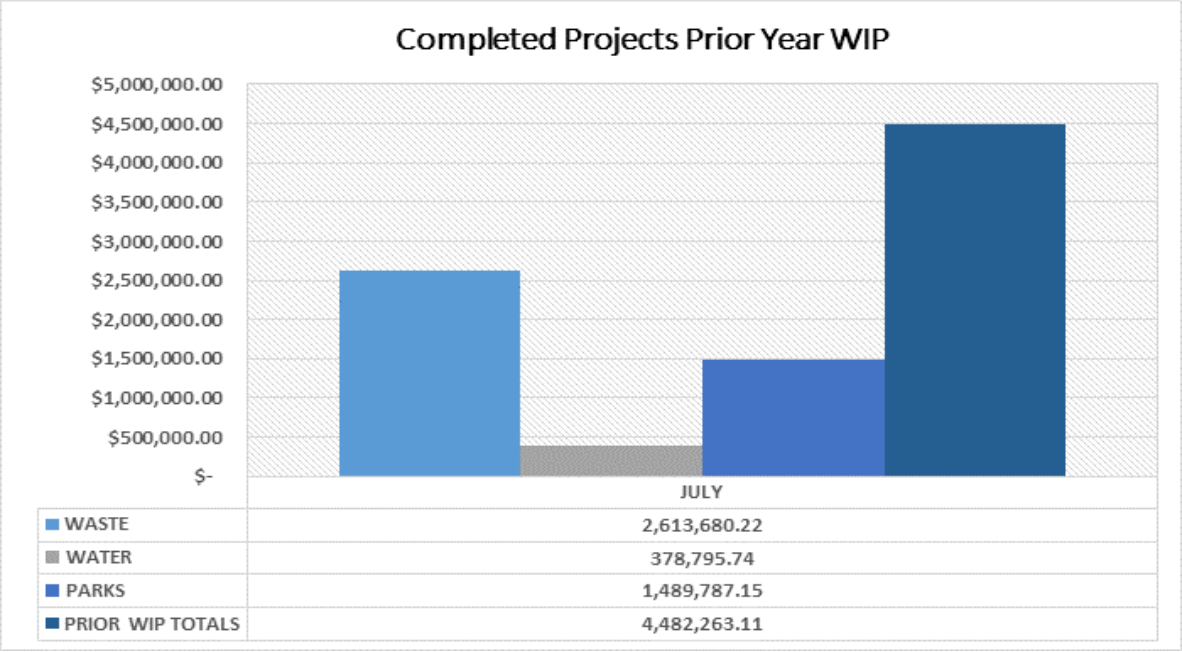
Infrastructure Operations Report – September 2017

Infrastructure Operations Report – September 2017

Development Engineering

Capitalisation

Projects from Parks, Water and Wastes and Drainage enter the work in progress account (WIP) upon commencement and are removed to Hansen Clearing once closed and documentation required for capitalisation has been provided. At the close of 2016/17 prior period projects in the WIP had been reduced from $12.4 million at the start of the financial year to sit at $208,149 at the end of June. With uncapitalized completed projects from 2016/17 now falling into the prior period WIP the opening balance of prior period projects for 2017/18 was $4.48 million, the distribution of which is provided below:



This represents a significant reduction in the starting point of prior period WIP from previous years, with the majority (all but $208,149) relating to the previous 2016/17 year (rather than stretching back over numerous years). Both proactive capitalisation at project completion and regular WIP review remain a priority however.

Revaluation

The three-yearly revaluation of Parks, Waste and Drainage and Water assets was completed in July with a new value for these assed being assigned as at 30 June 2017. The revaluation was then run in the live system. The high level replacement value from 30 June 2014 to 30 June 2017, and estimated depreciation, were as follows:

Period	Replacement Value	Annual Depreciation Estimate
30 June 2014	$1,052,026,000	$16,565,000
30 June 2017	$1,085,497,368	$17,032,401

The actual depreciation for the year ended 30 June 2017 was $17.3m. The depreciation movement from an estimated $16.5 million to $17.3 million over three years was due to the movement in asset values caused by disposals and additions. While actual depreciation for the upcoming 2017/18 financial year is not possible to accurately determine, as it depends on the additions and disposals throughout the year, an estimate to year end based on revaluation figures of current assets has depreciation at $17.03 million.

While analysis of revaluation figures at the activity level is ongoing when values are normalised to remove the impact of additions and disposals there has been a downward trend in some areas, notably in reticulation assets. This is due to better data accuracy, movement in unit rates and better analysis of expected life.

The final valuation report and dataset will be considered by Audit through the Annual Report process.

Environmental Engineering Standards

Work on the review of the Environmental Engineering Standards (EES) is ongoing with the legal review of the second draft now completed. While this highlighted a number of areas for improvement, none of these were material and the practitioner review workshop has now been scheduled.

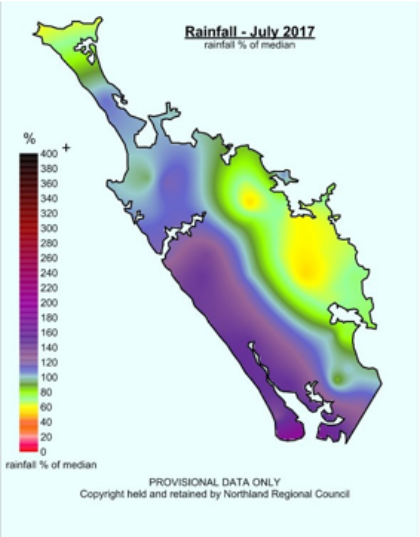
As previously reported to the Infrastructure Update Meeting this is a key part of the engagement process as practitioner review/feedback is a critical step in ensuring that the document is sound and able to be used by those who are often involved in sub-division work. It is envisioned that there will be some robust feedback though the process which, where appropriate, will be incorporated into a final draft of the standards prior to public notification.

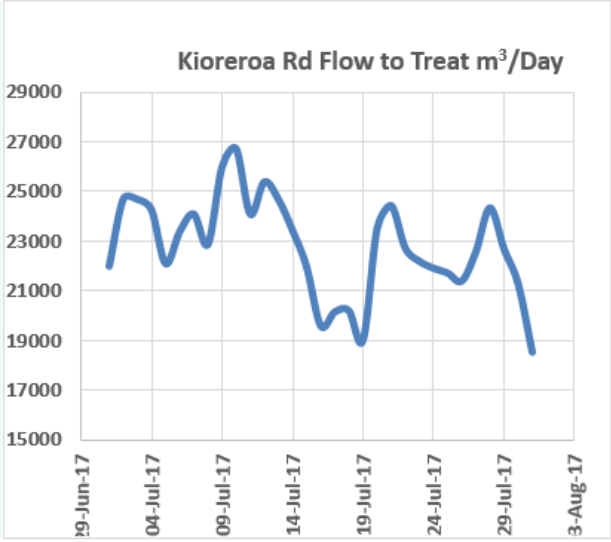
Due to the importance of this step the period for practitioner feedback has been extended to four weeks. This will also allow the District Plan team to further progress plan changes that will operate in unison with the EES, through identifying the information requirements that the District Plan will require through the consenting stages of development. The importance of this alignment to the EES operating as a 'means of compliance' was reinforced through the legal review and will be communicated to practitioners involved in the early review.

Waste and Drainage

Kioreroa Road WWTP

July rainfall has kept the flows through the Kioreroa Rd WWTP at a reasonably moderate level. Dosing for microthrix has now stopped and we now have to monitor the impact as the microthrix dies.





Proactive H&S action/incidences during July includes the Technicians reviewing health & safety requirements for people falling into ponds & Staff/Contractor Respiratory risks.

Drive wheels on primary clarifier No.1 and secondary clarifiers No.2 & 3 at the WWTP in Kioreroa Rd

New drive wheel

Foaming in aeration basin from microthrix improving

began de-laminating and all needed urgent replacement.

There were 2 sewer spills during July. Neither of the incidences were a result of rainfall. Both incidences were attended to within the required one hour time frame, cleaned up and disinfected.

Final "tweaking of the biogas engine at the WWWTP has been completed with the installation of a larger heat exchanger. The engine is performing well and saving approximately $420 per day ($150,000 per year) in electrical costs.

Consents and Compliance

Kioreroa Rd WWTP marginally non-compliant for suspended solids and BOD for the quarter due to Microthrix. Ngunguru is not meeting its ammonia requirements from the wetland effluent and this is being reviewed with NRC. An assessment on the effects of this are that it is minimal. Hikurangi has settled well since the membrane filter was replaced.

Stormwater

A plan to reduce flooding issues at Teal Bay has been developed and circulated to residents. This will go forward to the LTP. Staff have been working with WFH developers and engineers in Ruakaka to make sure stormwater effects from this development are well managed.

Staff have been working with the living waters partnership (DoC/ Fonterra) in relation to their planned water quality improvements.

Solid Waste

The Solid Waste Minimisation and Management Plan is currently out for public consultation.
Staff have been dealing with a number of large fly tipping locations, including at Parakau and Puhi puhi.

Rubbish Collection Tonnes	2016/17	2015/16	RTS Tonnes	2016/17	2015/16	Recycling Tonnes	2016/17	2015/16
June		964	June		264	June		614
May	736	716	May	328	317	May	658	635
April	653	735	April	368	315	April	566	724
March	766	794	March	321	300	March	561	619
February	622	740	February	311	357	February	701	650
January	762	842	January	412	366	January	668	922
December	760	994	December	406	356	December	621	887
November	758	697	November	386	306	November	589	475
October	663	649	October	371	291	October	563	531
September	656	765	September	298	280	September	688	555
August	681	642	August	332	271	August	567	495
July	535	671	July	297	347	July	515	428
Total for period	7592	9209	Total for period	3830	3692	Total for period	6697	7535

Laboratory

The Laboratory team are gearing up for busy season as the NRC farm dairy effluent samples come in.

The Lab Manager, Lois Howe, became a world champion archer at the world champs (and also won the coveted Infrastructure golden helmet!)

Public toilets

Council received a grant to part fund new toilets on Parihaka and Abbey Caves Rd. Parihaka toilet was commissioned in August.

New Toilets at Parihaka

Parks and Recreation

Projects

Sense of Place Projects

- Carpark to Park: Initial scoping works on the Carpark to Park project are completed, including concept design and budget estimates. The team are now working through a few integration issues with the Hundertwasser project that may affect the ultimate detailed design.
- H&H Pocket Park: The official opening was held on the 30th of July with a well-attended dawn blessing followed by a sausage sizzle and DJ's which was a hit with the public.
- Blue Green Network: A Preliminary Design Report for the path between the Hatea Loop and Okara Drive was completed by Hawthorn Geddes. The project team are now looking further upstream to ensure that the full length of the footpath is achievable and to determine the options and potential costs for the full construction.
- Hatea Loop Lighting: There are current funding constraints which will only allow 1 of the 3 Separable Portions to be constructed at this stage. The construction tender has been issued, upon receiving the Tender Prices the remaining funding will be sought. Lighting standard will be similar or better than the most recent lighting installed at Pohe Island Hatea Loop. Tender is due to Close 01/09/17
- Amenity Dredging: The works for the 2016/17 financial year have been complete. Now that the budget has been confirmed for the 17/18 financial year planning and procurement are underway to complete this year's works.
- Whangarei Entrance Ways Signage: Original designs included a major entranceway sign in a green wall, but the costs of construction exceed budget provision and an agenda went to Council to install the large sign at Tarewa Park on completion of NZTA's major road upgrade works, and install a downsized version of the Entrance Signage at Mander Park. Council approved the installation Mander Park in June. Procurement of physical works is currently underway, and commencement of construction is anticipated for September.
- Bank Street Revitalisation: Furniture installation occurred in May and June. Heritage NZ have given the team text to put on the Historic boards. Plants were planted in July.
- Camera Obscura: This community organised project proposes the construction of a camera obscura on Pohe Island looking at Te Matau a Pohe Bridge. The detailed design and budget estimates are currently prepared by the Two Architects. The external project team will seek funding for landscape elements, paths, lighting and CCTV as contributions to this community project.
- Shackleton Sea Scouts & Hatea Loop Options: A significant opportunity exists in that Shackleton Sea Scouts building on the riverside along from Ray Roberts Marina which has a lease with Council which expires next year. Shackleton Sea Scouts want to extend the size of the building they have. Council is looking to move the Hatea Loop from Riverside Drive back to the river bank. This would have a significant effect on the existing building. Team has met with all parties. Shackleton to be offered a 3 year lease renewable year by year lease while further development of the park concept is carried out.
- Stand Together: Council has decided to Postpone the establishment of Standing Together until The Pohe Island Development has been concluded. The pieces will be kept in storage at a secure WDC storage Facility. Contractor engagement to complete the second stage of restoration is being sought.

Parks & Recreation Projects

- Matapouri Beach Restoration: Design of the beach replenishment scheme is underway following the award of professional services to Richardson and Stevens. Community consultation and consenting will be undertaken during the winter months. It is anticipated that replenishment works will be undertaken late 2017

- Ngunguru Foreshore and Seawall Renewal: Replacement and upgrade of the existing seawall along the Ngunguru estuary foreshore in three different locations are planned over the next two years. The professional services for this project have been awarded to OPUS. Design for stage 1 and Resource Consent for stage 1 has been complete. Construction of stage 1 is expected to commence in October 2017. Stages 2 and 3 are currently going through final design stages and public consultation.
- One Tree Point Cliff Erosion Management: Professional services for the preparation of a proposed resource consent for One Tree Point erosion protection are ongoing. Community consultation commenced in May 2017, with hapu engagement currently underway.
- Sandy Bay Beach Restoration: Construction of the dunes restoration works has started. A separate package of work to car park and drainage works are due to be tendered in September and constructed October/ November
- Waipu Pontoon: The contract for the repair of the Waipu pontoon was awarded to Steve Bowling Construction. The works commenced in May and after initial investigations into the condition of the pontoon after it was removed and sand blasted a New Replacement Pontoon was priced and assessed as a cheaper option to move forward. The new Pontoon is currently being caste and will be Floated on-site at the end of August.
- Pataua North Boat Ramp: Construction of the majority of the works are now completed. Remaining work includes concrete on the ramp and footway, final shaping of the turning area and construction of rock steps to the beach.
- Hora Hora Sports Fields Renewals: The first field is open for use and the second field is progressing well for opening next summer.
- Otaika Sports Park Field Construction: The tender of two new sports fields at Otaika, including lighting, irrigation and drainage, closed in April and tender negotiations are being held. The consent for the lighting was granted in May 2017. Installation of the new watermain was completed in July 2017.
- Hikurangi Multiuse Hardcourt: Tender for the court construction currently open (closes 08 September 2017). Residents approval is required before the resource consent for the lighting can be lodged.
- William Fraser Memorial Park Development Pohe Island: A master development plan has been submitted to council which has been accepted. Current efforts are under way to formalise the scheme plan ready for external consultant engagement and design. Internal processes are being worked through to allow fill importation to Pohe Island.
- Parihaka Mountain Bike Tracks: Contract has been awarded to Southstar Trails a specialist mountain bike track design/ build contractor. Start of works is to be agreed but anticipated as September 2017 during drier weather. The key stakeholder, Whangarei Mountain Bike Club, will be involved in approval of the track design and quality monitoring the build to ensure a good result.
- Laurie Hall Park: The Laurie Hall Park landscape concept has been approved and construction drawings are currently being prepared for inclusion in the tender package. Opus are preparing a lighting plan for the park in collaboration with the Roading Dept who are also upgrading carpark lighting. Procurement of physical works is planned for September and construction of new pathways, lighting and drainage is planned to be completed by Christmas 2017.
- Parihaka Track Renewals: The archaeology report has been issued and engagement with Manu Whenua is in progress with a site meeting with all parties planned for w/c 28 August. HNZ authority application and Resource Consent applications a planned to be made in September along with final design and tendering for the works. Construction is anticipated to commence early 2018.
- Ngunguru Cycleway Track: The communications team is currently preparing media for the consultation with a view to a stakeholder workshop in September/ October. Following that the physical works will be tendered November/ December. Construction work is anticipated January/ February 2018

- Maunu Cemetery Family Internment Area: Works including earthworks, construction of paved paths, planting, seating and rock walls were completed in June 2017.

Cemetery

July	2016	2017
Burials	17	9
Ash Scatterings	7	8
Ash Interments	2	3

A very wet month, leaving the newest burial area looking rather messy. We have not received any complaints though. A new garden at the Returned services area flag pole is in and by ANZAC day it will look great.

Botanica

Visitor Numbers July = 1906

Comments from Visitor Book:

- Denmark, So Beautiful !!
- Helensville, Dedicated group, must be to have created such a fine display.
- Whangarei, Absolutely Brilliant!
- Whangarei, Kids loved the mirrors. Plant display looking great.

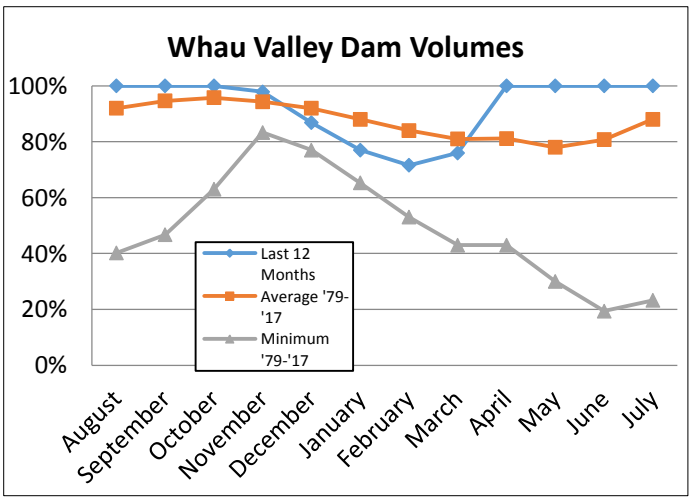
The staff at Botanica have been keeping the place looking great as usual, and Rose's 10 year anniversary went well with a good turn out. Laurence Taylor from Eventosaurus visited looking at the prospect of holding a dinosaur event at Botanica. This would work in with the ferns and other plants we have which were around when the dinosaurs roamed the earth. He will be letting us know whether our premises is suitable for his purposes. An example of what the event is below.

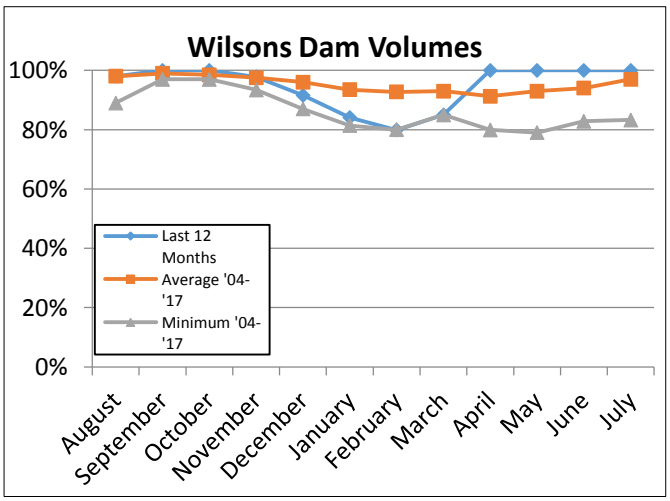
https://www.facebook.com/wellingtongardensnz/videos/1275613339188901/

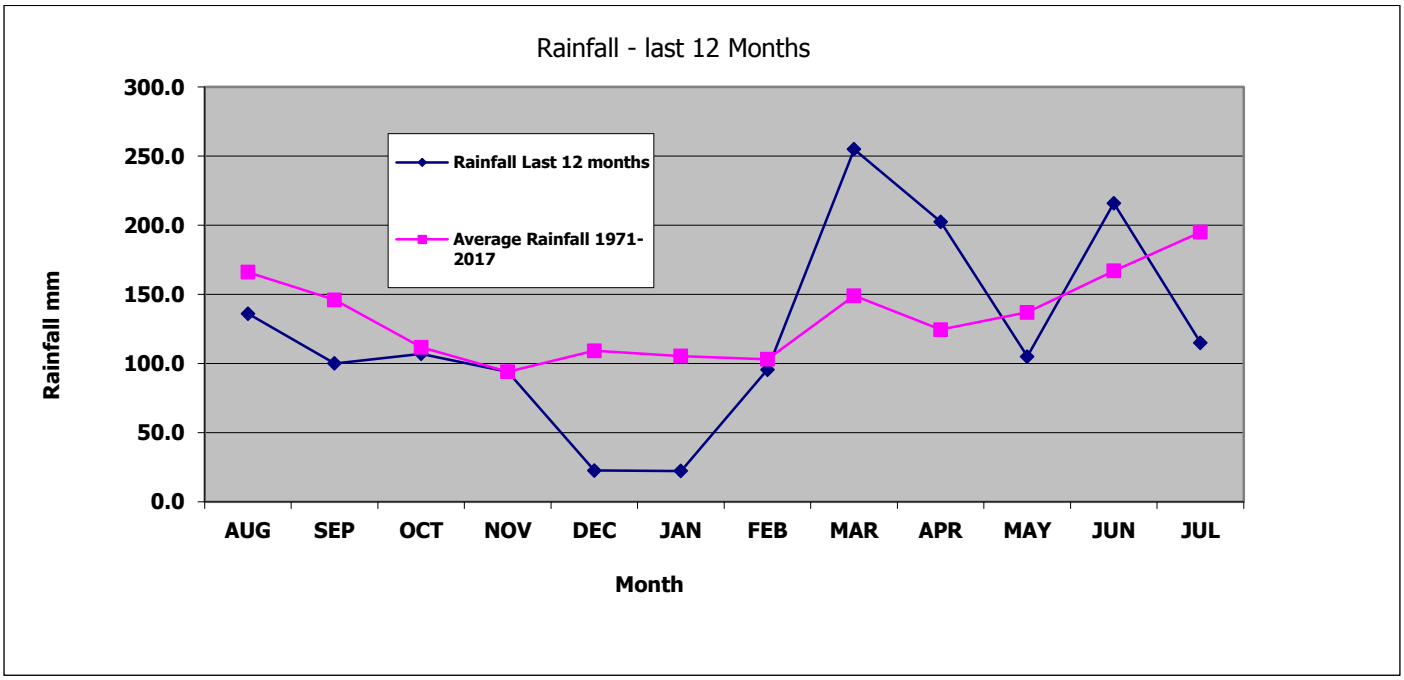
Water Services

Rainfall and Water Sources

July was a reasonably dry month for the time of year with 115mm of rain falling at Whau Valley compared to the July average of 197mm. Overall for the year to date we have had almost exactly the average rainfall. The July to June total for last 12 months which is a good reflection of water availability shows a slightly lower than average amount. However, the dam levels remain at 100% full and all other sources all normal for the time of year.







The algal bloom continued in the Wilsons Dam in July. However, the algal counts were getting lower and it appears that the colder weather is beginning to kill off the algae. Numerous test have shown that no toxins are present and the water supply remains compliant.

Capital Works

The contract for the replacement of the old AC water main in Argyle Street was completed in July. The work complemented the laying off a new footpath so that disruption to the residents has been kept to a minimum. Work has begun on this year's projects with the annual meter replacement contract being tender in August and design work beginning on the Ruddells raw water line replacement.

Roading

Flood Damage

Maintenance contractors are still busy clearing slips and culverts due to the recent storm events in our network. Our focus has been on cleaning out blocked culverts and dealing with CRM complaints. Other works apart from routine maintenance and maintenance grading include maintenance metalling unsealed roads, roadside tree pruning, and culvert repairs.

Pavement Rehabilitation

The rehabilitation programme for 2017 is being confirmed with NZTA, and initial tenders have been let or are currently out to tender. Work on this programme is expected to commence from September.

Bridge Repair

The upgrade of the first of the bridges on Doctors Hill Road is now complete. Upgrade of the second bridge on Doctors Hill Road will be undertaken this year. Investigations for the rest of the bridges on the repair programme for the year are currently underway with tenders due to be released over the coming months.

Kamo Cycleway

Stage 1 (Rust Ave to Cross St) – earthworks for this stage of the project are complete, the boardwalk section and improvements to Rust Ave are under construction. Tenders for the second section (Cross St to Kensington Ave) has been released, construction is planned to start in spring 2017/18. The final section(s) will be tender in late 2017 or early 2018, with construction to be complete by mid-late 2018.

Footpaths

The last of last year's new footpath projects on Russell Rd and Kiteone Rd have now been completed and the deferred section of Austin Rd (Maunu) is planned for late 2017. This works was deferred due to an adjacent subdivision digging this section of the berm up.

Argyle St (Waipu)

Austin Rd (Maunu)

Rawhiti St (Morningside)

Russell Rd (Kensington)

Whareora Rd (Mairtown) *Kiteone Rd (Parua Bay)*

LED Street Light Conversion

Funding has been approved from NZTA for $6.6M to replace the existing streetlights with energy efficient LEDs. This work is funded at 85% FAR (subsidy) and is to be completed by 30 June 2018. A contract has been let for the supply of 3,300 P-Category (local road) lights. There is a 4 month lead time for these lights. The installation of these P-Category lights will be tendered in October. A tender for the upgrade of the V-Category (Arterial road) lights on the Twin Coast Discovery Highway is being developed and is expected to go to tender in September. The remaining V Category lights are to be designed by December and tenders for this work are expected to go out in January 2018.

Road Safety Promotion

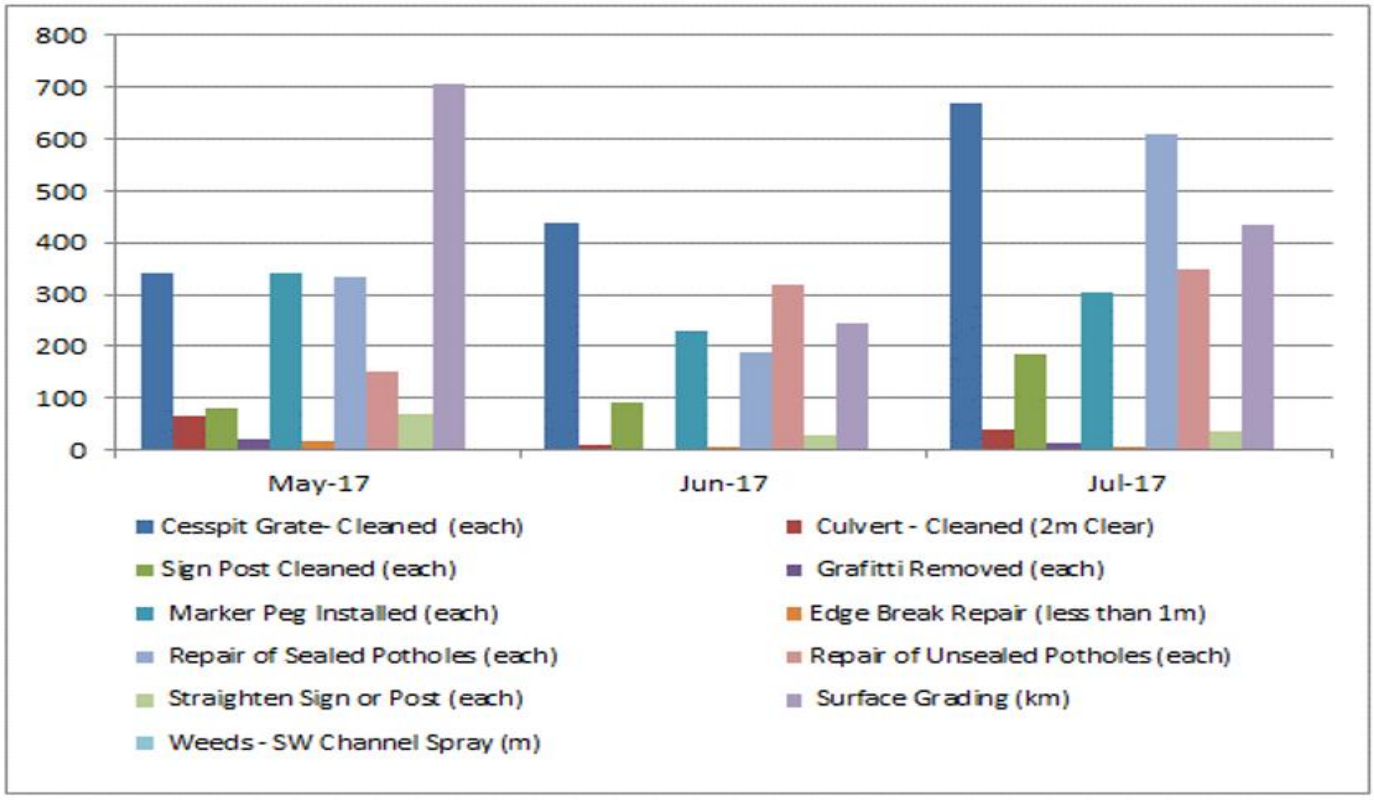
Council's Road Safety Promotion programme were completed for July and activities undertaken included:

- **SAiD (Stop Impaired Driving): 6** participants completed the July course.
- **Drive Soba** 20 offenders are attending 2 programmes, both due to complete in September 2017.
- **Young Drivers:** 17 out of 19 attained their learner licence.thsi month
- **Community Mentor Driver Programme:** 11 out of 14 who sat attained a restricted licence this month. 10 active mentors are currently participating and provided 155 hours of supervision in July
- **Restraints: :** Buckle up in your Truck campaign is being developed with Police, National Road Carriers and the Northland Freight Group and will launch in October. The target audience is Truck Drivers in Northland and all drivers visiting Northport.
- **Motor Cycle Safety Campaign:** Get Ride Ready is a Spring campaign running from September to December where 5 local retailers will provide free 10-point safety checks and promote free Pro-rider training courses for returning bikers. Due to launch in September the campaign will run until December.

The Road Toll for Northland for the seven months to the end of July 2017 is 23, and includes 14 deaths in the FNDC, 3 in KDC and 6 in WDC. The total fatalities at the same time last year 2016, was 19, FNDC 6, KDC 8 and WDC 5.

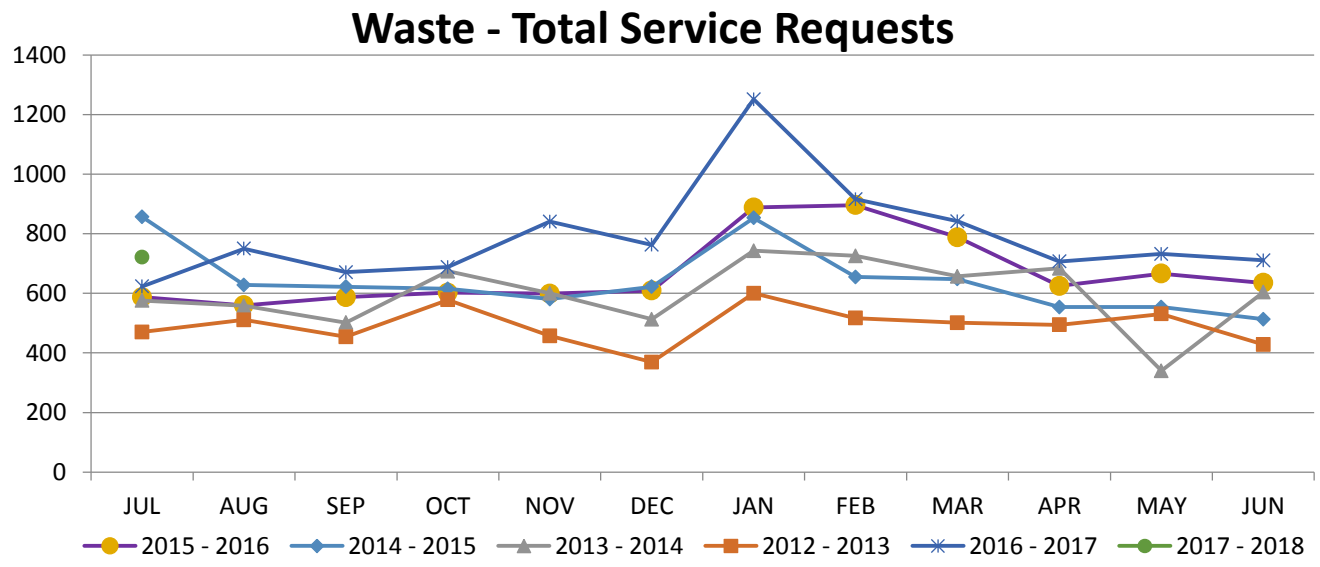
Roading Operational Outputs

Monthly Achievement – Routine Works



Customer Relationship Management Services

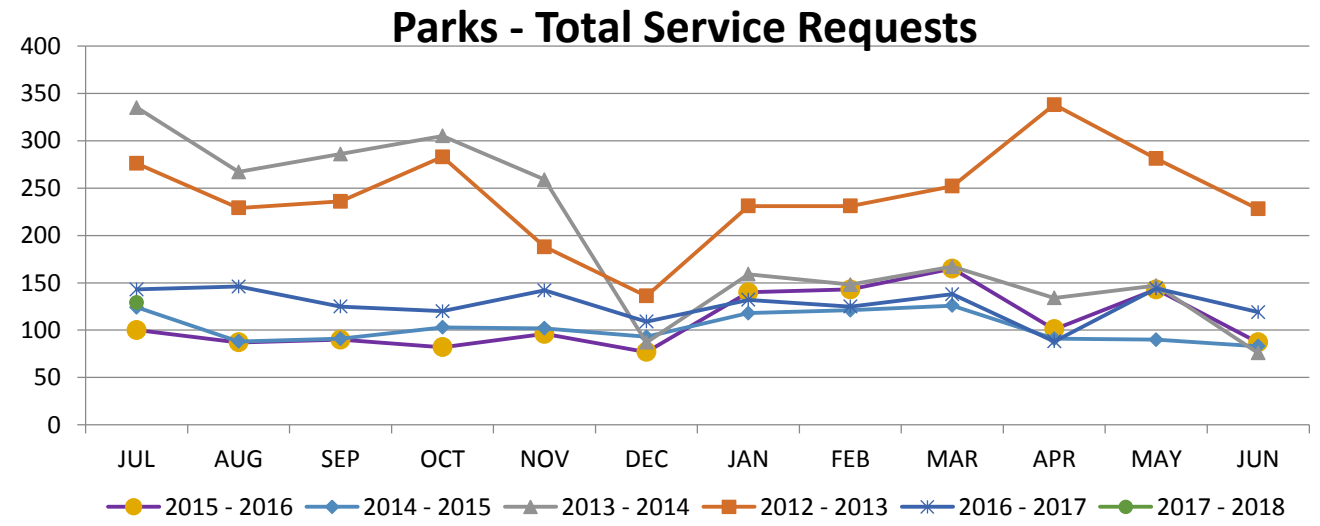
Infrastructure Group received a total of 1617 CRMs in the month of July.



The Waste and Drainage Team received 721 CRMs in July 2017. 8 follow up calls were made, of these 1 caller was Impressed and 7 customers found our service acceptable, with no dissatisfied feedback reported.

The top five CRM issues for our Waste and Drainage Department for the month of July were:

- Rubbish- 165
- Fly Dumping- 122
- Toilets- 63
- Sewer- 20
- Stormwater- 4

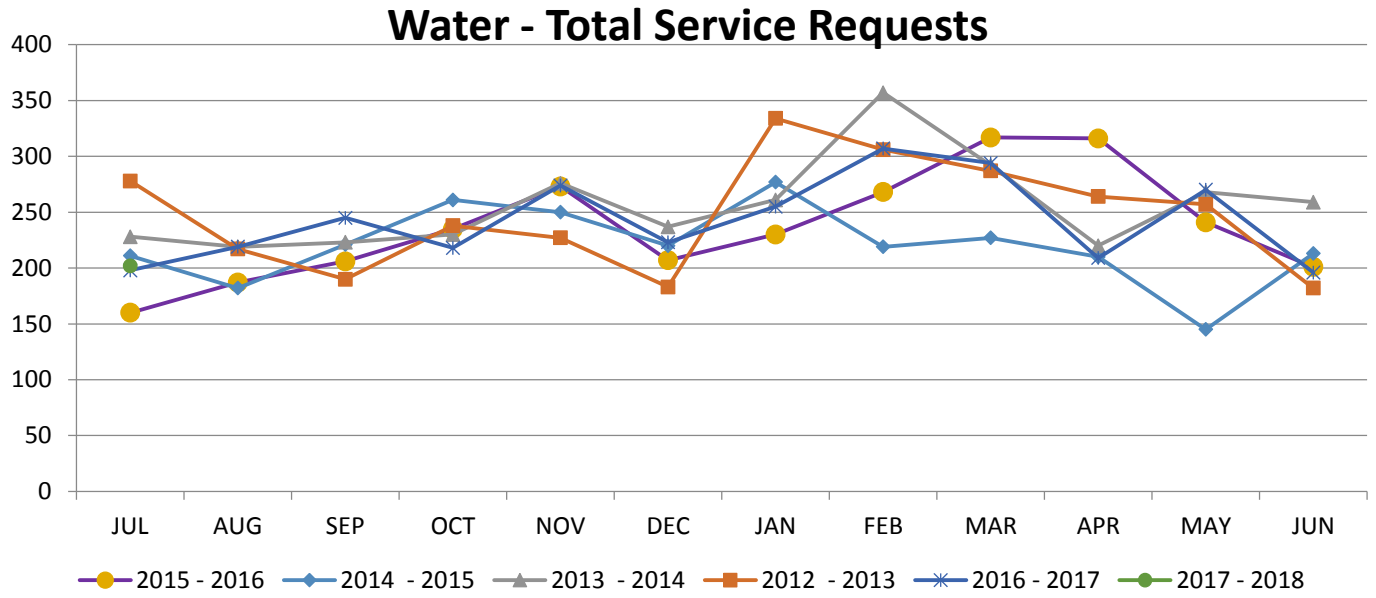


The Parks team received 129 CRMs in July 2017. The Parks team unfortunately had no follow up calls this month, therefore no examples of feedback to provide.

The top five CRM issues for our Parks and Recreation Department for the month of July were:

- Parks General- 52 Eg parks property and access queries, lights in reserve areas not working etc
- Parks Trees- 34 Street tree queries
- Parks -Cemetary- 11 Cemetary enquiries
- Parks Maintenance- 9

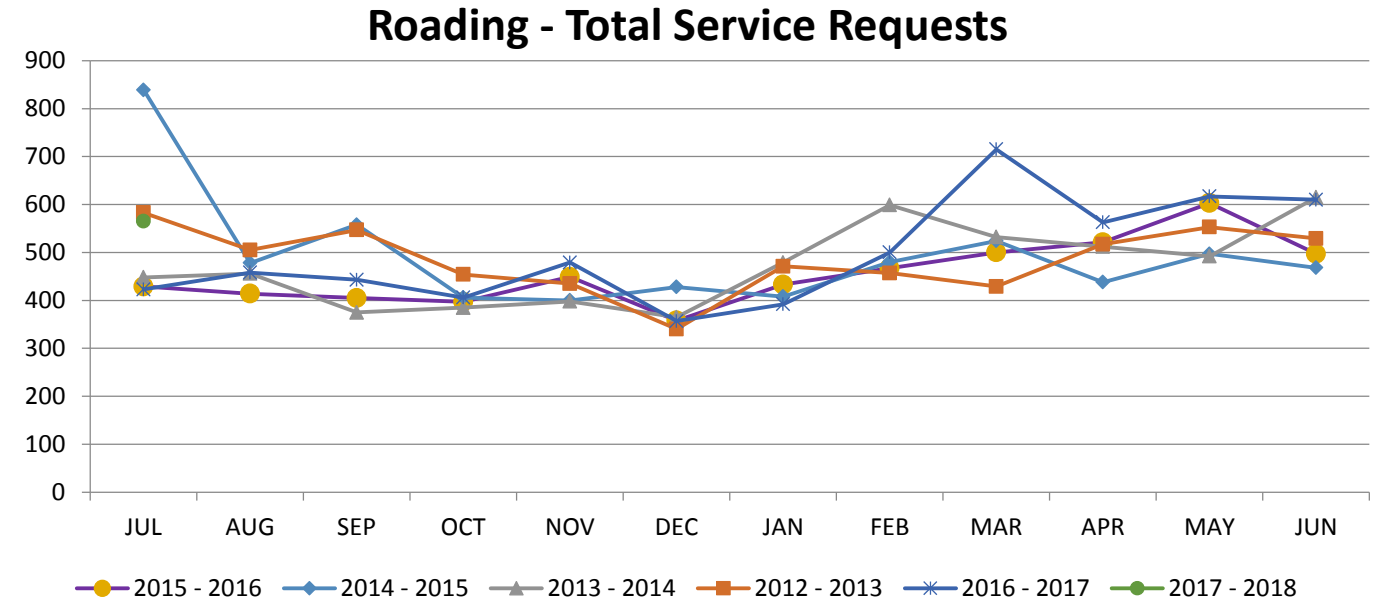
- Parks Coastal Structure- 8 Parks Coastal Structures Queries Eg Cemetary or burial information



The Water team received 202 CRMs in July 2017. 11 follow up calls were made, of these 7 were impressed and 4 found our service acceptable. Again, no dissatisfied feedback was reported for the Water Team.

The top five CRM issues for our Water Department for the month of July were:

- Water Leaks- 80 (general leak queries)
- Meter Box Queries- 42 (New box, new meters)
- Water Quality- 15 (Clarity, taste & odour)
- Water Investigation)- 14
- Reticulation- 11



The Roading Team received 565 Customer Service Requests in July 2017. There were 19 follow up calls made in the month of July – Fifteen customers found our service acceptable, three customers were dissatisfied and one was impressed.

The top five CRM issues for our Roading Department for the month of June were:

1. 53 reports of Stormwater issues. E.g. blocked stormwater drains.
2. 61 reports of General Roading issues. E.g. Traffic safety and general requests.
3. 82 reports of Unsealed roads issues. E.g. road requires metal or grading
4. 75 reports of Sealed road issues. E.g. potholes and sweeping
5. 39 reports of Street Lights E.g. not working.

WHANGAREI DISTRICT COUNCIL

5.2 Contracts Approved Under Delegated Authority

Meeting: Infrastructure Committee

Date of meeting: 07 September 2017

Reporting officer: Simon Weston (General Manager Infrastructure)

1 Purpose

For the Infrastructure Committee to note Infrastructure contracts awarded under Chief Executive and General Manager delegated authority

2 Recommendation

That the Infrastructure Committee note the Infrastructure contracts awarded under Chief Executive and General Manager delegated authority.

3 Background

Table 1 (below) records Infrastructure contracts awarded under Chief Executive and General Manager delegated authority. Attachment 1 provides a summary of the award process for each contract and a brief description of the works being undertaken.

Table 1: Infrastructure Contracts Awarded Under Delegated Authority

1. Roading	
CON17025	LED Streetlight Conversion – Luminaire Supply (P Category)
CON17012	Pavement Rehabilitations – Package 2 Pipiwai Road and Whatitiri Road 2017/18
CON16032	Bridge Upgrade Package 3 (Doctors Hill, Thompson and Old Tokatoka)
2. Waste and Drainage	
CON15086	Marsden City Manhole Replacement
3. Parks and Recreation	
CON12029	Tree Maintenance

4 Significance and engagement

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via Agenda publication on the website.

5 Attachment

Summary of Contracts Approved Under Delegated Authority July 2017

WHANGAREI DISTRICT COUNCIL

Summary of Contracts Approved Under Delegated Authority

This attachment provides a summary of the award process and works being undertaken for Infrastructure contracts awarded under Chief Executive and General Manager delegated authority.

1. Roading

CON17025 LED Streetlight Conversion – Luminaire Supply (P Category)

Purpose

The purpose of the report was to seek approval from the Chief Executive for the following:

1. A variation to the Roading Procurement Strategy to enable LED luminaires to be supplied on the basis of a procurement process undertaken by Auckland Transport in 2017.
2. Procurement of LED luminaires for the local road network (P Category) for the LED Streetlight Conversion project.

Background

The Council manages over 5,000 streetlights on its road network. Most of these streetlights are High Pressure Sodium Vapor luminaires (HPSV) which became available back in 1964 and are now considered to be an old technology. We also have about 750 (15%) Mercury Vapor luminaires which are very old technology (commercially available in 1901) and will soon be no longer serviceable due to Central Government having signed the UN Minimata Convention on mercury products. This means Council will have to replace these lights anyway as replacement mercury vapor luminaires will not be available.

Changes in streetlight technology have made Light Emitting Diode (LED) lights the preferred lantern type both within New Zealand and across the world. The benefits of LED streetlights are detailed below:

- They are energy efficient, resulting in energy savings of 40-60% over the existing HPSV streetlights.
- Their life span is about 20 years compared to 3-5 years for HPSV, resulting in less maintenance costs over the life of the LED lantern.
- They produce a better quality white light which is more beneficial in terms of road safety and security than the existing yellow/pink HPSV lights.

The Council has allowed for the conversion of the streetlights to LED in the 2019/20 and 2020/21 financial years (Years 5 and 6) of the 2015-2025 Long Term Plan (LTP).

As part of the budgeting for the 2017/18 financial year, approval was given to advance $2,175,000 of funding for this project from the 2019/20 financial year to the 2017/18 financial year.

Local Road LED Luminaire Supply (P Category lights)

To accelerate the LED Streetlight Conversion, it is intended to procure the LED luminaires for the local road network (P-Category lights) as a separate supply only contract. This is because there are 3,300 local road lights (over half the total network) and the LED luminaires need to be manufactured and shipped from overseas. It typically takes about three months for the luminaires to arrive from the date they are ordered.

The higher-powered luminaires required for the arterial road network (V-Category lights) will be sourced from a separate supply and install contract, because design work is required for these lights before the luminaire design is known.

During the period while the P-Category luminaires are being manufactured, Council will release tenders for the installation of these luminaires. The intention is that this installation contract will be let before the luminaires arrive, so that installation can get underway as soon as the luminaires are available.

To further accelerate the LED luminaire procurement, Council is looking at piggy-backing on Auckland Transport's (AT) procurement process that they undertook earlier in 2017 to secure the best LED luminaires for the LED conversion of their local road network (P Category) that is currently underway in Auckland. This allows Council to get the benefits of Auckland's buying power to get better rates for the luminaires.

The AT procurement process used a robust methodology which tested the quality, price and whole-of-life costs of the LED luminaires tendered as well as the reliability of the supplier. The AT procurement contract required the suppliers to provide a 10-year warranty for their luminaires. AT also has a quite rigorous testing regime as part of its approval process to ensure that sample luminaires do in fact meet their data supplied. This includes full photometric testing to test the light output, spread, quality and colour of luminaire.

As a result of the AT procurement process, the following luminaires were approved by AT for their streetlight conversion (more than one luminaire was chosen because AT had 40,000 P Category lights to replace and wanted several suppliers to ensure delivery on time):

1. I-Tron – 19w
2. TerraLED Mini - 19.56w
3. TransLEDer – 23w
4. Mini Martin – 28w

The price range for these luminaires from the AT procurement process was between $250 to $350 (excl GST) per unit, with the I-Tron being the cheapest unit at $254 (excl GST) per luminaire (including shorting cap for future central management system). The I-Tron has the lowest energy consumption of these luminaires and has the lowest whole-of-life cost. It is also the most aesthetically pleasing of the luminaires.

The I-Tron is supplied by AEC Illuminiazione from Italy. They are the same supplier that has been used for the LED lighting that was installed as part of the Mill/Nixon project (Stages 1 and 2).

It is intended to enter into a supply contract with AEC Illuminiazione for the I-Tron luminaires, using Council's standard terms and conditions and other technical details which will ensure that the luminaires are to the right quality and standard. This will include the requirement for the luminaires to have a 10-year warranty.

There is some time pressure to secure the I-Tron booking as soon as possible because the suppliers are going on a three week mid-summer break in August.

This procurement methodology has been approved by NZTA for use by Council in the procurement of the light fittings for Council's LED Upgrade project.

Financial

The cost of the I-Tron P Category LED luminaires is expected to be $838,200 for the 3,300 units.

It is possible that additional units may identified as being required during the installation, so it is therefore prudent to allow for $850,000 for the supply of these luminaires.

As mentioned earlier, the total cost of the LED Streetlight project is expected to be $6,600,000, which has been approved by NZTA. The breakdown of this amount is shown in the following table:

Description	Amount
LED Luminaire Supply (P Category)	$ 850,000
LED Luminaire Installation (P Category)	$ 1,820,000
LED Luminaire Supply & Installation (V Category) – Includes upgrades on Twin Coast Discovery Highway Lighting Upgrade and Arterial Road intersections	$ 3,605,000
V Category Design Fees	$ 125,000

Supervision & Council Costs	$ 200,000
Engineer's Estimate	**$ 6,600,000**

It was originally anticipated that the WDC budgets identified in the LTP were to be funded at a FAR rate of 53%. The total local share component of the $3,851,000 project budget is $1,810,000 which is more than enough to meet the $990,000 local share of the revised project cost of $6,600,000 at 85% FAR.

This shows that this supply contract for the P Category luminaires supply can be funded from the approved funding.

The manufacturer AEC Illuminiazione has their annual factory shutdown from early August and it is important to have orders in place prior to this date to ensure early delivery. After this date, Council runs the risk that several orders may be received by the manufacturer, and that other orders may be placed first in the production run.

In regards to Councils decision regarding additional subsidy being received, should Council limit this year's expenditure for LED lights to the budgeted amount of $2.175m, regardless of the subsidy given, we would continue to purchase the full quantity (3300 Luminaires) of 'P' Category, but we will only install 72% of them this financial year, with the remainder being installed by 31 December 2018, in accordance with NZTA funding requirements.

General Manager Approval

Approval was given to vary the Roading Procurement Strategy to enable luminaires to be supplied through a procurement process for LED luminaires undertaken by Auckland Transport in 2017 with CON17025 awarded to AEC Illuminiazione for the tendered sum of $850,000 (Eight Hundred and Fifty Thousand Dollars) excluding GST.

CON17012

Pavement Rehabilitations – Package 2 Pipiwai Road and Whatitiri Road 2017/18

Introduction

CON17012 was awarded to Northern Civil on 17 July 2017 for the Tendered Sum of $79,550.

Due to the continued deterioration of an adjacent 0.9km section of Pipiwai Rd (near WDC boundary), a variation was submitted by Northern Civil for $27,300 to complete the investigation, design and tendering for this additional length of road.

The variation submitted was deemed appropriate and in keeping with the tendered rates. Additional works can be funded from the 2017/18 sealed road pavement rehabilitation category.

General Manager Approval

CON17012, for Pavement rehabilitations – Package 2 Pipiwai Road and Whatitiri Road 2017/18, was increased by $27,300 (Twenty-Seven Thousand, Three Hundred Dollars) excluding GST.

CON16032

Bridge Upgrade Package 3 (Doctors Hill, Thompson and Old Tokatoka)

Introduction

Contract 16032 is for the completion of bridge repairs and upgrades for Doctors Hill Rd bridge no. 558, Thompson Rd bridge no. 129 and Old Tokatoka Rd bridge no. 150.

Contract 16032 was awarded on 11 April 2017 to JR Works Group Ltd, for the Tender Sum of $229,944.

Additional works to the value of $25,106.40 were required on Doctors Hill Rd bridge to replace the transverse/bottom decks planks. These were not allowed for in the original scope and were only

identified upon removing the running/top deck plank. These additional quantities have been measured and approved by the Engineer throughout the works.

These additional works can be funded from the 2017/18 minor improvements works category.

General Manager Approval

CON16032 for Bridge Upgrade Package 3 (Doctors Hill, Thompson and Old Tokatoka), was increased by $25,106.40 (Twenty-Five Thousand, One Hundred - Six Dollars) excluding GST.

2. Waste and Drainage

CON15086 Marsden City Manhole Replacement

Purpose

Approval was sought to increase the original contract price to $1,021,883.08.

Background

CON15086, for Marsden City Manhole Replacements 2015/2016, was awarded to Downer New Zealand for the original contract amount of $ 860,706.94.

While a contingency sum of $50,000 was allowed, this was exceeded due to a change in scope as follows:

1. Issues with the installation of bespoke PE manholes – misalignments, incorrect pipe sizes
2. Damage to lateral connections requiring replacement of pipes – unknown prior to excavation
3. Discovery of tomos around manholes requiring extra excavation, backfilling & sealing
4. The decision to form concrete collars around all PE/Concrete connections to ensure the connection point was robust and sealed
5. The decision to install grates under the new PE manhole lids for Health & Safety reasons
6. The decision to install stub flanges and gates in the weirs of PE manholes so the stormwater system could be emptied for future inspections

Financial

A breakdown of the additional costs is provided in the following table:

Variation	Amount
VC 2 CCTV	$22,061.10
VC 3 MH 6 Additional SW connection	$405.76
VC 3a MH 6 Change connection to welded PE	$323.98
VC 4 Adjust Pipes A2	$2,538.00
VC 4 MH A2 existing lead, investigation and cap, weld stub SS	$1,180.00
VC 5 Production Lost Time/rework	$10,062.50
VC 6 Uplift & Relay cesspit lead A5-1	$6,592.45
VC 7 Tomos and replace cracked pipe MH A8	$5,228.11
VC 8 Tomos MH A9	$7,309.00
VC 9 Cut fit and weld stub flanges and backing plates to weirs	$12,511.70
VC 10 MH A 5 Cut down MH height	$617.00
VC 11 MH A 11, weld riser, replace cesspit leads, concrete joins	$8,359.11
VC 12 Site supervision Hynds staff	$290.00

VC 13 Additional Security Fencing	$21,754.00
VC 14 Variation processing fee	$12,687.50
VC 15 Additional house connection lateral and welded joins	$1,355.26
VC 16 Re-align MH C 2 pipes to suit supplied MH, replace cracked pipe	$4,397.55
VC 17 MH C2-A weld in subsoil connection	$617.59
VC 18 MH B6 recut cracked cesspit leads, realign and connect House connection	$1,148.13
VC 19 Mass concrete (Fibre) Haunching	$25,546.67
VC 20 MH C2 FPQ Concrete slab	$1,841.61
VC 21 MH C3-A FPQ Concrete slab	$1,872.00
VC 22 Mass Concrete (Fibre) Haunching B5, C4, A15, A15B	$7,762.48
VC 23 Realign lateral pipe MH A15	$294.00
VC 24 Realign lateral pipe MH H12-1	$1,449.04
VC 25 Connect underchannel drain to MH B16	$412.00
VC 26 Realign pipes MH C3-A	$1,395.00
VC 27 Realign pipes MH A10	$965.50
VC 28 Mass Concrete (Fibre) Haunching A10, C3-A, B11-A	$10,548.96
VC 29 Digout for tomos MH A10	$2,630.00
VC 30 Move fencing and prep for digouts A5-1, A5, A6	$409.50
VC 31 Prep for mass concrete MH A8, A9, digout for tomos A10	$2,608.00
VC 32 Supply new MH lids and hinged covers	$6,329.60
VC 33 MH A15 install house connections (2)	$1,110.30
VC 34 MH B16 House connections (3)	$1,448.71
VC 35 Backfill tomos and reinstall cesspit leads MH A10	$1,239.96
VC 36 Supply and install SS safety grates to manhole lids	$11,199.69
VC 37 Excavate and prep for mass concrete A8, A9	$7,383.00
VC 38 Cut down lid heights to suit pavement level	$612.00
VC 39 Mass concrete MH A9, A8	$9,119.97
VC 40 Backfill and compact MH A8, A9	$2,307.38
VC 41 Mass concrete MH A7, A6	$11,824.71
VC 42 Backfill and Compact MH A 6, A7	$3,822.25
VC 43 Excavate and prep for mass concrete A2, A5/1	$2,422.50
VC 44 Mass concrete MH A2, A5/1	$11,138.73
VC 45 Backfill and compact MH A5, A7, A9	$5,865.75
VC 46 Backfill and compact MH A2, A5/1, A5, A6	$5,865.75
VC 47 Backfill and compact MH A2, A5/1, A5	$5,511.75
VC 48 Cut down lid heights to suit pavement level A6	$408.00
VC 49 Cut down lid heights to suit pavement level & Backfill MH A7	$4,360.75

VC 50 - Additional Pavement work	$17,360.63
VC 51 - Additional Welding Wire	$476.83
VC 52 - EOT - P&G, TM claim	$50,720.08
VC 53 - Roundabout reinstatement to VC 6	$4,433.11
VC 50d -AC surface to selected MH's	$3,816.00
Estimate	**$345,950.95**

A breakdown of cost for the whole contract is provided in the following table:

Discription	**Amount**
Original contract value (excl. contingency)	$ 810,706.94
Contingency	$ 50,000.00
Total original contract value	$ 860,706.94
Total amount of variations	$ 345,950.95
Total revised contract value	$1,021,883.08
Contract Variance	**$ 161,176.14**

General Manager Approval

CON15086, for Marsden City Manhole Replacement, was increased by $161,176.14 (One Hundred, Sixty One Thousand, One Hundred Seventy - Six Dollars) excluding GST.

3. Parks and Recreation

CON12029
Tree Maintenance

Background

Treescape have held tree maintenance contracts with Council since 2005 and have provided excellent service over that time. The Tree Maintenance Contract is a measure and value contract where rates are applied for various functions such as pruning, felling and planting. It is a 1 + 3 + 1 year contract which was awarded on 01 September 2012 and expires on 31 August 2017.

Discussion

During the last year consideration was given to whether the work carried out by this contract could be included in the Parks and Gardens Maintenance contract, which was to be retendered.

While staff considered that efficiencies may potentially be realised by including this work within the larger scope of that contract, once negotiations began it became clear that this was not the case. The Parks and Gardens Maintenance contract has also taken longer to finalise than was originally expected.

With the current Tree Maintenance Contract due for renewal a seven month contract extension is requested (from 1 September 2017 to 31 March 2018) to allow sufficient time to go to the market. The budget allows for expenditure of $24,892 per month, $174,244 over seven months. There is $298,704 budgeted for Tree Maintenance in the 2018 financial year

General Manager Approval

CON12029, for Tree Maintenance, was extended from 1 September to 31 March 2018 with the contract amount was increased by $175,000 (One Hundred and Seventy-Five Thousand Dollars) excluding GST.

WHANGAREI DISTRICT COUNCIL

5.3 Infrastructure Capital Projects Report

Meeting: Infrastructure Committee

Date of meeting: 7 September 2017

Reporting officer: Simon Weston (General Manager Infrastructure)

1 Purpose

To provide the Committee with the Infrastructure Capital Projects Report for the year ending 31 June 2017 including final carry forwards to 2017/18.

2 Recommendations

That the Committee notes the Infrastructure Capital Projects Report for the year ending 30 June 2017.

3 Background

The capital projects budgeted in Council's 2017/18 Annual Plan were based on commitments made in the 2015-25 Long Term Plan (LTP).

Ideally, projects would all be completed in the year that they are budgeted. However, various factors can delay the start of a project, including the granting of resource consents, weather conditions, and availability of contractors.

When the 2017/18 Annual Plan was adopted in June 2017 it included an estimated amount of $7.7m of the 2016/17 projects budget to be carried forward to the 2017/18 year.

Now that the process for accruing end of year capital expenditure has been completed and the final Capital Projects Report 2016/17 has been finalised, the actual amount of carry forwards ($12.1m) can be revised for the 2017/18 financial year.

In assessing what to carry forward from the 2016/17 year, budget managers considered their 2017/18 budgets and the work program they could realistically complete in 2017/18. This means that approximately $5.0m of the $17.1m unspent 2016/17 Capital Project budget has not been carried forward into 2017/18, as it would almost certainly then be carried forward into the LTP anyway. Funding for these projects will form part of the overall LTP process.

4 Discussion

4.1 Final Capital Projects Report 2016/17 (Attachment 1)

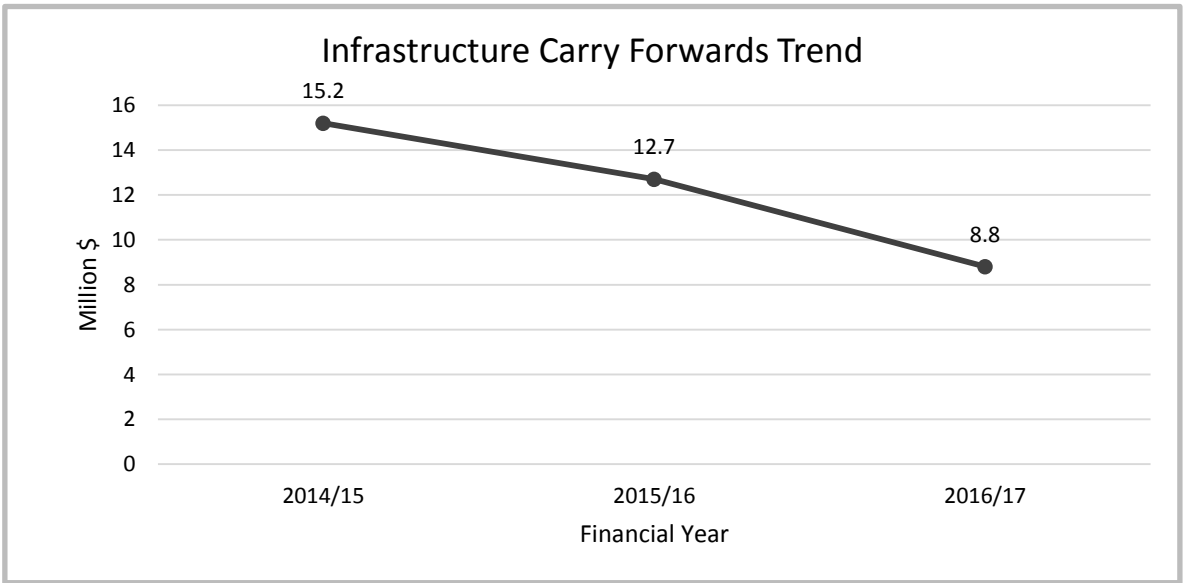
The end of year capital expenditure accruals for 2016/17 have now been completed. The Infrastructure Capital Projects Report 2016/17 has been updated to reflect these accruals (Attachment 1).

The report confirms:

- Final expenditure of $33.0m against the revised budget for the 2016/17 year of $44.1m, giving an under spend of $11.1m.
- Carry forwards of $8.8m.
- This is a decrease of $3.9m from last year's carry forwards (see table below and chart).

Analysis of Capital Expenditure and Carry Forwards 2016/17 trends

	2016/17		2015/16		2014/15	
	$m	%	$m	%	$m	%
Total Projects Budget	56.8		63.6		48.8	
Total Projects Expenditure	39.7	70%	45.6	72%	32.2	66%
Total Variance	17.1	30%	18.1	28%	16.6	34%
Total Carry Forwards	12.1	21%	15.7	25%	16.7	34%
Carry forwards made up of:						
Infrastructure Carry Forwards	8.8	73%	12.7	81%	15.2	91%
Non Infrastructure Carry Forwards	3.3	27%	3	19%	1.5	9%



Over the past two years council has put considerable effort into reducing infrastructure carry forwards. This has resulted in a drop from $15.2m in 2014/2015 to $8.8m in 2016/2017. This trend is set to continue with projects being split over two financial years within the next LTP. This provides the opportunity to undertake planning; stakeholder engagement; consenting and professional services engagement prior to physical works funding.

Significant variances to budget includes: -

Transport:

- Sealed Road Pavement Rehabilitations $2.5m less than budget which has been used to optimise subsidy available in other areas.

Water:

- Whau Valley Water Treatment Plant (WTP) of $2.3m less than budget, of which $1.5m is required to be carried forward to 17/18. This is due to adoption of a better location, reducing the overall cost of the project, and testing of alternative designs to optimise plant performance via a pilot trial at the existing Whau Valley WTP. Pilot trials are almost complete and results will be available next month to commence the design stage of the project.

Wastewater:

- Wastewater City Service Level improvements $2.5m less than budget, which is predominately for the Tarewa Park Storage Tank which had major works put on hold due to contract novation, delaying the project and resulting weather conditions due to that delay. $2.1m of this is being carried forward for this along with a small portion for the Stage 2 of Tarewa Park Sewer and other minor projects.

Community Facilities & Services:

- Sports and Recreation Level of Service $1.5m less than budget was partly due to the $450k OBRFC grant which has now been reserved. $800k is due to Pohe Island Carparks and Paths Project being delayed until Bike Northland has completed designs for their facility. This has also been carried forward to 2017/18.

- Sports and Recreation Renewals $0.8m less than budget is largely due to delays from stakeholder consultation of Otaika Fields and is required to be carried forward to 17/18.

4.2 Capital Projects Carry Forward Detail (Attachment 2)

Brief comments explaining the current status of Infrastructure projects and reasons for carrying forward budgets are included in this attachment.

Infrastructure Carry Forward totals $8.8m for the 16/17 financial year. This represents a downward trend over the past 3 years. Projects are split into subcategories depending on the reason for the carry forward.

5 Significance and engagement

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via [Agenda publication on the website.

6 Attachments

1. Final Capital Projects Report 2016/17.

2. Capital Projects Carry Forward Detail.

INFRASTRUCTURE CAPITAL PROJECTS REPORT

AS AT 30 June 2017

(Figures include both Operating and Capital Expenditure)

	Full Year Actual $000	Full Year Revised Budget $000	Variance (Underspent)/ Overspent $000	Forecast Carry Forwards $000	Total (Underspent)/ Overspent $000
Transportation					
Coastal Protection Structures - Roading	77	78	(2)	0	(2)
Cycleways - Additional government funding	291	679	(388)	388	(0)
Cycleways - Programmed Work	1,508	1,373	136	0	136
Cycleways - Unsubsidised Programmed Work	0	91	(91)	91	0
Drainage Renewals	1,208	436	772	0	772
Footpaths Renewals	185	334	(149)	0	(149)
Land for Roads	(154)	400	(554)	500	(54)
LED Streetlight Upgrades	75	0	75	0	75
Mill Rd/Nixon St/Kamo Rd - Roading	2,321	1,373	948	0	948
Minor Improvements to Network	2,102	1,945	157	0	157
New Footpaths	320	440	(120)	120	(0)
Parking Renewals	43	122	(79)	0	(79)
Replacement of Bridges & Other Structures	(2)	465	(467)	0	(467)
Seal Extensions - House Frontage Sealing	56	207	(151)	151	(0)
Sealed Road Pavement Rehabilitation	4,641	7,109	(2,468)	0	(2,468)
Sealed Road Resurfacing	4,328	3,670	658	0	658
Southern Entrance Intersection Improvement	0	0	0	0	0
Structures Component Replacement	828	564	264	0	264
Subdivision Works Contribution	2	0	2	0	2
Traffic Sign & Signal Renewals	685	520	165	0	165
Transport Planning Studies & Strategies	156	0	156	0	156
Unsealed Road Metalling	1,161	1,083	78	0	78
Transportation Total	**19,831**	**20,890**	**(1,058)**	**1,250**	**192**
Water					
Minor Projects - Emergency Works	194	306	(112)	0	(112)
Reticulation - Programmed Work	690	602	88	0	88
Water Meter Renewals	320	357	(37)	0	(37)
Water Treatment Plant & Equipment Replacement	353	306	47	0	47
Whau Valley New Water Treatment Plant	237	2,522	(2,285)	1,500	(785)
Water Total	**1,794**	**4,093**	**(2,299)**	**1,500**	**(799)**
Solid Waste					
Pohe Island - Gas Management	0	276	(276)	0	(276)
Rural Transfer Station Upgrades	31	240	(209)	200	(9)
Solid Waste Total	**31**	**516**	**(485)**	**200**	**(285)**
Wastewater					
Hikurangi Sewer Network Upgrade	1,402	1,910	(508)	150	(358)
Laboratory Equipment Renewals & Upgrades	0	15	(15)	15	(0)
Motor Starter Assessment & Upgrades	23	30	(7)	0	(7)
Public Toilets	336	315	21	0	21
Pump Station Upgrades	387	357	30	0	30
Purchase New Portable Generator	0	41	(41)	0	(41)
Ruakaka Waste Water Treatment Plant Upgrade	174	0	174	0	174
Telemetry System Upgrade	44	57	(13)	0	(13)
Treatment Plant Upgrades	742	833	(91)	50	(41)
Waipu Trunk Main Upgrades	44	100	(56)	56	(0)
Wastewater Assessment	10	41	(31)	0	(31)
Wastewater City Service Level Improvements	2,251	4,757	(2,507)	2,059	(448)
Wastewater Strategy - Programmed Work	61	100	(39)	0	(39)
Wastewater Structures Earthquake checks	14	57	(43)	0	(43)
Wastewater Total	**5,488**	**8,614**	**(3,126)**	**2,330**	**(796)**
Stormwater					
Stormwater Catchment Management Plans & Assessments	24	279	(255)	0	(255)
Stormwater Projects - Programmed Work	1,674	1,557	117	0	117
Stormwater Quality Programmed Work	0	31	(31)	0	(31)
Stormwater Total	**1,698**	**1,867**	**(170)**	**0**	**(170)**

	Full Year Actual $000	Full Year Revised Budget $000	Variance (Underspent)/ Overspent $000	Forecast Carry Forwards $000	Total (Underspent)/ Overspent $000
Community Facilities & Services					
Parks & Recreation					
Bank Street Revitalisation	30	30	(0)	0	(0)
Camera Obscura	0	0	0	0	0
CBD Development Stage 2/Laneway completion	94	15	79	0	79
Cemeteries Level of Service	224	157	67	0	67
Cemeteries Renewals	19	36	(17)	17	(0)
Coastal Structures Renewal	396	471	(75)	0	(75)
Emerald Necklace - Sense of Place	329	304	25	0	25
Hatea Activity Loop	577	556	21	226	247
Neighbourhood & Public Gardens Level of Service	6	157	(151)	151	(0)
Neighbourhood & Public Gardens Renewals	462	497	(35)	0	(35)
New Mower for Cemetery	17	20	(3)	0	(3)
Parks Interpretation Information	35	113	(78)	0	(78)
Playgrounds & Skateparks Renewals	191	253	(62)	62	0
Public Art	5	34	(30)	0	(30)
Ruakaka Beach New Accessway	68	65	3	0	3
Seawalls Renewal	202	784	(582)	582	(0)
Sport & Recreation Level of Service	319	1,859	(1,540)	949	(591)
Sport & Recreation Renewals	543	1,295	(753)	753	(0)
Town Basin - Conversion of Carpark to Park	3	235	(232)	232	0
Urban Design - Themed Communities & Settlements	106	184	(78)	44	(34)
Walkway & Track Renewals	389	391	(2)	0	(2)
Parks & Recreation Total	**4,014**	**7,456**	**(3,442)**	**3,014**	**(427)**
Community Facilities & Services Total	**4,014**	**7,456**	**(3,442)**	**3,014**	**(427)**
Support Services					
Infrastructure Planning & Capital Works					
New Airport Evaluation	169	699	(530)	530	(0)
Infrastructure Planning & Capital Works Total	**169**	**699**	**(530)**	**530**	**(0)**
Support Services Total	**169**	**699**	**(530)**	**530**	**(0)**
Total	**33,026**	**44,136**	**(11,110)**	**8,824**	**(2,286)**

Capital Projects Carry Forwards Detail

Table 1 – Infrastructure Projects dependent of other parties completing their work.

Project LTP Indicator	Project ID Description	Carry Forwards $000	Comments
Sport & Recreation Renewals	Hora Hora Sportspark Field Renewals	38	Completing establishment for second field. Delayed to match school programme.
Sport & Recreation Renewals	Otaika Field Renewals	715	Delayed due to stakeholder consultation of Otaika Fields.
Sport & Recreation Level of Service	Pohe Island Carparks and Paths	800	Concept taken to Council. Was to be used on car park adjacent to Bike Northland facility. This will be held until Bike Northland has designed and commenced their facility.
Town Basin - Conversion of Carpark to Park	Town Basin Conversion of Car Park to Park	232	Delayed until confirmation of Hundertwasser project.
Urban Design - Themed Communities & Settlements	Urban Design - Themed Communities - Kamo	22	Budget has been committed to Projects and is required to continue the programmed works.
Urban Design - Themed Communities & Settlements	Urban Design - Themed Communities - Otangarei	22	Budget has been committed to Projects and is required to continue the programmed works.
Cycleways - Additional government funding	Cycleways Programmed Work	388	Unused NZTA allocation, the project is delayed awaiting NZ Rail approval for access.
Land for Roads	Land for Roads - Budgeting only	500	Road legalisations ongoing.
New Footpaths	New Footpaths - Construction	120	New footpath construction programme delayed due to late approval, construction works not fully completed at year end.
Cycleways - Unsubsidised Programmed Work	Ngunguru/Waipu Cycleways	91	Ngunguru Cycleway grant & Waipu Cycleway grant not taken up by Community Group yet.
Waipu Trunk Main Upgrades	Waipu Wastewater Rising Mains Replacement	56	Delayed due to negotiations on easements.
Wastewater City Service Level Improvements	Kioreroa Road Co-Generation	(20)	Final grant payment to be received in 17/18.
Wastewater City Service Level Improvements	Maunu Rd Sewer Upgrade Stage 2	30	Working on agreement with developer at Te Hape Road.
Wastewater City Service Level Improvements	Tarewa Park Storage Tank	1,659	Major works put on hold due to weather and contract novation (Downer purchased company who was awarded contract).
Wastewater City Service Level Improvements	Tarewa Park Trunk Sewer Stage 2 (SH1 Crossing)	250	Delayed due to delay in NZTA works on SH 1.
Wastewater City Service Level Improvements	Tarewa Rd -Jubilee Park Sewer Diversion	140	Project on hold due to access issues.
	Total	**5,042**	

Table 2 – Infrastructure Projects that have been carried forward to provide a saving to council, or to optimise projects for a better overall outcome.

Project LTP Indicator	Project ID Description	Carry Forwards $000	Comments
Cemeteries Renewals	Cemetery Renewals	17	Carrying forward to add to 17/18 budget for further renewals required.
Rural Transfer Station Upgrades	Rural Transfer Station Upgrades	200	Need to apply for consent to keep transfer station there.
Seal Extensions - House Frontage Sealing	House Front - Seal Extensions	151	Wright Rd dust seal extension physical works deferred to 2017/18 to match NZTA funding and summer construction season.
Whau Valley New Water Treatment Plant	New Whau Valley Water TP Pilot Trials	50	Delays in this project are due to sourcing a better location and testing of alternative designs.
Whau Valley New Water Treatment Plant	New Whau Valley Water Treatment Plant	1,450	Delays in this project are due to sourcing a better location and testing of alternative designs.
Laboratory Equipment Renewals & Upgrades	Laboratory Equipment - Renewals and Upgrades	15	Delays on obtaining prices. Tender has now closed and budget is required for 17/18.
	Total	**1,882**	

Table 3 – Infrastructure Projects that have been completed within budget and have provided council with a potential saving. These projects are part of an overall programme and the savings have been transferred into the carry forwards column so more of the programme can be completed next year.

Project LTP Indicator	Project ID Description	Carry Forwards $000	Comments
New Airport Evaluation	New Airport Evaluation Project	530	Work completed to date cheaper than initial estimate. It is expected that the following stage will require all funding available.
Treatment Plant Upgrades	Whangarei Wastewater Treatment Plant Upgrades	50	There was savings in 16/17, Carrying forward these savings to fund growth projects at Waipu and Ruakaka.
	Total	**580**	

Table 4 – Infrastructure Projects that have not been completed due to resource scarcity, or have been started and will progress into the new financial year.

Project LTP Indicator	Project ID Description	Carry Forwards $000	Comments
Hatea Activity Loop	Hatea Lighting and CCTV	223	Lighting projects to finish the loop are now out to tender. Delayed due to consenting, easements over private land, and required additional budget in 17/18.
Neighbourhood & Public Gardens Level of Service	Whangarei Falls Carpark	151	Further amenity upgrades required around the park. Carried forward due to lack of in-house project management resources in 16/17.
Seawalls Renewal	Matapouri Seawall	267	Delayed due to lack of in house project management.
Sport & Recreation Level of Service	Hikurangi Hard Courts	149	Delayed due to only receiving one tender which was well over estimate. Carrying forward to re tender for more competitive price.
	Total	**790**	

Table 5 – Other Infrastructure Projects

Project LTP Indicator	Project ID Description	Carry Forwards $000	Comments
Hatea Activity Loop	Hatea River Jetty Refurbishment	3	Final asbuilts and CCC required to finish Project.
Playgrounds & Skateparks Renewals	Activity Design for 17/18	62	Budget originally marked for Tarewa, however this has been deferred so the budget will be added to 17/18 to renew next on the list.
Seawalls Renewal	Sandy Bay Seawall	315	Following public consultation, redesign and consenting delayed this project.
Hikurangi Sewer Network Upgrade	Hikurangi Sewer Network Renewal	150	Minor timing delay to finish stage 1 including easements.
	Total	**530**	

WHANGAREI DISTRICT COUNCIL

5.4 Service Delivery Review Transportation Services

Meeting: Infrastructure Committee

Date of meeting: 7 September 2017

Reporting officer: Simon Weston (General Manager Infrastructure)

1 Purpose

To provide an overview of the completed service delivery review for Transportation Services Activities.

2 Recommendation

That the committee notes the completed Service Delivery Review for Transportation Services activities.

3 Background

Section 17A of the Local Government Act 2002 requires local authorities to periodically review the way they govern, fund and deliver their services. This means considering alternative ways of providing the service, analysing any of those options that could prove beneficial and providing a recommendation as an outcome of the review.

The first round of these reviews are required to be completed by August 2017.

To meet this requirement Whangarei District Council is using the following process.

1. A staff steering group was created to provide structure around the review programme including designing and approving templates to complete the reviews.

2. Reporting of the overall programme is made to the Audit and Risk Committee, who provide governance oversight.

3. Each service is being reviewed by relevant staff against a list of selection criteria to complete the review.

4. Once completed, the reviews are checked and approved by the relevant General Manager, with oversight by the Staff Steering Group. If required either or both of the below actions are taken:

    a. If a change to the service delivery model is recommended, the approach will be presented to the appropriate committee for a decision.

b. If the change requires delegated financial authority, then it will also need to go through a full council meeting as per the current procurement policy.

4 Overview of Review

Scope
Northland is already on a path of increased regional collaboration and has a strong focus on cost effectiveness. This results from the review of roading services in Northland that was undertaken in 2015/16 and which produced the report, *Northland Transport Collaboration Opportunities Business Case*. It identified, and was subsequently implemented, as a new service delivery model for the region – the Shared Services Business Unit (SSBU), and the Northland Transportation Alliance (NTA).

The Section 17a review which is the subject of the attached report, has primarily focussed on:

- ensuring the formal requirements of a Section 17a options assessment are met,
- identifying whether there are any compelling reasons to depart from the recently implemented organisational changes across the Northland local authorities to establish the SSBU,
- identifying whether any additional modifications or improvements could be made to the current arrangements.

Decision
Status quo

- Strategy and Asset Planning – In House (collaborative) SSBU
- Design and Professional Services – mixture of In House and Contracted in services.
- Capital Works Delivery – Contracted
- Road Maintenance and Operations – Contracted
- Governance – remaining with each Council.
- Funding – existing funding arrangements for each Council to remain.

5 Significance and engagement

The decisions or matters of this report do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via agenda publication on the website.

6 Attachments

1 Section 17a Local Government Act: Review of Northland Councils' Transportation Services.

rationale > IMPROVING INFRASTRUCTURE OUTCOMES

Section 17A Local Government Act: Review of Northland Councils' Transportation Services

July 2017

rationale

Document Title:

Transport Section 17A Review

Prepared for:

Far North District Council, Kaipara District Council, Northland Regional Council, Whangarei District Council

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Executive Summary

Northland is already on a path of increased regional collaboration and has a strong focus on cost-effectiveness. This results from the review of roading services in Northland that was undertaken in 2015/16 and which produced the report, *Northland Transport Collaboration Opportunities Business Case* ('the Northland Business Case'). It identified, and subsequently implemented, a new service delivery model for the region - the Shared Service Business Unit (SSBU).

The SSBU has identified significant opportunities for cost efficiency ($18-34m over a 10-year period), and is effectively addressing many of the substantive requirements of Section 17A (s.17A) of the Local Government Act (LGA). However, it will take several years to implement the structural, systems and processes, and operational changes necessary to fully achieve the targeted savings.

The s.17A review, which is the subject of this report, has primarily focused on:

- ensuring the formal requirements of a s.17A options assessment are met
- identifying whether there are any compelling reasons to depart from the recently implemented organisational changes across the Northland local authorities to establish the SSBU
- identifying whether any additional modifications or improvements could be made to the current arrangements.

There are no formal cost-effective measures currently in place at a regional level. However, the analysis that has been undertaken identifies a need to establish cost-effectiveness benchmarks, and suggests there are opportunities for improvement. The factors that will most significantly drive cost-effectiveness include:

- developing additional internal capacity and capability
- improving long-term planning and programming in order to help address funding issue
- improving regional coordination for the delivery of physical works.

These and other issues have been identified and are being addressed by the SSBU.

This review has identified possible alternative options for governing, funding and delivering transport services. However, none of the options assessed make a compelling case for significant, additional change to the improvements already being implemented by the recently established SSBU model. The reasons for forming this view are as follows:

- The current arrangements are already targeting the biggest areas for improved financial performance.
- Additional change, so soon after the establishment of the SSBU, may cause disruption to staff morale and business continuity, which would be counter-productive to the goal of improving technical capacity and capability – which is one of the major drivers of cost-effectiveness.
- Support for greater regional alignment of transport services is most likely to be achieved only after the currently identified benefits have been realised, and when further cost-effectiveness improvements can be demonstrated to require additional changes to governance, funding or service delivery arrangements.

While sufficient time should be provided to enable the current arrangements to deliver the targeted benefits, consideration should also be given to:

1. Opportunities to progressively improve the current decision-making arrangements.
2. Regionally aligning funding arrangements.
3. Closely monitoring performance standards and targeted goals to ensure there is a continuous improvement trend.
4. Making provision for an allocation of resources to undertake the next s.17A review after the 2018/19 financial year when there will be sufficient evidence to assess whether, and the extent to which, anticipated benefits have been achieved, and whether further changes are merited.

1 Introduction

1.1 Objective

The objective of this report is to assess whether the current arrangements of the Northland local authorities are delivering good-quality transport infrastructure that is cost-effective. The report seeks to:

- Identify what cost-effective governance, funding and delivery is.
- Identify whether opportunities for improvement exist.
- Determine what options may be most cost effective.
- Ensure that each local authority is meeting its obligations under s.17A Local Government Act 2002 (LGA).

1.2 Background - Transportation Services in Northland

The current state of the Northland councils' transportation services is that a complete review has not been undertaken with regard to the formal requirements of s.17A. Consequently, each Northland local authority is required to have undertaken (or at least commenced) such a review by August 2017.

A substantial review of roading services was, however, undertaken in 2015/16 and was the subject of a report: *Northland Transport Collaboration Opportunities Business Case* ('the Northland Business Case' or 'the report'). The Northland Business Case was developed in general accordance with the Better Business Cases model adopted by central government. It considered a wide range of options from the status quo through to establishing a council-controlled organisation that owned and managed the roading assets.

The Strategic Case of the report, which considered whether a compelling case for change existed, identified a range of national, regional and local strategic drivers of change to the manner in which transport infrastructure is provided. These included:

1. The Government Policy Statement on Land Transport, which reaffirms the drive for improved performance by focusing on economic growth and productivity, road safety and value for money.
2. The One Network Road Classification (ONRC) which aims to strengthen the link between investment and service levels by categorising all roads based on their function as part of an integrated national network, and enables investment decisions based on achieving agreed customer levels of service.
3. The amendment to the Local Government Act requiring 30-year infrastructure strategies to outline the 'most likely scenario' for the management of a Council's infrastructure assets, and to identify significant infrastructure issues, options and financial implications.
4. The regional initiative of 'Connect Northland, which seeks to improve regional prosperity through increased participation in education, work and community to optimise the potential of the people and resources of Northland.
5. The Tai Tokerau Northland Growth Study, which identifies the opportunities for the region and the role of improved transport access and resilience in supporting regional productivity and prosperity.

The report concluded by saying that the review: *"…demonstrates a compelling case for challenging the status quo for delivery of roading services in Northland."* It identified a range of both financial and non-financial benefits from implementation of the recommended option – a shared services business unit (SSBU) of the councils. These included the following:

- Potential efficiency gains of $18-34m over 10 years.
- Increased regional capacity and capability through specialisation.
- Improved customer service and improved engagement with stakeholders by having a wider talent pool of expertise.
- More resilience in business continuity through deployment of resources across the region.

- Greatly enhanced ability to respond more quickly and more effectively to emergency events.
- Better development opportunities for staff and a more attractive employment proposition for potential recruits.
- Less reliance on consultants as in-house resources develop.
- Continued Council autonomy and input into decision making.
- A stronger, single voice for advocating regional transport issues with central government.

As a consequence of the Northland Business Case, the councils involved agreed to establish the Northland Transportation Alliance (NTA) having oversight of the SSBU. The SSBU commenced operations on 1 July 2016.

Although the review did not formally reference the statutory requirements of s.17A, it could be argued that either the Northland Business Case amounted to substantive compliance with s.17A, or that the exception under s.17A(3)(b) can be applied; i.e. that the cost of a further review would not justify the potential additional benefits that might be obtained from it. With regard to the former, it should be noted that the Northland Business Case did not consider in detail funding or governance arrangements, but did consider:

a) All of the services provided by the councils; i.e. asset planning and management, design and professional services, roading maintenance and operations, and capital projects.

b) Options for delivering these services, including:
   i. contracting out
   ii. shared services
   iii. a variety of business unit options
   iv. a CCO, with an independent board, managing the assets
   v. a CCO which owned and managed the assets.

It was decided that, on balance, there was merit in conducting a further review. The benefits from undertaking this additional work are listed below:

- Ensures strict compliance with the requirements of s.17A.
- Provides an opportunity to re-assess the conclusions reached and recommendation made in the Northland Business Case.
- Provides a further opportunity to make any additional changes to the service scope, funding or governance arrangements reached in relation to the establishment of the NTA and SSBU.

1.3 Requirements of section 17A

Section 17A was inserted in the Local Government Act 2002 by an amendment in 2014. It requires local authorities to:

> "…. *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*."

It requires every local authority to review all their services under the following conditions:

- When considering any significant change to service levels.
- Within 2 years of the expiry of a contract to deliver any service.
- At least every 6 years.

There is an additional, one-off, requirement for every council to:

> "…*complete its first reviews under section 17A in relation to governance, funding, and delivery of any infrastructure, service, or regulatory function* ***within 3 years*** *of the commencement of* [s.17A] …" cl.2, Schedule 1AA, LGA

This requirement effectively means that every council must have reviewed the delivery of all services by August 2017, unless one of two exceptions within s.17A(3) applies:

- The delivery of the service is governed by legislation, contract, or other binding agreement such that it cannot reasonably be altered within the following 2 years.
- 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.

There are three aspects of each service that must be considered:

- governance
- funding
- delivery.

Mandatory options to be considered as part of this process are:

- Governance, funding, and delivery responsibility is exercised by the local authority.
- Governance and funding is exercised by the local authority, but delivery responsibility is exercised by:
    - a council-controlled organisation of the local authority; or
    - a council-controlled organisation in which it is a shareholder; or
    - another local authority; or
    - another person or agency:
- Responsibility for governance and funding is delegated or shared; and delivery responsibility is exercised by:
    - a council-controlled organisation of the local authority; or
    - a council-controlled organisation in which it is a shareholder; or
    - another local authority; or
    - another person or agency.

1.4 Methodology

This review has been conducted in three phases:

- Phase 1 comprised information collection, analysis, and providing a cost-effectiveness assessment of the current arrangements for each local authority and regionally.
- Phase 2 had a workshop facilitated with staff from across the councils to identify whether there were options to have real potential to improve cost-effectiveness.
- Phase 3 has involved compilation of this report to evaluate the options which have been considered in the context of the cost-effectiveness assessment report and the current arrangements in place in the region.

2 Current Arrangements

2.1 Introduction

In July 2015, Far North District Council, Kaipara District Council, Whangarei District Council, Northland Regional Council, and the NZ Transport Agency, came together as the Northland Roading Technical Advisory Group (NORTAG). Their objectives included coordinating opportunities within the region for cooperation, collaboration and shared services for roading and transport services at strategic, planning and operational levels. The initial workshop identified five core issues associated with the delivery of transportation services in the region:

1. The region had difficulty in attracting and retaining sufficient organisational capability.
2. A lack of critical mass within the organisations meant staff found it difficult to prioritise sufficient time to work on strategic planning or specialise in key areas.
3. Silos within the organisations limited the ability to improve transport outcomes.
4. Work programming and procurement practices adversely affected the contractor market.
5. Socio-economic issues within the region made funding infrastructure a challenge.

In addition to the regional problems identified, each organisation conducted their own self-assessment of performance, including their areas for improvement (refer to Table 6 of the *Northland Transport Collaboration Opportunities Business Case* shown in this report as Appendix 1).

In order to address these issues, and achieve a goal of improved transportation services, four areas of focus were proposed:

1. **Capability and capacity:** Ensuring the ongoing availability of high quality internal and external staff within the region to deliver robust decision making (supported by specialisation where needed), and provide resilience to succession issues over time.
2. **Collaborative decision-making:** Improving decision making within the organisations, and more cohesive thinking between organisations, to deliver better transport outcomes.
3. **More efficient planning and procurement:** Improving regional thinking and reducing duplication of planning effort to gain procurement efficiencies for the organisations and delivery efficiencies for the service providers.
4. **Cost reductions:** Improving the viability of transport outcomes to match funding abilities by reducing the costs of provision and taking a consistent approach to levels of service and interventions.

A variety of qualitative and quantitative performance measure were documented to secure the benefits to be achieved from these areas of focus (refer to Table 8 of the *Northland Transport Collaboration Opportunities Business Case* shown in this report as Appendix 2).

The specific services assessed were:

- data management
- asset management planning
- strategic planning and programming
- design and professional services
- contracting and procurement
- delivery/operations.

The structures for delivering these services included having:

- a shared, dedicated customer service centre for managing inquiries and requests
- a joint governance body
- a single point of management for service delivery

- a fully integrated service agency.

The Northland Business Case concluded by proposing a Shared Services Business Unit (SSBU) as the preferred model for delivering transportation services. The key elements of this service delivery model are:

- The majority of SSBU staff are co-located in a single business unit in Whangarei.
- Field staff located throughout regional offices.
- Hot desks available throughout.
- Services delivered to each council under a Service Level Agreement.
- Staff remaining employed by their council.
- A new position of SSBU Manager appointed to manage the day to day operations, including staff.
- A Challenge Leadership Group (comprising the chief executives of the Northland local authorities and a senior officer from NZTA) to have oversight of the Unit.

(*For details of the options assessment, and the governance and management structures, refer Table 15 and Figures 5, 6 & 7 of the Northland Business Case, shown in this report as Appendix 3.*)

The Northland Business Case concluded that:

> *"From the information currently available, it appears that the preferred option is consistent with the intent of the* [recent local government] *reforms, i.e. more cost-effective delivery of Transportation and Roading services.*
>
> *The proposed model provides for further evolution in the future, at the discretion of the participants. Retaining individual staff employment with their existing TLA as the preferred option initially provides the opportunity to review progress towards achieving the desired efficiency gains and assess the merits or otherwise of moving further along the 'integration spectrum' shown in Figure 3."*

Key benefits pertinent to this s.17A assessment that are expected to be realised from the establishment of the SSBU include the following:

- Efficiency gains of approximately $18m (NPV), as a base case, over 10 years.
- Greater critical mass in staff capability and reduced turnover.
- Greater focus on regional strategic planning.
- More affordable roading infrastructure through:
  - a more strategic approach to investment in renewals and capital.
  - obtaining better value from contractors through better coordinated maintenance contracts.

2.2 Services Currently Provided

Transportation services in Northland currently comprise:

- **Strategy and Asset Planning**: The primary activities are those inputs to councils' long-term plans including 30-year infrastructure strategies and asset management plans. Each of those documents will also have multiple inputs that may be complete strategies or studies in their own right (for example a strategy to deal with dust suppression). In addition, each Council contributes to the Regional Land Transport Plan and must prepare a programme business case for approval by NZTA as part of the National Land Transport Plan process.
- **Design and professional services:** There are a range of activities that require internal or external design and professional services. For the most part, these are general civil and structural engineering services for implementation of renewals or capital works such as bridge repairs, retaining walls, drainage improvements, safety improvements. Professional services of this nature may extend to procurement and managing delivery. External professional services are also engaged in the strategy and asset planning space either for specialist assistance or to boost capacity in time of peak workload.

- **Capital works delivery:** The most significant part of capital works is the renewal of road pavements and surfacing. Other activities include drainage renewals, new drainage works, bridge renewals, re-alignments or other improvements for safety. Retaining structures, often required as a result of storm event damage, are a common capital works activity.
- **Road maintenance:**
  - Pro-active inspection, programming and maintenance aimed at minimising the likelihood of asset failure requiring reactive intervention.
  - Reactive maintenance to address failures on an as-needed basis (including emergency works)
- **Public Transportation:**
  - NRC contracts with providers to supply public transportation services principally around the Whangarei CBD and suburbs but also with three services in the Far North.
  - Total mobility is a scheme part funded by WDC and NZTA but administered by NRC. It provides subsidised taxi services within the WDC urban area.
  - NRC also manages the registration of all passenger transport services under Transport Services Licensing Act 1989.
  - FNDC provides the Hokianga ferry service between Rawene and Kohukohu.

2.3 Governance and delivery arrangements

Under the Northern Transportation Alliance Memorandum of Understanding, responsibility for transportation services in the region has been allocated in the following manner.

	Governance	Delivery
FNDC		
Strategy and planning	Internal	Shared service/contracted
Design and professional services	Internal	Shared service/contracted
Capital works delivery	Internal	Contracted
Road maintenance and operations	Internal	Contracted
KDC		
Strategy and planning	Internal	Shared service/contracted
Design and professional services	Internal	Shared service/contracted
Capital works delivery	Internal	Contracted
Road maintenance and operations	Internal	Contracted
WDC		
Strategy and planning	Internal	Shared service/contracted
Design and professional services	Internal	Shared service/contracted
Capital works delivery	Internal	Contracted
Road maintenance and operations	Internal	Contracted
NRC		
Strategy and planning	Internal	Shared service/contracted
Design and professional services	Internal	Shared service/contracted
Capital works delivery	Internal	Contracted
Operations (e.g. road safety promotion)	Internal	Shared service/contracted
Public transport operations	Internal	Shared service/contracted

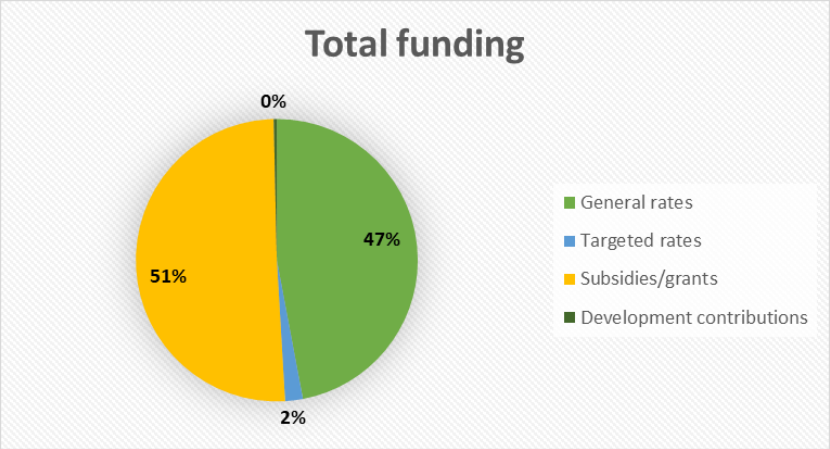
2.4 Funding and Costs

The operational and capital funding for transportation services in the region comprises:

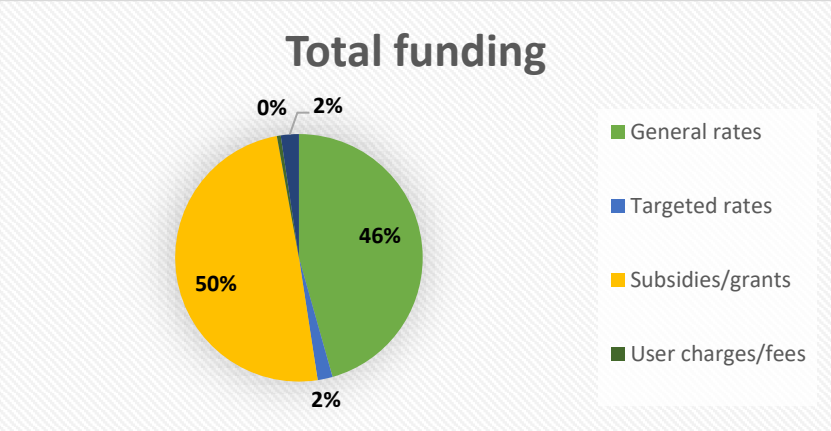
	Operating funding $000 (Actual 15/16)	Capital funding $000 (Actual 15/16)
FNDC	38,203	17,606
KDC	15,231	5,166
WDC	24,837	18,914
NRC	4,264	19
Total	**82,535**	**41,705**
	Source: 2015/16 Annual Reports	

There are several sources of funding for transportation services: general rates, targeted rates, development contributions, fees and user charges, subsidies and grants, and miscellaneous other sources (e.g. infringement fees and local authority fuel taxes). However, as the graphs below show, in practice the majority of local authority funding for transportation in the region is obtained either from general rates or NZTA subsidies.

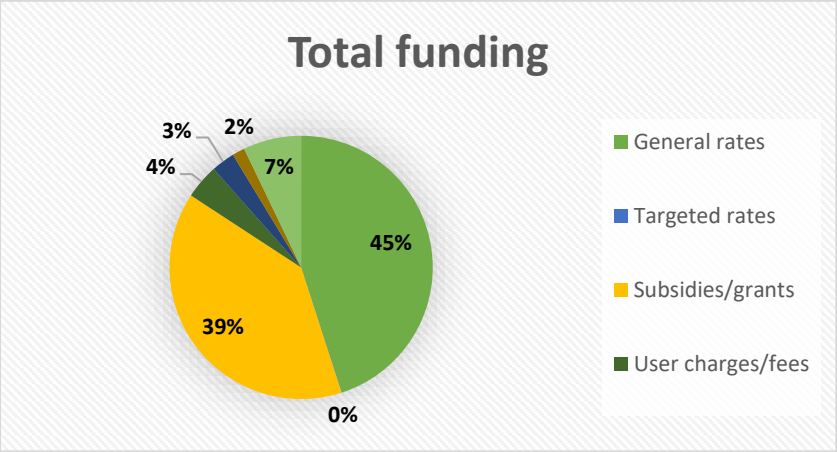
Far North DC



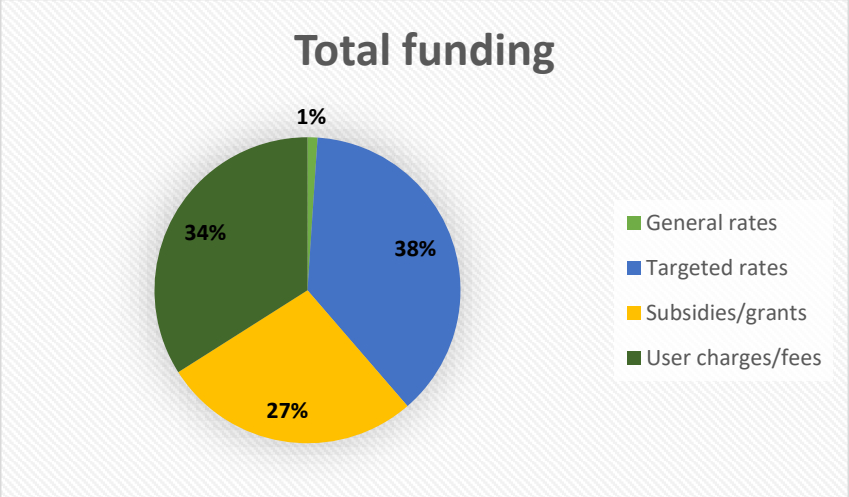
Kaipara DC



Whangarei DC



Northland RC



The funding is invested in the following manner:

	Annual average 2015-18 ($000)			
Local road budgeted expenditure	**FNDC**	**KDC**	**WDC**	**Total p.a.**
Local roads maintenance & renewals	25,904	13,816	23,424	63,145
Investment management (incl. planning)	156	106	106	369
Road safety promotion	1,010	125	313	1,448
Subsidised capital improvements	3,462	3,323	9,465	16,250
Non-subsidised capital improvements	566	402	1,696	2,666
Emergency reinstatements	16,19	449	993	3,062
Annual total	32,720	18,233	36,000	86,944
Source: Northland Business Case				

Northland Regional Council applies their funding primarily to Public Transport, Road Safety education and the management of the Regional Transport Committee

3 Assessment of current performance

3.1 Annual performance reporting

There are no specific cost-effectiveness measures contained within the statutory reporting documents of the local authorities. Nor is there a common performance reporting framework in the region, and where there are common (or similar) performance measures, the performance standards are not necessarily aligned. The range of performance measures includes:

- The quality of ride on a local sealed road (measured by smooth travel exposure)
- Satisfaction of local residents with local roads
- Minimum percentage of the roading network resurfaced every year; and
- Achieving response times to call-outs regarding interruptions to the road network.

Annual performance achievements

	KPIs (#)	KPIs (% achieved)	Residents satisfaction (%)
FNDC	8	62.5	21.0
KDC	9	77.7	54.0
WDC	13	46.1	58.5
NRC	4	75.0	47.0
	Source: 2015/16 Annual Reports & residents survey		

3.2 Current cost-effectiveness to peer group councils

Rationale conducted an analysis of the councils' cost-effectiveness identifying current costs and performance by reference to:

- Total expenditure per annum on pavement maintenance, rehabilitation etc.
- Expenditure p.a. on pavement maintenance, rehabilitation etc, per 1,000 vehicle kilometres travelled (VKT).
- Roading quality based on the pavement integrity index, condition index, and smooth travel exposure.

All results were then benchmarked against their relevant NZTA peer groups. The results are detailed in Section 3 of the Service Delivery Cost Effectiveness Analysis ('the Cost-Effectiveness Report), attached as Appendix 4). In discussions with the relevant council roading managers, the key conclusions that have been reached in respect of each council are:

Far North DC

- FNDC have a low volume and sparsely populated network.
- They are spending slightly more on a 'per vehicle kilometres travelled' basis than their peer group.
- Limited location of and quality of roading materials available in the region is affecting costs.
- Forestry trucks on local roads are a significant factor in pavement deterioration.
- Dust and seal extensions remain the biggest issue for customers.

Kaipara DC

- KDC spend above their peer group both in absolute terms and when denominated on a basis of vehicle kilometres travelled.
- Their performance, as measured by smooth travel exposure, is below their peer group.

- They have limited resources to invest in asset management beyond a basic level, which impacts cost.
- Like FNDC, distance to good quality roading materials adversely affects costs.
- They have limited data quality to advance cost-effectiveness of network maintenance.

Whangarei DC

- WDC compares well to peers in terms of cost of services on a per trip basis and per lane basis, but is higher in terms of overall cost of service delivery.
- Additional funding to address historical under-funding in asset replacement should result in WDC becoming more cost effective in the mid-term.
- There is a growing concern on the competitiveness of the maintenance contractor market and this may push up prices in the mid-term to long-term.

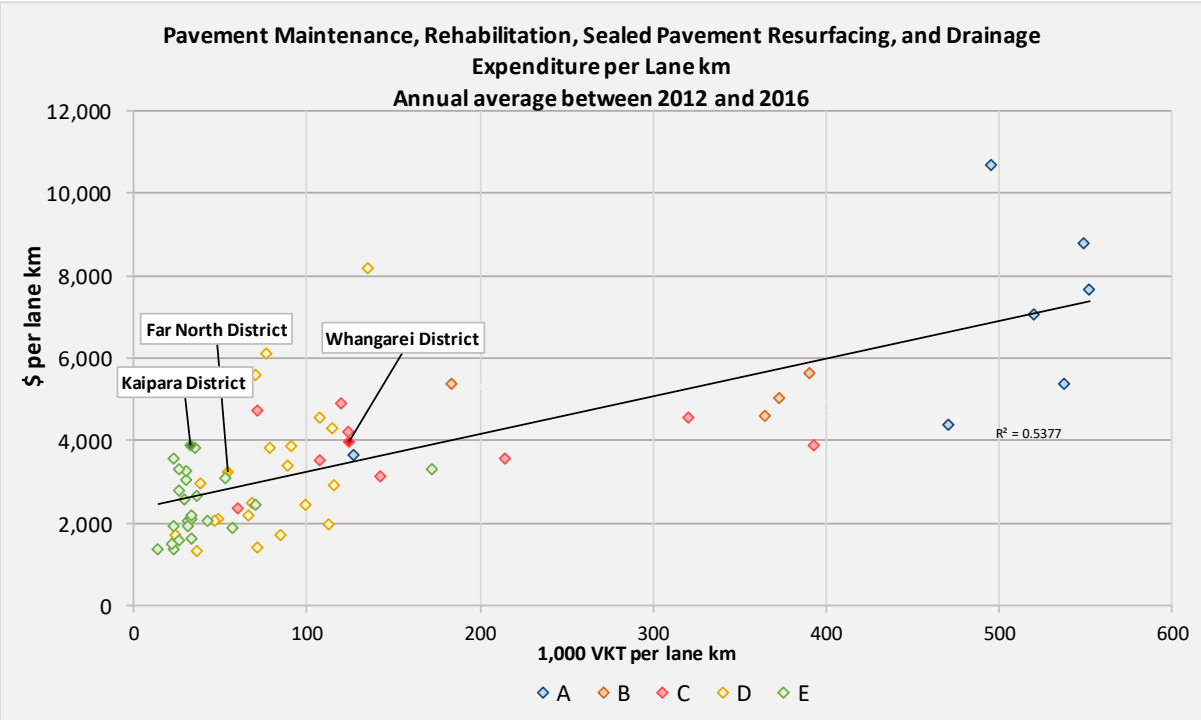
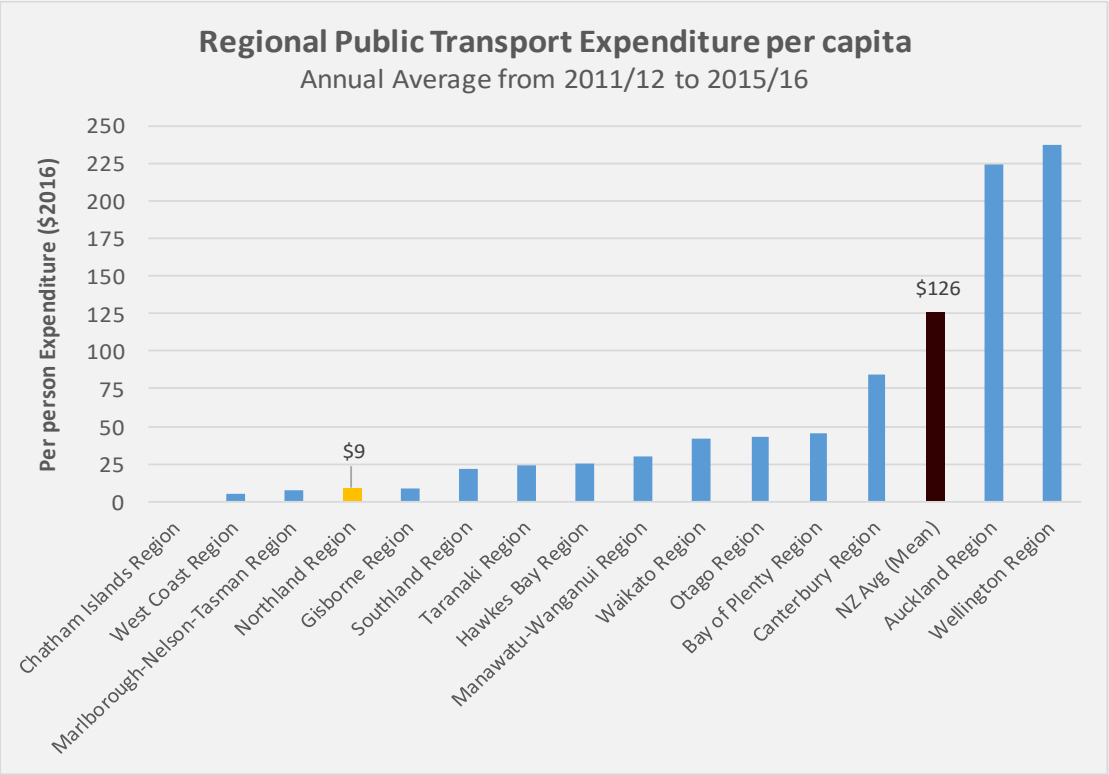


Figure 1: Annual average expenditure between 2012 and 2016

Northland RC

When compared to regions with public transport services of a similar population size, Northland is considerably under-invested in. It is recognised that public transport is largely focussed in urban areas. However, even on a per capita basis, Northland are considerably under-invested in public transport services. Without any other available data, this is the only basis by which conclusions around cost effectiveness can be drawn.



3.3 Key factors to improving cost-effectiveness

The analysis indicates that the issues identified in the Northland Business Case remain relevant factors to improving the cost-effectiveness of Northlands transport infrastructure, namely:

- Securing adequate technical capacity within every council to more cost-effectively manage the assets, particularly in relation to asset and programme planning.
- Identifying solutions to reducing the high cost of roading materials.
- Increasing the cost-competitiveness within the contractor market.
- Securing the required level of ongoing funding to address the impact of forestry trucks on local roads.
- Securing additional or alternative funding sources to address the demand for dust and seal extensions.

These are issues that have been recognised by the new operational arrangements in the SSBU. They are being progressively addressed by a range of initiatives documented in the NTA Business Plan, including:

- Enhancements to HR processes, including standardised performance and development plans for all staff.
- A recruitment programme for additional resources.
- Improvements to ICT to enable both remote and shared access to information.
- Business process mapping to identify and resolve conflicting regional practices.
- A review of regional policies to improve alignment.
- A documented and prioritised list of recommendations for regional realignment of policies and practices, including procurement and contract management.
- The development of best practice AMPs that reflect the GPS priorities, are aligned to the ONRC, and are developed in accordance with accepted business case practices.

- An options paper to consider skills gaps, changes to organisational structure, timelines for any change and any costs or savings.

In addition, a draft Transportation Procurement Strategy has been prepared for endorsement by NZTA that seeks to improve the cost-efficiency of services provided to the region by both professional service consultants, and contractors delivering physical works.

The most significant change proposed in the Procurement Strategy is a reduction of term maintenance contracts in the region from 8 to 3-5. This is expected to drive significant market competition as contractors seek to secure contracts of a scope and scale that allows a sustainable Northland based business to operate effectively.

4 Options Assessment

A facilitated workshop was conducted in June 2017 to revisit service delivery options considered as part of the Northland Business Case, as well as options regarding funding and governance. With the Northland Business Case having already identified and established numerous goals to improve the cost-effectiveness of transportation services, a significant focus of the workshop was to determine whether there were either: (a) additional enhancements which could be made to the recently established SSBU model; or (b) a compelling case for making substantive changes to the current model through an alternative funding, governance or delivery model.

The workshop assessed alternative models with regard to the benefits and critical success factors considered as part of the Northland Business Case. An additional set of criteria proposed, are the factors identified in the appended Cost Effectiveness Report. While there is some duplication in these criteria to the Northland Business Case benefits, these factors specifically reference cost considerations for each council.

4.1 Service delivery

Options for delivery of transportation services[1] remain broadly those that were considered as part of the Northland Business Case, namely:

- The 'new' Status Quo: i.e. the recently established (collaborative) SSBU.
- Contracted delivery by one authority to the other(s).
- Contracted delivery by a third party.
- A CCO of the local authority.
- A CCO which has some/all of the councils in the region as shareholders.

	1. Status Quo	2. Another council	3. Third party	4. Single shareholder CCO	5. Regional shareholding CCO
Cost-effectiveness					
• Technical capability	✓	?	?	×	✓
• Long-term planning	✓	?	?	✓	✓
• Roading materials	?	?	×	?	?
• Market competition	✓	✓	×	✓	✓
• Alternative additional funding sources	✓	?	×	✓	✓
Benefits sought					
• More engaged and capable workforce	✓	?	×	?	✓

[1] S.25(4) of the Land Transport Management Act prevents a council from procuring delivery of physical works from itself.

	1. Status Quo	2. Another council	3. Third party	4. Single shareholder CCO	5. Regional shareholding CCO
• Improved transport outcomes enabling investment opportunities.	✓	?	×	×	✓
• Improved regional strategy, planning & procurement	?	?	×	×	✓
• More affordable transport infrastructure	✓	?	?	?	✓
Critical Success Factors					
• Strategic fit	✓	?	×	?	✓
• Value for money	✓	?	?	?	✓
• Capacity and capability to deliver	✓	?	?	?	✓
• Potential Affordability	✓	✓	?	?	✓
• Potential Achievability	✓	✓	?	?	✓
Overall evaluation	**Likely**	**Possible**	**Unlikely**	**Unlikely**	**Likely**

4.1.1 Observations

Cost-effectiveness: Increased technical capability, collaboration and regional planning have been identified by the Northland Business Case as key factors to improving cost-effectiveness from the pre-SSBU model. Accordingly, options that continue to have disaggregated models of operation (Options 2 to 4) are unlikely to provide the same degree of improvement that more regionally focused models (i.e. Options 1 and 5) provide.

Benefits: Having only recently established SSBU, additional change processes that are implicit in all other options would be likely to create a level of staff and customer disharmony (including potentially high staff turnover). Such disruption could be counter-productive to any additional benefits the change might deliver. However, in the longer term when the current changes have bedded in, a more formally integrated organisation where all staff employed by a single organisation may deliver enhanced organisational stability and cohesiveness, and improve regional planning and service delivery.

Critical success factors: Options 2 to 4, where another council, third party or CCO delivers services for only part of the region, is less likely to achieve the critical mass of resources that is needed to best address the capacity and value for money issues that are addressed by the status quo. A formal CCO structure (Option 5) could potentially provide a more effective regional service by enabling decisions across current

territorial boundaries, and therefore more substantially addressing the critical success factors. However, local authorities are likely to need more time to align on regional issues of funding and transport priorities, particularly when the informal regional structure is, in the short- term to medium-term, likely to deliver a large proportion of the improvements sought.

4.1.2 Conclusions / Recommendation

The Northland Business Case was adopted as the councils' policy for delivery of services with an acknowledgement that there was a transitional period whilst the SSBU was established and worked through the various initiatives aimed at improving cost-effectiveness of delivery.

The evidence developed in support of the business case remains the most reliable and applicable source of information for decision-making. No new information has arisen as part of this s.17A review that provides a compelling reason to revisit the current arrangements at this time. The options that revert to services being coordinated or delivered in a less regionally-focused manner are in fact likely to undermine the strategic direction provided by the Northland Business Case.

Accordingly, it is recommended that the status quo of delivering transport services through the SSBU, and procuring additional professional services and physical works in accordance with the procurement strategy, is endorsed as the preferred model for the time being. However, it is further recommended that there is a comprehensive review of the cost-effectiveness of the SSBU model when the benefits identified in the Northland Business Case have had sufficient opportunity to be delivered. Such a review should include a re-assessment of alternative service delivery options, including a CCO. Given the timeline for realising these benefits, it would not be appropriate to conduct such a review earlier than the end of the 2018/19 financial year.

4.2 Service Governance

The options for governance arrangements essentially comprise:

- **Status quo:** governance matters continue to reside with each local authority.
- **Informal regional governance:** Informally adopting a common regional governance oversight of roading through a suitable regional forum (e.g. a mayoral forum).
- **Joint regional committee:** Having local authorities formally delegate powers under the LGA to a regional committee to make decisions on transport.[2]

	1. Status Quo	2. Informal regional governance arrangements	3. Delegated regional governance arrangements
Cost-effectiveness factors			
• Technical capability	✓	✓	✓
• Long-term planning	✓	✓	✓
• Roading materials	?	?	?
• Market competition	✓	✓	✓
• Alternative additional funding sources	✓	✓	✓
Benefits sought			
• More engaged and capable workforce	✓	✓	✓
• Improved transport outcomes enabling investment opportunities.	?	?	✓
• Improved regional strategy, planning & procurement	?	?	✓

[2] Clauses 30 & 30A of Schedule 7 to the LGA allow a council to appoint a joint committee with any other local authority.

	1. Status Quo	2. Informal regional governance arrangements	3. Delegated regional governance arrangements
• More affordable transport infrastructure	✓	✓	✓
Critical Success Factors			
• Strategic fit	✓	✓	✓
• Value for money	✓	✓	✓
• Capacity and capability to deliver	✓	✓	✓
• Potential Affordability	✓	✓	✓
• Potential Achievability	✓	✓	?
	Likely	**Likely**	**Possible**

4.2.1 Observations

- **Cost-effectiveness:** Whether formal or informal, any arrangements that lead to increased regional collaboration are likely to help drive greater cost-effectiveness by enabling a regional 'big picture' to be taken on any operational issue, be it resourcing funding, or contracting. Accordingly, all three options, including the status quo, have similar merit in driving cost-effectiveness.
- **Benefits:** The more structured the regional governance oversight that is brought to transport planning and delivery, the more likely it is that the benefits identified in the Northland Business Case will be achieved. For example, having a single regional decision on something like the Procurement Strategy (which must also be approved by NZTA) would, as a minimum, result in a speedier decision-making process and may also enable individual council perspectives to be better understood and accommodated within such a strategy.
- **Critical success factors:** The alternative options to the status quo also meet most of the factors critical to the success of any changes. However, the achievability of a formally-established, regional joint governance committee would require the agreement of all Northland local authorities. The councils adopted the current model for the initial establishment of the NTA in part because there was a desire to retain individual Council control and 'sovereignty'. Moving to a more formal regional governance approach for the NTA may be worth considering after the benefits of, and any limitations with, the current informal arrangements have had the opportunity to be fully established.

4.2.2 Conclusions / Recommendation

As with service delivery, the Northland Business Case was adopted as the councils' policy for delivery of services with an acknowledgement that changes to governance will not occur while the various initiatives aimed at improving cost-effectiveness of delivery are being progressed. The evidence developed from the Northland Business Case, and the additional cost-effectiveness analysis done for this review, suggests that driving improvements through better asset management planning and smarter procurement, and not changes to governance, will have the greatest impact on improving cost-effectiveness. Nothing has been identified to suggest that the cost of analysing and establishing a joint committee or other formal or informal arrangement would be outweighed by the benefits of doing so at this time.

It is therefore recommended that the status quo of governance remaining with each Council is endorsed as the preferred option for the time being. However, it is also recommended that the governance arrangements be reviewed as part of a comprehensive review of the SSBU model in a timeframe to be determined by the councils. It is suggested that the earliest this could occur is soon after the end of the 2018/19 financial year when the SSBU would have been operating for three years and the effect of any changes to physical works delivery are better understood, and the impact of the new Procurement Strategy can be assessed.

4.3 Service Funding

Funding: The options for funding roading in the region broadly comprise three options:

- The status quo.
- Adopting a common rating policy for general and/or targeted rates; and/or
- Increasing revenue from user fees and charges.

	1. Status Quo	2. Common rating policy	3. Increased use in targeted rates and user fees
Cost-effectiveness factors			
• Technical capability	?	?	?
• Long-term planning	?	?	?
• Roading materials	?	?	?
• Market competition	?	?	?
• Alternative/additional funding sources	?	?	✓
Benefits sought			
• More engaged & capable workforce	?	?	?
• Improved transport outcomes enabling investment opportunities.	?	?	?
• Improved regional strategy, planning & procurement	?	?	?
• More affordable transport infrastructure	?	?	✓
Critical Success Factors			
• Strategic fit	?	?	?
• Value for money	?	?	?
• Capacity and capability to deliver	?	?	?
• Potential Affordability	?	?	?
• Potential Achievability	?	?	?
	Possibly	**Possibly**	**Possibly**

4.3.1 Observations

As a general observation, changes to the mix of funding sources are unlikely to have significant impact on cost-effectiveness. Cost-effectiveness is determined by *how* money is spent, not *where* the funding comes from (although increasing the quantum of overall funding may improve or reduce the overall cost-effectiveness of a service).

The key exception to this is where one source of funding changes behaviour, which in turn affects the overall cost of a service. For example, tolls on roads may reduce traffic volumes, thereby extending the life of roads and increasing the cost-effectiveness of the service. Similarly, if residents of unsealed roads were required

to meet all or part of seal extensions from a direct charge, then expectations may be more closely aligned with the cost of service provided.

At this stage, it is difficult to readily identify significant benefits or cost-effectiveness improvements that can be delivered by changes to the current funding mix. Nonetheless, given that the direction of the NTA is one of increasing regional collaboration in the delivery of transport services, there may be merit in considering a more common regional approach to the mix of sources for funding those services. This could include developing an option for the councils to consider a common fees and rating policy which would then ensure roading behaviour is consistently incentivised across the region. Under the banner of Northland Forward Together, the region has well-established processes in place for prioritising collaboration initiatives. An alignment of funding policies could easily be prioritised relative to all other initiatives such as GIS, back-office services, etc.

4.3.2 Conclusions / Recommendation

Changes to the *mix* of funding sources are unlikely to have significant impact on cost-effectiveness, and there are no readily identifiable additional sources of funding for transport services. It is recommended that the existing funding arrangements are endorsed for the time being. However, it is also recommended that investigating the merits of alignment of funding policies across the region is considered as part of the existing regional collaboration processes.

5 Conclusions and recommendations

5.1 Conclusions

Cost-effectiveness featured strongly in the work undertaken in establishing the SSBU, and the majority of opportunities to improve cost-effectiveness are already incorporated into the work of the NTA and SSBU; e.g. more collaborative planning and programming; regionally coordinated maintenance contacts; developing additional regional internal capacity and capability.

There appear to be only marginal benefits from making more substantive changes to the current arrangements because:

1. The bulk of the financial benefits are likely to be achieved from changes to the cost of delivering the operational maintenance and capital works which is being addressed by the SSBU.
2. The disruption that further change would have on staff would be likely to have an adverse effect of the goal of greater capacity and capability, which is critical to improving cost-effectiveness through better planning and contract execution.
3. An appetite for more formal governance and service delivery structures is likely to exist only when the identified benefits from the recently implemented changes have been realised, and a case has been established that further benefits can only be achieved by additional governance or service delivery changes.

There may be some benefit in increasing the informal level of regional governance oversight of the SSBU, as the current siloed governance arrangements may have the potential to cause duplication of work or inconsistent decisions for service delivery.

There is no immediate case for changes to funding arrangements. However, a potential work programme item for the SSBU is to consider whether there might be benefits from a common regional rating and fee policy for transport services in terms of consistent behaviour from those using transport services. This could inform any regional review investigating potential for, and benefits of, aligning funding arrangements.

5.2 Recommendations

- The NTA and SSBU should continue to pursue the opportunities and financial and non-financial benefits which have been identified in the Northland Business Case. In particular, they should ensure that key issues contributing to cost-effectiveness are addressed, namely improvements to:
    a. Procurement arrangements;

b. Internal technical capacity and capability; and

c. Long-term planning and strategy.

- The business planning of the SSBU should ensure that there is continual monitoring and reporting of the benefits which have been identified, and are expected to be realised, from its establishment.
- The work of the SSBU should consider developing additional cost-effectiveness measures similar to those identified in this report which can be used to better assess performance trends at a local and regional level.
- The councils, in consultation with their alliance partner, NZTA, should consider whether:
  - They wish to pursue opportunities to better align funding arrangements across the region, and whether targeted rates may be appropriate to provide more appropriate incentives for delivery transportation services.
  - Greater regional alignment on governance may assist with more timely and/or consistent decision-making.
- The councils identify a timeframe, likely to be no earlier than 2018/19, for re-assessing the cost-effectiveness of the current SSBU model.

Appendix 1 – Transportation Management Assessment

Taken from Northland Transport Collaboration Opportunities Business Case (April 2016), p.22:

Table 6 Transportation Management Assessment

Organisation	Areas for improvement
FNDC	Strategy & Planning • Transport & network planning • Setting fit-for-purpose levels of service • Risk management • Business case development Network Delivery • Capital programme delivery • Program management • Project development
KDC	Strategy & Planning • Setting fit-for-purpose levels of service • Business case development Network Delivery • Capital programme delivery • Program management • Project development • Customer relationship management
WDC	Strategy & Planning • Setting fit-for-purpose levels of service • Business case development
NZTA	Strategy & Planning • Setting fit-for-purpose levels of service • Business case development
NRC	Strategy & Planning • Business case development

Appendix 2 – Key Performance Indicators

Taken from Northland Transport Collaboration Opportunities Business Case (April 2016), p.23-24:

Table 8 Key Performance Indicators

	Benefit	KPI	Alternative KPIs
Benefit 1 Weight 30%	More engaged and capable workforce delivering superior asset management.	KPI 1: Recruitment times KPI 2: Industry Skills Indicators KPI 3: Employment Churn	Meeting our targeted AM Level of Practice (Policy). Investment in staff development/training. Staff satisfaction surveys.
Benefit 2 Weight 25%	Improved transport/customer outcomes, enabling investment and social opportunities.	KPI 1: ONRC Indicators (proportion of network meeting the ONRC CLoS Performance Measures) KPI 2: GDP/VKT KPI 3: Social Statistics	Consistent asset management approach across the one-network. Customer satisfaction survey.
Benefit 3 Weight 30%	Improved Regional strategy, planning and procurement.	KPI 1: Number of Procurement Plans. KPI 2: Number integrated regional plans KPI 3: % of work programmes delivered.	
Benefit 4 Weight 15%	Transport Infrastructure is more affordable.	KPI 1: Cost/VKT by LOS (benchmarking trend by classification within peer group) KPI 2: Real Incomes	% of programme co-invested by NZ Transport Agency. % of programme supported by Rapt review.

Appendix 3 – Excerpts from the Northland Business Case (6 April 2016)

Table 15 Options Analysis

	Scope Options (What)														
			1	2	3	4	5	6	7	8	9	10	11	12	13
Description of Option:	Do Nothing	Status Quo	Data (Rata)	1 + Asset Management Planning	2 + Strategic, Planning, Programming	Design, Professional Services	Procurement and Contracting (Bay Roads)	Delivery/ Operations (Shared services Manawatu)	3,4,5,6 (Less contract management & supervision)	3,4,5,6	Customer Services Representation	Governance	Fully Integrated Service (Watercare model)	Fully Integrated Service (Watercare model) + HNO	Fully Integrated Service Including Other Agencies
Benefits															
Benefit 1: More engaged and capable workforce delivering superior asset management. (30%) KPI 1: Recruitment times. KPI 2: Industry Skills Indicators KPI 3: Employment Churn	No	No	No	Partial	Yes	No	Partial	Yes	Partial	Yes	No	Yes	Yes	Yes	Yes
Benefit 2: Improved transport/customer outcomes, enabling investment and social opportunities. (25%) KPI 1: ONRC Indicators KPI 2: GDP/VKT KPI 3: Social Statistics	No	No	No	Partial	Partial	No	Partial	Partial	Partial	Yes	No	Yes	Yes	Yes	Yes
Benefit 3: Improved Regional strategy, planning and procurement. (30%) KPI 1: Number of Procurement Plans. KPI 2: Number integrated regional plans. KPI 3: % of work programmes delivered.	No	No	No	Partial	Yes	No	Partial	No	Partial	Yes	No	Yes	Yes	Yes	Yes
Benefit 4: Transport Infrastructure becomes more affordable. (15%) KPI 1: Cost/VKT by LOS KPI 2: Real Incomes	No	No	No	Partial	Partial	Partial	Partial	Partial	Partial	Yes	No	Partial	Yes	Yes	Yes
Critical Success Factors:															
Strategic fit and business needs - *GPS, Political Expectations, Community Outcomes, CEO's KPI's*	No	No	No	Partial	Partial	No	No	No	Partial	Partial	No	Partial	Partial	No	No
Potential Value for Money - *Right Thing, Right Time, Right Price*	No	Partial	Partial	Partial	Partial	No	Yes	Partial	Partial	Yes	No	Partial	Yes	Yes	Partial
Capability and Capacity - *NZTA, TLA's, Suppliers, Other Agencies*	Yes	Yes	Yes	Yes	Yes	Partial	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Potential Affordability - *Can we fund this within our current funding.*	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Partial
Potential Achievability - *Will we be successful*	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Partial	Partial	No	No
Summary of Advantages and Disadvantages:										**To confirm at Workshop 3, following CE/Mayors forums**					
Overall Assessment:	Discount	Discount	Discount	Possible	Possible	Discount	Discount	Discount	Possible	Preferred	Discount	Possible	Possible	Discount	Discount
Short-listed options:															
Status Quo option	Discount														
Do Minimum Option	Discount														
Least Ambitious	Possible														
Moderate Ambition	Preferred														
More Ambitious	Discount														

	Service Solution Options (How)							
	1	2	3	4	5	6	7	8
Description of Option:	Status Quo	Meetings Framework	Virtual Organisation (MOU) - No Staff, No Governance	Shared Services - Co-Located, Satellite Offices (Does not employ staff)	Business Unit (employs TLA staff); Co-located NZTA Staff, plus Satellite Offices.	Business Unit - Employs TLA and NZTA Staff, Co-located, Satellite Offices.	CCO Local Roads - Full Independent Board (Without NZTA)	CCO TLAs and NZTA assets - Full Independent Board
Benefits								
Benefit 1: More engaged and capable workforce delivering superior asset management. (30%) KPI 1: Recruitment times. KPI 2: Industry Skills Indicators KPI 3: Employment Churn	No	No	Partial	Yes	Yes	Yes	Yes	Yes
Benefit 2: Improved transport/customer outcomes, enabling investment and social opportunities. (25%) KPI 1: ONRC Indicators KPI 2: GDP/VKT KPI 3: Social Statistics	No	No	Partial	Yes	Yes	Yes	Yes	Yes
Benefit 3: Improved Regional strategy, planning and procurement. (30%) KPI 1: Number of Procurement Plans. KPI 2: Number integrated regional plans. KPI 3: % of work programmes delivered.	No	No	Partial	Yes	Yes	Yes	Yes	Yes
Benefit 4: Transport Infrastructure becomes more affordable. (15%) KPI 1: Cost/VKT by LOS KPI 2: Real Incomes	No	No	Partial	Yes	Yes	Yes	Yes	Yes
Critical Success Factors:								
Strategic fit and business needs - *GPS, Political Expectations, Community Outcomes, CEO's KPI's*	No	No	Partial	Yes	Yes	Partial	No	No
Potential Value for Money - *Right Thing, Right Time, Right Price*	No	No	Partial	Yes	Yes	Yes	Yes	Yes
Capability and Capacity - *NZTA, TLA's, Suppliers, Other Agencies*	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Potential Affordability - *Can we fund this within our current funding.*	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Potential Achievability - *Will we be successful*	Yes	Yes	Yes	Yes	Yes	Partial	No	No
Summary of Advantages and Disadvantages:	**To confirm at Workshop 3, following CE/Mayors forums**							
Overall Assessment:	Discount	Discount	Possible	Preferred	Preferred	Possible	Discount	Discount
Short-listed options:								
Status Quo option	Discount							
Do Minimum Option	Discount							
Least Ambitious	Possible							
Moderate Ambition	Preferred							
More Ambitious	Discount							

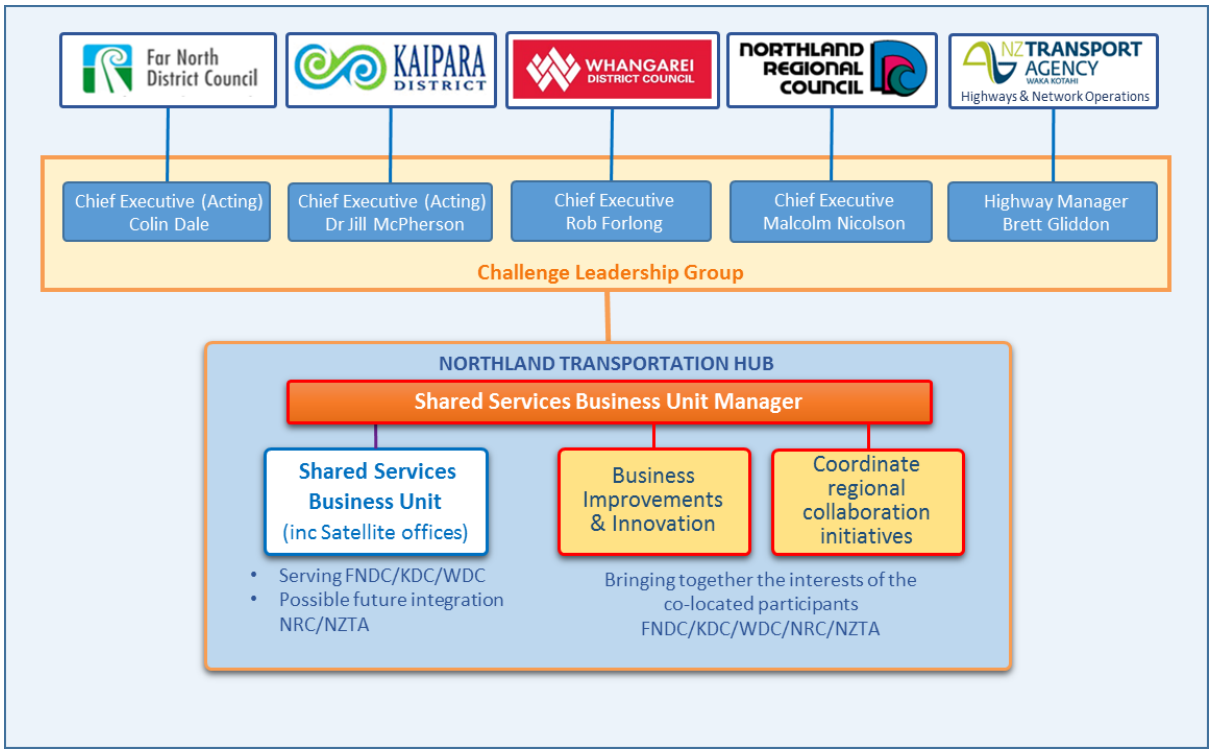


Figure 2: High Level Regional Leadership to Transportation Hub and Shared Services Unit

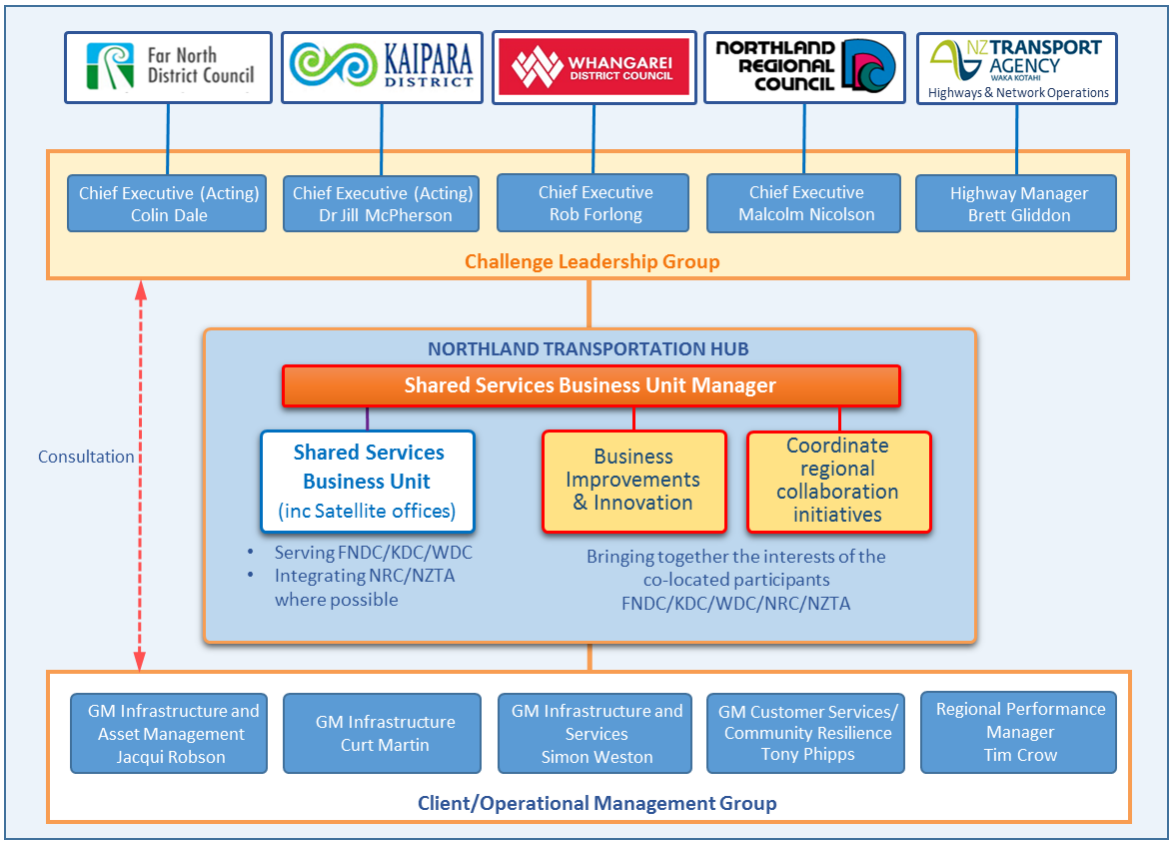


Figure 3: 'Client' Relationships and Operational Management

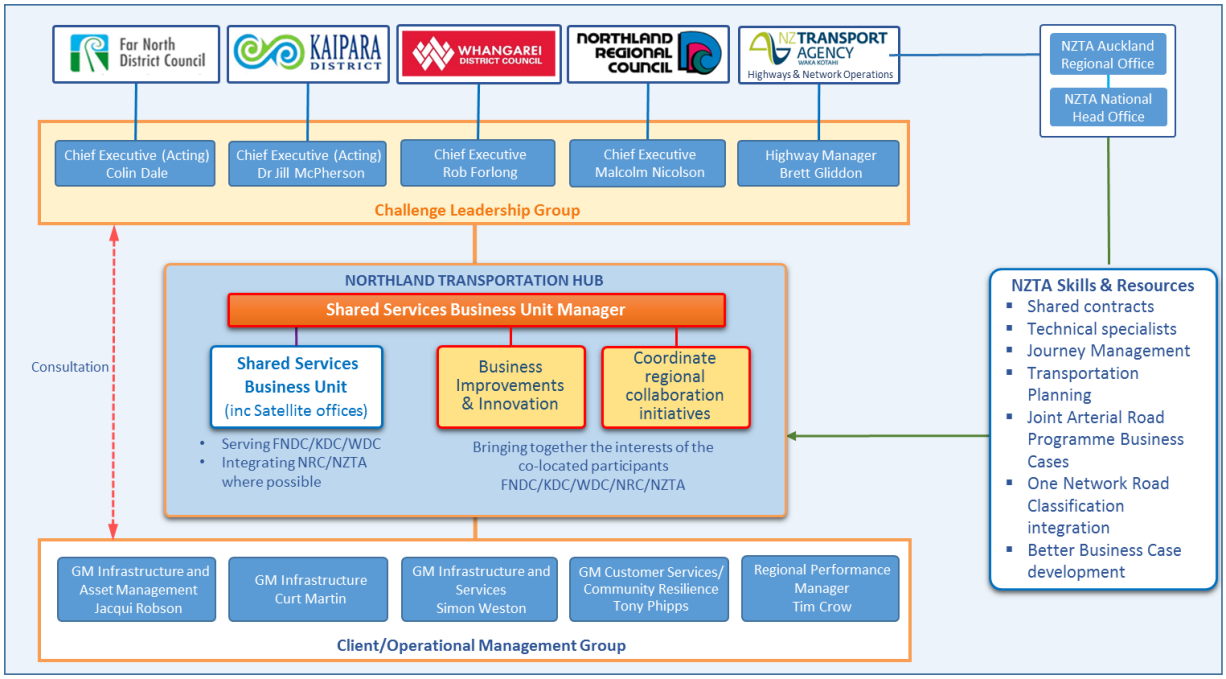


Figure 4: Detailed Relationships Model

Appendix 4 – Service delivery cost effectiveness analysis

Taken from section 3 of '*Northland Transport S17A Review - Cost and Performance* Analysis' (June 2017):

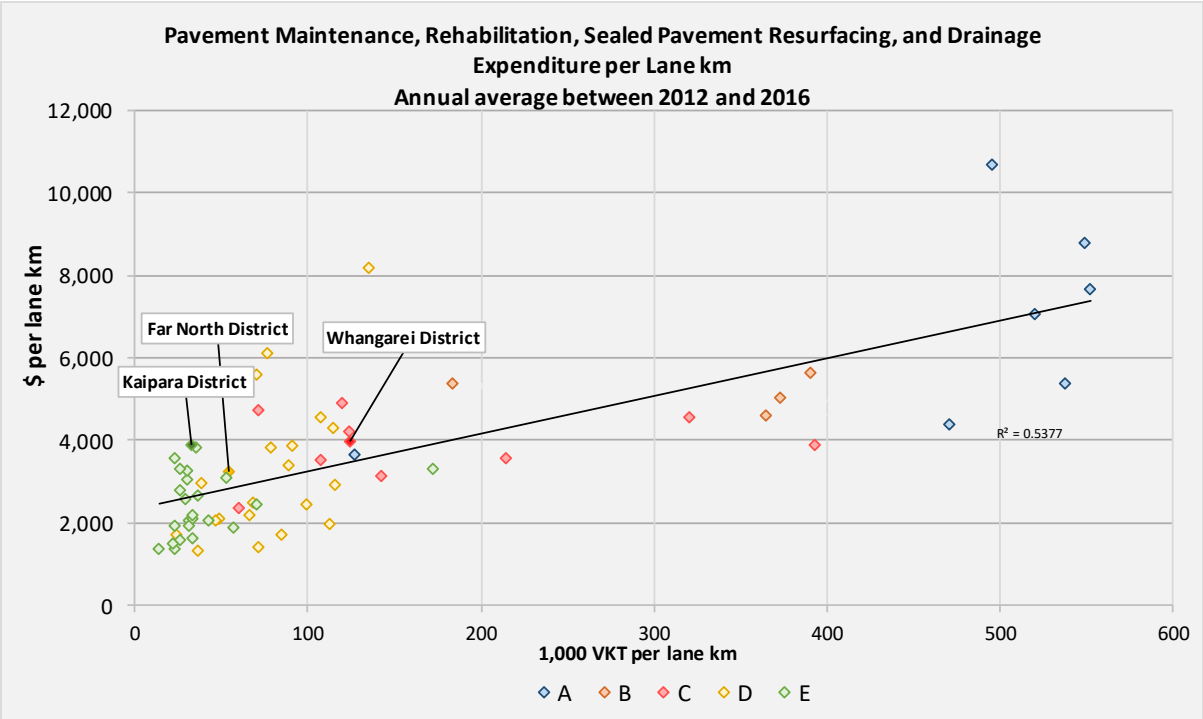
The following sections present the results of the analysis of expenditure and performance.

Comparing the Four RCAs - Comparative Cost Distribution

The figure below provides an overview of the cost of service delivery for each of Northlands RCA's. The chart is for expenditure on maintaining and replacing road pavements. The chart includes an indicative line of best fit, for reference purposes only. This line simple represents the 'nearest' midpoint of all points on the chart. The difference colourings represent the different peer groups assigned to each RCA.

For guidance; the lower the lane density (x-axis), the more likely these networks will require lower strength pavements and less frequent maintenance for each kilometre of road. So, an RCA with a low $/lane.km value (y-axis) and a high lane density represents efficient maintenance of the roading assets. The higher the lane density[3] the more wear and tear from vehicles that will take place. High lane density roads are built with more strength and are generally more expensive to maintain and replace. Costs per lane km to maintain and replace a more expensive network are expected to be higher. The cost of maintaining a road is also determined by the number of heavy vehicles on the road, which this data does not represent.

Figure 5 - Cost distribution of all local government RCAs in New Zealand. The line of best fit is for representative purposes only. The true line may be non-linear and in a different location.



This chart indicates that all three councils are spending above the indicative average of their peers with similar networks. Kaipara District's expenditure is the highest in its peer group irrespective of lane density. Far North District's expenditure is above the line of best fit and its peers with a similar lane density. Whangarei District is also spending more than the line of best fit indicates as 'average', but less than some of its peers of a similar lane density.

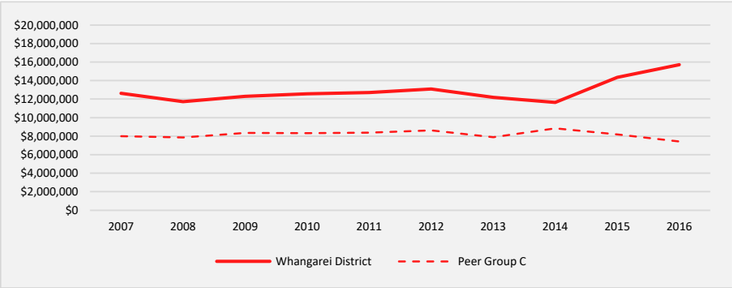
[3] Lane density represents the utilisation of the corridor and provides both an indicator of usage by vehicles as a cost driver and of efficiency of built capacity. Networks with low lane density however, typically serve a purpose of access to large areas of land where lane capacity is not a primary purpose. They are more likely to be rural networks that connect many places. Urban, metropolitan and state highway networks however, are purposed to maximise corridor throughput and thus have a high lane density. These networks are primarily about connecting people at high rates of throughput.

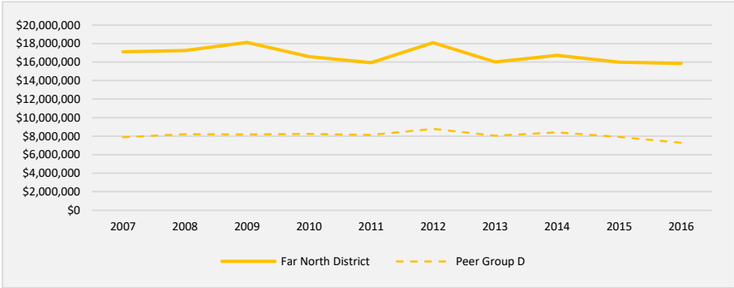
Comparative Cost and Performance

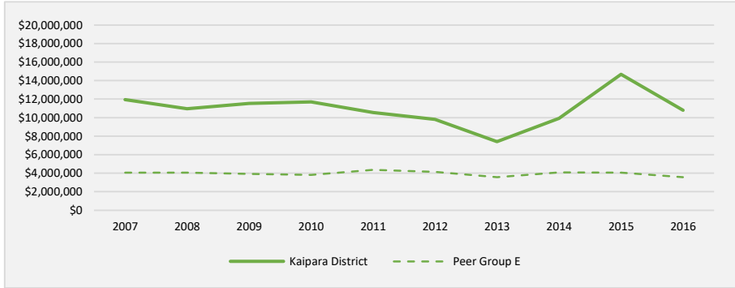
The analysis on each RCA concentrates on expenditure per vehicle kilometre travelled as this represents a comparable measure across networks with different characteristics. Smooth travel exposure is considered a more suitable measure of customer experience than condition index and pavement integrity index and is therefore the focus of the performance discussion.

Whangarei District Council	Far North District Council	Kaipara District Council

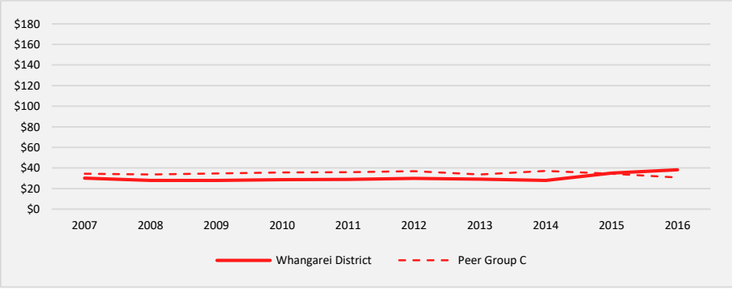
Pavement Maintenance, Rehabilitation, Sealed Pavement Resurfacing, and Drainage Expenditure ($2016)

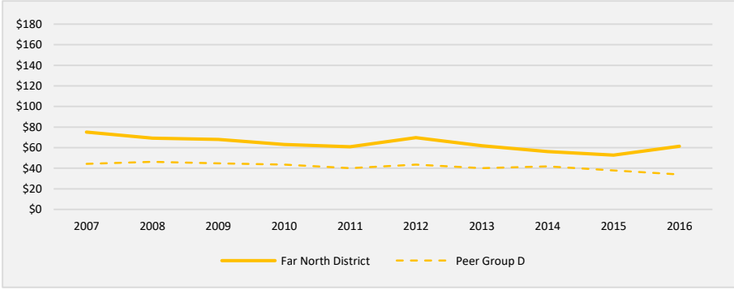


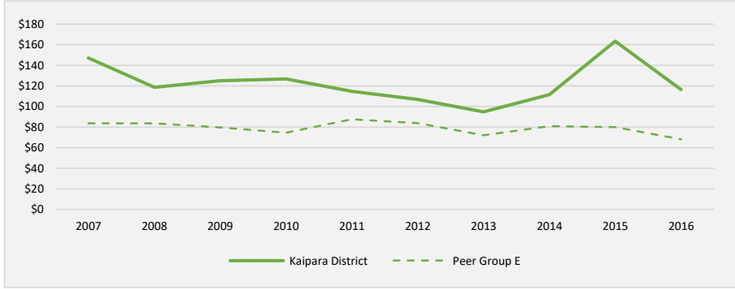




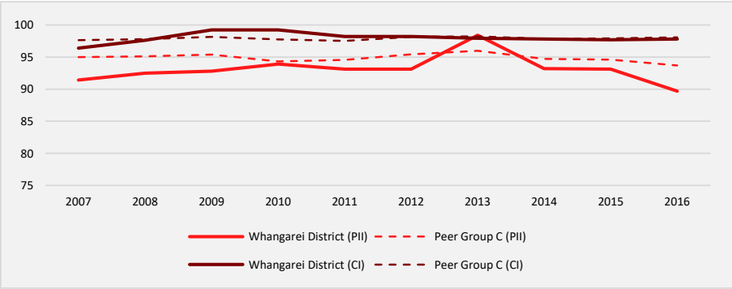
Pavement Maintenance, Rehabilitation, Sealed Pavement Resurfacing, and Drainage Expenditure ($2016) per 1,000 VKT

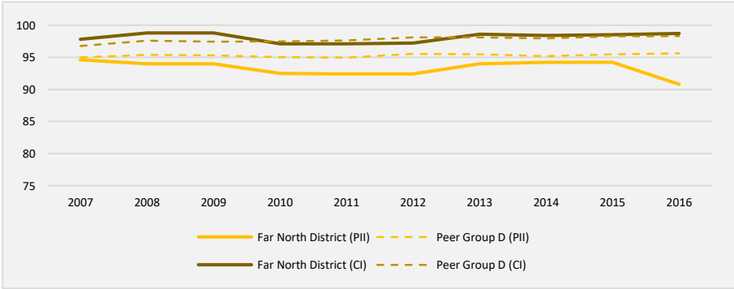


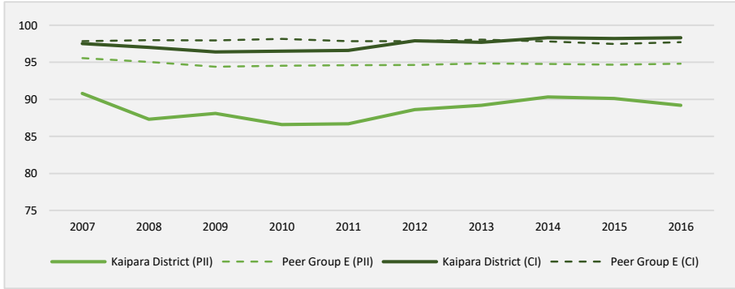




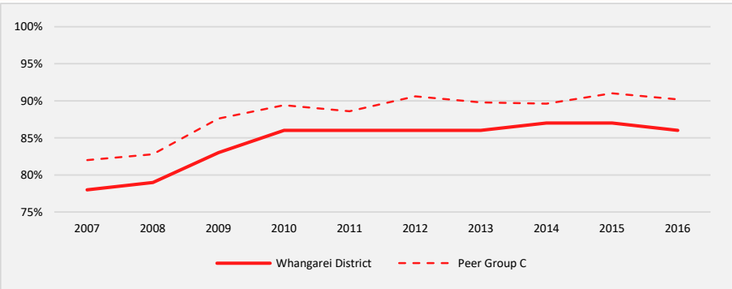
Pavement Integrity Index and Condtion Index

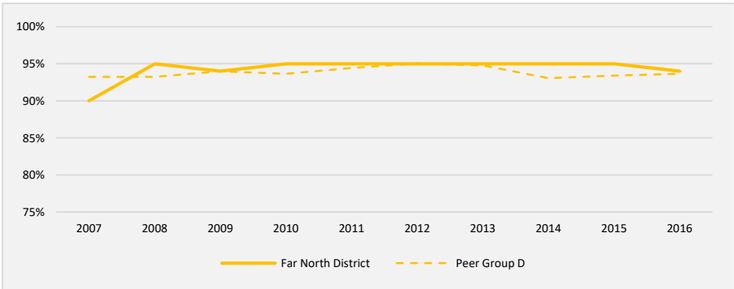


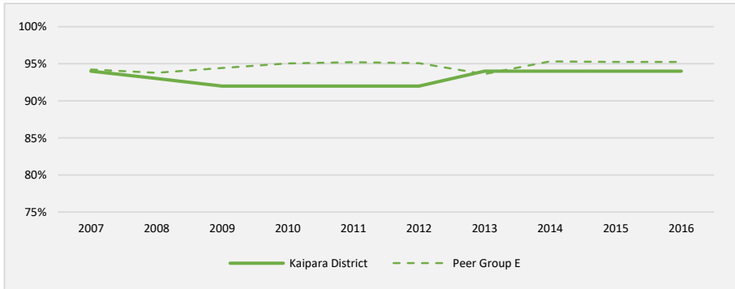




Smooth Travel Exposure

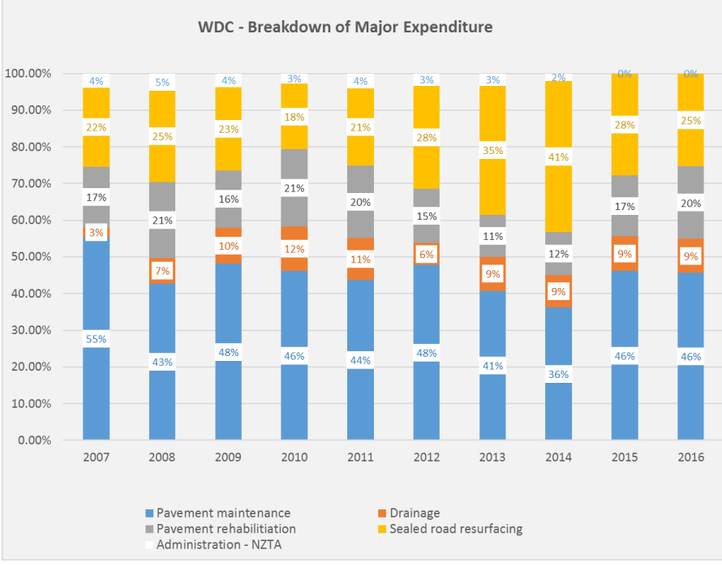


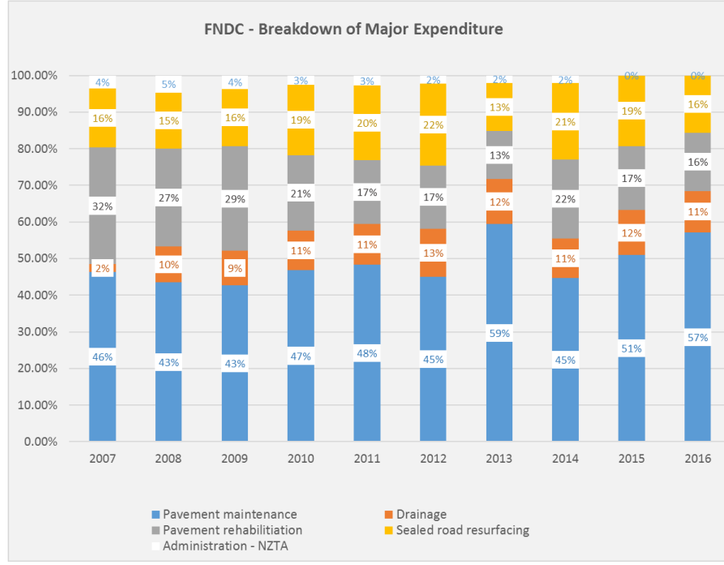


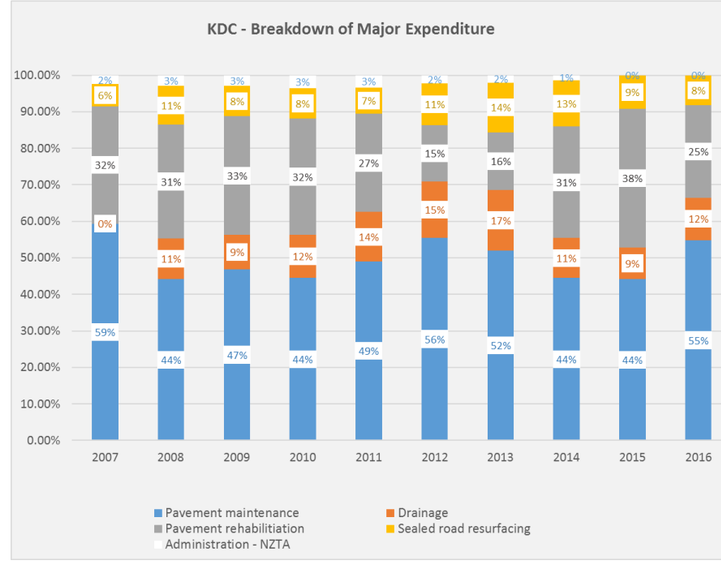


Whangarei District Council	Far North District Council	Kaipara District Council

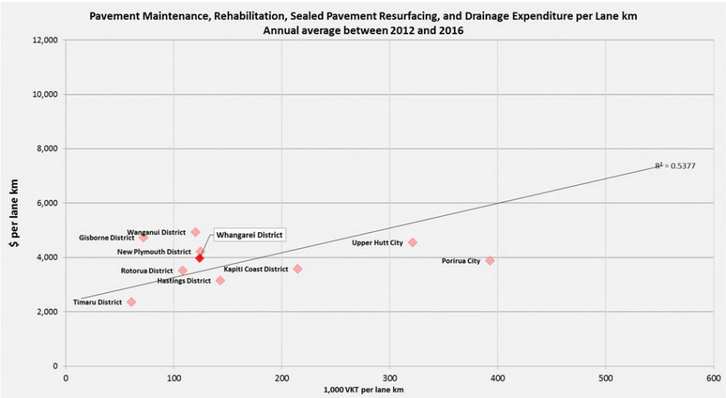
Proportion of Pavement Work Categories



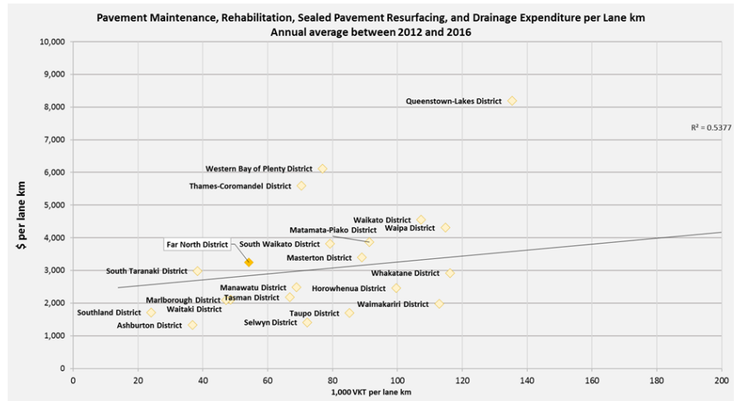




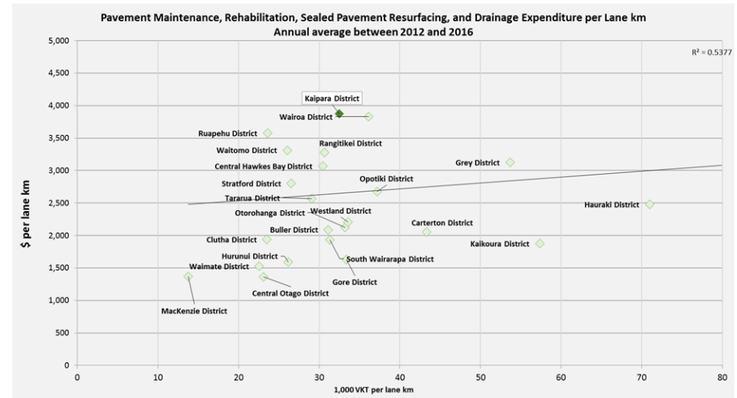
Cost Distribution within Peer Group



WDC's cost performance with its peer group. Peer Group C Large provincial towns and hinterland. (Population 35,000-75,000 and/or rural crashes less than 55%)



FNDC cost performance with its peer group. Peer Group D Provincial towns and hinterland. (Population 20,000-75,000 and/or rural crashes greater than 55%)



KDC's cost performance with its peer group. Peer Group E Small provincial towns, low traffic volumes. (Population less than 20,000 and/or rural crashes greater than 55%) KDC

Surfacing Asset Lives Achieved

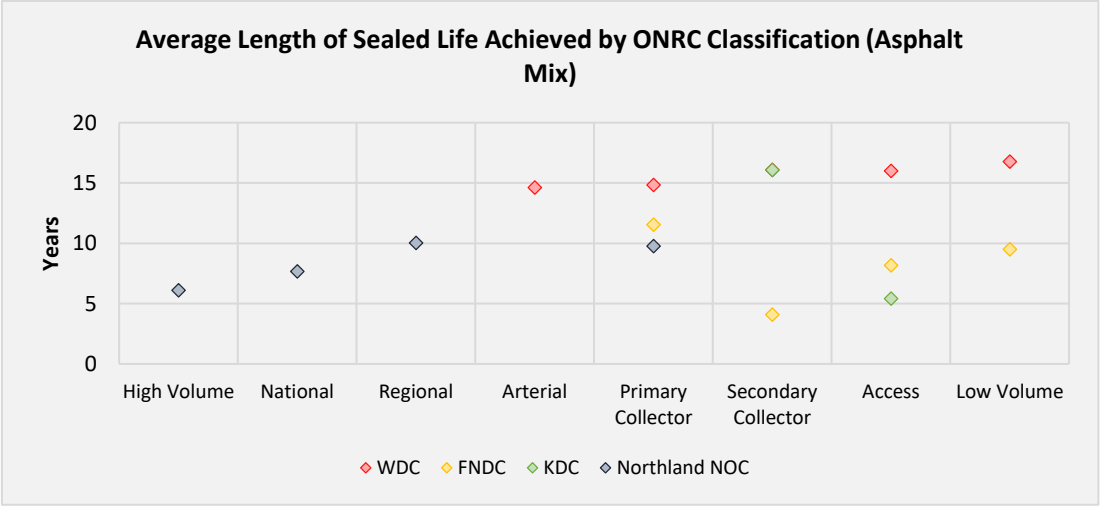
Surfacing assets are analysed here only. Ideally pavement lives would be monitored also, but data for all RCAs is of limited availability and quality.

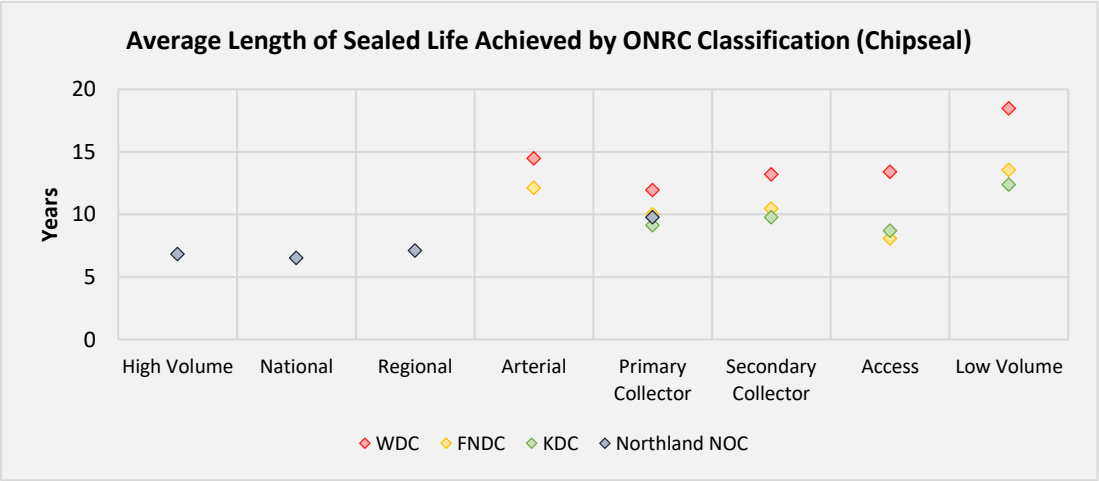
Of interest is the large variance in pavement surface lives achieved. The average length of 'life' of a pavement surface is measured and reported by the ONRC reporting tool. Data is extracted from each RCAs RAMM database. Assets are designed and built to last for a specific length of time. For various reasons, this asset life can be longer or shorter than planned. Sometimes through greater wear and tear than expected, environmental damage or inadequate maintenance interventions and/or timing.

Optimising the decision to prolong or replace an asset is a fine balance between risk, cost and service quality. Replacing an asset before its useful life, incurs costs to the RCA, through additional expenditure and the write offs of residual asset value (impairments). Replacing an asset too far beyond the point it is providing a service places users at risk of poor and unsafe quality, and often leads to more expensive reactive maintenance. Getting the balance correct requires regular monitoring of the asset, underpinned by access to the technical resources capable of planning and responding to the changing risk profile of an RCAs network.

In terms of results, there is a marked difference between WDC and the remaining RCAs. WDC are achieving longer lives from their surfacing assets, within like classifications of road.

Figure 6 Life achieved from pavement surfaces – Asphalt and Chip Seals. Each classification serves a similar purpose and carries similar traffic volumes. Life achieved should assimilate to similar levels.

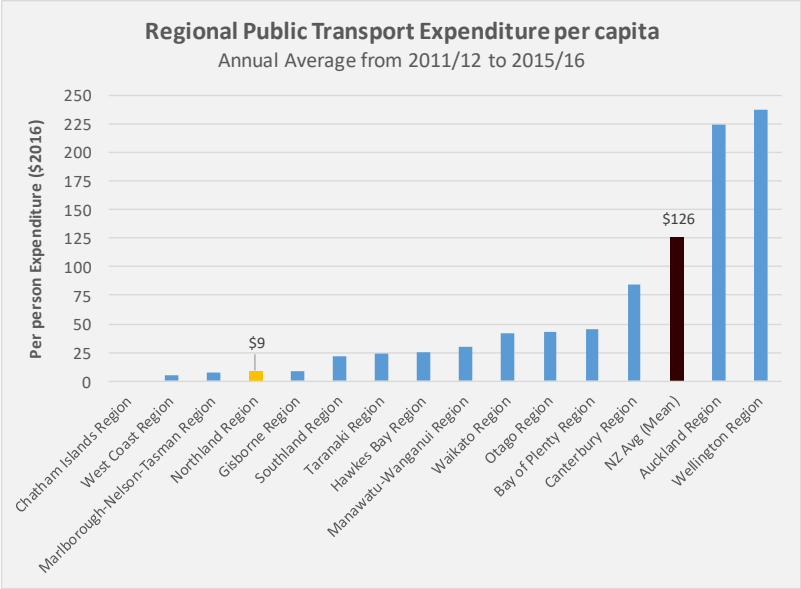




Northland Regional Council Analysis

Northland Regional Council operate public transport services for the region. Less information is readily to hand on cost and performance benchmarking than for roading expenditure. The analysis below compares total spend on public transport services as a proportion of regional population. This does not reflect relative performance of the spend, but rather provides context to the proportionate level of investment compared to other regions. Northlands total Public Transport spend per person is the one of the lowest in New Zealand. This is understandable given the sparseness of the population being served and with services most likely being targeted to Whangarei city.

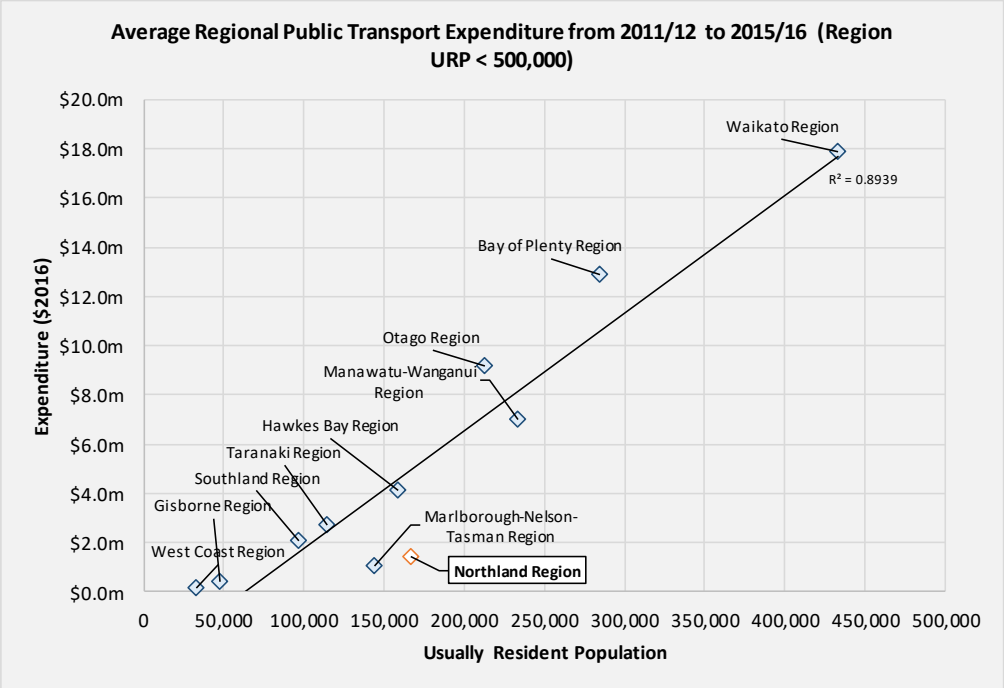
Figure 7 Public Transport spend per person



However, when analysed based on total people within the region (below), the total amount of investment is considerably lower than regions with similar populations.

Arguably, the Southland region is just as sparse, if not more so than Northland, yet spend more on public transport on average. There is likely to be higher proportion of students within Invercargill however, where all the services are focussed. Of interest, is how closely all regional RCAs plot to the line of best fit below, except for Northland and Marlborough-Tasman Region. For some reason, these two regions receive significantly less investment than their populations would suggest they require.

Figure 8 Public Transport spend profile for regions less than 500,000 people



RESOLUTION TO EXCLUDE THE PUBLIC

Move/Second

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

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered		Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing this resolution
1.1	Confidential Minutes Infrastructure Committee 10 August 2017	Good reason to withhold information exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public, are as follows:

Item	Grounds	Section
1.1	For the reasons as stated in the open minutes	

Resolution to allow members of the public to remain

If the council/committee wishes members of the public to remain during discussion of confidential items the following additional recommendation will need to be passed:

Move/Second

"That _____be permitted to remain at this meeting, after the public has been excluded, because of his/her/their knowledge of Item_____.

This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because_____.

Note: Every resolution to exclude the public shall be put at a time when the meeting is open to the public.