

Agenda for a meeting of the Infrastructure Committee to be held in the Council Chambers, District Office, 15 Galileo Street, Ngaruawahia on **TUESDAY 27 JUNE 2017** commencing at **9.00am**.

Information and recommendations are included in the reports to assist the committee in the decision making process and may not constitute Council's decision or policy until considered by the committee.

1. **APOLOGIES AND LEAVE OF ABSENCE**
2. **CONFIRMATION OF STATUS OF AGENDA**
3. **DISCLOSURES OF INTEREST**
4. **CONFIRMATION OF MINUTES**
Meeting held on Tuesday 23 May 2017 2
5. **REPORTS**
 - 5.1 New Road Name Proposal at 2119 Te Pahu Road, Whatawhata 10
 - 5.2 Raglan Kopua Holiday Park Board of Management Six Monthly Report 14
 - 5.3 Housing for the Elderly 19
 - 5.4 Proposed stakeholder engagement in relation to any WDC wastewater overflow discharge consent application 46
 - 5.5 District-Wide Water Metering Update 51
 - 5.6 Service Delivery Report for June 2017 56
 - 5.7 Fire & Emergency NZ Transition 70
 - 5.8 126 Waerenga Road Te Kauwhata: s40 Public Works Act 1981 offer back obligations 98
 - 5.9 Hamilton to Auckland Passenger Rail – Progress Update and Future Direction 104
6. **EXCLUSION OF THE PUBLIC** 122

GJ Ion

CHIEF EXECUTIVE

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Open Meeting

To	Infrastructure Committee
From	Gavin Ion Chief Executive
Date	24 May 2017
Prepared by	Lynette Wainwright Committee Secretary
Chief Executive Approved	Y
Reference #	GOV1318
Report Title	Confirmation of Minutes

1. EXECUTIVE SUMMARY

To confirm the minutes of the Infrastructure Committee meeting held on Tuesday 23 May 2017.

2. RECOMMENDATION

THAT the minutes of the meeting of the Infrastructure Committee held on Tuesday 23 May 2017 be confirmed as a true and correct record of that meeting.

3. ATTACHMENTS

INF minutes 23 May 2017

MINUTES for a meeting of the Infrastructure Committee of the Waikato District Council held in the Council Chambers, District Office, 15 Galileo Street, Ngaruawahia on **TUESDAY 23 MAY 2017** commencing at **9.00am**.

Present:

Cr DW Fulton (Chairperson)
His Worship the Mayor Mr AM Sanson
Cr A Bech
Cr JA Church
Cr JM Gibb
Cr SD Lynch
Cr RC McGuire
Cr FM McInally
Cr BL Main
Cr EM Patterson
Cr JD Sedgwick [*until 9.36am and from 9.39am*]
Cr NMD Smith
Cr LR Thomson

Attending:

Mr B MacLeod (Chairperson Raglan Community Board)
Mr G Ion (Chief Executive)
Mr T Harty (General Manager Service Delivery)
Mrs LM Wainwright (Committee Secretary)
Ms A Hampton (Parks & Reserves Manager)
Mr C Clarke (Roading Manager)
Mr M Mould (Waters Manager)
Ms J Remihana (Programme Delivery Manager)
Ms M Smart (Property Officer)
Mr W Furlong (Asset Management Team Leader – Roading)
Mr E Parata (Asset Management Team Leader)
Ms D Rawlings (Management Accountant)
Ms F Devonshire (Sport Waikato)
Ms M Hollands (Sport Waikato)
Mr M James (Waikato District Alliance)
Ms K Miles (Ngaruawahia Environment Landfill Gas Action Group)
Members of the Ngaruawahia Environment Landfill Gas Action Group
Members of staff

APOLOGIES AND LEAVE OF ABSENCE

Resolved: (Crs Patterson/Sedgwick)

THAT an apology be received from and leave of absence granted to Cr Henderson.

CARRIED on the voices

INF1705/01

CONFIRMATION OF STATUS OF AGENDA ITEMS

Resolved: (Crs Fulton/Thomson)

THAT the agenda for a meeting of the Infrastructure Committee held on Tuesday 23 May 2017 be confirmed and all items therein be considered in open meeting with the exception of those items detailed at agenda item 6 which shall be considered with the public excluded;

AND THAT in accordance with Standing Order 9.4 the order of business be changed with agenda item PEX 2.1 [*Ngaruawahia Landfill*] being considered after agenda item 5.1;

AND FURTHER THAT the Chair of the Raglan Community Board be given speaking rights for the duration of the open section of this meeting;

AND FURTHER THAT all reports be received.

CARRIED on the voices

INF1705/02

DISCLOSURES OF INTEREST

His Worship the Mayor advised members of the Committee that he would declare a non financial conflict of interest in item 5.3 [*Gifting of Ruawaro Tennis Courts*].

CONFIRMATION OF MINUTES

Resolved: (Crs Sedgwick/Patterson)

THAT the minutes of a meeting of the Infrastructure Committee held on Tuesday 28 March 2017 be confirmed as a true and correct record of that meeting.

CARRIED on the voices

INF1705/03

The General Manager Service Delivery introduced the newly appointed Parks & Reserves Manager to the committee.

REPORTS

Sport Waikato Report for January-March 2017

Agenda Item 5.1

Sport Waikato representatives gave a verbal update and answered questions of the committee.

The report was received [*INF1705/02 refers*] and discussion was held.

Exclusion of the Public

Agenda Item 6

Resolved: (Crs Gibb/Lynch)

THAT the report of the Chief Executive be received;

AND THAT the public be excluded from the meeting to enable the Infrastructure Committee to deliberate and make a decision on the following item of business:

a. Ngaruawahia Landfill

This resolution is made in reliance on section 48(1)(a) and 48(2)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by sections 6 or 7 of that Act which would be prejudiced by the holding of the whole or the relevant part(s) of the proceedings of the meeting in public are as follows:

Reason for passing this resolution to withhold exists under: **Ground(s) under section 48(1) for the passing of this resolution is:**

Section 7(2)(a)(ba)(d)(e)(f)(i)(ii)

Section 48(1)(d)

CARRIED on the voices

INF1705/04

Having resumed open meeting, the following reports were considered.

REPORTS (continued)

Service Delivery Report for May 2017

Agenda Item 5.2

The report was received [*INF1705/02 refers*] and discussion was held.

Cr Sedgwick re-entered from the meeting at 9.39am during discussion on the above item.

Giftng of Ruawaro Tennis Courts
Agenda Item 5.3

His Worship declared a conflict of interest, withdrew to the public gallery and did not speak to, or vote on this item.

Resolved: (Crs Church/Main)

THAT Council accept the ownership of Lot 2 DP 496467 held in CFR 738245, to be gifted at nil consideration;

AND THAT the Chief Executive be delegated to execute the relevant documentation to give effect to acceptance of the endowed land;

AND FURTHER THAT the site continue to be maintained at the cost of the Tennis Club.

CARRIED on the voices

INF1705/06

The meeting adjourned at 10.40am and resumed at 10.57am.

Declare Local Purpose (Segregation) Reserve Road – Aspenleigh Drive, Tamahere
Agenda Item 5.4

This report was deferred to the next meeting of Council pending further investigation by staff.

Te Awa/Horotiu Cycle Bridge Crossing Increase Approved Contract Sum - Contract 15/288
Agenda Item 5.5

Resolved: (Crs Smith/Patterson)

THAT the Infrastructure Committee recommend to Council that the approved contract sum of Contract 15/288 Horotiu Cycle Bridge be increased to \$2,461,969 (excl GST);

AND THAT the Infrastructure Committee recommend to Council that it contribute \$150,000 of loan funded money to the shortfall.

CARRIED on the voices

INF1705/07

Contracts Requiring Increased Approved Contract Sum Amounts
Agenda Item 5.6

Resolved: (Crs McInally/Main)

THAT Council consider each Appendice/Resolution as outlined in the reports attached to the agenda.

CARRIED on the voices

INF1705/08

Resolved: (Crs Lynch/Church)

THAT the increase of \$252,000 in Approved Contract Sum for Contract I4/079 Arboricultural Services be approved.

CARRIED on the voices

INF1705/09

Resolved: (Crs Lynch/Gibb)

THAT the increase of \$1,130,611 in Approved Contract Sum for Contract I1/064 UGL (NZ) Limited be approved.

CARRIED on the voices

INF1705/10

Resolved: (Crs Sedgwick/Thomson)

THAT the increase of \$480,000 in Approved Contract Sum for Contract I4/009 Public Cleaning and Minor Maintenance be approved.

CARRIED on the voices

INF1705/11

Waikato District Alliance Contract I4/314 – Increase of Approved Contract Sum
Agenda Item 5.7

Resolved: (Crs Church/Bech)

THAT the Infrastructure Committee recommend to Council that the approved contract sum of Contract I4/314 Waikato District Alliance be increased to \$154,240,000 (excl GST) for the purposes of completing existing Roding Emergency works and LED upgrades;

AND THAT the Infrastructure Committee recommend to Council that the use of \$491,800 from the disaster recovery fund be allocated to Roding to cover the Council's cost share of the emergency work;

AND FURTHER THAT the Infrastructure Committee recommend to Council that pre-approval is provided for a further 10% in contract variances (\$3 million) per annum to be actioned where the work is no more than \$150,000 per variation, and it can be shown that using the WDA will benefit the council in terms of competitive pricing and reduction of administrative costs.

CARRIED on the voices

INF1705/12

Confirmed New Road Name List – 1 July 2016 to 30 March 2017
Agenda Item 5.8

The report was received [*INF1705/02 refers*] and discussion was held.

Pukekawa Refuse & Recycling Extension Consultation
Agenda Item 5.9

Resolved: (His Worship the Mayor/Cr Patterson)

THAT the following Council Resolution **WDC1702/3/1** be rescinded:

“AND THAT Council approve consultation with Pukekawa community on the extension of full solid waste services in the area;

AND FURTHER THAT should the support from the community be 65% or over, staff update the required systems and processes and commence delivery of the service on 1 July 2017.”

AND THAT the Infrastructure Committee recommend to Council that the refuse and recycling service option with the largest majority from the submissions received from the Pukekawa community be implemented from 1 July 2017.

CARRIED on the voices

INF1705/13

Exclusion of the Public
Agenda Item 6

Resolved: (Crs Gibb/Thomson)

THAT the public be excluded from the meeting to enable the Infrastructure Committee to deliberate and make decisions on the following items of business:

Confirmation of Minutes dated Tuesday 28 March 2017

REPORTS

b. Tamahere Piazza and Recreation Reserve Selected Supplier

This resolution is made in reliance on section 48(1)(a) and 48(2)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by sections 6 or 7 of that Act which would be prejudiced by the holding of the whole or the relevant part(s) of the proceedings of the meeting in public are as follows:

Reason for passing this resolution to withhold exists under: Ground(s) under section 48(1) for the passing of this resolution is:

Section 7(2)(c)(i)(f)(i)(ii)(h)(i) Section 48(1)(d)

CARRIED on the voices **INF1705/14**

Resolutions INF1705/15 – INF1705/18 are contained in the public excluded section of these minutes.

Having resumed open meeting and there being no further business the meeting was declared closed at 12.45pm.

Minutes approved and confirmed this day of 2017.

DW Fulton
CHAIRPERSON
 Minutes2017/INF/170523 INF Minutes

Open Meeting

To	Infrastructure Committee
From	Tim Harty General Manager Service Delivery
Date	23 May 2017
Prepared by	Tony Peake Asset Engineer
Chief Executive Approved	Y
DWS Document Set #	INF2017 (27/06/2017)
Report Title	New Road Name Proposal at 2119 Te Pahu Road, Whatawhata

I. EXECUTIVE SUMMARY

This consultation report seeks the Committee's approval of the final stage road naming for a staged subdivision at 2119 Te Pahu Road, Whatawhata. The developer, Highview Properties Ltd, is required to name a new road under construction.

The new cul-de-sac will service 9 lots in the 10 lot subdivision.

This report recommends the Committee approves the name Glenwood Grove for the Road to be vested in Waikato District Council.

2. RECOMMENDATION

THAT report from the **General Manager Service Delivery** be received;

AND THAT the **Infrastructure Committee** approves the name **Glenwood Grove** for the road to be vested.

3. BACKGROUND

Highview Properties Ltd have developed a 10 lot subdivision fronting Te Pahu Road on the west side of the Waipa River beyond Whatawhata.

One cul-de-sac road will be constructed to access Te Pahu Road from the new allotments and the developer has proposed three potential names, each with a geographic theme.

Geographic themed names have a second level priority under cultural and historical name themes.

New owners will require Council to provide addresses for their allotments.

Sections 1.2(a) and 2.3(a) of the Road naming Policy requires either the Infrastructure Committee or Council to approve road name applications.

4. DISCUSSION AND ANALYSIS OF OPTIONS

4.1 DISCUSSION

The developer has proposed 3 names for the road – Glenwood Grove, Brookside Road and Eastview Terrace.

Glenwood has no conflict with either Hamilton City or Waipa District and is submitted as the preferred choice amongst the developer name proposals.

The Ward Councillor has discussed the name proposal with the Whatawhata Residents Committee (including Chair) and the Marae Chair. Both Chairs support the preferred choice name proposal.

The access to the subdivision is beside trees in a valley being “wood in a valley or watercourse - Glenwood”.

The second developer name choice - Brookside – refers to the access bordering on a watercourse or “brook”.

The third developer name choice – Eastview - refers to the property’s elevated topography with views to the east.

4.2 OPTIONS

There are two options:

Option 1: The Committee may **agree** to support the developer’s preferred name preference and allocate the name Glenwood Grove.

Option 2: The Committee may choose to **not agree** with supporting the developer’s preferred name preference, and instead consider supporting either second or third developer name preferences.

It is recommended that the Committee approves option 1.

5. CONSIDERATION

5.1 FINANCIAL

All signage and property identification costs will be met by Highview Properties Ltd.

5.2 LEGAL

Nil

5.3 STRATEGY, PLANS, POLICY AND PARTNERSHIP ALIGNMENT

Ward member consultation around road naming has been undertaken in accordance with Council policy and standard operating procedures.

5.4 ASSESSMENT OF SIGNIFICANCE AND ENGAGEMENT POLICY AND OF EXTERNAL STAKEHOLDERS

Highest levels of engagement	Inform	Consult	Involve	Collaborate	Empower
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
This matter is not considered to be significant in terms of Council's significance policy.					

External Stakeholder Consultation			
Planned	In Progress	Complete	
		Yes	Internal
		Yes	Community Boards/Community Committees
		Yes	Local iwi
No			Households
No			Business
		Yes	Adjoining TLA's.

6. CONCLUSION

The Committee is requested to consider the developer's road name application and endorse a decision by way of resolution.

It is recommended that the Committee approves naming the new road Glenwood Grove.

New allotments will be addressed once the Committee's name choice is confirmed and registered in Landonline.

7. ATTACHMENTS

- Locality Plan

Resource Consent
 No. SUB0081/17
 Approved By E. Chiswick
 Date 10/4/2017
Not for Construction

AVAILABILITY CONDITIONS (TABLE 10/10)
 1) THAT LOT 16 HEREOF (LEGAL ACCESS) BE HELD AS TO THREE UNDIVIDED ONE-THIRD SHARES BY THE OWNERS OF LOTS 3, 4 & 5 HEREOF AS TENANTS IN COMMON IN THE SAID SHARES AND THAT INDIVIDUAL COMPUTER FREEHOLD REGISTRARS BE ISSUED IN ACCORDANCE THEREWITH.
 2) THAT LOT 17 HEREOF (LEGAL ACCESS) BE HELD AS TO FOUR UNDIVIDED ONE-QUARTER SHARES BY THE OWNERS OF LOTS 6-9 HEREOF AS TENANTS IN COMMON IN THE SAID SHARES AND THAT INDIVIDUAL COMPUTER FREEHOLD REGISTRARS BE ISSUED IN ACCORDANCE THEREWITH.
 SEE CSN No.

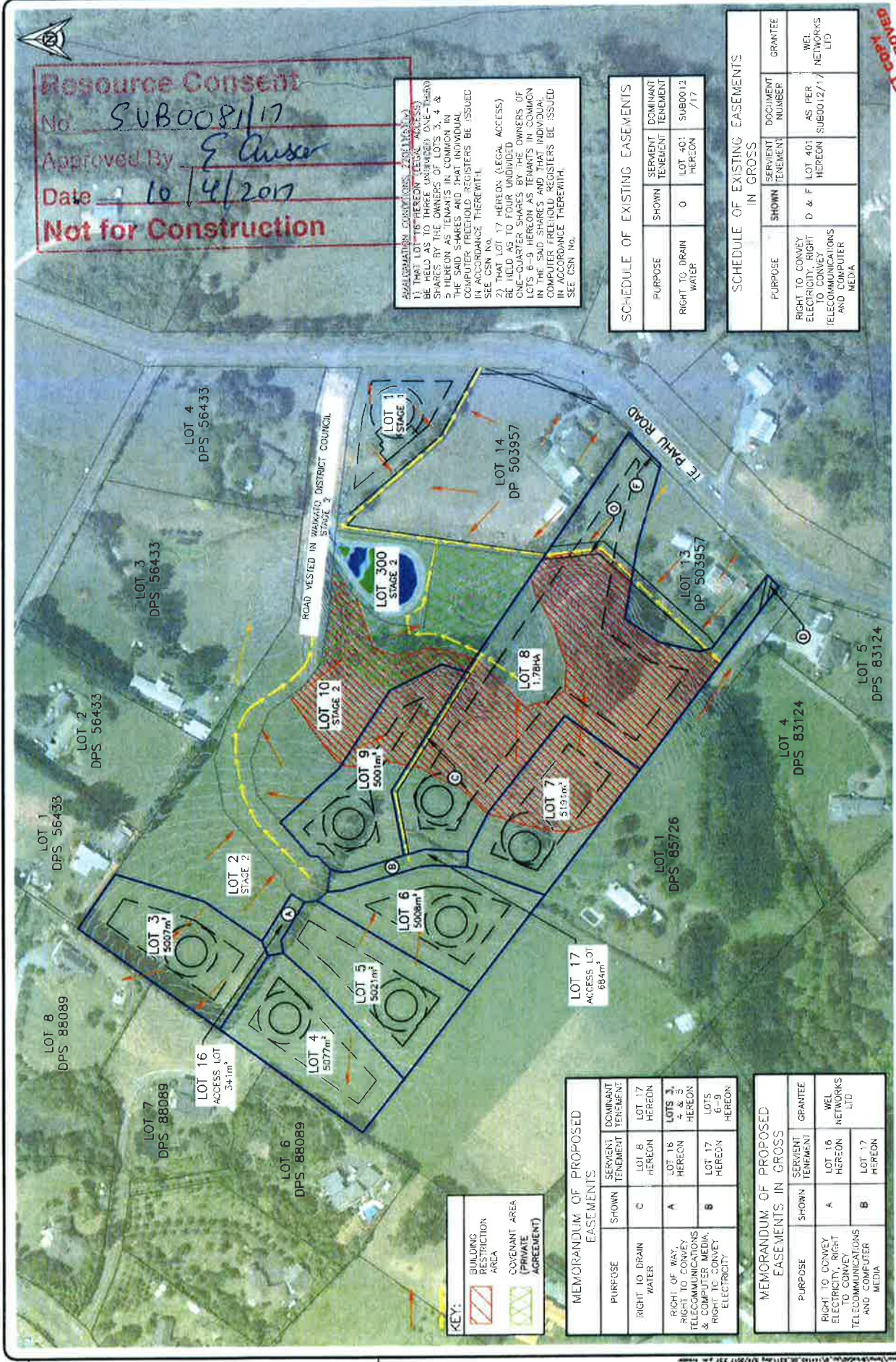
SCHEDULE OF EXISTING EASEMENTS

PURPOSE	SHOWN	SERVIENT TENEMENT	DOMINANT TENEMENT
RIGHT TO DRAIN WATER	0	LOT 40: HEREOF	SUB0012 /17

SCHEDULE OF EXISTING EASEMENTS IN GROSS

PURPOSE	SHOWN	SERVIENT TENEMENT	DOCUMENT NUMBER	GRANTEE
RIGHT TO CONVEY ELECTRICITY, RIGHT TO CONVEY TELECOMMUNICATIONS AND COMPUTER MEDIA	D & F	LOT 40: HEREOF	SUB0012/17	WEL NETWORKS LTD

APPROVED
 PRELIMINARY
 Date: 14.12.2016
 Scale: 1:2000
 Drawing No: 144140/00/P/0311
 C



KEY:
 BUILDING RESTRICTION AREA
 COVENANT AREA (PRIVATE AGREEMENT)

MEMORANDUM OF PROPOSED EASEMENTS

PURPOSE	SHOWN	SERVIENT TENEMENT	DOMINANT TENEMENT
RIGHT TO DRAIN WATER	C	LOT 8 HEREOF	LOT 17 HEREOF
RIGHT OF WAY TO CONVEY TELECOMMUNICATIONS & COMPUTER MEDIA	A	LOT 16 HEREOF	LOTS 4 & 5 HEREOF
RIGHT TO CONVEY ELECTRICITY	B	LOT 17 HEREOF	LOTS 6-9 HEREOF

MEMORANDUM OF PROPOSED EASEMENTS IN GROSS

PURPOSE	SHOWN	SERVIENT TENEMENT	GRANTEE
RIGHT TO CONVEY ELECTRICITY, RIGHT TO CONVEY TELECOMMUNICATIONS AND COMPUTER MEDIA	A	LOT 16 HEREOF	WEL NETWORKS LTD
	B	LOT 17 HEREOF	HEREOF

BLAYAN BLUNDELL OLLIVER
 Planning & Construction Consultants Ltd
 144140/00/P/0311

HIGHVIEW PROPERTIES LTD
 LOTS 3-9 & 16 -17 BEING SUBDIVISION OF LOT 40: STAGE 2

STAGE 3
 TE PAHU RD

Scale: 1:2000
 Date: 14.12.2016
 Drawing No: 144140/00/P/0311
 C

Open Meeting

To	Infrastructure Committee Raglan Community Board
From	Tim Harty General Manager Service Delivery
Date	1 June 2017
Prepared by	Karen Bredesen PA/Business Support Team Leader
Chief Executive Approved	Y
Reference #	INF 2017 (27/06/2017); RCB 2017 (13/06/2017)
Report Title	Raglan Kopua Holiday Park Board of Management Six Monthly Report

1. EXECUTIVE SUMMARY

Please see attached the Raglan Kopua Holiday Park Board of Management Six Monthly Report for information.

2. RECOMMENDATION

THAT the report from the **General Manager Service Delivery** be received.

3. ATTACHMENTS

- Raglan Kopua Holiday Park Board of Management Six Monthly Report

TO	Infrastructure Committee Raglan Community Board
DATE	3 March 2016
FROM	Colin KM Chung Chairperson Raglan Kopua Holiday Park Board of Management
SUBJECT	Raglan Kopua Holiday Park <u>March Meeting</u> Chairperson's Seven Monthly Report July – 31 January

PURPOSE OF REPORT

The purpose of the Chairperson's Six Monthly report is to keep the Infrastructure Committee/Raglan Community Board of the Waikato District Council fully informed of all significant issues/activities of the Raglan Kopua Holiday Park.

REPORT

Introduction

This report presents a summary of the main issues/activities for the period | July–31 January 2017 and for the most part (sales and net surplus) we are slightly ahead of the previous year.

Issues:

It has been a good first half of the financial year, although full of surprises and challenges. Sales has been up slightly over the same period the previous year and for the most part of winter and spring, time and energy was spent on maintenance and capital works projects.

In early December, Rob and Mary Clark gave their notice to leave and this was accepted by the Board and Council to begin immediately on the 13th. As this was a critical prep time to ready the park for the summer rush, it was fortunate that our current Assistant Manager, Jo Hamblyn and the senior office clerk/Papahua Sales Coordinator, Haven Tahere, were keen and able to take up the challenge. Their work ethic, attention to detail, good customer relations and coordination made for a very smooth running summer rush and holiday period. Even though quite a few booking errors were made by the old system and management resulting in \$1000's of dollars in refunds and ruffled feathers, our "dynamic duo" smoothed the feathers and was able to calm the anxieties and correct or rectify all those booking mistakes. Although this was one of the wettest and coldest start to summer that we have seen in many years, this past 7 months have gone quite well. Our busy summer period started well with good December sales starting earlier than last year and with January having a couple periods of heavy rain effecting earlier departures, new arrivals kept our park quite full and we were still able to squeeze another 8% growth during this busy period. Although we anticipated a slump in sales due to all those rainy spells and unusually cooler weather, surprisingly we netted an increase of 16% growth over last year January's results. With campers very happy with the service and pleasant smooth running of the park, we once again had many re-bookings, good comments and ended this period on a very high note.

Budget/Financial Performance:

We have had a slight increase in sales of 7.7% even though Council took away the \$10,000+ mowing contract that we had for over 15 years. With operating costs increasing by \$56,000 (security costs doubled over last year), we were still able to manage a 25% net after depreciation and best last year's performance by 11%. This resulted for the period ending 31 January 2017, with a working capital of \$993,058 and a net worth of just under \$3.8M.

Capital Works/Projects:

The capital improvement budget for this year is \$445,326 with a major part (\$120,000) going to the park's contribution to the Multi-Purpose Building fund (\$881,858 held over from last year) and not much spent before the summer rush on improvements & upgrading of facilities and planned annual maintenance (\$60,000).

Capital Expenditure Analysis year-to-date

Description of work	Carried forward	Forecast cost*	Actual cost to date	Balance to expend
Multi purpose hall	\$881,858	\$120,000	\$0	\$1,001,858
BMX Track Amenities / Upgrade track &	\$0	\$85,000	\$0	\$85,000
Meters for powered sites	\$0	\$64,126	\$0	\$64,126
Seal roads, kerbing, carpark area, bollards	\$0	\$80,000	\$60,076	\$19,924
Par course upgrade & climbing wall	\$0	\$40,000	\$0	\$40,000
Heritage Trail	\$0	\$5,000	\$0	\$5,000
Shed extension to provide vehicle cover	\$0	\$5,000	\$0	\$5,000
Carpark upgrade including bollards	\$0	\$20,000	\$0	\$20,000
Revamp main kitchen and internet room	\$0	\$25,000	\$0	\$25,000
Car wash area	\$0	\$1,200	\$0	\$1,200
	\$0		\$0	\$0
	\$0		\$0	\$0
	\$0		\$0	\$0
	\$0		\$0	\$0
	\$0		\$0	\$0
	\$0		\$0	\$0
	\$0		\$0	\$0
Total				
* Per Capital Plan approved 16 March 2016	\$881,858	\$445,326	\$60,077	\$1,267,107

Major Maintenance Items:

No major maintenance items are anticipated for this year other than our planned maintenance programme of upgrading, refreshing and replacements of current assets. (approximately \$100,000)

Repairs & Maintenance Analysis year-to-date

*For the
period
ended 31
January
2017*

Description of work	Budget	Actual cost to date	Balance to expend	Previous year to date
Replacements - Other	\$54,000	\$13,914	\$40,086	\$26,830
Replacements - Linen & Bedding	\$0	\$2,630	(\$2,630)	\$0
Crockery, utensils, small appliances	\$0	\$0	\$0	\$0
Replace large appliances, furniture, TVs	\$0	\$10,274	(\$10,274)	\$0
Replacements - Tools	\$0	\$4,629	(\$4,629)	\$0
Hardware Supplies	\$0	\$0	\$0	\$0
Room Supplies	\$0	\$533	(\$533)	\$0
Maintenance - Grounds	\$5,000	\$5,547	(\$547)	\$2,538
Maintenance - Plant	\$25,000	\$3,627	\$21,373	\$6,305
Maintenance - Property	\$16,000	\$2,576	\$13,424	\$12,571
		\$0	\$0	
Total	\$100,000	\$43,729	\$56,271	\$48,244

Health & Safety Issues:

We have no major health or safety issues with either staff or patrons of the park during the past period. The new camp manager has employed Allied Security to handle 24 hour security service at the camp for the busy summer period under a contract and this provided a hassle-free and smooth running holiday period. For the rest of the year, on-going from this, an agreement with two of their staff, who will live on-site, will provide security during the long period until next summer at a more cost effect rate.

Number of Visitors/Stays:

We can report that we had a small, but significant increase in numbers from clever advertising and promotions over the last year and by having a much bigger on-line presence, we were still able to get good results. We will continue with this strategy especially in the upcoming "shoulder" and "slow" seasons (please see attached advertising and promotion budget).

Miscellaneous Items:

Now that the summer is almost over, Jo and her team will get on with completing the rest of the projects on the Capital Plan and moving on with the programmed maintenance. We are making a big push to upgrade most of our cabins and motel units before next summer, as well as, upgrading the toilet blocks and floors in all the other areas of the camp. In the next few months as the weather holds, we will be completing our rebuild and installation of the outdoor par course and the new designed pump track (replacing the old BMX track). A big congratulations for a well done result for a very smooth running and efficient operation over the summer period to our manager and assistant manager, Jo and Haven and their hard-working team for their great effort over the busy holiday period. We are very proud of their achievements and results and look forward to finishing the rest of the year with their capable management style.

Open Meeting

To	Infrastructure Committee
From	Tim Harty General Manager Service Delivery
Date	15 June 2017
Prepared by	Samantha Frederick Leasing Officer
Chief Executive Approved	Y
Reference #	INF2017 (27/06/2017)
Report Title	Housing for the Elderly

I. EXECUTIVE SUMMARY

Staff held a workshop with Council on 23 May 2017 to begin the discussion around the future of Council's Housing for the Elderly portfolio ("portfolio"). This report has been prepared to respond to the points highlighted at the workshop; as well as request direction from Council.

Council's portfolio is currently not meeting its desired objective of being cost neutral with the current level of rental income insufficient to cover operational costs. This report requests that Council confirms an appropriate action to address this through the upcoming Long Term Plan process. The portfolio also requires significant capital expenditure to raise it to a "fit for purpose" standard. There is currently insufficient budget allocated for this in the Long Term Plan and inadequate reserve funding available to cover the required expenditure.

Staff are working to provide a more detailed analysis of the options presented to Council around affordability moving forward and alternate options to retain ownership of the portfolio. This will be reported back to Council in August 2017 in time for inclusion in the LTP process

2. RECOMMENDATION

THAT the report from the General Manager Service Delivery be received;

AND THAT Council consider each option outlined in section 4.2;

AND FURTHER THAT Council approves one of the four options as the interim measure while the portfolio as a whole is considered.

3. BACKGROUND

In 2016 Council engaged The Property Group (“TPG”) to undertake a review of Council’s portfolio. TPG examined the current performance of Council’s portfolio within the legislative context of the current social housing environment, alongside a review of alternative strategies for social housing provision.

The TPG report presented information on the condition and fit for purpose nature (in relation to the district’s aging population needs) of the portfolio and also provided possible options for moving forward.

The TPG report highlighted that Council’s portfolio is not meeting its objective of being cost neutral with the current level of rental income being insufficient to cover operational costs.

This report is presented to highlight the challenges Council faces and request direction with proposed interim actions to be undertaken. A more in-depth report on the future of the portfolio is being developed and will be presented in due course.

4. DISCUSSION AND ANALYSIS OF OPTIONS

4.1 DISCUSSION

As discussed in the May 2017 workshop on Council’s portfolio (*attachment 1*) the current level of rental income does not cover operational expenditure, and Council’s objective of having the portfolio be cost neutral is not currently being achieved.

While the intention is to come back to Council later this year with more information relating the future direction of the portfolio as a whole, staff are seeking direction as to whether interim measures of increasing the rent to meet the demands of ongoing maintenance should be factored into the next Long Term Plan.

In addition to this, if the recommendation is to increase the rent, staff are seeking direction as to the preferred method by which to raise it.

Based on the current rent and forecast position both operationally and for capital expenditure, TPG’s report recommends that the current rent policy is reviewed and the capital position is considered going forward. Any increase in rents will require consultation and would need to occur through the 2018-2028 LTP planning process.

4.2 OPTIONS

There are four possible options for Council to consider:

Option 1: Rent increases remain at the current incremental rate of \$5 per annum, leaving Council to agree on a funding solution to address the financial shortfall, (To put this in perspective, the portfolio has made an operating loss of \$64,936 in the 2016 year to date).

Option 2: Set one rate across the board at a rate designed to cover expenses. As an example a \$31 increase will result in \$54,808 per annum in additional income which would offset the additional depreciation cost. This increase would provide little room for increased maintenance costs, future inflationary pressure or capital improvements.

Option 3: Set rent by reference to location or a discount to market value. As an example, an increase to 80% of market value will generate additional income of approximately \$55,000 per annum. This would be reflected in the following approximate increases –

Ngaruawahia – increase of \$35 per week
 Huntly – reduction of \$9 per week
 Tuakau (both) – increase of \$75 per week

An independent assessment of each site would be undertaken to help inform Council's Rental Policy based on this option.

Option 4: Set rent based on a percentage the tenant's gross income, which aligns with the Housing Affordability Threshold. The tenants income eligibility would be capped at the NZ Superannuation paid by the Government, but they would be able to apply for an accommodation supplement through the Ministry of Social Development.

NZ National Superannuation currently ranges between \$443.43 per week for an individual to \$671.48 gross for a couple. Therefore the rents would range between \$133 - \$201.44 per week. This would see an increase between \$14,144 to \$135,145.92 per annum.

5. CONSIDERATION

5.1 FINANCIAL

In the past, rent has been set irrespective of market rental value, location, demand and quality. At \$125 per week (increasing to \$130 per week 1 July 2017), rent is currently set at approximately 64% of market rate across the 3 locations. (It should also be noted that tenants are now being required to pay for rubbish bag stickers and water rates).

The Pensioner Housing Council Reserve is forecast to be in deficit position of \$16,000 at the end of the 2016/17 financial year. This reserve funds the operating costs and receives the rental income from the portfolio. This forecast assumes full rental income is collected, operating expenditure does not exceed available budgets, and does not include shortfalls from vacancies or aged debts.

The operating costs being funded from this reserve include depreciation which is based on revalued amounts. Due to a large increase in the capital value of the Pensioner Housing stock, depreciation has more than doubled from the 2014/15 year to the 2015/16 year

onward (\$45,000 to \$105,000). With no increase in rent to offset this expense this has caused a drain on the reserve leading to the deficit balance position.

The TPG report recommends an initial capital injection to address the deferred maintenance issues and an ongoing preventative maintenance programme. The report notes that the outgoings of a preventative maintenance programme will be difficult to cover with a subsidised level of rental income in the absence of other funding sources

5.2 LEGAL

As per the Local Government Act 2002 outlining Council's purpose, role and powers, social housing is not included within the core services to be considered as per section 11A.

5.3 ASSESSMENT OF SIGNIFICANCE AND ENGAGEMENT POLICY AND OF EXTERNAL STAKEHOLDERS

The Significance and Engagement Policy does not identify Pensioner Housing as a core activity, significant activity or strategic asset.

Should an option that sees an increase to rental incomes be approved, this would require consultation and would need to occur through the 2018-2028 LTP planning process.

6. CONCLUSION

Council has been running a deficit in the Housing for the Elderly portfolio.

The rental incomes are not sufficient to cover the ongoing maintenance and capital costs. This translates to an inability to manage the portfolio in a cost effective manner.

Council is under no obligation to provide social housing to the district, but should it choose to do so it should, at a minimum, meet the requirements set by the Residential Tenancies Act 1986.

7. ATTACHMENTS

- Pensioner Housing, Councillor Workshop May 2017

23



Pensioner Housing

Councillor Workshop May 2017

Purpose of workshop

- Outline the current Pensioner Housing portfolio and financial situation
- Highlight the challenges Council faces
- Options for Council to consider
 - Operational – rental income
 - Capital – investment required
- Seek feedback from Councillors on preferred options and way forward for consultation

Council Pensioner Portfolio

34 self-contained one-bedroom pensioner units:

- 14 Units at 61 Hakanoa Street, Huntly
- 8 Units at Paul Reeves Court, Ngaruawahia
- 4 Units at 26 Henderson Avenue, Tuakau
- 8 Units at 5 Jellicoe Avenue, Tuakau

What's important to the tenants?

- Affordability
- Safety and security
- Standard of unit - warmth
- Accessibility
- Local amenities

What's important to Council?

- Strategic approach in providing Pensioner Housing
- Safe and accessible for tenants
- Affordable
- Fit for purpose
- Cost neutral

Current management of Pensioner Housing²⁸

- Reactive maintenance
- Passive management of tenants
- Unable to support tenants with wrap around services
 - WINZ
 - Doctors appointments
 - Meals on Wheels

Tenancy & longevity

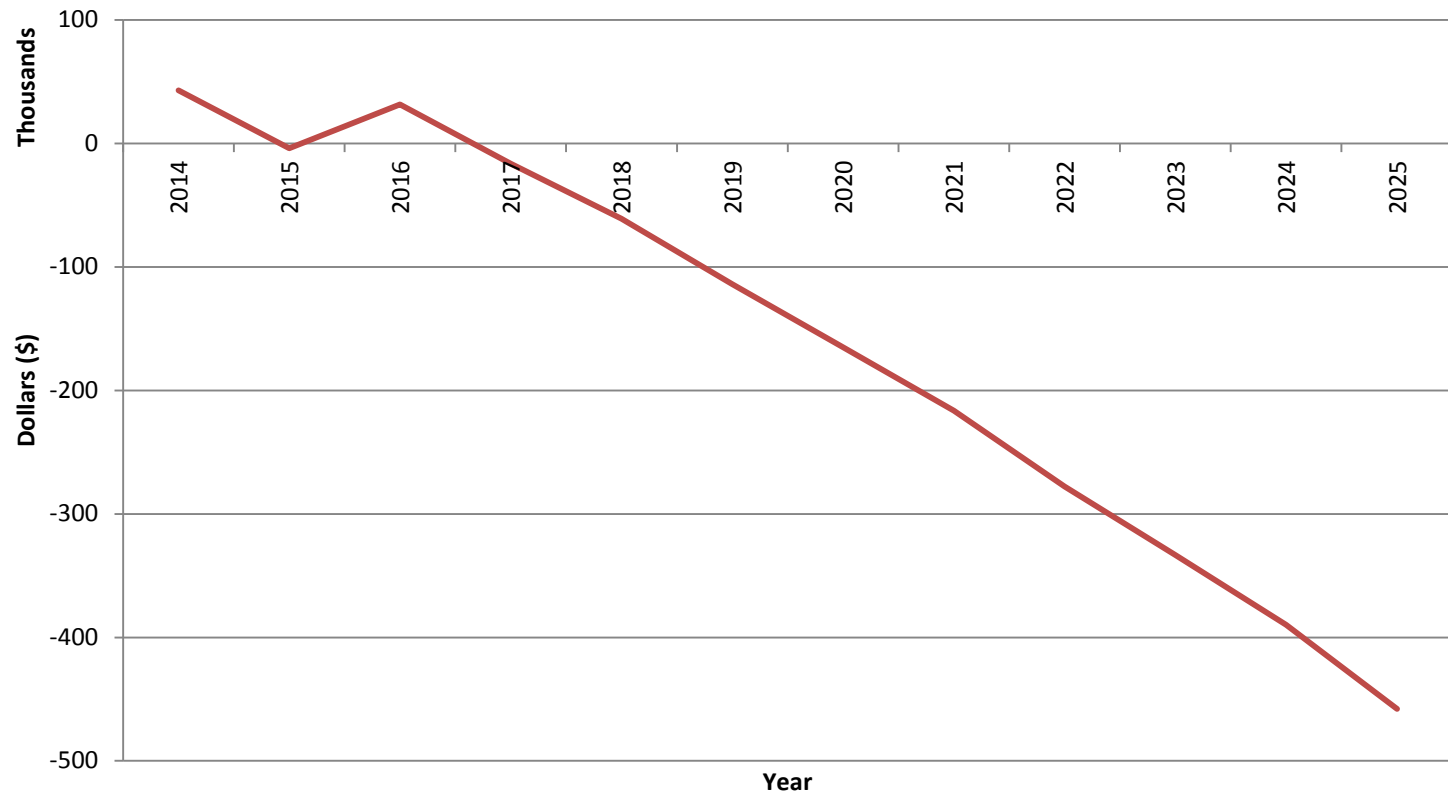
- Units are affordable
- Units occupied on a long term basis – an average of 6 years per tenant
- Standard rental for all units is \$125.00 per unit/per week
- Incremental increase every July of \$5 per year
- Rubbish and Water rates

Current viability³⁰ of Pensioner Housing

- Rental average of 64% of market rent across the three locations
- Pensioner Housing portfolio not meeting its objective of being self-funding
- Reserve deficit forecast at year end, growing each year

Operational position

Pensioner Housing - Operational Reserve Balance



Self funding options

Where Council decides to review the Pensioner Housing rent policy, TPG suggests:

- Set rents based on a percentage of market rent in relation to each area
- Set a range of rents which reflect location, size/quality of accommodation and demand
- Base rents on a percentage of income

Option 1

Leave rents at current incremental rate

- Council agrees to run the Pensioner Housing portfolio at a shortfall - a funding solution will need to be agreed

Option 2

Raise rents to one set rate to address the current net operating loss.

- Council raise rents an equal amount across all units to address the current operating loss. To raise an additional \$55,000 (making this service almost cost neutral based on current expenditure levels) the rents would need to raise approximately \$31 per week

Option 3

Rents set by reference to location, quality, and demand or by reference to a discount to market value

- The Tenancy Services median rent data for each location could be used as a benchmark. For example, if the rents were set at 80% of market value this would generate an estimated additional income of \$54,808 p.a. making this service almost cost neutral based on current expenditure levels.

What is Council's preference?

- Option 1 – leave as an incremental increase
- Option 2 – one rate across the District
- Option 3 – rent based on location, quality etc.

Where an increase is proposed appropriate consultation will be undertaken

Current capital works practice

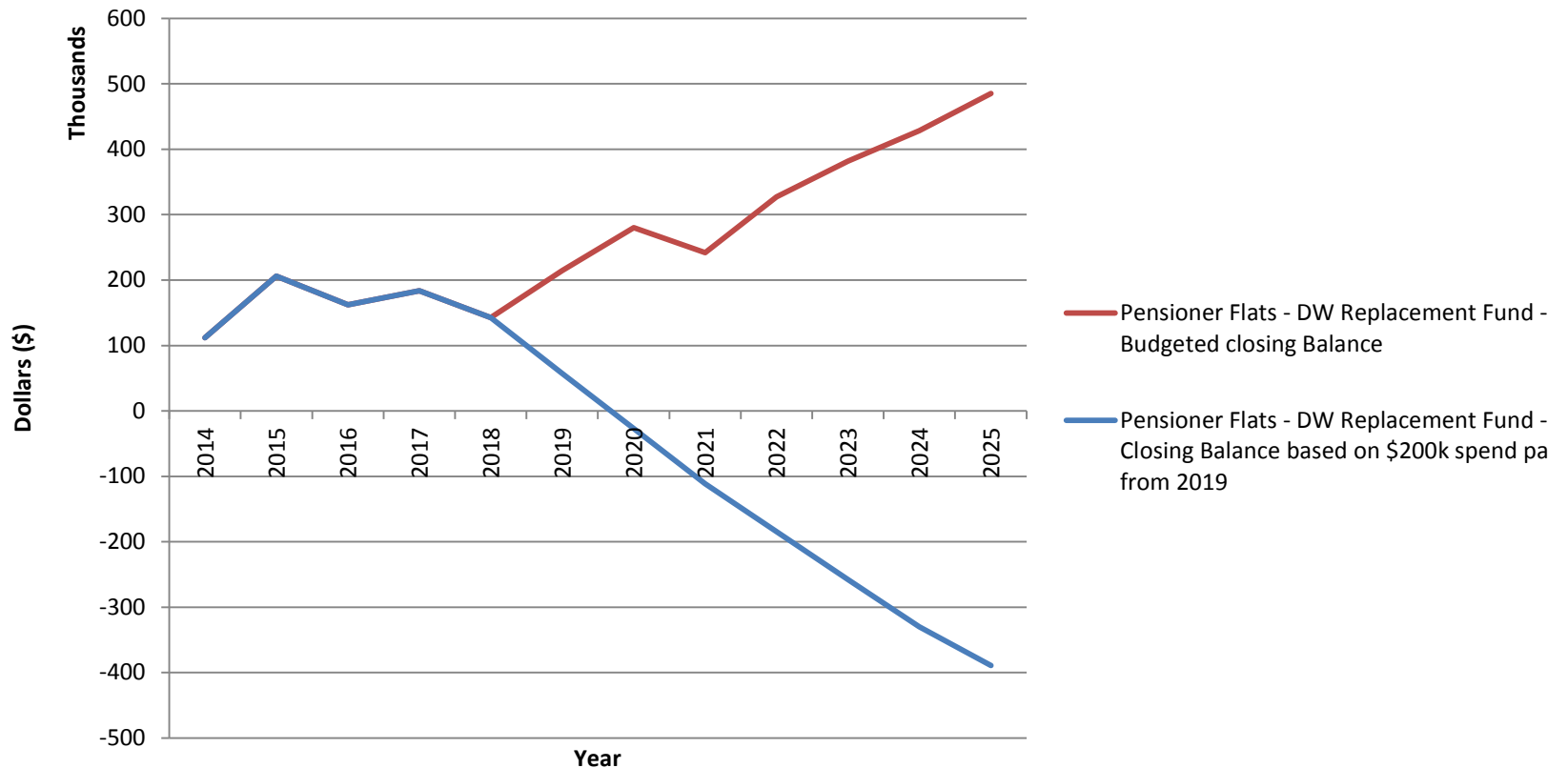
- Generally, refurbishment only undertaken once a tenant moves on
- Typical refurbishment includes:
 - Repaint walls, doors, ceiling
 - Replace carpet, vinyl
 - Upgrade toilet and vanity unit
 - Replace like for like

Capital works required

- Standard of housing not fit for purpose
- The majority of the units are outdated and not appropriate for today's standards
- Cost to refurbish prohibitive

Capital Replacement Fund³⁹ position

Pensioner Housing - Capital Reserve Balance



Key considerations

- No current evidence of a growing demand for Pensioner Housing in the District
- Portfolio requires extensive modification and investment to become fit for purpose
- Gap in funding
- Scale makes it difficult to self sustain

Option 1

Do nothing

- Continue with current capital works renewal programme

Option 2

Revise capital works programme to provide sufficient funding to cover preventative as well as reactive maintenance

- Significant initial funding required to bring units up to standard
- Affordability of ongoing renewal programme to be considered

Option 3

Consider divestment or options around alternative ownership structures

- Consider “the business Council is in”
- Will allow for alternative use of funds
- May open up funding assistance and better support services for our pensioners

What is Council's preference?

- Option 1- do nothing
- Option 2 – revise capital works programme
- Option 3 – consider divestment or alternative ownership structure

Where a change is proposed appropriate consultation will be undertaken

Next Steps

- Report to Council alongside TPG report
- Consultation as needed
- Look to include any operational changes in the 2018-2028 Long Term Plan
- Further planning around capital works or structure can be included in the 2018-2028 Long Term Plan for planning with outcome to be reflected in the 2021-2031 Long Term Plan

Open Meeting

To	Infrastructure Committee
From	Tim Harty General Manager Service Delivery
Date	15 June 2017
Prepared by	Stephen Howard Senior Planner Waters
Chief Executive Approved	Y
Reference #	INF2017 (20.06.2017)
Report Title	Proposed stakeholder engagement in relation to any WDC wastewater overflow discharge consent application

I. EXECUTIVE SUMMARY

The purpose of this report is to inform Council of the staff strategy to progress the Continual Improvement Programme (CIP) action of applying for Waikato Regional Council (WRC) consent for wastewater overflows, and to seek Council endorsement for staff to initiate discussion with WDC key stakeholders now, in regard to the intention to pursue such consent.

Minor overflows are a risk that accompanies all wastewater reticulation. Providers nationwide can consider mitigating this risk by way of obtaining discharge consent. WDC, through the CIP intend to prepare a WRC application to legitimise such wastewater overflows where evidence shows that any such future event is of an insignificant scale. Any application will need to address both environmental and cultural effects. Significant consultation will be required with key stakeholders in respect to both these areas. The advantage of preliminary discussions now with interested parties is that early feedback received may influence application preparation in an efficient and cost effective manner.

Presently, only higher level managerial discussion with WRC on this project has only been undertaken. The predominant stakeholder groups likely to be engaged with include Waikato Tainui Hapu, Waikato Community Boards, potential local government partners and other groups within the local communities.

2. RECOMMENDATION

THAT the report from the General Manager Service Delivery be received;

AND THAT Council support staff engaging with key stakeholders in respect to WDC's intention to apply for wastewater overflow discharge consent from the Waikato Regional Council.

3. BACKGROUND AND DISCUSSION

During 2015/16, across that district there were 33 dry weather overflows that occurred from WDC wastewater reticulation. Three formal WRC warnings were received in the instances where overflows entered Raglan waterways. Warnings were considered the most practical WRC enforcement required under RMA provisions, and non-compliance with Waikato Regional Plan requirements. Under provisions of the Health Act 1956, Raglan Harbour was temporarily closed for swimming and collection of seafood.

The above responsive actions, authorised through legislation, were non-specific in respect to the scale of any adverse environmental effect. The determination of appropriate WRC and Health Board responses is finally balanced, where in the future, prosecution *may* be considered appropriate by WRC. This course of WRC action would be avoided however, where wastewater overflows with proven minimal adverse effect are allowed for, by way of discharge consent.

The CIP identifies a suite of recommended interventions to improve WDC's current performance with respect to wastewater overflows. The Annual Plan 2017/2018 consultation options (Option 2 and 3) included the risk mitigation of:

- *Investigation and application of a resource consent to allow a level of overflows consistent with the RMA and regional plan (Unlike some Councils, we have no consents in place).*

The reason that a consent can be applied for is that the activity of 'wastewater overflows' is not prohibited. These activities are considered *non-complying discharge activities* under provision 3.5.4.6 of the Operative Regional Plan. The reason for obtaining such discharge consent from WRC is:

- to mitigate legal risk and costs associated with wastewater overflow where appropriate, and;
avoid closure of water ways, such as Raglan Harbour, under health legislation where scientific study confirms no elevated health risk.

The approach of legitimisation of insignificant overflows by way of resource consent is seen as alleviating legal risk and expense to WDC, given that any potential prosecution would need to be defended at a cost. Any assessment of biological effects, which concludes safe

swimming and food gathering standards are met, could also avoid risk of future waterway closures under health legislation.

It is logical to undertake any application process alongside necessary renewal of existing WDC point source discharge consents for treated wastewater (i.e. Raglan, Te Kauwhata, Te Kowhai and Meremere discharge consents will each require renewal in the upcoming years).

The required scientific methodology for an environmental impact assessment is now better understood by staff, as a NIWA scoping report has been commissioned. The scope will assist with procurement of scientific services when necessary. Appendices 1 and 2 summarise anticipated methodology and outcomes. Of equivalent importance is the progression of a cultural assessment, which will be required to accompany any application. Planning for this is intended to be staff's next step. Any consent application will take time to progress, with an assessment of time for this process being between 24 to 36 months.

4. ANALYSIS OF OPTIONS

4.1 OPTIONS

Option 1: Council endorse staff engagement and discussion with key stakeholders now, regarding WDC's intention to apply for a wastewater overflow discharge consent from the Waikato Regional Council in the future

Option 2: Do not undertake early engagement with key stakeholders, or do not undertake a consenting process to legitimise network overflows district wide.

5. CONSIDERATION

5.1 COST

The required scientific study to accompany any WRC application will make up a significant component of project costs. The NIWA scope is presently being amended to break down costs, where this information will be available soon. A staff estimate of costs is between \$100,000 - \$200,000. A further infrastructure report will be prepared by staff for Council when project direction is understood by way of Council resolution. This report would provide a recommendation on procurement or direct appointment for such a study.

5.2 LEGAL

Resource Management Act 1991 (RMA)

Schedule 4 of the RMA identifies information required as part of an application for resource consent. It is stated within the information required in assessment of environmental effects, that the following information must be included:

- *Clause 6 (1)(f) Identification of the persons affected by the activity, any consultation undertaken, and any response to the views of any person consulted.*

Engagement as outlined will contribute to this requirement.

5.3 ASSESSMENT OF SIGNIFICANCE AND ENGAGEMENT POLICY AND OF EXTERNAL STAKEHOLDERS

The WDC *Significance & Engagement Policy* is triggered by the proposal when considering:

- Policy 1: *Engaging with the community is needed to understand the views and preferences of people likely to be affected by or interested in a proposal or decision.*

Community consultation has been undertaken with the Annual Plan 2017/2018 Consultation Document ‘Your Wastewater Rates are rising in July’, which identified the application process as part of Option 2 and 3.

6. CONCLUSION

As part of ‘business as usual’, WDC staff engage with a range of key stakeholders that are interested in Council waste water initiatives. This interaction offers opportunity to outline the intention to apply for wastewater overflow discharge consent, and raise the advantage of such consent. It is considered that any such early engagement will be beneficial, as feedback could be taken into account when application preparation begins in earnest.

7. APPENDICES

Appendix 1: Objective of any approved biological study to accompany a discharge consent application

Study outcomes sought are:

The preparation of an evidence based and defensible assessment of environment effects of wastewater overflows, which will:

- *classify any future districtwide overflows to water (Raglan, Rivers and Others) that are not significant (therefore environmentally acceptable).*

Allowing for:

- *s107 RMA tests to be met (Restriction on grant of certain discharge permits), then*
- *a WDC application for discharge consent, under s104(1)(a) RMA.*

Appendix 2: Proposed scoping methodology to achieve the study outcomes

1. Define area of impacts (mapping) – based upon overflows with potential to impact receiving water. This will specify limits of receiving environments potentially affected by overflows.
2. Undertake an extensive literature search of data which contextualises the receiving environments and data which can likely describe the likely effect of wastewater overflows.
3. Development of methodologies to assess the magnitude of adverse effects caused by overflows considering:
 - a. relative volumes of overflow, and;
 - b. mixing of overflows with receiving waters.

Effects need to include both health effects and environment effects caused by Nitrogen, Phosphorous, Suspended Solids and Bacteria. Background contributors to waterway contaminants would need to be considered as well, such as:

- consented point source discharges, and non-point sources also;

The methodologies should consider the intermittent nature of wastewater overflows both in dry and wet weather.

4. Gap analysis to determine other data sets required by the methodologies which are not present in the data currently available and collection of this data (i.e. hydrodynamic model development may be required at this point);
5. Determination of the severity of adverse environmental effects caused by overflows in the receiving environments set by above limits;
6. The scope of work will include for workshops with Council's key stakeholders both at the beginning (to agree the scope) and during the execution of the work.

Open Meeting

To	Infrastructure Committee
From	Tim Harty General Manager Service Delivery
Date	29 June 2017
Prepared by	Karl Pavlovich Compliance Income Team Leader
Chief Executive Approved	Y
DWS Document Set #	INF2017 (23/06/2017)
Report Title	District-Wide Water Metering Update

I. EXECUTIVE SUMMARY

The aim of the Water Meter Installations, District Wide project was to have the district universal metered by 1 July 2017. To achieve this aim, water meters were to be installed on 6157 properties across Raglan, Ngaruawahia and Huntly. Of these 6157 properties, 532 properties are yet to receive a dedicated water meter for reasons ranging from difficult to find service lines to multiple dwellings serviced from a single metered connection.

In addition to the installation of water meters, a number of policy changes have occurred. These changes were made to support the change to billing water-by-volume, as well as, providing a fair mechanism for charging water to properties not ready by 1 July 2017.

2. RECOMMENDATION

THAT the report from the General Manager Service Delivery be received.

3. BACKGROUND

In 2013 the programme to install community wide water metering in Huntly, Ngaruawahia and Raglan was put on hold until smart water metering technology was available. A subsequent review of the state of the smart meter market in 2014 lead staff to a view that it is unlikely that they will be cost effective and widely available in the next five or more years.

Council resolved in 2014 to recommence the installation of water meter manifolds during the 2014/2015 year, in preparation for the installation of conventional water meters in 2015/2016 and fill water by meter charging in 2017/2018. This work was funded through the 2015/2025 Long Term Plan.

Since this time water meter installations have progress across Raglan, Ngaruawahia and Huntly. The physical works have been supported by a communication and education plan designed to inform these townships of the changes to service. Council has been updated on these programs regularly during the installation process.

4. DISCUSSION

4.1 COMPLETED INSTALLATIONS

Table 1 presents a breakdown of meter installations and trial readings completed by 1 July 2017.

Area	Meters Installed	First Trial Reading	Second Trial reading
Huntly	2270	2119	2058
Ngaruawahia	1731	1551	1485
Raglan	1624	1469	1487
Total	5625	5139	5030

Table 1: Properties, by area, with new water meters and trial readings received.

4.2 METER INSTALLATIONS STILL REQUIRED

Though the majority of meters are installed in all three townships, some properties are yet to have water meters installed. The reasons for this are specific to each property but two general categories exist;

1. Properties requiring work to service laterals.
2. Properties with multiple individually owned dwellings serviced by a single share connection (properties requiring splitting).

Table 2 provides a breakdown of properties awaiting meter installation in each category by township.

Area	Awaiting installation (less splitting)	Need splitting
Huntly	145	91
Ngaruawahia	203	28
Raglan	54	11
Total	402	130

Table 2: Properties still waiting for water meter installations.

Through its close relationship with Watercare Services Limited (WSL), Council engaged their water meter contractor to have the remaining metering works completed, as soon as practicable. Initial discussions have been held (5/5/17) and an 'in principle' agreement has been reached to achieve this.

WSL's contractor City Care Limited (City Care) have advised Council that 12 months would be required to correctly connect all 532 properties.

In order to charge the 532 properties for water, Council amended the 2017/2018 Funding Impact Statement to include a definition and charge for non-metered properties. The total

charge for the 2017/2018 rating year is \$549.42, made up of the 2016/17 Targeted Water Rate (\$213.83) and an additional Non-Metered Property fee (\$335.59).

4.3 COMMUNICATION AND EDUCATION PLAN

To support the installation program, a communication and education plan was developed. The goal of this plan was to communicate the change in service and educate the community about both water conservation and the wider reasons for the change to water by meter.

Communicating the change of service was achieved via the “Meet Your Meter” campaign. This campaign involved directly addressing how water will be charged on a volumetric basis from 1 July 2017 and encouraging customers to become comfortable with finding and reading their own water meters.

Education centred around a leak detection and the Smart Water message. Customers were again encouraged to find and read their meters and develop an understanding how their meters work. The key message being that knowledge of their water meter would help relate information about the state of their private plumbing. In addition, customers were taught to realise their own water usage patterns through the trial reading letters.

A brief timeline indicating the key milestones is provided below.

October 2016	Design of Webpage
November 2016	Councillor Workshop Launch of Webpage Letters – Coming soon or Meet your meter
December 2016	Letter – To identified properties with multiple dwellings serviced by a single connection
January 2017	First Trial Reading
February 2017	Council Office Open Days – Meet Your Meter
March 2017	Market Days – Meet Your Meter
April 2017	Media update on progress
May 2017	Second Trial Invoice Direct Debit and email drive
June 2017	Have you met your meter – going live soon
July 2017	Media update - live

Table 3: Communications plan timeline.

Though the communications plan is nearing completion, the Waters Income Team recognised that the project does not stop on 1 July and is resourced to take dynamic approach to supporting the townships as the first billing cycles occur. With the first live invoices beginning to arrive in September (Ngaruawahia) the intention of the continuing communications plan will be to listen and assess the emerging needs of Raglan, Ngaruawahia and Huntly, then support with the appropriate messaging.

4.4 RELATED ISSUES

During the Water Meter Installation program, three related issues have been identified:

1. Properties with multiple dwellings in the same ownership serviced by a single connection.
2. The impact of the targeted rate charging mechanism.
3. The structure of the billing cycle.

It was identified that within the three townships a number of properties existed where multiple dwellings under the same ownership were connected to a single water supply. These properties while being similar to the 130 properties identified in section 4.2, fell outside the scope of the Water Meter Installation project. The impact of the change of service upon these customers was minimal, as dwellings have the same owner and the legal responsibility for invoiced water sits with a single owner.

Some owners of these properties expressed an interest in being able to separate the water usage of each dwelling. In response to these requests, the Waters Income Team are offering to gift meters to these owners. The intention of gifting meters to these owners is to ensure that a single metering standard is maintained across the district. While arguably these properties do not need to have the same meters used on Councils roadside installations, should the properties be subdivided or undergo part sale in the future, Council would be in a good position to reassume ownership of these meters and more readily invoice these properties for water individually in the future.

It was recognised that charging targeted rate by connection in Raglan, Ngaruawahia and Huntly would result in a decrease in the forecast income. This was due to the existence of properties where multiple dwellings are serviced by a single connection. In Raglan, Ngaruawahia and Huntly during the 2016/17 Rating year, these properties were charged the non-metered targeted rate on a separately used or inhabited part (SUIP) basis. In response, Council changed how the metered targeted rate was applied and moving from per connection to per SUIP. This change resulted in an overall increase to the forecast income, as properties in areas with existing water metering would now be attracting the metered targeted rate per SUIP. This change was communicated to the affected areas via letter in June.

Finally, with the addition of 6175 properties, a rationalization of reading routes and billing cycles was needed to better utilize the resource in the Waters Income Team. The two existing six month reading cycles were split into five, six month, reading cycles based on the five major areas; Raglan, Southern/Western Districts, Huntly, Ngaruawahia and Northern Waikato. Table 4 presents the reading dates for the five new billing cycles.

Area	First Reading Month	Second Reading Month
Ngaruawahia, Taupri and Horotiu	July	January
Huntly	August	February
North Waikato, Port Waikato, Onewhero, Tuakau and Pokeno	September	March
Southern Districts and Western Districts	October	April
Raglan and Te Akau	November	May

Table 4: Billing cycle reading months.

5. CONCLUSION

The Water Meter Installations, District Wide project has largely achieved its objective by installing 5625 new water meters at properties across Raglan, Ngaruawahia and Huntly 1 July 2017. There remain 532 properties yet to receive a dedicated water meter for reasons ranging from difficult to find service lines to multiple dwellings serviced from a single metered connection. These properties will continue as non-metered properties for the 2017/2018 rating year and will be charged for water by a non-meters property fee of \$335.59. It is expected that these remaining properties will have individual water meters installed in time for the 2018/2019 rating year.

In addition to the installation of water meters, a communications plan has been implemented, changes made to the application of the targeted rate and the structure of the billing cycles.

6. ATTACHMENTS

N/A

Open Meeting

To	Infrastructure Committee
From	Tim Harty General Manager Service Delivery
Date	14 June 2017
Prepared by	Karen Bredesen Business Support Team Leader/PA
Chief Executive Approved	Y
Reference/Doc Set #	INF 2017 (23/06/2017)
Report Title	Service Delivery Report for June 2017

1. EXECUTIVE SUMMARY

This report is to inform the Infrastructure Committee of significant operations/projects commenced, in progress, or completed since the date of the last report.

2. RECOMMENDATION

THAT the report from the General Manager Service Delivery be received.

3. ATTACHMENTS

- Dash Board Reports

REPORT

Service Delivery

Parks & Facilities

Sports Field Renovations

Autumn and winter sports field renovations have been completed. The next rounds will be in early spring when winter sports are completed.

Walkway Maintenance

Weather has affected many walkways over the past three months with repairs taking longer than expected due to ground conditions.

Garden Renovations

Citycare have begun garden renovations, with several areas in Huntly and Ngaruawahia being completed over the past month. This work will be ongoing until the end of August.

Programme Delivery

Pokeno Wastewater Phase II

Works are still progressing with the contract due to finish by September.



Tamahere Recreation Reserve

Currently working on construction costs for the next phase of the recreation reserve. Current works of levelling and undersowing still to be completed.

Reservoirs

Dome top being lifted onto Reservoir in Ngaruawahia (Central Districts)



Huntly

Reservoir construction mostly complete with partial roof constructed inside reservoir. Awaiting Te Aratika to complete works at Huntly WTP as part of the Hopuhopu to Huntly pipeline project to allow crane access for completion and attachment of roof. Disinfection and preloading will be delayed and is now likely to commence in mid-July. Electrical and other post reservoir works will also be delayed till July. Monitoring of settlement over a max of 30 days with final flushing and connection completed early September.

Central Districts (Horotiu)

Earthworks, in ground pipework (ex. final connection), and reservoir is complete. Minor works yet to be completed on final ring to complete seal between the roof and walls. Pump shed foundations, frames and exterior cladding complete with electrical fit out to commence this week. Pump units have been installed with internal pipework to be connected from floor penetrations to pump set. Internal wall lining to be completed post electrical fit out and is expected to commence early to mid July. Tank to be disinfected and filled for pre load late June. Monitoring of settlement over a max of 30 days with final flushing and connection completed August.

Hopuhopu

Earthworks, in ground (ex. water supply and final connection), and reservoir complete. Drilling of water connection and electrical ducting expected to be complete between the 19/06/17 – 14/07/17. Disinfection, testing and filling for settlement period to be completed late June. Monitoring of settlement over a max of 30 days with final flushing and connection completed mid-August

Pokeno

Earthworks completed. In ground pipework expected to be completed ready for pressure test on 22-23/06/17. Reservoir walls and roof to be delivered to site late June to allow commencement of construction. Construction estimated to be complete early August with disinfection and preloading to commence late August. Monitoring of settlement over a max of 30 days with final flushing and connection completed mid-October.

Hopuhopu to Huntly Watermain Connection

Hakarimata Rd 100% construction complete (4.75km). Southern River Crossing 100% complete (Pilot hole drilled full length of crossing). SH1 (3km) and Taupiri River Crossing underway. Northern River Crossing private land use still to be negotiated.

Water, Wastewater and Stormwater Renewals

Progressing well.

Te Kauwhata Skatepark

Now completed.



Waters

Huntly Water Treatment Plant

Work has started on installing Ultra Violet (UV) treatment at the Huntly Water treatment plant. These works are expected to be complete mid July.

CIP CCTV and Jetting Contract

The Current CIP CCTV and jetting contract has identified urgent repairs required in the Huntly area, mainly due to the earthenware pipes. Staff are busy carrying out repairs as they arise.

Inorganics Update

Collections are going well to date and all areas are making the most of the collection. There has been a great take up rate from the North Waikato residents especially Tuakau which hasn't had this type of inorganic collection for the last 10+ years. The contractor is performing well. Several weeks have required clean up days on the week following but is on track for completion by end of June. The tonnes collected are close to those predicated and are likely to keep within the contract requirements.

Status of Roading Projects**2016/17****Construction Phase**

Ward	Name/Location	RP Start	RP end	Lengths (km) to be constructed	Status
Onewhero - Te Akau	Hetherington Rd	16.876	17.758	0.882	Construction of 700m of this site is complete. Some earthworks will be undertaken in October/November to complete the project.

Rehabilitation**2017/18****Design Phase**

Ward	Name/Location	RP Start	RP end	Lengths (km) to be constructed	Status
Awaroa - Tuakau	Bright Rd	0.003	1.840	1.837	Off Crouch and Otaua Rds west of Aka Aka. Survey complete. Pavement test pits received.
Whangamarino	Falls Rd I	0.010	1.333	1.323	From Waerenga Rd intersection. Survey complete. Pavement test pits received.
Whangamarino	Falls Rd II	1.842	2.080	0.238	North of Waikiwi Rd. Survey complete. Pavement test pits received.
Whangamarino	Falls Rd III	2.638	3.429	0.791	North of Waikiwi Rd. Survey complete. Pavement test pits received.
Ngaruawahia	Hakarimata Rd	2.098	3.414	1.316	Old Dairy Shed to Morepork Lane. Survey complete. Land purchase required as parts of the road are on private property.
Onewhero - Te Akau	Hetherington Rd	16.876	17.758	0.882	Construction of 700m of this site was completed in 2016/17 season. Some earthworks and rehabilitation will be undertaken in October/November to complete the project to provide two lanes.
Onewhero - Te Akau	Hetherington Rd	19.375	19.741	0.366	Slumped area west of 2016/17 project. Survey completed. Geotechnical input required. Some vegetation and drainage works to be carried out to minimise further damage over winter.
Onewhero - Te Akau	Highway 22 (walls)	26.700	27.450	0.750	Two main retaining walls completed. Detailed road alignment design is continuing. Investigating options at remaining retaining wall sites within the project length.
Hukanui - Waerenga	Keith Rd	1.945	3.648	1.703	Off Waerenga Rd east of Te Kauwhata. Survey complete.
Hukanui - Waerenga	Mangapiko Valley	0.906	1.930	1.024	East off Storey Rd, alongside golf course. Design

Ward	Name/Location	RP Start	RP end	Lengths (km) to be constructed	Status
	Rd				complete.
Onewhero - Te Akau	Mercer Ferry Rd	1.578	2.910	1.332	Hill ascent. Design underway.
Hukanui - Waerenga	Orini Rd	8.627	10.150	1.523	Tenfoot Rd to Piri Rd. Survey complete.
Awaroa - Tuakau	Ray Wright Rd	0.385	1.265	0.880	From Nandina Lane west. This project has been deferred until the 2017/18 season. The straight section at the western end of this site was not able to be rehabilitated due to stormwater issues still to be resolved between Auckland City and Waikato Regional Council. To ensure a safe surface over the winter months the straight section has been water-cut to remove flushed bitumen. The site has a temporary speed limit of 80km/h through to Tuakau Rd the winter period. Pavement rehabilitation will be carried out next summer. Re-design underway following decision not to proceed with the land purchase required for initial design.
Awaroa - Tuakau	Ridge Rd	1.999	2.512	0.513	From the quarry south. Design complete.
Hukanui - Waerenga	Tahuna Rd	17.299	17.586	0.287	From Te Hoe to the east. Design complete.
Eureka	Tauwhare Rd	5.924	6.940	1.016	Up to Platt Rd intersection. Design complete.
Whangamarino	Te Kauwhata Rd	1.406	1.554	0.148	East of Travers Rd intersection. Survey complete.
Huntly	Tregoweth Lane	0.460	0.642	0.182	From Metrapanel north (deferred from 2015/16). Property purchase negotiations to be carried out by WDC Properties staff. Design being updated to a two lane configuration.
Huntly	Waingarō Rd	14.550	14.780	0.230	West of long left bend (east of Rotowaro Rd). Survey complete.
Onewhero - Te Akau	Waikaretu Valley Rd	1.190	1.900	0.710	1.2km from Highway 22 past long slip area. Design complete.
Onewhero - Te Akau	Waikaretu Valley	2.080	2.598	0.2	Downhill past dropout. Survey complete.

Ward	Name/Location	RP Start	RP end	Lengths (km) to be constructed	Status
	Rd				
Awaroa - Tuakau	Whangarata Rd	2.892	3.663	0.771	From Ridge Rd (rail overbridge) past Ewing Rd then west. Design complete.
Awaroa - Tuakau	Whangarata Rd	1.356	1.586	0.230	Bollard Rd to the west. Design complete.

Roading

Waikato District Alliance (WDA)

Month overview.

The Alliance continues to focus on post cyclone network repair, caused by the recent storm events. This has included detailed surveying and monitoring of the major areas of instability and preparation of funding submissions to the Transport Agency.

Community road shows were undertaken at Waerenga and Te Mata, where a mixture of both positive and negative performance feedback was received. Roadshows provide an opportunity to engage directly with the communities that use the network, which allow Council and the Alliance to gain an enhanced understanding of community needs. A post roadshow driveover of the Te Mata area by Councillors and Staff was conducted to put reported issues into context.

Zero Harm

A Non Conformance Report (NCR) relating to insufficient environmental controls on a culvert replacement project was issued during the month. Notified deficiencies were rectified immediately. An investigation into the incident has identified a number of actions to prevent recurrence, which are being progressed.

Incidents during the month included a bee sting which resulted in localised swelling and a small diesel spill, which was contained using on-site materials.

Near misses reported during the month included vehicles getting stuck in soft ground, when parking off the road, a telephone cable strike and the theft of a trailer from a work site at night.

Asset Management

The Asset Management team continue to work in conjunction with the WDC Roding team on the Activity Management Plans, which form part of the Transport Agency and WDC LTP submissions.

Capital Works

The Capital Works programme has been substantially completed with 16,315m of pavement constructed. Balance of 1.7km remains, which is planned to be sealed during June (weather permitting). The team is currently developing geometric and pavement designs for the 2017/18 season, in anticipation for August construction. Enabling works for next season's projects has been brought forward, which will allow teams to utilise favourable weather during the early months of the construction season.

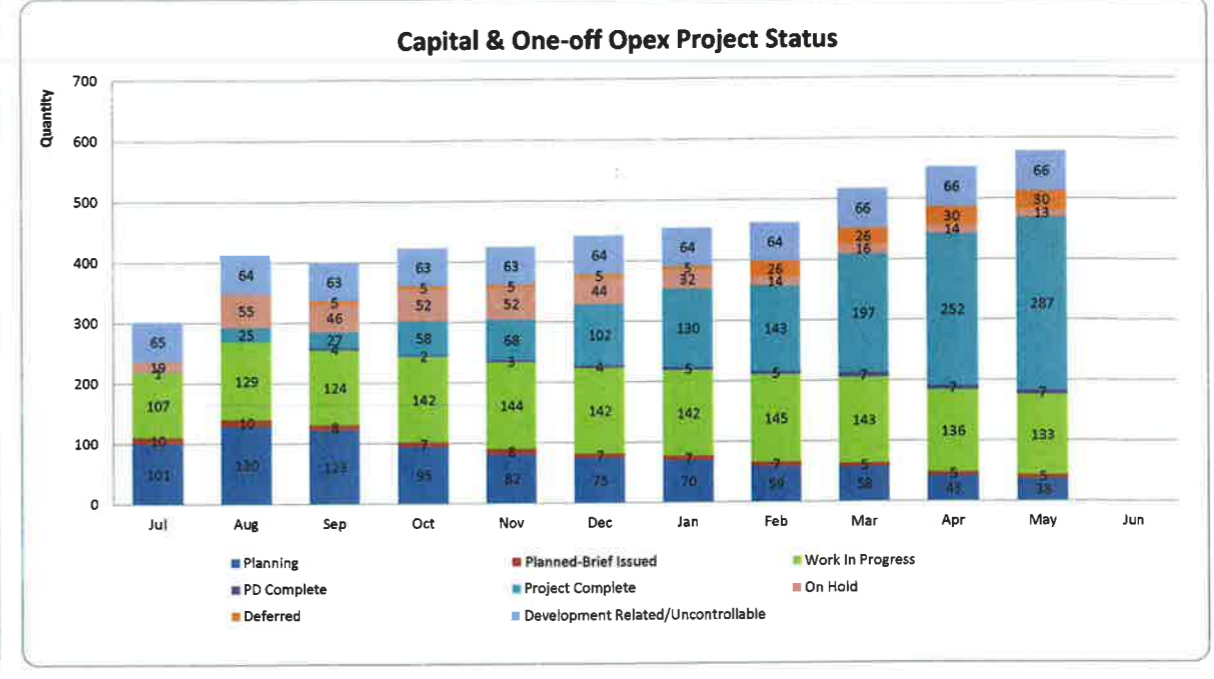
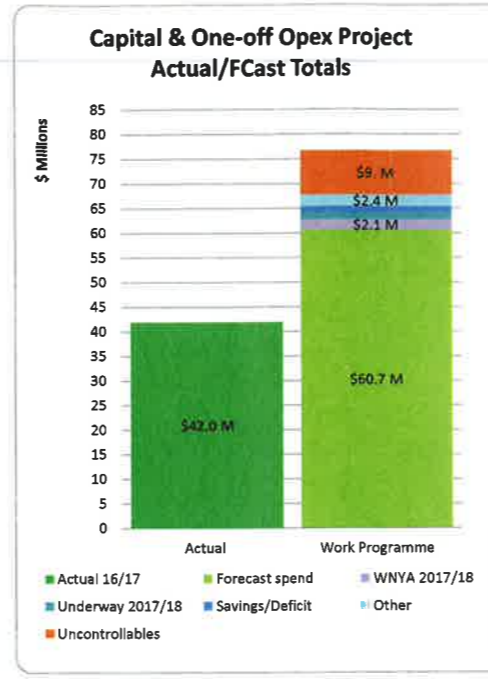
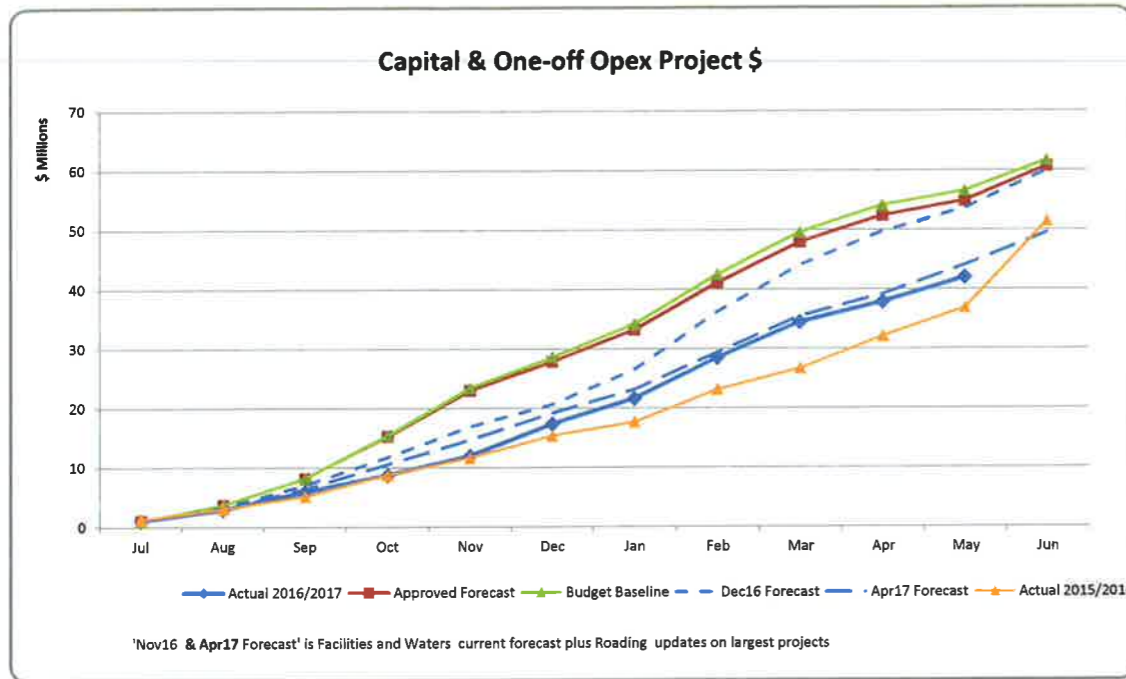
17/18 surfacing programme is being finalised, with asphalt surfacing planned to commence during July.

Maintenance

A large amount of resources and time has been spent on the ongoing network clean-up of post cyclone damage, which is primarily flooding, and over / under slips.

Three maintenance graders and support vehicles have been full time on the unsealed network during May.

Maintenance Operations Manager (Fraser Nicholls) has been recently posted into the Alliance from Downer; Fraser will bolster the maintenance teams capability and will primarily focus on programme planning which will enhance delivery.



CAPITAL & ONE-OFF OPEX PROJECTS						
Team	Full Year Budget	YTD FCast	YTD Actual	Fcast vs Actual Variance	Variance %	Variance Status
Rooding	29,599,834	23,862,902	19,322,714	4,540,188	19%	
Facilities	10,297,775	6,945,014	5,898,071	1,046,943	15%	
Waters	36,413,595	24,130,983	16,802,524	7,328,459	30%	
TOTAL	76,311,204	54,938,899	42,023,309	12,915,590	24%	

CARRY FORWARDS to 2017/2018				Comment
Team	WNYA	Underway	Develop./Uncontrol.	
Rooding	728,117	4,652,498	3,587,611	WNYA Ext to Annebrook Rd (\$728K), compulsory land acquisition process is underway but will not be completed this financial year, UNDERWAY Taupiri Mangawara Stream Crossing (\$1,942K) to be completed by Mar18, Te Awa River Ride (\$2,611K) expected completion date Aug17, Bridge Renewals (\$100K). WNYA relates to \$1,536k Ngaruawahia Community Facility, \$534k Tuakau Dog Pound, \$175k DW Toilets, \$100k Raglan Wharf handrails, \$51k Tuakau Library design, \$47k Whatawhata Community Centre, \$38k Lake Rotokauri and \$22k Mercer Community Centre. Underway relates to \$71k DW Boat Ramps, \$10k Lake Hakanoa Camp Ground Office (budget increase yet to be processed for additional \$20k), \$377k Ngaruawahia Council Office, \$483k Ngaruawahia Community Facility, \$150k Lake Kainui, \$203k Meremere Library, \$32k Wainui Reserve, \$53k DW Sports Grounds, \$76k DW Toilets, \$265k Tamahere Walkways. There is a further -\$1.94m in negative carry forward under Development Led. Facilities are also looking to carryforward the following operational budgets \$80k Port Waikato if not demolished, \$50k fences required under resource consent without fencing covenant and the balance (approx \$90k) of the Huntly Hall budget if required for potential demolition.
Facilities	2,504,402	1,720,488	1,952,754	WNYA relates to \$460k WW overflows reduction plan operations; \$356k Raglan SW Retic extensions with construction dependent on if consents reqd; \$250k DW WWPS renewals that tenders are due mid May; \$77k Pokeno Hydraulic Improvements to Gr Sth Rd that has stalled due to issues with NZTA owning bridge and WDC owning road; \$70k DW WW Retic renewals tendering late May and a further \$61k capex and \$20k opex spread over four projects. Underway relates to 20 projects, main items are \$1.3m Pokeno WW stage 2 construction works programme extended to Aug17; \$1.2m Pokeno, Hopuhopu and Central District Reservoirs portion of the works expected to slip into 2017/18 largely due to the delays in securing land; \$476k DW WW pump stations renewals and upgrades; \$450k WW Overflows SCADA improvements; \$372k Nga stormwater network upgrades; \$350k Southern Districts water supply extensions (Stevensons easement still to be resolved); \$330k Tuakau water supply reticulation extensions provisional item in awarded contract; \$229k DW WW reticulation renewals; \$200k Huntly water supply treatment plant UV (July completion). Other notes: There is a further -\$850k in negative carry forward for the Huntly Reservoir; Huntly and Te Kauwhata transfer stations/recovery centre upgrades total budget of \$865k has been categorised as Development Led/Uncontrollable due to the stalled contractor negotiations.
Waters	1,294,008	5,064,721	8,171,659	
TOTAL	4,526,527	11,437,707	13,712,024	WNYA amount under/(over) \$5.816m max = \$1,935,521
2015/2016	6,462,048			Goal - 10% reduction in WNYA
% Reduction	30%			

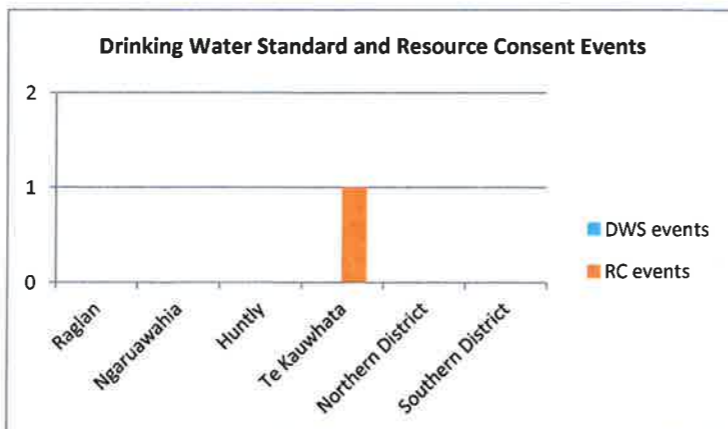
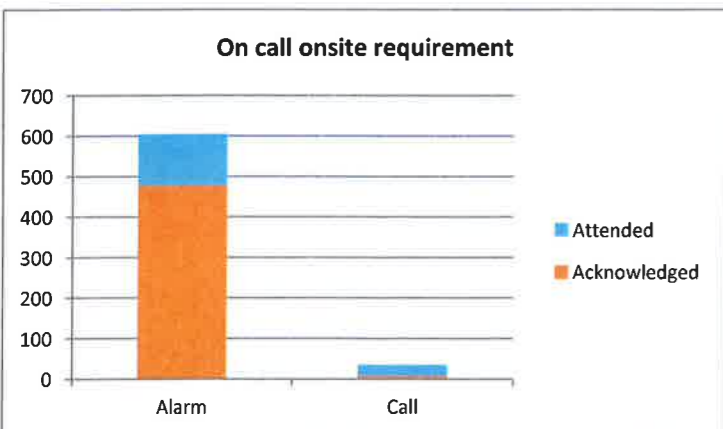
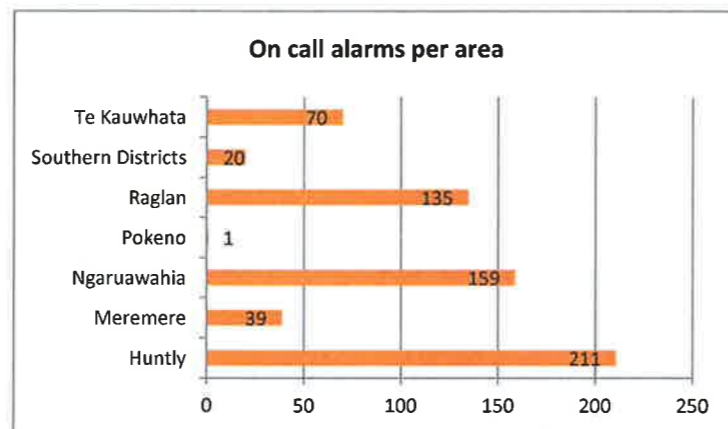
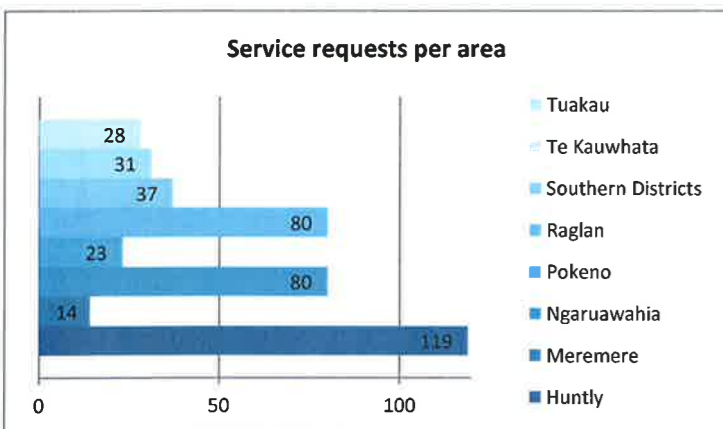
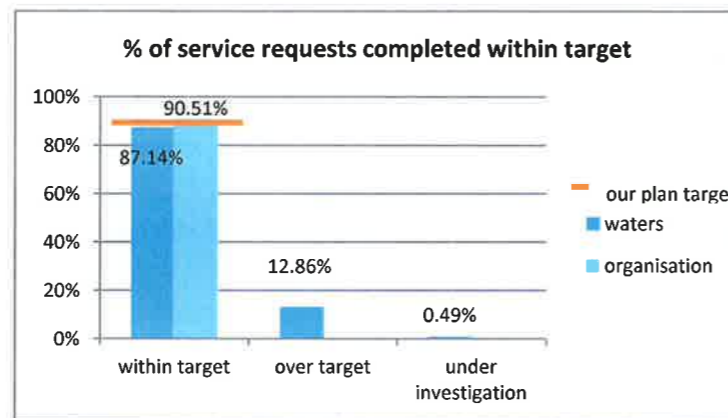
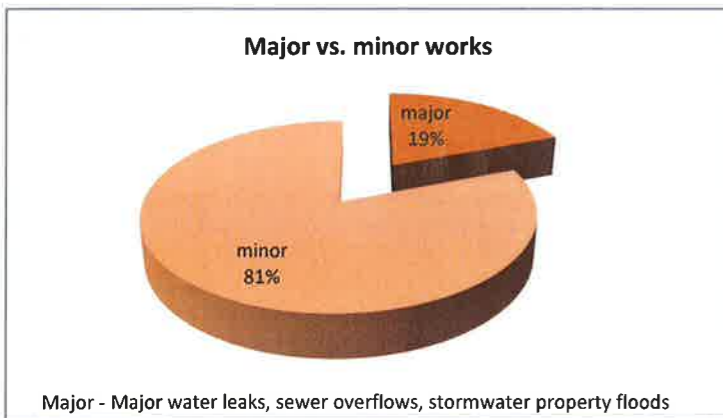
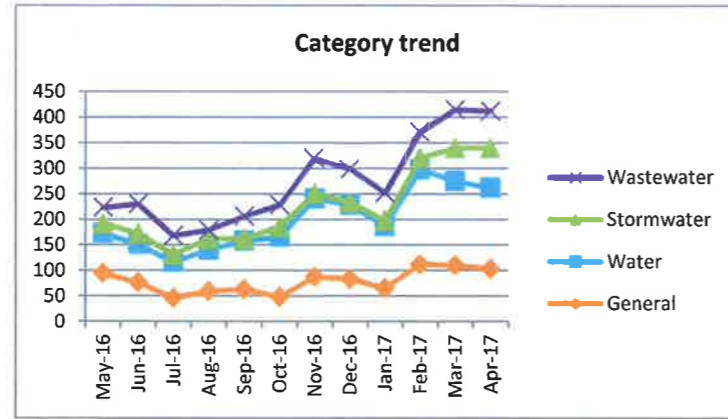
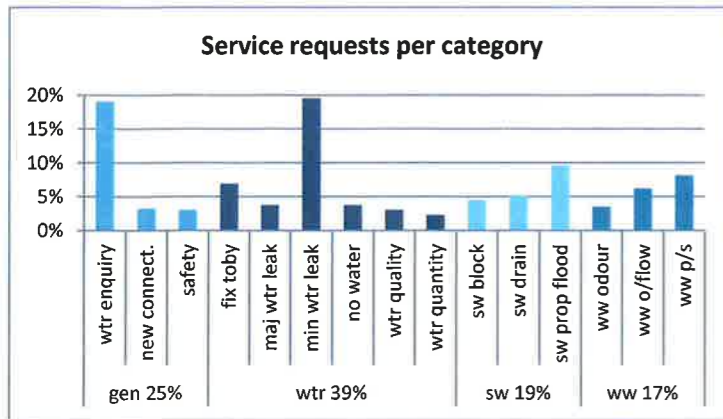
Programme: Waters – District Wide

Manager: Martin Mould

Date: March – April 17

Version: Final

Service Requests Breakdown



Mandatory Performance Measures

Measure	Measure	March (16 th -)	April
		Water	
The number of complaints received by WDC about drinking water clarity, taste, odour, pressure, flow, continuity of supply	< 17 per 1000 connections	1.39 per 1000 connections (20 complaints)	1.60 per 1000 connections (23 complaints)
Fault Response Times for Urgent call outs	60 minutes median	N/A	124.66 minutes
Fault Completion Times for Urgent call outs	240 minutes median	N/A	171.66 minutes
Fault Response Times for Non-Urgent call outs	1 day median	1.58 days	3.25 days
Fault Completion Times for Non-Urgent call outs	5 day median	1.58 days	2.2 days
Wastewater			
The number of dry weather sewerage overflows from WDC wastewater system	< 5 per 1000 connections	0.27 per 1000 connections (3 complaints)	0.27 per 1000 connections (3 complaints)
The total number of complaints received by WDC about the waste water system	< 25 per 1000 connections	0.54 per 1000 connections (6 complaints)	0.90 per 1000 connections (10 complaints)
Fault Response Times for Sewerage Overflows	60 minutes median	72.66 minutes	38.6 minutes
Fault Completion Times for Sewerage Overflows	240 minutes median	159.66 minutes	189.4 minutes
Stormwater			
The number of flooding events (affecting habitable floors)	<0.3 per 1000 connections	0	0
The number of complaints received by WDC about the stormwater system	<4 per 1000 connections	0.67 per 1000 connections (9 complaint)	0.82 per 1000 connections (11 complaints)
Median Fault Response Times to attend a flooding event	8 hours	N/A	NA

Number of Service Requests

	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	YTD
Wtr enquiry	67	47	35	37	45	31	62	63	45	82	84	78	676
New connect.	23	24	7	16	14	14	19	13	16	25	21	13	205
Safety	4	5	4	6	4	3	6	7	4	5	5	12	65
Toby repair	18	17	11	9	24	12	12	13	14	20	21	28	199
Major wtr leak	7	9	4	10	6	21	15	14	19	24	18	15	162
Minor wtr leak	30	34	25	36	38	42	87	78	56	76	83	80	665
No water	17	11	5	6	4	9	20	26	23	38	18	15	192
Wtr quality	1	4	16	13	12	25	7	6	4	19	14	12	133
Wtr quantity	6		9	7	11	9	13	9	6	9	11	9	99
SW block	8	11	5	6	1	4	6	2	6	5	13	18	85
SW drain	5	5	5	6		5	2	1	5	15	27	21	97
SW property flood	6	5	5	10	3	10	2	2		2	25	39	109
WW odour	2	4	2	1	3	3	2	1	2		10	14	44
WW overflow	5	14	7	12	12	9	17	20	14	10	26	25	171
WW p/station	24	40	28	4	29	31	50	44	38	41	39	33	401

Comments

Category trend – evening out as the rain events pass and the district settles into winter

Mandatory performance measures – the teams have worked hard to keep as close to the measures as possible, as the rain events and cyclones ease off our stats are coming back into line

Service request completion rates – dropped due to increased load of requests relating to weather events across the district

On call alarms per area – starting to decrease as the weather balances out, along with less alarms requiring physical attendance on site

Resource Consent Event – Meremere experienced high rainfall, resulting in a need to discharge outside of consented discharge times

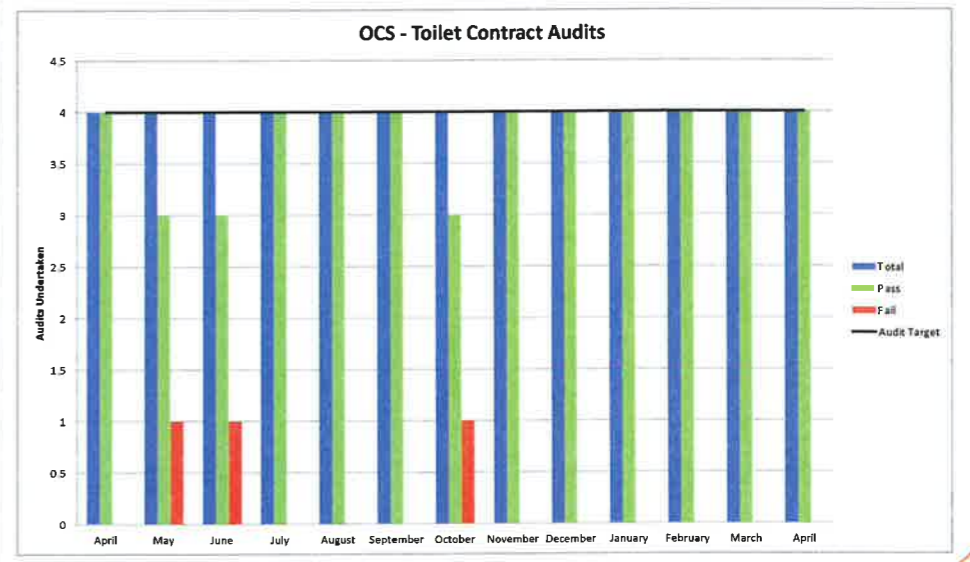
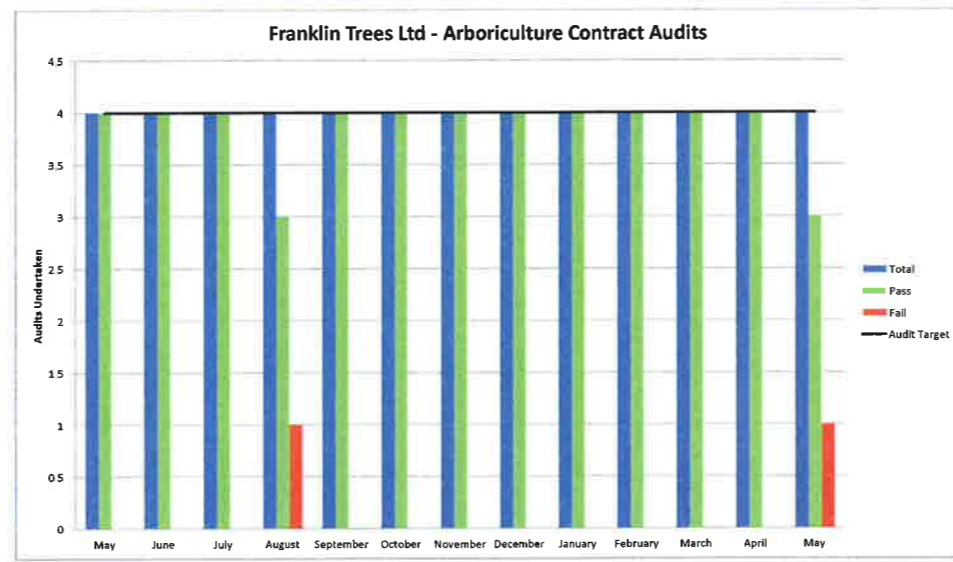
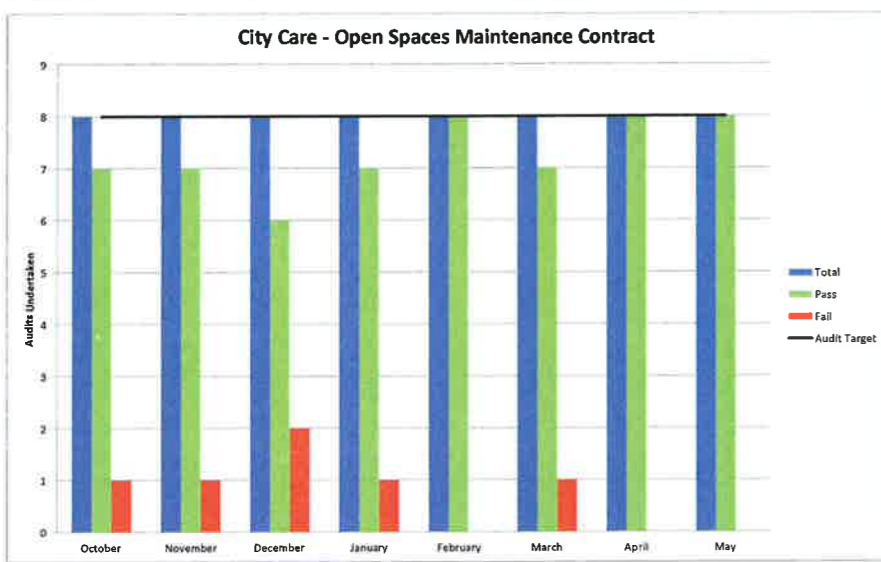
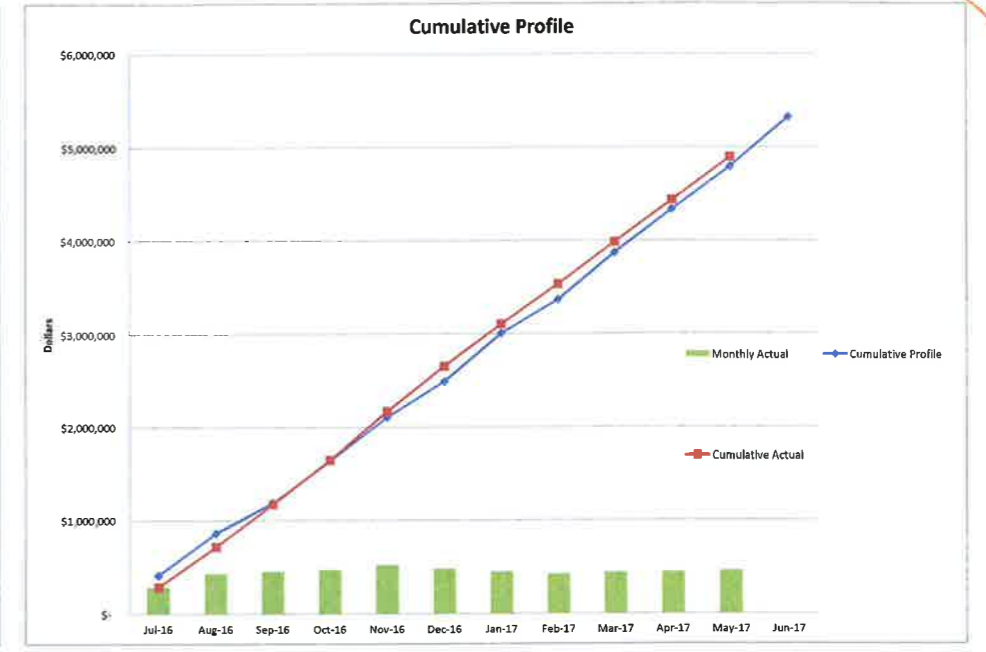
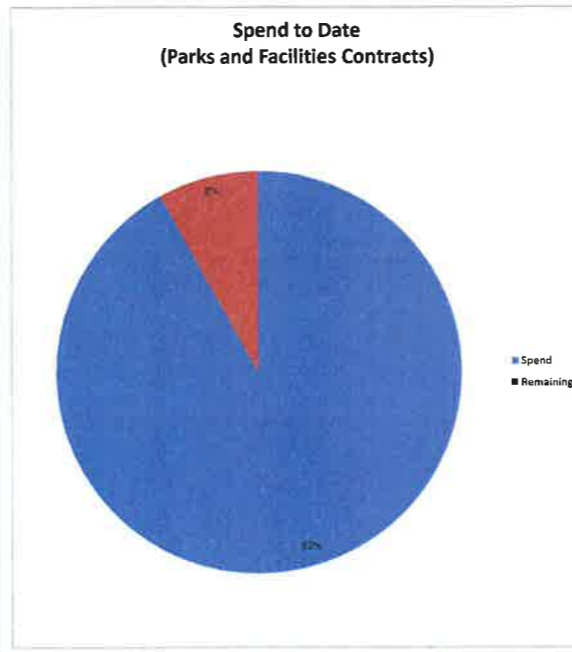
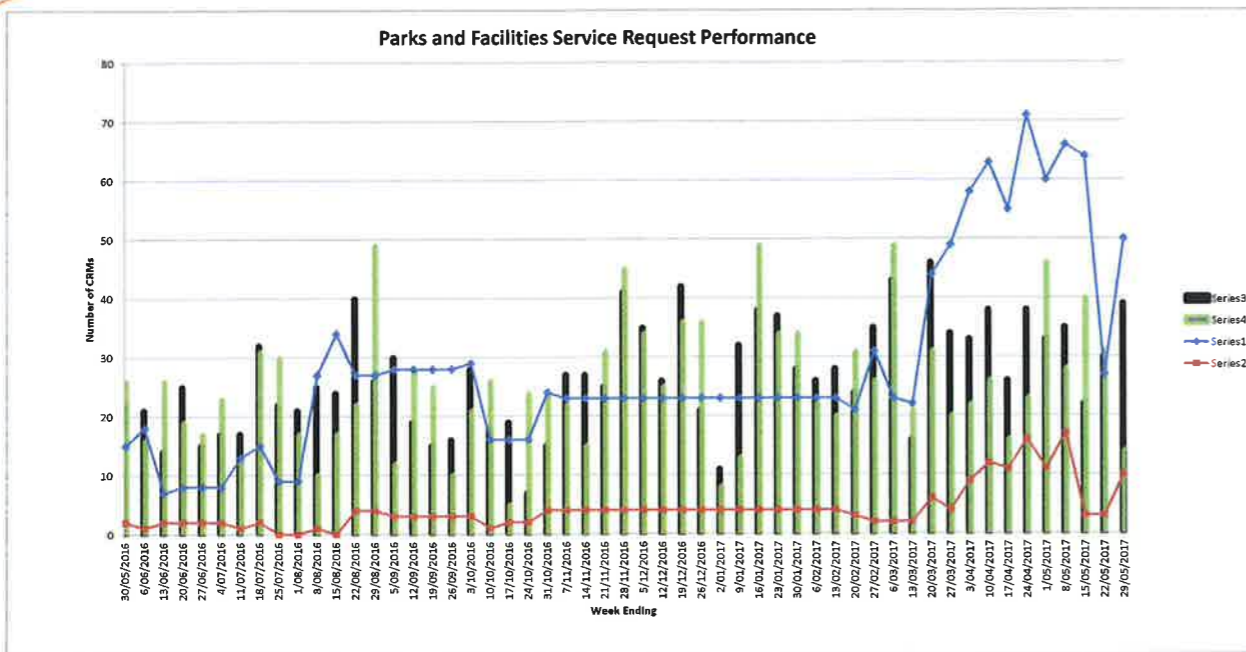
DWS Event – compliance measure transgression requiring the Drinking Water Assessor to be notified, transgression is not the same as non-compliant

RC Event – breach of resource consent condition that requires WRC to be notified, this is not necessarily a measure of overall compliance for the year and excludes WWTP laboratory results outside of consent conditions

Activity Dashboard Report

Programme : Open Spaces Operations
 Manager: Duncan MacDougall

Date: Jun-17
 Version: Final



Service Request Performance:

The number of service requests remains comparable to previous months. The majority of service request received over May were grass verge queries and ad hoc minor maintenance.

Financial:

Operational spends are tracking within overall budget. Report to be prepared to Infrastructure in August requesting an increase in ACS for CityCare contract, due to variations entered into since the original contract sum was approved.

Audits: City Care (Open Spaces Maintenance Contract)

The contract specifies that 8 joint audits are to be undertaken each month in conjunction with the contractor. The audit pass mark is 90% and above. City Care averaged 96% over May. The highest score was 100% and the lowest score 90%.

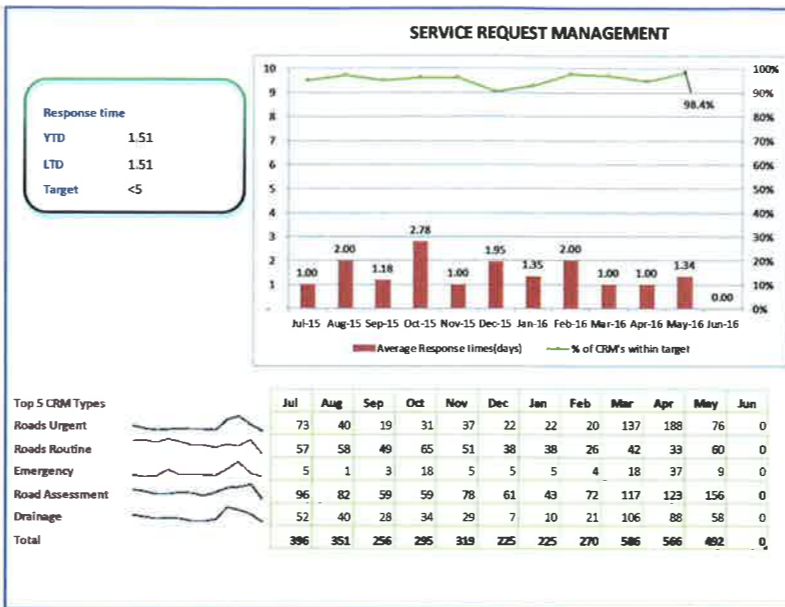
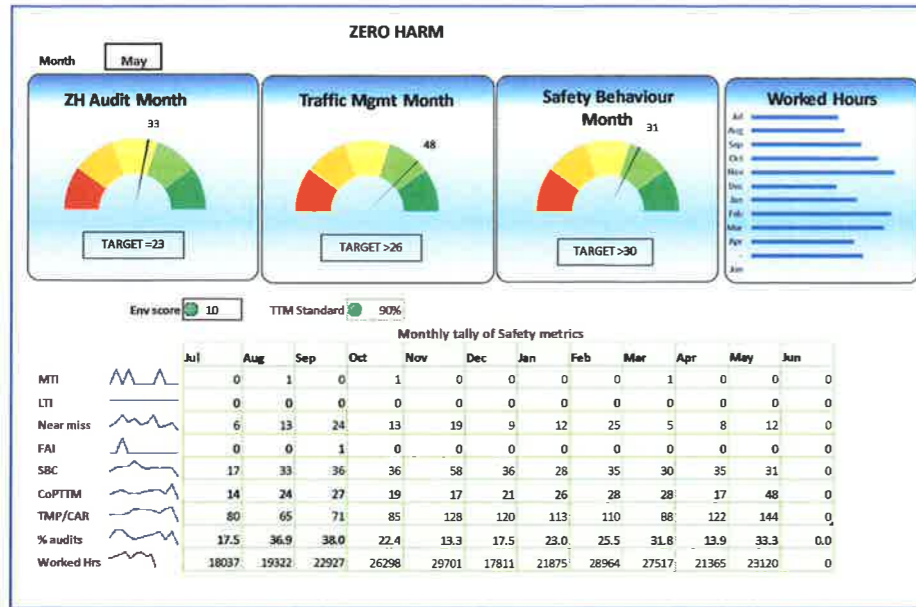
Audits: Franklin Trees (Arboriculture Maintenance Contract)

The contract specifies that 4 audits be undertaken each month. The audit pass mark is 95% and above. Franklin Trees audits averaged 97% over the May period. The highest score was 100% and the lowest score 91%.

Audits: OCS (Public Facilities Cleaning Contract)

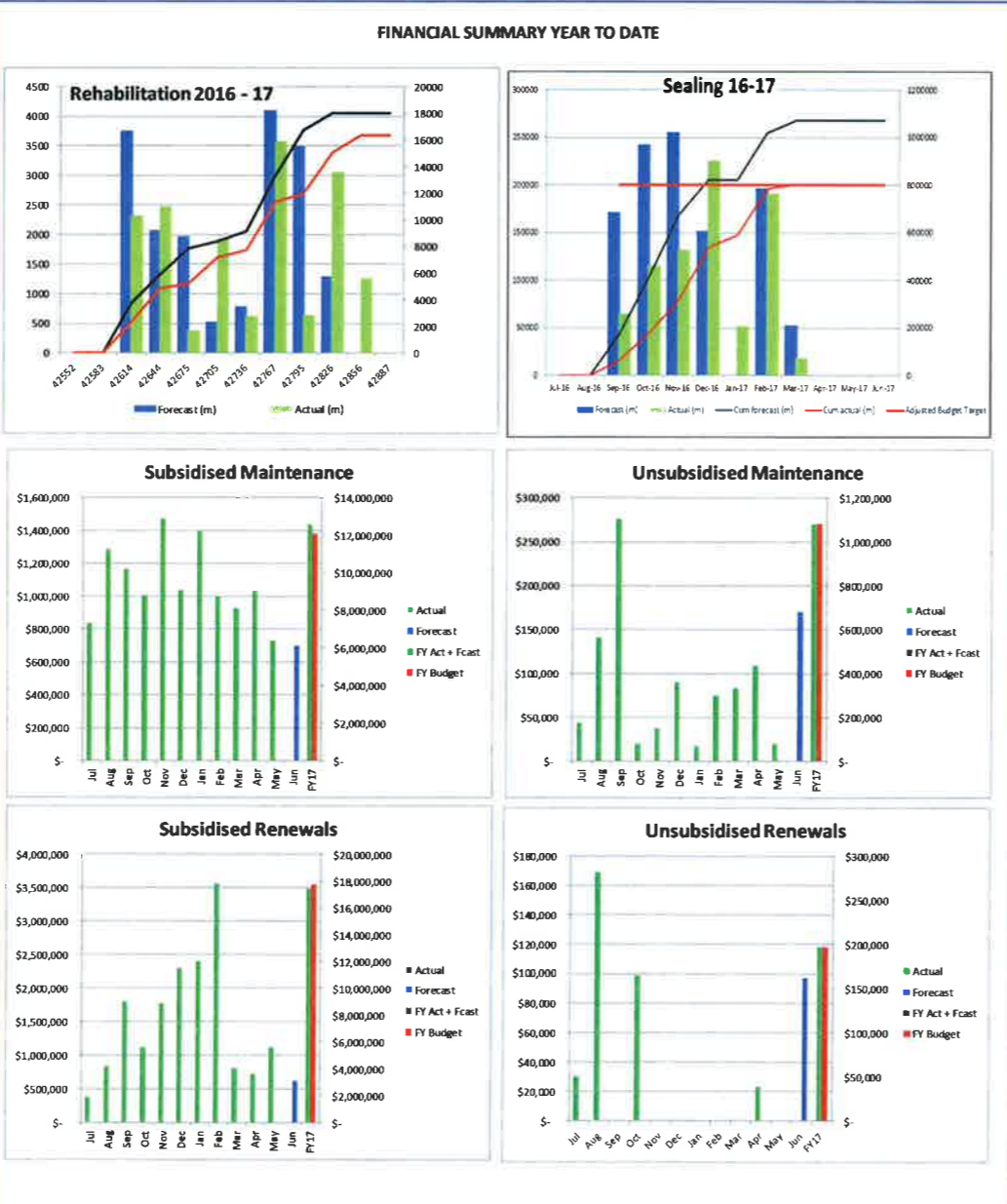
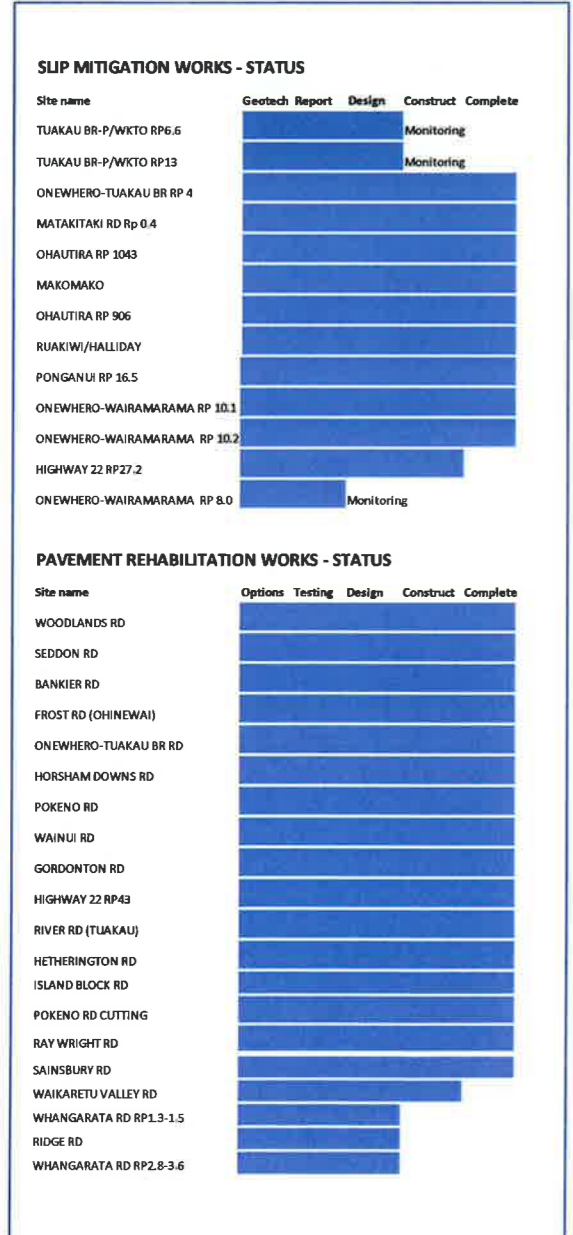
The contract specifies that 10% of the Public Cleaning Contract shall be audited each month. An audit pass mark is 90% and above. OCS audits averaged 92% over May. The highest audit scored 93% and the lowest scored 90%.

WAIKATO DISTRICT ALLIANCE DASHBOARD - May 2017



NETWORK INDICATORS

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
Litter collected (tn)	21	17	16	19	12	13	10	11	14	14	13	-	159
Edge marker post(ea)	34	104	93	7	1	51	6	140	74	36	109	-	655
Sign renewals (ea)	33	56	37	52	67	25	56	52	42	50	25	-	495
Potholes filled (ea)	616	675	985	489	365	239	342	486	374	108	531	-	5,210
Edgebreak repair (m)	1,237	1,496	391	11	37	24	31	63	220	42	115	-	3,666
Unsealed grading (km)	113	280	168	222	219	217	131	236	110	95	265	-	2,056
Watertable clean (km)	3.3	5.9	27.0	7.7	7.4	7.1	10.6	1.4	-	-	2	-	72.2
Vegetation mowing (km's)	-	-	185	1,088	871	438	677	806	853	681	620	-	6,219
Sweeping (tn)	56	58	3	81	46	56	34	25	38	48	56	-	500



- ### KEY PERFORMANCE INDICATORS
- Zero Harm** ● There were no MTI or LTI sustained in May.
 - Customer** ● The average response time to Customer Requests has slightly increased to 1 and a quarter days.
 - Financial** ● The finance team have been preparing for the annual audit, end of year accounts and building the 17/18 TCE.
 - Team** ● The team is recruiting a Quality Coordinator, following a resignation, and a Customer Liaison Officer, following career progression.
 - Risk** ● The WDA Risk Management Plan has been reviewed and is awaiting approval.
 - Quality** ● The Quality team are preparing for the annual Supply Partner evaluations and Q4 of the Performance Framework.
 - Bright Ideas/Innovation** ● 14 Bright Ideas have been submitted this FY.
-
- Key**
- MTI - Medical Treatment Injury
 - Near miss - Event that could have the potential to cause harm
 - FAI - First Aid Injury
 - SBC - Safety Behavioural Conversation
- TMP/CAR - Number of TMP/Corridor Access Requests Received

Open Meeting

To	Infrastructure Committee
From	Tim Harty General Manager Service Delivery
Date	9 June 2017
Prepared by	Andy Baker Principal Rural Fire Officer
Chief Executive Approved	Y
Reference #	INF2017 (27/06/2017)
Report Title	Fire & Emergency NZ Transition

I. EXECUTIVE SUMMARY

Currently Waikato District Council is mandated under the Forest and Rural Fires Act 1977 to act as the Waikato Rural Fire Authority and as such has responsibility to manage rural fire.

On 11 May 2017, Royal Assent was granted to the Fire and Emergency NZ bill enabling the legislation that repeals the Fire Service Act 1975 and the Forest and Rural Fires Act 1977 and accordingly establishes a new combined urban and rural fire organisation to be known as Fire and Emergency New Zealand (FENZ).

From 1 July 2017 Waikato District Council (WDC) will cease to be a rural fire authority with responsibilities being transferred to FENZ.

A number of tasks are being undertaken by the FENZ transition project team including transferral of data, asset ownership and the management of processes after 1 July 2017. A number of WDC staff are involved in this transition project.

The purpose of this report is to update Council on the transition project and seek approval to delegate authority to the Chief Executive to make decisions on behalf of Council through the transition process.

2. RECOMMENDATION

THAT the report from the **General Manager Service Delivery** be received;

AND THAT the **Infrastructure Committee** recommends to Council that the **Chief Executive** be granted delegated authority to negotiate the transferral or licence to use Council owned assets associated with the **Rural Fire** activity;

AND FURTHER THAT the **Infrastructure Committee** recommends to Council that the **Chief Executive** be granted delegated authority to negotiate any other

process associated with the Rural Fire activity resulting from the transfer of Rural Fire responsibilities to Fire and Emergency New Zealand (FENZ).

3. BACKGROUND

3.1 EXISTING RURAL FIRE RESPONSIBILITIES

Currently Waikato District Council is a Rural Fire Authority and as such manages rural fire activity by way of the 4Rs:

- Reduction – reducing the incidence or potential of fires in rural areas through planning, education and management (eg fire seasons)
- Readiness – being prepared to respond to fires
- Response – actually responding in an effective manner
- Recovery – having processes in place to enable recovery from fires.

Waikato District Council as the Fire Authority currently supports and is responsible for three Voluntary Rural Fire Forces (VRFFs) located at Te Akau, Maramarua and Onewhero as well as previously providing financial support to local NZ Fire Service Brigades namely Huntly and Ngaruawahia.

Waikato District Council operate as a Rural Fire Authority with the responsibility of ensuring there is a current Fire Plan, that VRFFs meet standards as set by the National Rural Fire Authority and are equipped to ensure they are capable of responding in a timely and most importantly safe manner. It also has a duty to ensure that there are strategies and processes in place to ensure the incidence or likelihood of fires in rural areas are reduced through education and adoption of policies and by laws.

The NZ Fire Service is responsible for all fire and emergency situations within urban fires districts (those areas outside rural fire areas) as well as having responsibility to attend structure fires within rural fire boundaries.

Funding for rural fire has come from general rates. A Principal Rural Fire Officer (PRFO) has for the most part been an independent contractor outside of Council providing a basic level of service to ensure all requirements were met. This contract has been managed by the Roading team. However for a period of around two years in 2015 to October 2017, the position was held by a staff member who was part of the Parks and Facilities team within Council.

Positions of Deputy PRFO and several Duty Rural Fire Officers have existed to ensure adequate ability to respond to callouts and to undertake other duties such as inspections related to applications for fire permits.

These positions have been filled by WDC staff from various departments with them receiving on duty and call out related allowances

3.2 FIRE AND EMERGENCY NZ TRANSITION

From July 1 2017 Waikato District Council (WDC) will cease to be a rural fire authority with responsibilities being transferred to FENZ.

The establishment of Fire and Emergency New Zealand will create a combined fire and emergency response service within NZ, removing the current situation where NZ Fire, Department of Conservation, Defence Forces, private industrial brigades, forestry companies, Rural Fire Authorities (eg Waikato) and Enlarged Rural Fire Districts are responsible for differing areas.

This has significant impact on not only the Waikato District Council but all the volunteer and full time paid fire fighters whether they be in NZ Fire Service Brigades or rural VRFFs under Council control. No specific rural fire roles will be required in WDC when Council ceases to be a rural fire authority

The transformation and ultimate amalgamation is programmed to take place gradually over the next three or more years, It is a very structured and well planned change.

Fire and Emergency NZ are in the process of finalising with WDC, what commitments or arrangements between WDC and FENZ will exist post July 1, in particular in regard to the processing and issuing of fire permits.

WDC owns a significant asset base including fire appliances, fire related equipment and buildings as well as having a lease agreement with a private property owner in Te Akau where the two buildings housing the VRFF are located.

Attached to this report is the proposed agreement for the transfer of ownership of rural fire assets from WDC to FENZ.

4. DISCUSSION AND ANALYSIS OF OPTIONS

4.1 DISCUSSION

Waikato District Council is required to come to an agreement with FENZ in regard to ownership or control of major rural fire related assets. This includes vehicles and large plant such as portable pumps that are used by the three VRFFs. These have either been fully or partly funded by Council through subsidy schemes or have been acquired through funding mechanisms such as fundraising or use of community trusts or simply transfer at no cost from Council fleet or NZ Fire Service. Also required is an agreement regarding the buildings and land that are used to house the VRFFs.

The assets of each VRFF are as listed within attachment.

Currently WDC undertakes fire permitting using a system developed whereby applicants can make application online via the WDC website, by ringing or visiting a Council office.

Applications are distributed to the rural fire officers who are appropriately qualified to consider and approve or decline the application.

For the most part, applications can be determined without visiting the site as the fires are generally small and with stated mitigation of any risk.

However where the rural fire officer believes the risk is higher through the location, size or type of fire applied for, a visit to the site is undertaken.

As the rural fire officers are employed within other parts of the Council structure, they receive an allowance in regard to the extra work generated through the fire permitting and also attending call outs to fire events whilst on call which is determined by roster.

4.2 OPTIONS

There are three main areas where decisions need to be made by Council. In all cases the Chief Executive can negotiate the best outcome for Council

4.2.1 Fire permitting

There are two options:

Option 1: Status quo with Council continuing for an agreed timeframe to administer, inspect and issue fire permits based on an agreement with FENZ.

This option is recommended however further details need to be confirmed. There is no indication that FENZ has a system that is robust enough or proven to be able to provide the communities of Waikato the service they require. An agreement will be required between WDC and FENZ that ensures the communication between the two organisations is appropriate in regard to exchange of permitting information.

Option 2: FENZ take over the permitting process using a yet to be finalised interim solution until such time they are able to introduce a nationwide permitting system.

4.2.2 Buildings and Land

FENZ requires assurance from WDC that from 1st July 2017, the VRFFs are able to continue to use the buildings they currently occupy. There is no requirement for WDC to rush into any agreement to hand over ownership to FENZ who acknowledge these discussions will take time to arrive at the best outcome. Negotiations will be ongoing and the Chief Executive will have final decision based on the best outcome for Council, if the recommendations of this report are supported.

4.2.3 Vehicles and Plant

These assets vary in age and condition and were sourced or funded in a variety of ways. It must be noted here that FENZ will not remove any existing equipment or assets that were fundraised for or contributed to by communities. Details regarding this can be found in the scheduled attached.

Of note here is the water tanker owned by WDC and housed at the Ngaruawahia Fire Station that was purchased by way of community funding.

There are two options to consider:

Option 1: WDC retains ownership and enters into an interim user agreement with FENZ that would require arrangements as to maintenance, insurance and possible replacement costs.

Option 2: WDC agrees to hand ownership to FENZ to allow them to manage and operate the vehicles and plant as they seem fit and appropriate.

Option 2 is recommended where WDC assigns ownership of all vehicles and equipment currently owned by WDC and in use by the VRFFs to FENZ from 1st July 2017 at no cost to FENZ other than necessary change of ownership and that a memorandum of understanding between WDC and FENZ be created honouring the similar MOU that exists between the WDC and Ngaruawahia Fire Brigade in regard to the water tanker.

5. CONSIDERATION

5.1 FINANCIAL

There will be a reduction in costs associated with rural fire in future years once rural fire responsibilities are transferred to FENZ. With the transition to FENZ scheduled to take a number of years and some interim arrangements yet to be finalised, the total impact on Council finances is not able to be determined accurately at present. Any and all costs associated with WDC providing rural fire related services should be negotiated between WDC and FENZ in due course.

The attached schedule details the financial implications for Council. Based on the current recommendations the financial implications total \$152,030 which is the book net book value of vehicles and plant should they be “gifted” to FENZ.

5.2 LEGAL

Council’s legal team have reviewed the asset transferral and licence to use agreements and consider it to be acceptable. These will be used to form the basis of agreements with FENZ regarding assets.

5.3 STRATEGY, PLANS, POLICY AND PARTNERSHIP ALIGNMENT

The current Rural Fire Plan will be adopted by FENZ from July 1 as a guiding document as required by the new legislation with appropriate modifications in regard to the Response section whereby reference to WDC responses will be removed and replaced with FENZ personnel and processes.

5.4 ASSESSMENT OF SIGNIFICANCE AND ENGAGEMENT POLICY AND OF EXTERNAL STAKEHOLDERS

Highest levels of engagement	Inform	Consult	Involve	Collaborate	Empower
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Tick the appropriate box/boxes and specify what it involves by providing a brief explanation of the tools which will be used to engage (refer to the project engagement plan if applicable).</i>	This is a Government initiated change and as such the FENZ transition team and FENZ Board are responsible for undertaking public and significant stakeholder engagement. There is a very informative website – www.fenzproject.co.nz .				

Planned	In Progress	Complete	
	X		Internal
	X		Community Boards/Community Committees
			Waikato-Tainui/Local iwi (provide evidence / description of engagement and response)
X by FENZ			Households

Planned	In Progress	Complete	
			Business
			Other Please Specify

6. CONCLUSION

July 1 2017 will see the establishment of a new legal entity – Fire and Emergency NZ – which will have responsibility and legal mandate for all fire and emergency situations and will result in the cessation of the Waikato Rural Fire Authority.

As part of the transition plan Council and staff need to make three key decisions. The first is around management of fire permits that staff believe needs to be maintained with Council. The second and third issue is around asset ownership and responsibility. It is considered that the best option is to transfer vehicles and plant to FENZ with buildings and land remaining in Council ownership. Leases will be negotiated with FENZ for the use of the land and building assets.

It is envisaged there will be no disruption to the manner in which the community can report incidents or the response by our emergency services to them.

7. ATTACHMENTS

- Asset ownership transfer agreement
- Rural Fire Asset Register
- Licence to use agreement

Transfer Arrangement – Response Assets

Waikato District Council

New Zealand Fire Service Commission

Date: 23 May 2017

PARTIES

Waikato District Council (*Transferor*)

New Zealand Fire Service Commission (*NZFSC*)

BACKGROUND

- A The Transferor owns the Transferred Assets.
- B The NZFSC is a Crown entity established under the Fire Service Act 1975 and, under section 8 of the Fire and Emergency New Zealand Act 2017 (*FENZ Act*), is to become Fire and Emergency NZ on Day One.
- C Clauses 8 and 16 of Schedule 1 to the FENZ Act contemplate that transfer arrangements may be agreed to transfer Response Assets to Fire and Emergency NZ.
- D The parties wish to record their agreed arrangements regarding the transfer of the Transferred Assets to Fire and Emergency NZ.

OPERATIVE PART

1 Definitions set out in Reference Schedule

- 1.1 The terms defined in the Reference Schedule of this transfer arrangement have those meanings throughout this transfer arrangement.

2 Transfer of Response Assets to Fire and Emergency NZ

- 2.1 In consideration of \$1.00 plus GST (if demanded), the Transferor agrees with the NZFSC to transfer the Transferred Assets to Fire and Emergency NZ on the terms set out in this transfer arrangement.
- 2.2 Unless otherwise stated in this transfer arrangement, ownership in the Transferred Assets will transfer to Fire and Emergency NZ at midnight falling at the close of 30 June.
- 2.3 Possession of and risk in the Transferred Assets will pass to Fire and Emergency NZ on the transfer of ownership in the Transferred Assets.
- 2.4 The Transferor and the NZFSC agree that only the Transferred Assets will transfer to Fire and Emergency NZ.

3 Identification of additional Response Assets

- 3.1 If, before Day One, any Response Assets of the Transferor are identified which are not listed in the Asset Schedule to this transfer arrangement, the Transferor and the NZFSC will seek to agree whether those Response Assets are to be transferred to Fire and Emergency NZ. If the Transferor and the NZFSC agree that the

Response Assets are to be transferred to Fire and Emergency NZ, the Transferor and the NZFSC will update the Asset Schedule to this transfer arrangement.

- 3.2 If, on or after Day One, any Response Assets of the Transferor are identified which are not listed in the Asset Schedule to this transfer arrangement, the Transferor and Fire and Emergency NZ will seek to agree whether those Response Assets are to be transferred to Fire and Emergency NZ. If the Transferor and Fire and Emergency NZ agree that the Response Assets are to be transferred to Fire and Emergency NZ, the Transferor and Fire and Emergency NZ will update the Asset Schedule to this transfer arrangement.

4 **Damage or destruction before transfer of risk**

- 4.1 If, before risk in a Transferred Asset passes to Fire and Emergency NZ under clause 2.3, any of the Transferred Assets is destroyed or is damaged so as to be untenable (in the case of a building) or irreparable (in the case of any other Transferred Asset):

- (a) the Transferor will notify the NZFSC (if before Day One) or Fire and Emergency NZ (if on or after Day One) as soon as reasonably practicable after becoming aware of the destruction or damage including details of the date and cause of the destruction or damage;
- (b) that Transferred Asset will not be transferred to Fire and Emergency NZ (unless agreed otherwise).

- 4.2 If, before risk in a Transferred Asset passes to Fire and Emergency NZ under clause 2.3, any of the Transferred Assets is damaged but is not destroyed or rendered untenable (in the case of a building) or irreparable (in the case of any other Transferred Asset):

- (a) the Transferor will notify the NZFSC (if before Day One) or Fire and Emergency NZ (if on or after Day One) as soon as reasonably practicable after becoming aware of the damage including details of the date, cause and nature of the damage, whether the Transferor holds insurance for the damage, the likely timeframe for repairs to the Transferred Asset and whether the Transferor will repair the damage or reimburse Fire and Emergency NZ for the cost of repairing the damage;
- (b) that Transferred Asset will, despite the damage, transfer to Fire and Emergency NZ (unless agreed otherwise);
- (c) unless it is agreed that the Transferred Asset will not transfer to Fire and Emergency NZ, the Transferor will either repair the damage at its cost as soon as possible after the damage is caused or reimburse Fire and Emergency NZ for the cost of repairing the damage; and
- (d) if the Transferor makes an insurance claim for the damage, the Transferor will actively progress that insurance claim but the progression of that claim will not delay the Transferor's obligations under subclause (c).

5 Additional provisions relating to transfer of Land

- 5.1 The parties recognise that land transfer dealings will be required to transfer the Transferor's ownership in the Land to Fire and Emergency NZ. To enable the transfer of the Land:
- (a) the NZFSC will instruct its lawyer to prepare, sign, certify and submit for registration the dealings and documents required to transfer the Land to Fire and Emergency NZ and will sign all necessary documents consenting to the NZFSC's lawyer acting for both parties for registration of the transfer; and
 - (b) the Transferor will instruct the NZFSC's lawyer, on behalf of the Transferor, to sign, certify and release all required documents to effect the transfer of the Land to Fire and Emergency NZ, and will sign all necessary documents consenting to the NZFSC's lawyer acting for both parties for registration of the transfer.
- 5.2 The parties will complete the above matters expeditiously, with a view to the transfers being submitted for registration on Day One. The Transferor will hold the Land on trust for Fire and Emergency NZ until the land transfer dealings are completed.
- 5.3 Where the issue of a separate computer freehold register is required for the Land:
- (a) the NZFSC (if before Day One) or Fire and Emergency NZ (if on or after Day One) will prepare all required documents (including any required subdivision consent applications, survey plans and orders for new computer freehold registers) to obtain a separate computer freehold register for the Land;
 - (b) the Transferor will, in its capacity as landowner, sign and release all documents required to obtain the separate computer freehold register;
 - (c) where a subdivision consent is required for the issue of a separate computer freehold register for the Land, the parties will consult in good faith with a view to agreeing whether to object to, appeal or accept any subdivision consent conditions;
 - (d) the NZFSC (if before Day One) or Fire and Emergency NZ (if on or after Day One) will be responsible for any physical works required as a condition of any subdivision consents obtained; and
 - (e) the parties will complete the matters specified in clauses 5.1 and 8 for the particular Land immediately following the issue of a separate computer freehold register for that Land.

6 Existing leases and licences for Transferred Assets

- 6.1 Where the Asset Schedule identifies that a Transferred Asset is held under a lease or licence, the Transferor's interest in that lease or licence will be transferred to Fire and Emergency NZ in conjunction with the Transferred Asset.

7 Manuals, warranties and other documents

- 7.1 Immediately following signing of this transfer arrangement, the Transferor will transfer or make available to Fire and Emergency NZ all manuals, drawings, records, information or documents it holds in relation to the Transferred Assets, including all warranties, guarantees, covenants, bonds and existing leases, licences and other arrangements.
- 7.2 By Day One, the Transferor will provide to Fire and Emergency NZ the contact details for any third party interested in the Transferred Assets, along with copies of any material correspondence between the Transferor and the third party.

8 Notice of transfers

- 8.1 A reasonable time before Day One, the NZFSC will procure that its lawyers prepare and forward to the Transferor notices of sale of the Land which accord with the requirements of the Local Government (Rating) Act 2002. On or promptly following Day One, the Transferor will forward the notices of sale to the relevant territorial authorities and, if required, the relevant regional councils.
- 8.2 On or promptly following the transfer of ownership in Transferred Assets to Fire and Emergency NZ, the Transferor will advise any affected third parties of the transfers.
- 8.3 Where any Transferred Asset is situated on land which is not owned by the Transferor but where no property right exists for the Transferred Asset:
- (a) the Transferor will advise the owner of that land of the transfer to Fire and Emergency NZ; and
 - (b) Fire and Emergency NZ will be responsible for obtaining any required lease or licence for the retention of that Transferred Asset on that land.

9 Conduct pending transfer

- 9.1 The Transferor will continue to operate and maintain the Transferred Assets to the standard of a reasonably prudent rural fire authority and to the standards, as at the date of this transfer arrangement, of the National Rural Fire Authority until the earlier of:
- (a) the completion of transfer of the Transferred Assets to Fire and Emergency NZ; and
 - (b) Fire and Emergency NZ commencing use of the Response Assets under a use arrangement.

10 Confirmations

- 10.1 Each party confirms to the other party that it has the right, authority and full power to enter into and perform the obligations under this transfer arrangement.
- 10.2 The Transferor confirms to the NZFSC at signing of this transfer arrangement and repeats the confirmations on from Day One to Fire and Emergency NZ that:
- (a) the RFA is the owner of the Transferred Assets;

- (b) the Transferred Assets are transferred to Fire and Emergency NZ free of any charge or debt;
- (c) all leases, licences, warranties, guarantees and other agreements and arrangements transferred as part of the Transferred Assets are valid and are not liable for cancellation or termination for any reason, and the Transferor has complied with its obligations under each document;
- (d) all amounts payable under or relating to the Transferred Assets have been paid by the Transferor up to the transfer of ownership to Fire and Emergency NZ;
- (e) all information transferred or provided by or on behalf of the Transferor to the NZFSC or Fire and Emergency NZ is complete and correct;
- (f) the Transferor is not aware of any breaches of any statute or other law governing or relating to the Transferred Assets or their use; and
- (g) the Transferor has advised the details of any Transferred Assets which were gifted to the Transferor and the terms of those gifts.

11 General

- 11.1 *Further assurances:* Each of the parties will sign, deliver and do all deeds, documents, acts and things as may be reasonably required to effectively carry out and give effect to the terms and intentions of this transfer arrangement.
- 11.2 *No merger:* The warranties, undertakings and obligations under this transfer arrangement will not merge or be treated as discharged on the Effective Date but will remain enforceable to the fullest extent.
- 11.3 *Costs:* Each party will meet their own costs in the negotiation, entry into and implementation of this transfer arrangement.

EXECUTION

Signed for and on behalf of the **Transferor** by its authorised signatory in the presence of:

.....
Signature

.....
Witness signature

.....
Full name (please print)

.....
Full name (please print)

.....
Occupation (please print)

.....
Address (please print)

Signed for and on behalf of the **New Zealand Fire Service Commission** by its authorised signatory in the presence of:

.....
Signature

.....
Witness signature

.....
Full name (please print)

.....
Full name (please print)

.....
Occupation (please print)

.....
Address (please print)

REFERENCE SCHEDULE

Day One:	1 July 2017
Land:	Any Transferred Asset which comprises any land (including any registered estates and interests in land, such as registered leases and easements)
Response Assets:	The meaning set out in clause 1 of Schedule 1 to the FENZ Act
Transferred Assets:	<ul style="list-style-type: none"> (i) The Response Assets identified in the Asset Schedule to this transfer arrangement as being transferred (rather than identified as being available for use); and (ii) All equipment and other personal property owned by the Transferor which is located at or used in conjunction with any of the Response Assets identified in the Asset Schedule to this transfer arrangement.

Asset Type	Asset No.	Owner	Asset Description	Approx Sqm	Rego No.	Station / Location	Cost	Accumulated Depn	Net Book Value	Transfer Asset to FENZ	Licence to Use by FENZ	Comment
Land	00378	Waikato District Council	515 State High 2, Maramarua			Maramarua RFP	90,000	0	90,000	✓		
Land	079466	Waikato District Council	621 Onewhero-Tuakau Bridge Rd			Onewhero RFP	85,000	0	85,000		✓	Reserve Land
Land	N/A	Peter Jackson	1159 Te Akau Road, Te Akau			Te Akau VRFF	N/A	N/A	N/A	N/A	N/A	Private Land
Building	00929	Waikato District Council	515 State High 2, Maramarua	300		Maramarua RFP	341,000	11,083	329,917	✓		
Building	Not in FA register	Waikato District Council	515 State High 2, Maramarua	160		Maramarua RFP	0	0	0	N/A	N/A	Not recorded in Cncl's fixed asset register
Building	N/A	Te Akau VRFF	1159 Te Akau Road, Te Akau	108		Te Akau VRFF	N/A	N/A	N/A	N/A	N/A	Not owned by Cncl
Building	N/A	Te Akau VRFF	1159 Te Akau Road, Te Akau	67		Te Akau VRFF	N/A	N/A	N/A	N/A	N/A	Not owned by Cncl
Building	N/A	Onewhero Rural Fire Force	621 Onewhero-Tuakau Bridge Rd			Onewhero RFP	N/A	N/A	N/A	N/A	N/A	Not owned by Cncl
Vehicle	Not in FA register	Waikato District Council	Nissan Safari		UN425	Maramarua RFP	0	0	0	N/A	N/A	Not recorded in Cncl's fixed asset register
Vehicle	079345	Waikato District Council	Dennis Sabre 2 Axle Body		FLA684	Maramarua RFP	136,380	136,380	0	✓		
Vehicle	079432	Waikato District Council	DAF FAD85CF CF430 Water Tanker		111H20	Maramarua RFP	69,280	62,352	6,928	✓		
Vehicle	079883	Waikato District Council	Scania 420HP Tanker		DLB609	Ngaruawahia	69,565	20,012	49,553	✓		
Vehicle	079906	Waikato District Council	Mitsubishi FM618 Fire Appliance		JTF131	Onewhero RFP	44,307	8,774	35,533	✓		
Equipment	Not in FA register	Waikato District Council	Mitsubishi Canter Fire Pump only		ABJ582	Onewhero RFP	0	0	0			Not recorded in Cncl's fixed asset register
Vehicle	Not in FA register	Waikato District Council	Nissan Terrano First Response Medical		DMT969	Onewhero RFP	0	0	0	N/A	N/A	Not recorded in Cncl's fixed asset register
Vehicle	Not in FA register	Waikato District Council	Trailer		3306L	Onewhero RFP	0	0	0	N/A	N/A	Not recorded in Cncl's fixed asset register
Vehicle	079758	Waikato District Council	Izuzu Appliance		GTA934	Te Akau VRFF	160,071	100,055	60,016	✓		
Vehicle	Not in FA register	Waikato District Council	Hino Tanker		EDG422	Te Akau VRFF	0	0	0	N/A	N/A	Not recorded in Cncl's fixed asset register
Vehicle	078672	Waikato District Council	Mazda Bounty Support Ute		DLE74	Te Akau VRFF	37,954	37,954	0	✓		
Vehicle	Not in FA register	Waikato District Council	Smoke Chaser trailer		7504H	Te Akau VRFF	0	0	0	N/A	N/A	Not recorded in Cncl's fixed asset register
Equipment	N/A	Maramarua RFP	Wajax HPLV			Maramarua RFP	N/A	N/A	N/A	N/A	N/A	Not owned by Cncl
Equipment	N/A	Maramarua RFP	Fire Master MPHV			Maramarua RFP	N/A	N/A	N/A	N/A	N/A	Not owned by Cncl
Equipment	N/A	Maramarua RFP	Petrol Pump MPMV			Maramarua RFP	N/A	N/A	N/A	N/A	N/A	Not owned by Cncl
Equipment	N/A	Maramarua RFP	2KVA Generator			Maramarua RFP	N/A	N/A	N/A	N/A	N/A	Not owned by Cncl
Equipment	N/A	Maramarua RFP	Holmatro Combi Tool Cutter Spreader			Maramarua RFP	N/A	N/A	N/A	N/A	N/A	Not owned by Cncl
Equipment	N/A	Maramarua RFP	Draega BA Sets			Maramarua RFP	N/A	N/A	N/A	N/A	N/A	Not owned by Cncl
Equipment	N/A	Maramarua RFP	Draega BA Sets			Maramarua RFP	N/A	N/A	N/A	N/A	N/A	Not owned by Cncl
Equipment	N/A	Maramarua RFP	Draega BA Sets			Maramarua RFP	N/A	N/A	N/A	N/A	N/A	Not owned by Cncl
Equipment	N/A	Maramarua RFP	Draega BA Sets			Maramarua RFP	N/A	N/A	N/A	N/A	N/A	Not owned by Cncl
Equipment	Not in FA register	Maramarua RFP	Wajax HPLV			Maramarua RFP	0	0	0	N/A	N/A	Not recorded in Cncl's fixed asset register
Equipment	Not in FA register	Onewhero RFP	Vanguard			Onewhero RFP	0	0	0	N/A	N/A	Not recorded in Cncl's fixed asset register
Equipment	Not in FA register	Onewhero RFP	Rabbit			Onewhero RFP	0	0	0	N/A	N/A	Not recorded in Cncl's fixed asset register
Equipment	Not in FA register	Onewhero RFP	Wajax			Onewhero RFP	0	0	0	N/A	N/A	Not recorded in Cncl's fixed asset register
Equipment	Not in FA register	Onewhero RFP	Tohatsu			Onewhero RFP	0	0	0	N/A	N/A	Not recorded in Cncl's fixed asset register
Equipment	Not in FA register	Te Akau VRFF	Wajax			Te Akau VRFF	0	0	0	N/A	N/A	Not recorded in Cncl's fixed asset register
Equipment	Not in FA register	Te Akau VRFF	HVLP			Te Akau VRFF	0	0	0	N/A	N/A	Not recorded in Cncl's fixed asset register
Equipment	Not in FA register	Te Akau VRFF	2000lt portable dam			Te Akau VRFF	0	0	0	N/A	N/A	Not recorded in Cncl's fixed asset register
Equipment	Not in FA register	Te Akau VRFF	wajax			Te Akau VRFF	0	0	0	N/A	N/A	Not recorded in Cncl's fixed asset register
Equipment	Not in FA register	Te Akau VRFF	HVLP			Te Akau VRFF	0	0	0	N/A	N/A	Not recorded in Cncl's fixed asset register
			LAND				175,000	0	175,000			
			BUILDING				341,000	11,083	329,917			
			VEHICLE				517,557	365,527	152,030			
			EQUIPMENT				0	0	0			
			TOTAL				1,033,557	376,610	656,947			

Licence to use response assets

Waikato District Council

New Zealand Fire Service Commission

Date:

PARTIES

Waikato District Council (*Licensor*)

New Zealand Fire Service Commission (*NZFSC*)

BACKGROUND

- A The Licensor owns or occupies the Licensed Assets.
- B The NZFSC is a Crown entity established under the Fire Service Act 1975 and, under section 8 of the Fire and Emergency New Zealand Act 2017 (*FENZ Act*), is to become Fire and Emergency NZ on 1 July 2017.
- C The Licensor and the NZFSC have agreed that the Licensor will grant to Fire and Emergency NZ a licence to use the Licensed Assets.
- D The parties therefore enter into this Licence to give effect to the above agreement and to record the terms of the licence.

OPERATIVE PART

1 Definitions set out in Reference Schedule

- 1.1 The terms defined in the Reference Schedule to this Licence have those meanings throughout this Licence.

2 Grant of licence

- 2.1 The Licensor grants to Fire and Emergency NZ and Fire and Emergency NZ accepts a licence for the Term, at the Licence Fee and on the terms set out in this Licence:
 - (a) to use the Licensed Assets;
 - (b) if the Licensed Assets comprise land or building premises, to occupy the Licensed Assets; and
 - (c) where reasonably necessary, to have access on, over, along and through any land and buildings owned or occupied by the Licensor.

3 Term

- 3.1 The Term of this Licence starts on the Commencement Date and ends on the Expiry Date (both days inclusive), unless the Term ends early under the provisions of this Licence.

4 Right of renewal

- 4.1 If Fire and Emergency NZ is not in material breach of this Licence and gives to the Licensor, before the Expiry Date, notice in writing to renew this Licence in respect of any or all of the Licensed Assets, then the Licensor will renew this Licence for the Licensed Assets specified in Fire and Emergency NZ's notice for the Further Term.

- 4.2 The renewed licence will be on the same terms, covenants and provisions of this Licence, except that the term of this Licence including all renewed terms must not end later than the Final Expiry Date (unless otherwise agreed).

5 **Payments**

Licence Fee

- 5.1 Fire and Emergency NZ will pay the Licence Fee to the Licensor by equal yearly payments in advance on the Payment Dates by automatic bank authority or as the Licensor otherwise directs in writing.

Reimbursement of payments under lease or licence

- 5.2 Where the Asset Schedule to this Licence identifies that any Licensed Asset is held under a lease or licence, Fire and Emergency NZ will pay to the Licensor any rent, licence fee or outgoings payable by the Licensor under that lease or licence on the dates on which such payments fall due for payment under the lease or licence.

Payment of operational charges

- 5.3 Fire and Emergency NZ will pay all charges:
- (a) relating to use of the Licensed Assets, including licence fees, service charges or road user charges; and
 - (b) for electricity, gas, water, telecommunications and other utilities or services used or consumed by Fire and Emergency NZ at or in respect of the Licensed Assets.

Payment of rates

- 5.4 The Licensor must pay all rates, taxes (including land or improvements tax), charges, assessments and other outgoings levied by an Authority on any land or improvements comprising the Licensed Assets or on which the Licensed Assets are located.
- 5.5 Fire and Emergency NZ will reimburse the Licensor for all payments made under clause 5.4.

Proportion of operational charges and rates

- 5.6 Where any charge, rates or other payment under clause 5.3 or 5.4 is not separately assessed for a Licensed Asset, Fire and Emergency NZ will pay a fair proportion as agreed by the parties or determined under clause 21.

Interest on overdue payments

- 5.7 If the Licence Fee or other money payable by Fire and Emergency NZ under this Licence remains unpaid for one month after its due date then Fire and Emergency NZ will pay to the Licensor, on demand, interest at the Default Interest Rate on the unpaid amount calculated from the due date to the date of payment.

Goods and Services Tax

- 5.8 Fire and Emergency NZ will, at the time it falls due for payment, pay to the Licensor all Goods and Services Tax payable on the Licence Fee and any other amounts payable by Fire and Emergency NZ under this Licence (provided that the Licence Fee and other amounts are calculated net of Goods and Services Tax).

Tax invoice

- 5.9 The Licensor will give to Fire and Emergency NZ a tax invoice for any payment required to be made by Fire and Emergency NZ under this Licence at least 10 Business Days before the due date for each payment.

6 Maintenance, works and signage*Operational maintenance*

- 6.1 Fire and Emergency NZ will, at Fire and Emergency NZ's cost, keep each of the Licensed Assets in the same condition it was in, fair wear and tear excepted, at the later of:
- (a) the Commencement Date; and
 - (b) the date on which the Licensor completes any works under clause 6.2.

Non-operational maintenance

- 6.2 The Licensor may, at the Licensor's cost, undertake any works on the Licensed Assets, including any works required to put the Licensed Assets in good order, repair and condition.
- 6.3 The Licensor will put and keep any access routes used by Fire and Emergency NZ on, over, along and through any land and buildings owned or occupied by the Licensor in good order, repair and condition.

Compliance

- 6.4 If either party undertakes any works on or to the Licensed Assets, that party must ensure that the works are completed:
- (a) in accordance with all laws and binding standards;
 - (b) in accordance with the lawful requirements of any Authority;
 - (c) if undertaken by the Licensor, in compliance with clause 10.1;
 - (d) by competent and qualified workers; and
 - (e) in accordance with good industry practice.

Signage

- 6.5 Fire and Emergency NZ may install signage on or to the Licensed Assets of a size and standard usually used by Fire and Emergency NZ to display:
- (a) information regarding the Licensed Assets;
 - (b) contact information for Fire and Emergency NZ;
 - (c) fire safety information; and
 - (d) health and safety information.

7 Use of Licensed Assets

- 7.1 Fire and Emergency NZ will not, without obtaining the prior consent of the Licensor (not to be unreasonably withheld), use the Licensed Assets for any purpose except to perform Fire and Emergency NZ's objectives and functions.
- 7.2 The Licensor will not object to, oppose or complain about any use of the Licensed Assets by Fire and Emergency NZ which is permitted under this Licence.
- 7.3 The Licensor will not object to or oppose the application for or, the granting of, any consent or authority sought by Fire and Emergency NZ under this Licence or to use the Licensed Assets for any purpose permitted under this Licence. The Licensor will promptly sign and deliver all written approvals requested by Fire and Emergency NZ to obtain any consent or authority referred to in this clause.
- 7.4 The Licensor will not use the Licensed Assets or hinder Fire and Emergency NZ's use of the Licensed Assets (unless otherwise agreed).

8 Termination by Fire and Emergency NZ

- 8.1 Fire and Emergency NZ may terminate this Licence as to all or any of the Licensed Assets by giving notice in writing to the Licensor (either with immediate effect or on the expiry of any period specified in Fire and Emergency NZ's notice) if:
- (a) the Licensed Asset is destroyed;
 - (b) the Licensed Asset is damaged so as to be rendered, in Fire and Emergency NZ's reasonable opinion, untenable (in the case of a building) or irreparable (in the case of any other Licensed Asset);
 - (c) due to any emergency or any action of an Authority, Fire and Emergency NZ reasonably considers that the Licensed Asset is unable to be used by Fire and Emergency NZ for the purposes permitted under this Licence; or
 - (d) Fire and Emergency NZ reasonably considers that the Licensed Asset is not suitable for Fire and Emergency NZ's operational purposes.
- 8.2 Any notice given under clause 8.1 may terminate this Licence:
- (a) in full, in which case the parties will discharge their obligations under this Licence as if the date of surrender of this Licence was the Expiry Date; or

- (b) as to any of the Licensed Assets specified in the notice, in which case:
 - (i) this Licence will continue in respect of the balance of the Licensed Assets; and
 - (ii) the parties will discharge their obligations under this Licence as if the date of surrender of this Licence was the Expiry Date only in respect of the Licensed Assets specified in the notice.

9 Insurance

- 9.1 If the Asset Schedule identifies that Fire and Emergency NZ is to insure the Licensed Asset, Fire and Emergency NZ must, at Fire and Emergency NZ's expense, effect and keep current during the Term a policy of insurance for the Licensed Assets (which may be on an indemnity, rather than replacement, basis).
- 9.2 Fire and Emergency NZ must supply to the Licensor, on demand, a certificate of insurance for each policy.

10 Licensor's restrictions and obligations

- 10.1 Before undertaking any works affecting any of the Licensed Assets, the Licensor must give at least ten Business Days' notice in writing to Fire and Emergency NZ setting out:
 - (a) the nature of the works;
 - (b) the proposed timing of works; and
 - (c) the parts of the Licensed Assets affected by the works.
- 10.2 The Licensor must not, without Fire and Emergency NZ's prior consent:
 - (a) remove or decommission any equipment of the Licensor forming part of or relating to the Licensed Assets;
 - (b) disconnect any utility service provided to or from the Licensed Assets; or
 - (c) sell, transfer, lease or part with possession of any land or buildings comprising the Licensed Assets, on which the Licensed Assets are located or on or through which Fire and Emergency NZ has access under this Licence.
- 10.3 Where the Asset Schedule to this Licence identifies that any Licensed Asset is held under a lease or licence, the Licensor must:
 - (a) must punctually pay all money required to be paid by the Licensor under that lease or licence;
 - (b) must comply with all other obligations imposed on the Licensor under that lease or licence;
 - (c) must use its best endeavours to ensure that the lease or licence is not cancelled or terminated before expiry of this Licence;
 - (d) must not surrender the lease or licence before expiry of this Licence; and

- (e) must advise Fire and Emergency NZ of anything relating to the lease or licence which may affect Fire and Emergency NZ's use of the Licensed Asset.

11 Cancellation by the Licensor for breach

11.1 The Licensor may cancel this Licence if:

- (a) all or part of the Licence Fee is in arrears for 60 Business Days, and Fire and Emergency NZ has failed to remedy that breach within 20 Business Days' after service on Fire and Emergency NZ of a notice given in accordance with section 245 of the Property Law Act 2007; or
- (b) Fire and Emergency NZ breaches any covenant or term of this Licence which is to be performed or observed by Fire and Emergency NZ, and fails to remedy that breach within a period (which must be reasonable and in no circumstances less than 60 Business Days) specified in a notice given in accordance with section 246 of the Property Law Act 2007.

12 Compliance with laws

12.1 Fire and Emergency NZ must comply with all laws and other legal requirements that apply to Fire and Emergency NZ's use or occupation (or both) of the Licensed Asset and use of any access routes under this Licence.

12.2 Each party must comply at all times with its obligations under:

- (a) the Resource Management Act 1991;
- (b) the Building Act 2004; and
- (c) the Health and Safety at Work Act 2015.

12.3 Without limiting clause 12.2, the Licensor must comply with its obligations as a building owner under the Building Act 2004 where the Licensed Assets include a building or are located in or accessed by way of a building owned by the Licensor.

13 Health and Safety at Work Act 2015

13.1 Each party acknowledges that both parties may have duties and other obligations under the Health and Safety at Work Act 2015.

13.2 Each party will:

- (a) have procedures in place for identifying and dealing with risks and hazards which fully comply with the Health and Safety at Work Act 2015; and
- (b) engage with the other party to assist that other party to discharge its duties and other obligations under the Health and Safety at Work Act 2015.

13.3 Each party will promptly give the other party notice in writing of anything occurring on or relating to the Licensed Assets which is required to be notified to Worksafe New Zealand (or any successor government department or agency) under the Health and Safety at Work Act 2015.

14 Reserves Act 1977

14.1 If the land comprising the Licensed Asset or on which the Licensed Asset is located is subject to the Reserves Act 1977:

- (a) Fire and Emergency NZ agrees that this Licence is granted in accordance with and subject to the requirements of the Reserves Act 1977; and
- (b) if the Licensor considers that the land is required for the purposes for which the land is classified under the Reserves Act 1977, the Licensor may terminate this Licence by following the process in the Reserves Act 1977 and Fire and Emergency NZ will, within a reasonable time following termination, comply with its obligations under clause 15.1.

15 **Removal of Fire and Emergency NZ's property**

15.1 Unless agreed otherwise, Fire and Emergency NZ will, before the Expiry Date or within a reasonable period following any earlier cancellation of this Licence:

- (a) remove Fire and Emergency NZ's buildings, fences, structures, driveways, hard surfaces, signage, partitions, fixtures, fittings, equipment and other property from the Licensed Assets; and
- (b) make good any resulting damage.

15.2 If Fire and Emergency NZ fails to comply with clause 15.1, the Licensor may, following the end of the Term of this Licence:

- (a) undertake the actions required by clause 15.1 at Fire and Emergency NZ's expense; or
- (b) treat anything left on or attached to the Licensed Assets as the Licensor's property.

16 **Holding over by Fire and Emergency NZ**

16.1 If the Licensor permits Fire and Emergency NZ to continue to use the Licensed Assets after the Expiry Date or the Final Expiry Date (other than under the grant of a renewed or further licence), then:

- (a) this Licence will continue on "at will" basis; and
- (b) this Licence will be terminable by either party giving 20 Business Days' notice in writing to the other.

17 **Notices**

Giving notices

17.1 A notice given by a party under this Licence is only deemed to have been given if it is in writing and sent to the other party in one of the following ways:

- (a) delivered or posted to the recipient's address set out below; or
- (b) faxed or emailed to the recipient at its fax number or email address set out below:

Licensor:

Name: [Insert]
 Address: [Insert]
 Fax number: [Insert]
 Email address: [Insert]
 Attention: [Property Manager]

Fire and Emergency NZ:

Name: Fire and Emergency New Zealand
 Address: [Level 9, 80 The Terrace, Wellington]
 Fax number: [04 496 3700]
 Email address: [Insert]
 Attention: [Property Manager]

Change of address, email address or fax number

17.2 A party may change its address, email address or fax number by giving notice in writing of that change to the other party.

Time notice is given

17.3 A notice is deemed given:

- (a) if delivered, when it is left at the relevant address;
- (b) if sent by post, 3 Business Days after it is posted;
- (c) if sent by email, when the recipient acknowledges receipt verbally, by return email or otherwise in writing, provided that an automatic delivery-receipt or read-receipt return email will not be sufficient evidence of receipt; or
- (d) if sent by fax, as soon as the sender receives from the sender's fax machine a report of an error-free transmission to the correct fax number.

17.4 If notice is given on a day that is not a Business Day or after 5pm on a Business Day, it will be deemed given at 9am on the next Business Day.

18 Exclusion of statutory provisions

18.1 Any covenants and powers implied in Licences by virtue of the provisions of any Act are, to the extent they are inconsistent with anything in this Licence, excluded from this Licence.

19 If Licensor is a territorial authority

19.1 If the Licensor is also a territorial authority under the Local Government Act 2002, this Licence does not bind the Licensor in any regulatory capacity.

20 Costs

20.1 The Licensor and Fire and Emergency NZ will each pay their own costs associated with the negotiation, preparation, completion and renewal of this Licence.

20.2 Fire and Emergency NZ will pay the Licensor's reasonable legal costs for any variation of this Licence requested by Fire and Emergency NZ.

20.3 The Licensor will pay Fire and Emergency NZ's reasonable legal costs for any variation of this Licence requested by the Licensor.

21 **Dispute resolution**

21.1 If a dispute or difference arises between the parties under or in relation to this Licence, the parties will seek to promptly resolve the dispute or difference by discussions in good faith.

21.2 If the parties do not promptly resolve a dispute or difference under clause 21.1, either party may refer the dispute or difference for resolution under any dispute resolution scheme approved under the FENZ Act.

22 **Interpretation**

22.1 In this Licence, unless the context otherwise requires:

(a) **Fire and Emergency NZ** includes:

- (i) "FENZ personnel" as defined in section 6 of the FENZ Act; and
- (ii) any person under Fire and Emergency NZ's control or direction;

(b) **Licensor** includes:

- (i) the successors in title to the Licensor;
- (ii) the Licensor's employees, contractors and agents; and
- (iii) any person under the Licensor's control or direction;

(c) words importing the singular number include the plural and vice versa;

(d) headings and provisions in bold are inserted for reference only and do not affect the interpretation of this Licence;

(e) references to any statute include:

- (i) any regulation, by-law, order and notice made under or pursuant to the statute; and
- (ii) any statute amending, consolidating or re-enacting that statute;

(f) derivatives of any defined word or term have a corresponding meaning; and

(g) "including" and similar words do not imply any limitation.

EXECUTION

Signed by the Licensor by its authorised signatory in the presence of:

.....
Signature

.....
Witness signature

.....
Full name (please print)

.....
Full name (please print)

.....
Occupation (please print)

.....
Address (please print)

Signed by New Zealand Fire Service Commission by its authorised signatory in the presence of:

.....
Signature

.....
Witness signature

.....
Full name (please print)

.....
Full name (please print)

.....
Occupation (please print)

.....
Address (please print)

REFERENCE SCHEDULE

Licensed Asset:	The response assets identified in the Asset Schedule to this Licence as being available for use (rather than identified as being transferred)
Commencement Date:	1 July 2017
Term:	2 years commencing on the Commencement Date
Expiry Date:	30 June 2019
Further Term:	2 years commencing on 1 July 2019
Final Expiry Date:	30 June 2021
Licence Fee:	\$1 plus GST per annum if demanded
Payment Dates:	The Commencement Date and thereafter on each anniversary of the Commencement Date during the Term
Default Interest Rate:	2% per annum above the Licensor's bank's unsecured commercial base overdraft rate at the date of the default
Authority:	Any governmental, local, territorial or statutory authority which have jurisdiction or authority over or in respect of the Licensed Asset or its use

Business Day:	<p>Any day of the week other than:</p> <ul style="list-style-type: none">(a) Saturday and Sunday;(b) Waitangi Day, Good Friday, Easter Monday, ANZAC Day, the Sovereign's Birthday and Wellington Anniversary Day;(c) the provincial anniversary day observed in the locality of the Licensed Asset;(d) if Waitangi Day or ANZAC Day falls on a Saturday or Sunday, the following Monday; and(e) a day in the period starting on 24 December in any year and ending on 5 January in the next year (both inclusive)
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Open Meeting

To	Infrastructure Committee
From	Tim Harty General Manager Service Delivery
Date	12 June 2017
Prepared by	Michelle Smart Property Officer
Chief Executive Approved	Y
Reference/Doc Set #	04390/425.00; INF2017 (23/06/2017)
Report Title	126 Waerenga Road Te Kauwhata: s40 Public Works Act 1981 offer back obligations

I. EXECUTIVE SUMMARY

The Te Kauwhata Heavy Traffic Route Designation was removed by Council resolution, with effect from 19 September 2016. Council had purchased this property on the designation alignment prior to that time.

The Roading Manager has confirmed that the property situated at 126 Waerenga Road Te Kauwhata is no longer required for roading purposes, being the purpose for which it was originally acquired. The site is not subject to a Right of First Refusal.

Despite the fact that the property was purchased by agreement, Council has obligations under the Public Works Act 1981 (“the PWA”) to offer the land back to the former owner/s, or their successor/s, at a price to be established by market valuation before disposing or using for another purpose.

The first stage of the process requires Council to declare that the land is no longer required for the purpose for which it was acquired, which then enables the legal processes to commence. A report will then be commissioned to establish any offer back obligations or exemptions.

Should an offer back obligation exist, and in the event that the former owner/s or their successor/s elect not to take up the offer to purchase the land at market valuation, it is a further recommendation of this report that the land remain in Council ownership pending further decisions about its use or sale.

2. RECOMMENDATION

THAT the report from the General Manager Service Delivery be received;

AND THAT part Lot 1 DPS 50396 contained in Certificate of Title SA 44D/606 be declared surplus to Council requirements, to enable Council to carry out its offer back obligations under section 40 Public Works Act 1981;

AND FURTHER THAT if the former owner takes up the offer, that:

- (a) the sale of the property be undertaken in terms of the provisions of the Public Works Act 1981; and**
- (b) the proceeds of sale, less costs, be credited to the Te Kauwhata Structure Development Contributions reserve, to offset the original cost of acquisition.**

AND FURTHER THAT if the former owner does not take up the offer, or an exemption to offer back applies, that the land remains in Council ownership pending further decisions about its use or sale;

AND FURTHER THAT the Chief Executive be delegated to sign all documents in relation to this matter.

3. BACKGROUND

The Te Kauwhata Structure Plan, variation 13, was notified in September 2009. The structure plan process anticipated the need for a Heavy Traffic Route to run from Waerenga Road to Te Kauwhata Road, as the most effective means of removing the adverse effects of heavy traffic from the town centre, schools and residential areas.

At the time of designation in 2011, it was anticipated that construction would commence within 20 years.

Property owners affected by a designation may ask Council to purchase the required land at any time following a designation. Following such a request the property situated at 126 Waerenga Road, with a land area of 8.4443 hectares and which is legally described as being part Lot 1 DPS 50396 contained in Certificate of Title SA 44D/606, was purchased by agreement in June 2015.

In March 2016, Council resolved to undertake the formal process of removing the Te Kauwhata Heavy Traffic Bypass Designation. The reasons for the removal of the designation include that the bypass is not likely to be viable until well beyond 2050; the location of any bypass at that time may be different to that proposed by the current designation; the estimated costs of the bypass are now approximately 25% more than the original analysis; some of the benefits included in the original analysis to justify the bypass are no longer valid.

The Designation was removed with effect from 19 September 2016 and the Roding Manager has confirmed that the property at 126 Waerenga Road is no longer required for roading purposes. The land is also not required in connection with any other known public work.

The section 40 offer back obligations under the PWA mean that the land cannot be used for another Council purpose or be sold on the open market until such time as Council has

investigated whether it needs to offer to sell the land back to the former owner/s or their successor/s at a price established by market valuation. There are certain exceptions which would exempt Council from its obligations to offer the land back to its former owner/s. The acquisition history would be investigated independently by a Land Information NZ Accredited Agent to clarify whether an exemption applies in this case.

The date that the property becomes surplus to requirements is the crucial date for valuation purposes under the PWA. This is interpreted as the date the property actually becomes surplus and is no longer required for the public work for which it was acquired. This can lead to the effective valuation date being in the past. In this case, the date the property became surplus to requirements is the date that the designation was revoked, being 19 September 2016 which would become the “as at” date for valuation purposes.

4. ANALYSIS OF OPTIONS

4.1 OPTIONS

There are two options:

Option 1: Council can declare the property surplus to the requirement for which it was acquired, which will enable the completion of section 40 PWA offer back obligations.

The land was originally acquired for a public work. At the point where the property is declared to be surplus for the purpose for which it was originally acquired, it triggers an obligation under the PWA to offer the land back to the original owner/s or their successor/s. The property cannot be put to another use or be sold on the open market until such time as the offer back obligations have been completed.

This option is recommended.

Option 2: Council can decline to declare the property surplus to requirements,

The land will remain in Council ownership until such time as it is declared surplus to Council requirements.

Council remains under an obligation to use the land for the public work for which it was acquired and is unable to put the land to another non-public work use until the section 40 PWA obligations have been completed. The relevant date for valuation purposes remains unchanged at 19 September 2016 and any future offer back would be made as at that date meaning that Council would not be in a position to achieve current market value for the property.

This option is not recommended.

5. CONSIDERATION

5.1 FINANCIAL

In the event that the former owner elects to take up the offer, the proceeds of sale, less costs are to be credited to the Te Kauwhata Structure Development Contributions reserve, to offset the original cost of acquisition.

5.2 LEGAL

Section 40(1) of the PWA places an obligation on Council to offer to sell the land back at a price established by market valuation to the original owner or their successors, where that land is no longer required for the purpose for which it was acquired.

Section 40(2) of the Act provides exceptions, where it would be impracticable, unfair or unreasonable to do so.

5.3 STRATEGY, PLANS, POLICY AND PARTNERSHIP ALIGNMENT

Council's Property Policy provides that land may be disposed of at a price established by valuation, unless otherwise resolved by Council.

5.4 ASSESSMENT OF SIGNIFICANCE AND ENGAGEMENT POLICY AND OF EXTERNAL STAKEHOLDERS

The purpose and scope of the Significance and Engagement Policy is to enable the Council and its communities to identify the degree of significance attached to a particular issue, proposal, assets, decisions and activities. It is also to provide clarity about how and when communities can expect to be engaged in decisions made by Council. Further, it is intended to inform Council from the beginning of a decision making process about the extent, form and type of engagement required.

The Policy requires Council to take into account the degree of importance, and determine the appropriate level of engagement, as assessed by the local authority, of the issue, proposal, decision or matter, in terms of the likely impact on and consequence for:

- (a) The district or region;
- (b) Any persons who are likely to be affected by, or interested in, the issue, proposal, decision or matter;
- (c) The capacity of the local authority to perform its role, and the financial and other costs of doing so.

The Policy identifies roading as a core service and significant activity of Council, and the roading network as a whole to be a strategic asset.

The purchase of the land arose from a Notice of Requirement for the land in connection with the (then) proposed Heavy Traffic Route.

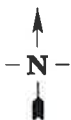
The Notice of Requirement was removed with effect from 19 September 2016, and as such the land is now no longer required for roading purposes. The recommendations of this report do not trigger significance and engagement requirements.

6. CONCLUSION

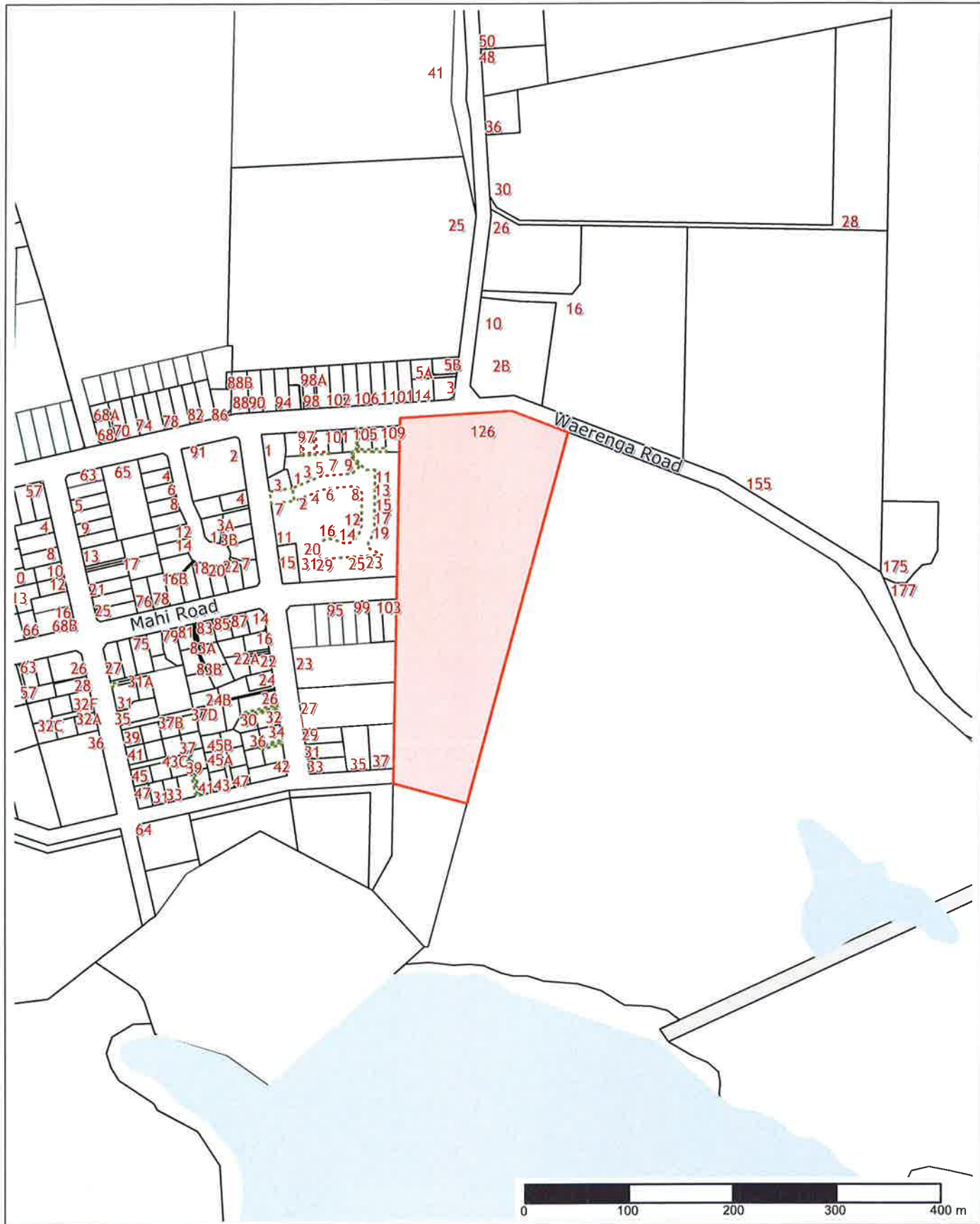
The recommendations of this report, if approved, will allow Council to fulfil its obligations under the Public Works Act 1981 as the land is no longer required for the purpose for which it was originally acquired.

7. ATTACHMENTS

- Location Diagram



Waikato District Council does not warrant the accuracy of information in this publication and any person using or relying upon such information does so on the basis that WDC shall bear no responsibility or liability whatsoever for any errors, faults, defects or omissions in the information



Open Meeting

To	Infrastructure Committee
From	Tim Harty General Manager Service Delivery
Date	13 June 2017
Prepared by	Chris Clarke Roading Manager
Chief Executive Approved	Y
Reference #	INF2017 (27/06/2017)
Report Title	Hamilton to Auckland Passenger Rail – Progress Update and Future Direction

I. EXECUTIVE SUMMARY

The purpose of this report is to provide Councillors with an update on the Hamilton to Auckland Passenger Rail Service project and confirm support on the option for the way forward following the Councillor workshop on 13 June 2017.

In 2011 a report was produced on behalf of the Hamilton to Auckland Passenger Rail Working Party. The recommendations were to undertake a 2 year trial of a rail service between Hamilton and Auckland that would require a significant rate contribution and a number of other operational issues to be addressed. The recommendation was subsequently not supported by the participating Councils in the Waikato and Auckland Regions.

A request was then made in 2016 at a joint Auckland and Waikato political meeting to prepare a position paper that represents the current views of the participating Councils and to identify a way forward. This was undertaken in April 2017 by Waikato Regional Council staff.

The 2017 report detailed what has changed since the 2011 report and provided three options as the next steps for this project. The recommended option was to develop a Strategic Business Case. This option has the support of Waikato Regional Council and now needs Waikato District Councils formal approval.

2. RECOMMENDATION

THAT the report from the **General Manager Service Delivery** be received;

AND THAT the **Infrastructure Committee** recommends to **Council** that the preferred option is to develop a strategic business case for a public transport link between **Hamilton and Auckland**.

3. BACKGROUND

In 2010 the Hamilton to Auckland Passenger Rail Working Party was formed comprising representatives from Waikato Regional Council, Hamilton City Council, Waikato District Council, Waipa District Council, Kiwirail, Auckland Transport, Auckland Council, NZ Transport Agency and the Campaign for Better Transport. The role of the group was to advise member organisations on the preferred service option and funding requirements for a Hamilton to Auckland Passenger Rail Service. The proposal was detailed in a 2011 report but was not supported by Waikato Councils nor NZ Transport Agency. This was mainly due to significant costs for ratepayers to subsidise the service potentially without NZ Transport Agency subsidy.

In 2016 at a joint Auckland and Waikato Mayoral/Chair Meeting a request was made to prepare a position paper on passenger rail that would detail a shared view across Waikato Councils Auckland Transport and NZ Transport Agency.

The request was referred to the steering group of the North Waikato Integrated Growth Management Business Case and took the form of a review of the 2011 proposal by Waikato Regional Council staff.

The 2017 review was high level and tested key assumptions against what has changed since 2011. The 2011 study was based on an assumption that the Hamilton to Auckland Passenger Rail Service was needed and was limited to undertaking a technical assessment to identify options and determine the willingness of parties to contribute to funding such a service. The 2011 study recommended a 2 year pilot trial via the Waterfront route and carrying on to Newmarket and further south.

4. DISCUSSION AND ANALYSIS OF OPTIONS

4.1 DISCUSSION

Key findings of the 2017 review are summarised below under 5 subject headings. Further details are available in the full report attached.

- Policy Alignment – No significant change has occurred in transport policy since 2011 there is however now a strong focus on investment proposals being supported by robust business cases so that solutions that are developed are in direct relationship to address a defined problem. At regional level the Regional Land Transport Plan identifies passenger rail service as a medium to long term priority. Auckland Transport Alignment Project (ATAP) identified the need for a third rail line and to extend electrification from Papakura to Pukekohe however no funds have been allocated at this time.
- Current Operational Feasibility - No operational berthing capacity is available at Britomart or Newmarket stations. There is limited line capacity along some rail sections, and no diesel service is permitted to enter Britomart. Travel time is expected to take longer than the 2 hour 20min detailed in the 2011 study due to Metro Service timetables

and planned services. Network constraint issues are unlikely to be addressed until the third main line and proposed junction works are completed. Timeframes and funding are yet to be confirmed.

- Stations Upgrade – 2011 study suggests that The Base, Ngaruawahia and Tuakau would require work. Waikato District Council has \$500,000 in its Long Term Plan to upgrade Tuakau platform in 2022. Hamilton City Council are currently working on land banking sites for rail stations and park and ride facilities.
- Current Rolling Stock – Auckland Transport have no spare rolling stock available. More work is required to explore potential upgrade/refurbishment to support any rail service.
- Funding Requirements – No detailed financial analysis was undertaken in the 2017 review. In summary the total cost of service from the 2011 study is \$1.97 million annually excluding rolling stock costs with an estimated 740,000 fare recovery resulting in a rating requirement of \$1.23 million. This equated to between \$4.99 (outside 10km from service) to \$16.63 (within 10km of service) per property without NZ Transport Agency subsidy.

4.2 OPTIONS

As discussed at the Council workshop on 13 June there are three options suggested for the next steps.

- Option 1 -** Do nothing. The benefits to this option is that there are no costs, but the risks are that Council is not meeting community or wider political expectations. Also the nature of the potential problems are not understood.
- Option 2 -** Prepare a detailed rail feasibility study. The estimated costs are between \$50,000–\$100,000. This option progresses to a solution straight away without understand the problem and considering other transport options. To access NZ Transport Agency funding, requires a robust and structured business case process to be followed.
- Option 3 -** Develop a strategic business case – The estimated costs are between \$30,000 and \$50,000. This is a collaborative process enabling agreed problems, benefits, investment objectives and solutions to be developed that are supported by evidence based information. This will help inform the Regional Land Transport Plan on interregional priorities and Councils Long Term Plan. This will be required for getting NZ Transport Agency subsidy.

Option 3 is the recommended option from the steering group of the North Waikato Integrated Growth Management Business Case and has been supported by the Waikato Regional Council. There was general support from Waikato District Councillors in attendance at the 13 June workshop.

5. CONSIDERATION

5.1 FINANCIAL

The costs will be shared by the participating Councils (WRC, Hamilton City and WDC) and NZ Transport Agency. An agreement is yet to be reached but within similar projects Waikato District Council has contributed to 25% of costs. It is likely that the cost can be accommodated in Waikato District Council overall roading budget for 2017/18.

5.2 STRATEGY, PLANS, POLICY AND PARTNERSHIP ALIGNMENT

The Future Proof Strategy, Waikato Expressway Network Plan and Waikato Regional Policy Statements all identify the need to strategically plan for future urban growth in the north Waikato sub-region due to the influence of Auckland.

The Waikato Regional Land Transport Plan and Waikato Regional Public Transport Plan both consider passenger rail between the Waikato region and Auckland. Currently investigating passenger rail is a medium to long term priority in the Regional Land Transport Plan.

The Hamilton to Auckland passenger rail issue has been raised through the North Waikato Integrated Programme Business Case which involves WDC, Waikato Regional Council, Hamilton City Council, Auckland Council, Auckland Transport and NZTA. Kiwirail and The Rail Opportunity Network (TRON) will be engaged should the parties decide to proceed with either the rail feasibility study or the strategic business case.

5.3 ASSESSMENT OF SIGNIFICANCE AND ENGAGEMENT POLICY AND OF EXTERNAL STAKEHOLDERS

Highest levels of engagement	Inform	Consult	Involve	Collaborate	Empower
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Tick the appropriate box/boxes and specify what it involves by providing a brief explanation of the tools which will be used to engage (refer to the project engagement plan if applicable).</i>	Consultation will be part of the Strategic Business Case process.				

Planned	In Progress	Complete	
		X	Internal
	X		Community Boards/Community Committees
	X		Waikato-Tainui/Local iwi (provide evidence / description of engagement and response)
	X		Households
	X		Business
			Other Please Specify

6. CONCLUSION

In 2016 at a joint Auckland and Waikato Political Meeting a request was made to prepare a position paper on passenger rail that would detail a shared view across Waikato Councils Auckland Transport and NZ Transport Agency. This took the form of a review of the “Final Recommendation Report of the Rail Working Party on Hamilton to Auckland Passenger Rail Service” – dated August 2011. The findings of the review identified three options to advance the project.

The option recommended by the steering group of the North Waikato Integrated Growth Management Business Case was to proceed with the development of a strategic business case. This has been supported by the Waikato Regional Council and Waikato District Councillors in attendance at the 13 June workshop.

7. ATTACHMENTS

- Report on Hamilton to Auckland Passenger Rail – 12 April 2017

Report on Hamilton to Auckland Passenger Rail

Date: 12 April 2017

To: Hamilton City Council, Waikato District Council, Waikato Regional Council, NZ Transport Agency, Auckland Council, and Auckland Transport

From: Waikato Regional Council representative on the North Waikato Integrated Growth Management Programme Business Case

Subject: **Report on Hamilton to Auckland Passenger Rail Service**

Purpose

The purpose of this report is to outline the key findings of a 2017 assessment undertaken by Waikato Regional Council staff on the 2011 Rail Working Party Final Recommendation Report; and to seek feedback from the North Waikato Integrated Growth Management Programme Business Case partner organisations on the three options identified in this report and to advise on a preferred option.

Background

The Hamilton to Auckland Passenger Rail Working Party (RWP) ¹ was formed in 2010 to work through the technical and operational feasibility of establishing a passenger rail service between Hamilton and Auckland, and to make recommendations to member organisations on the preferred service option and funding requirements.

The final RWP Recommendation Report which included a preferred service proposal was presented to the RWP partner councils (Auckland Council, Waikato Regional Council, Hamilton City Council, Waikato and Waipa District Councils) in November 2011 (see Attachment 1 for a summary of this preferred service proposal). In 2011 the proposal was not formally supported by partner councils mainly due to the potential financial impacts on ratepayers.

A joint Auckland-Waikato political meeting was held on 19 July 2016 to bring together elected representatives and senior staff from Auckland Council, Waikato District Council, Waikato Regional Council, Hamilton City Council and key stakeholder organisations (WaterCare, Auckland Transport and the NZ Transport Agency) to discuss and confirm key cross-boundary issues and to agree on shared objectives and investment opportunities.

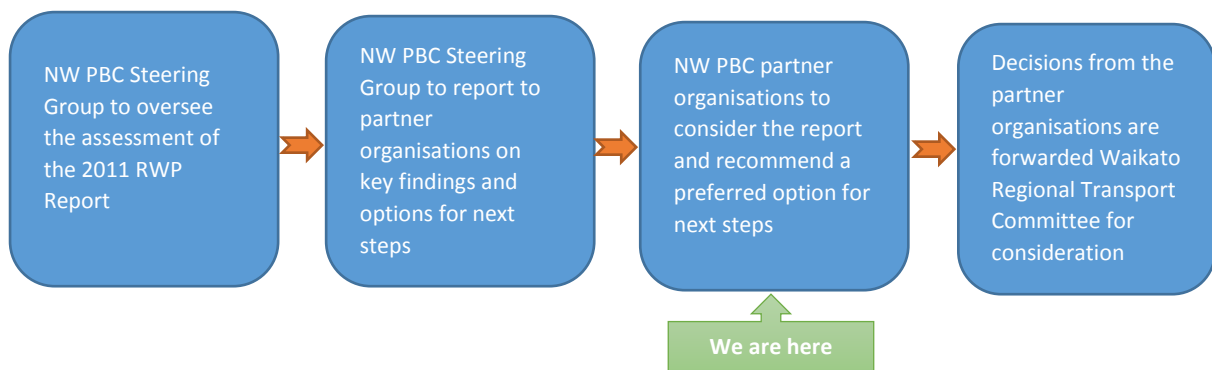
At the meeting the group requested an evidence-based 'position paper on passenger rail' to be prepared, with a shared view across councils, Auckland Transport and the NZ Transport Agency.

The issue of passenger rail between Auckland and Waikato as comprising part of a wider programme of work on cross-boundary issues was also discussed at a November 2016 meeting between the new Auckland Council Mayor Phil Goff and Waikato Regional Councillors

¹The Rail Working Party comprised representatives from Waikato Regional Council, Hamilton City Council, Waikato and Waipa District Councils, KiwiRail, Auckland Transport, Auckland Council, NZTA and the Campaign for Better Transport

The request for a position paper was referred to the North Waikato Integrated Growth Management Programme Business Case (North Waikato PBC). The Steering Group for this project agreed to oversee further work to help inform a collective position on Auckland to Hamilton passenger rail service. However this work would not form part of the North Waikato PBC project, but would come under the steering group umbrella as a distinct piece of work. The North Waikato PBC Steering Group consists of staff from Waikato District Council, Waikato Regional Council, NZ Transport Agency, Auckland Transport, and Auckland Council. Hamilton City Council has also been included on the Steering Group to assist with the Hamilton to Auckland rail review work.

It was also agreed by the Steering Group that the '2011 Hamilton to Auckland Passenger RWP Recommendation Report' (2011 RWP Report) would form the basis of the rail assessment work to test if the service proposal and key assumptions identified in the 2011 RWP Report are still valid, and to outline appropriate options for next steps to be considered by the North Waikato PBC partner organisations. The pathway identified by the North Waikato PBC Steering Group for this rail review is outlined in the diagram below:



A high level assessment of the 2011 RWP Report was undertaken by Waikato Regional Council staff with input from the members of North Waikato PBC project partners, and this is discussed in the report below.

Discussion - 2017 assessment of the 2011 RWP Final Recommendation Report

The 2017 assessment found that the 2011 RWP process was based on an assumption that a Hamilton to Auckland passenger rail service is needed, and the scope of the 2011 review was limited to:

- Undertaking a technical assessment to identify options for a passenger rail service between Hamilton and Auckland; and
- Determine the willingness of parties to contribute to funding such a service.

It is considered that the 2011 RWP investigation was fundamentally a technical exercise to determine the feasibility of establishing a passenger rail service, and the process was not founded on a robust strategic/policy assessment i.e. it was unclear why a service is needed and what are the strategic objectives/drivers or key inter-regional issues that this service is intending to address. For this reason, it is difficult to assess the overall merit of the 2011 proposal and/or to determine if there is a 'case' to progress with further rail investigation without a clear understanding of the problem or desired outcomes to be achieved relating to the proposal.

Notwithstanding the above, a high level technical assessment was carried out to assess if the preferred service proposal identified by the RWP is still 'feasible' under the 2017 policy and operating environment. The preferred service proposal identified by the RWP was to implement:

“A 2-year pilot trial of Hamilton to Auckland passenger rail service via the Waterfront route (through Sylvia Park/ Glen Innes) onto the Strand station and carrying on to Newmarket as the termination point for the peak service”.

The 2017 assessment looked at the key changes (policy and broad operational developments) that have occurred since 2011 to test if the assumptions made in the RWP report are still valid, and whether the preferred service proposal is still ‘operationally feasible’.

The detailed 2017 assessment of the RWP preferred service proposal is included in the Attachment 2 of this report, and the key findings are summarised below:

Policy and strategic alignment

- The transport policy context has not undergone significant change since 2011. There is however a stronger focus on ensuring that investment proposals are supported by robust business cases, to ensure that the core problem/benefits and investment objectives are clearly understood and that the solution identified is the right response to address the problem. In addition more weight is being given by central government to responding to growth in high growth urban areas in the recently released Draft Government Policy Statement on Land Transport (2018/19-2027/28).
- At a regional level, the role of inter-regional passenger rail was considered further during the development of the Waikato Regional Land Transport Plan 2015-2045 (RLTP) in 2014/15. The RLTP identifies a passenger rail service between Hamilton and Auckland as a ‘medium to long term’ priority for the Waikato region. The current priority is to promote the North Island Main Trunk line as a primary freight corridor for the upper North Island, and to support/advocate projects of inter-regional significance, such as third rail line from Westfield to Wiri and rail electrification from Pukekohe to Papakura, to improve network capacity and efficiency.
- The Auckland Transport Alignment Project (ATAP) work was completed in 2016, and identified the need to invest in a third main rail line and extend rail electrification from Papakura to Pukekohe, however these projects are not yet funded.
- While there is no clear regional policy mandate for the provision of an inter-regional passenger rail service, the current regional policies do reflect the desire from both Auckland and Waikato regions to improve cross-boundary planning/collaboration and to strengthen transport connections between both regions to enhance economic growth and productivity.

Operational feasibility

- Network access during peak periods has been identified as a critical constraint and the following issues have been identified that will affect the feasibility of the proposed service:
 - There is presently no operational and berthing capacity available at either the Britomart or Newmarket stations.
 - Whilst a limited peak and off peak service could be operated between Hamilton and the Strand (subject to detailed operational modelling), it is not considered as a viable option as the service would not be able to continue once the City Rail Link (CRL) is completed. Auckland Transport is committed to increasing the Auckland Metro service frequencies in conjunction with the opening of CRL. This will increase peak frequencies on the southern line and as a result (and given the established rail freight paths) there will be no spare capacity between Papakura and Westfield line to accommodate any new peak service.
 - Given the planned Metro service improvements and the anticipated growth in freight rail, the ability to operate additional trains through north of Papakura is

extremely limited. The network constraint issues are unlikely to be resolved until the 'third main' (Wiri to Westfield) and the proposed works at Westfield Junction are completed. These project are included in the ATAP, however no funding has been committed.

- Whilst the network/access issues at the Britomart station could be improved with the completion of CRL project, it is noted that diesel services are no longer permitted to enter the Britomart station due to safety reasons. Given this, any new inter-regional service that will require access to the Britomart station should be planned in conjunction with the network electrification between Auckland and Hamilton.
- The maximum expected travel time as indicated in the RWP report was about 2 hours 20 minutes (from Frankton to the Strand station). It is anticipated that the journey time is likely to take longer due to the current Metro service timetables and the planned service level improvements in the future.

Station upgrade and rolling stock

- RWP has assessed the infrastructure requirements at the different stations in Waikato, and it was concluded that only The Base (Hamilton), Ngaruawahia and Tuakau stations would require more extensive work in terms of platform upgrade and pedestrian crossing etc.
- Waikato District Council has identified in its 2016 Long Term Plan an investment commitment of \$500,000 to upgrade the Tuakau rail platform (Note that this is reliant upon a 50 percent co-funding contribution from the NZ Transport Agency which is not confirmed). This is staged to occur in 2022.
- Hamilton City Council has reported that work is currently underway to investigate potential for land banking sites for passenger rail stations and park and/or ride facilities in Hamilton.
- It is noted that Auckland Transport have no spare rolling stock available for use on a Hamilton to Auckland service. Further assessment will need to be undertaken in conjunction with KiwiRail to assess the availability of rolling stock and any required upgrade/refurbishment (e.g. toilet facilities) to support a future inter-regional passenger rail service.

Funding requirements

- It should be noted that no detailed financial analysis was undertaken by the Steering Group in 2017 given that the 2011 proposal is not considered as a feasible option under the current network conditions. However some data have been collected, including Future Proof population projections and 2013 Census Journey to Work data which could be used for future patronage assessment.
- It is also noted that the NZTA Business Case Approach (BCA) is identified as a pre-requisite in determining whether or not to proceed with a proposed investment. Any new transport activity seeking funding via the National Land Transport Programme must be able to demonstrate that the BCA principles have been applied in developing the case for investment. The BCA will form an important consideration for any future transport proposal/activity and it will contain details of, the problem or opportunity this proposed service is aiming to address, what alternatives to this proposal have been assessed and how the proposal fits in with national and regional priorities.
- Whilst there was no business case prepared for the 2011 passenger rail proposal, it was recommended by the RWP as a logic next steps, if there was a general willingness from the funding partners to proceed further with the proposal.

Based on the 2017 assessment, it is considered that service proposal identified by the RWP in 2011 is no longer feasible under the current conditions. Operational constraints within the Auckland network will remain, and any additional commuter trains, both short term and long term, may not

be able to be accommodated north of Papakura. The network constraint issues are unlikely to be addressed until the proposed rail improvements (i.e. third main line and the proposed works at Westfield Junction) identified in the ATAP are implemented. However the detailed timeframe and funding of these rail projects have not been confirmed.

Furthermore, the review of the 2011 report has raised some concerns about the lack of assessment of broader options beyond passenger rail and a clear problem statement or investment objective. Without this it would be difficult to develop a robust business case that would support the introduction of the service envisaged in the 2011 RWP Report.

Lastly, the 2017 assessment has highlighted a number of factors that will need to be considered in order to progress any future work on passenger rail service between Auckland and Hamilton, these include:

- A business case approach (BCA) – there needs to be a clear understanding of the problem or opportunity related to strengthening transport connections or broader social and economic relationships between Hamilton and Auckland, and to confirm what would be the best approach/solution in achieving this (with clear evidence). The BCA would also allow the consideration of a wide range of options and integration of modes to improve transport connections between Hamilton and Auckland.
- Network access issues – constraints surrounding the Auckland rail network and the associated infrastructure improvements will need to be considered in light of any future passenger rail work (including any proposed business case). Clear policy signals should also be provided in key regional planning documents (e.g. RLTP) to support and advocate for rail infrastructure projects that will provide clear inter-regional benefits for both freight and passenger rail, i.e. third main and extension of electrification from Papakura to Pukekohe.
- Funding commitment - a funding commitment from partner councils and/or central government agency to support the business case planning and implementation of any future passenger rail proposal.
- Stakeholder engagement – engagement with key stakeholders (i.e. KiwiRail) and interested parties (The Rail Opportunity Network) will be critical to ensure good buy-in of the process and outcome/decision of any future passenger rail work.

Proposed options for next steps

Based on the above findings, the review has identified three broad options to be considered by the North Waikato PBC partner organisations as possible next steps. Some brief analysis on the proposed options is provided in the table below:

Options	Indicative costs	Benefits	Risks
1. Do nothing / status quo	Nil	- No investment outlaid until such time as deemed appropriate	- Not meeting stakeholder/community or political expectations - Nature of potential problems and opportunities not clearly understood

2. Prepare a detailed rail feasibility study to explore potential options for a passenger rail connection between Auckland and Hamilton	\$50-100,000 ² (dependent on scope)	<ul style="list-style-type: none"> - Relatively easy and quick to update - Findings easy to communicate with key stakeholders 	<ul style="list-style-type: none"> - Does not provide a clear strategic basis on why a service is needed - Takes a narrow approach and doesn't consider other alternatives or transport modes - No buy in from central government to possible future investment without a compelling and robust business case process.
3. Develop a Strategic Business Case to identify the problem or opportunity in relation to the inter-regional connections between Auckland/Hamilton and associated investment benefits that could be gained.	\$30-50,000 for the Strategic Case ³ .	<ul style="list-style-type: none"> - A more collaborative process and best practice for decision-making - Enable agreed problems, benefits and investment objectives to be developed, supported by evidence-based information - Enable consideration of options and alternatives - Strategic case outputs could help to inform the RLTPs on the inter-regional priorities 	<ul style="list-style-type: none"> - Lack of commitment from project partners to progress to future business case stage. - Note that the strategic case is a precursor to a detailed business case which could require shared commitment of at least \$50-100,000 plus staff resourcing.

Feedback is now sought from the North Waikato PBC partner organisations on the three options and to advise on a preferred option. It is also noted that should either Options 2 or 3 be identified by the partner organisations as the preferred way forward, the costs will need to be shared between all the partners. It is intended that any decision to progress with further rail work would be made in time to inform partner council long term plan discussions.

Signed by the Waikato Regional Council representative on the North Waikato Integrated Growth Management Programme Business Case Steering Group

Annika Lane - Member of North Waikato PBC Steering Group
***Manager, Infrastructure and Integration
 Science and Strategy
 Waikato Regional Council***

² An estimate based on actual costs incurred in 2011 Hamilton to Auckland rail investigation (Staff time and consultancy costs).

³ Note that Option 3 could lead to a further funding commitment from partner councils and central government in future, pending decisions taken as part of the business case approach. Costs will be able to be revised once the business case process is underway and more information is to hand.

Attachment 1: Summary of the Hamilton to Auckland Passenger Rail Recommendation Report Preferred Passenger Rail Service Option (September 2011) and associated costs and the rating option

Summary of the Preferred Passenger Rail Service Option

Hamilton to Auckland service via the Waterfront route (through Sylvia Park/ Glen Innes) onto the Strand station and carrying on to Newmarket as the termination point for the peak service.

The service proposal includes

- Two peak and two off-peak trips every weekday
- Services five days a week excluding public holidays

The service will be operated by one Silver Fern railcar with a seating capacity of 96 passengers to start with. Once the implementation is confirmed, the viability/potential of providing a connecting bus at the Strand station to link up with the proposed train service will be investigated.

It is proposed that the peak service will start around 0600 in the morning from Frankton station and around 0610 from The Base. The maximum expected travel time is 2 hours and 20 minutes approximately. However, indications are that travel time could be closer to 2 hours. Further investigation on this will be carried out once implementation is confirmed. The travel time is expected to be the same as travelling via Newmarket to get to the Strand due to lesser congestion on the Waterfront line. The expected departure and arrival times as shown below

Peak services (2 peak services or 1 peak return service)–

Depart Hamilton	06:00
Arrive Strand, Auckland	08:20
Arrive Newmarket, Auckland	08:27
Depart Strand, Auckland	17:30
Arrive Hamilton	19:45

Off peak services (2 off peak services; one departing Auckland and one departing Hamilton) –

Depart Auckland (Britomart)	09:30
Arrive Hamilton	11:45
Depart Hamilton	14:30
Arrive Auckland (Britomart)	16:45
Depart Auckland (Strand)	17:30 (return peak service noted above)

In regard to the preferred option the Recommendation Report noted that the final timetable will need to be worked out with Auckland Transport and KiwiRail closer to the time of implementation of the service. This will depend on time slot availability and network capacity at the time of implementation. Once the implementation is confirmed, a further survey or focus groups could be conducted to gauge the timetable preference especially for the off-peak service.

The proposal is for the service to run between Frankton station in Hamilton and Newmarket in Auckland (via the Strand station) at peak times. The off peak service could operate between Frankton in Hamilton and Britomart station in Auckland. The proposed service includes stops at the following stations:

Frankton, Hamilton
 The Base, Hamilton
 Huntly, Waikato District
 Te Kauwhata, Waikato District
 Tuakau, Waikato District
 Papatoetoe, Auckland
 The Strand, Auckland
 Newmarket, Auckland

Map 1 below shows the route and stops for the proposed Hamilton to Auckland service

Map1: Route and stops for proposed service



Summary of costs and the rating option for the proposed trial service (Source: 2011 Recommendation Report)⁴

Costs

Costs projected below are based on operating costs provided by KiwiRail to the Rail Working Party in KiwiRail's updated proposal in December 2010.

Costs	\$Million
Operating cost	\$1.97
Rolling stock (purchase and refurbishment)	\$0
Infrastructure cost	
Station upgrades	\$0.92
Contingency (5% -includes marketing)	\$0.10
Total cost (during trial period)	\$2.99

Note: No estimation has been made of management or other administrative costs on Waikato regional council for managing the service. These will have to be calculated and added in once the implementation is agreed upon.

Assumptions:

- Operating costs are a[per annum
- Cost is assumed to be indexed though not included in the calculations
- Trial contract period of 2 years
- Infrastructure costs to be met by the territorial authority in which the station is located
- All costs exclude GST

Rating option

The Rail Working Party evaluated five different rating options for funding the proposed service. Based on benefits assessment and impact analysis, the Rail Working Party recommended the following rating option in the 2011 Recommendation Report:

- All properties in Hamilton City area rated at 100%.
- Waikato District properties within 10km of service rated at 100%.
- Waikato District properties outside of 10km buffer pay 30% differential.
- All Waipa District properties pay 30% differential.
- All remaining properties within the Waikato region pay 10% differential

The potential rating impacts have been modelled based on the following cost and funding assumptions (as per Section 5 of the 2011 Rail Working Party Recommendation Report report) have been applied:

Operational costs

Total cost of service \$1.97 million

⁴ Note that this data is taken from the 2011 Recommendation Report and would need to be updated.

Fare recoveries	\$0.74 million
Rating requirement	\$1.23 million

Table 9: Potential Rating Impact

Without NZTA Subsidy		With NZTA subsidy	
Per property rate - • Hamilton City and 10km buffer area in Waikato District	\$16.63	Per property rate - Direct benefit area	\$8.32
Per property rate – • Waikato District (outside of 10km buffer area) and Waipa District	\$4.99	Per property rate - Waikato/Waipā DC indirect	\$2.50
Per property rate – • Rest of the properties in the Waikato region	\$1.59	Per property rate - Region wide	\$0.80

Attachment 2: Steering Group assessment of the 2011 Rail Working Party Recommendation Report on Hamilton to Auckland Passenger Rail Service

The Hamilton to Auckland Passenger Rail Working Party (RWP) was formed in 2010 to work through the technical and operational feasibility of establishing a passenger rail service between Hamilton and Auckland, and to make recommendations to member organisations on the preferred service option and funding requirements. A number of service options were investigated by the RWP in association with Auckland Transport and KiwiRail, and the following option was recommended as the preferred service proposal for a 2-year pilot trial:

“Hamilton to Auckland passenger rail service via the Waterfront route (through Sylvia Park/ Glen Innes) onto the Strand station and carrying on to Newmarket as the termination point for the peak service.”

A high level assessment has been undertaken on the preferred service proposal identified by the RWP to test if the assumptions made in 2011 RWP report are still valid, and whether the preferred option is still operationally feasible. The specific areas considered by the Steering Group as part of its assessment include:

- Policy alignment - strategic fit of the proposed service
- Operational feasibility in terms of, network access, stops en route and journey times for the service
- Station upgrade and other infrastructure requirements
- Financial analysis (patronage projection and funding requirements)

2011 Rail Working Party Preferred Service Option:		2017 assessment of the 2011 Rail Working Party Preferred Service Option	
<i>To operate a Hamilton to Auckland passenger rail service via the Waterfront route (through Sylvia Park/ Glen Innes) onto the Strand station and carrying on to Newmarket as the termination point for the peak service</i>			
Service details/perimeter	Key assumption/analysis	What has changed since 2011	Staff assessment
Policy alignment - strategic fit of the proposed service	<ul style="list-style-type: none"> • The 2011 report stated that a passenger rail service between Hamilton and Auckland is broadly aligned with the national objectives of the 2012-15 Government Policy Statement (GPS), particularly for promoting economic growth and productivity. The proposed service would help to reduce congestion in Auckland⁵ and to improve access to jobs and economic opportunities by making travel/commuting more accessible between two major economic centres. • The report also noted the proposed service would contribute to wider national/regional transport objectives such as improving transport choices, environmental sustainability and road safety. 	<ul style="list-style-type: none"> • At a national policy level, the operative GPS 2015-18 continues with the direction set out in the previous GPS (2012-15) to focus on economic growth, road safety and value for money. With respect to public transport, the priorities are to focus on growing public transport in major urban centres (Auckland & Wellington) and to increase network productivity on key corridors at peak periods. • It is expected that Government’s strategic transport priorities around economic growth and productivity, road safety, and value for money will remain in the next 2018-21 GPS. There is however an increased emphasis under the economic growth and productivity priority to focus on assisting high growth urban areas⁶ by supporting Housing Infrastructure Fund and the implementation of the Auckland Transport Alignment Project. • At a regional level, the role of inter-regional passenger rail was considered further during the development of the Waikato Regional Land Transport Plan 2015-2045 (RLTP) in 2014/15. The RLTP identifies a passenger rail service between Hamilton and Auckland as a medium to long term priority for the Waikato region. It also identifies a number of critical constraints/factors that will need to be considered to support a passenger rail service between Auckland and Waikato e.g. Completion of Auckland Central Rail Link and extension of electrification of the rail line from Papakura to Pukekohe to improve network reliability and capacity. 	<ul style="list-style-type: none"> • The policy environment has not undergone significant change since 2011, and the Government’s strategic priorities around economic growth and productivity, road safety, and value for money, remain unchanged. However there is an increased focus on transport investment to assist housing development in high growth urban areas (including Auckland and Hamilton). Any future rail proposal will need to be assessed against the current and future GPS strategic priorities and the associated national land transport objectives and results. • Whilst there is no clear regional policy mandate for the provision of an inter-regional passenger rail service, the current regional policies do reflect the Waikato region’s desire to improve inter-regional planning/collaboration and transport connections between Waikato and Auckland, and to look at ways to maximise the potential of each region and drive economic activity and growth. • The Transport Agency has signalled that from 1 July 2015, any new activity seeking funding via the NLTP must be able to demonstrate that the BCA principles have been applied in developing the case for investment. Whilst there was no business case prepared for the 2011 passenger rail proposal, it was recommended by the RWP as a logic next steps, if there was a general willingness from the funding partners to proceed further with the proposal (2011 RWP Final Recommendation Report August 11). The business case will contain details of, the problem

⁵ 70% of the quantified benefits of the proposed service is attributed to reducing congestion

⁶ As defined in National Policy Statement on Urban Development Capacity

		<ul style="list-style-type: none"> • The Draft Waikato Plan developed under the guidance of a joint committee established by the Waikato Mayoral Forum includes actions that focus on improving cross-boundary public transport connections. It identifies connecting our communities through targeted investment as one of five priorities for the region, and integrating Auckland and Waikato's transport networks as one of 10 first order priority actions • The Waikato Means Business Strategy 2014⁷ identifies maintaining and building our location advantage, and building, attracting and retaining skills and talent as strategic priorities and areas of focus for the region. • Introduction of the NZTA Business Case Approach (BCA) where the NZ Transport Agency is now required all transport activities seeking inclusion in the National Land Transport Programme (NLTP) to be developed in a manner consistent with the principles of the BCA. • LTMA amendments in 2013 which incorporate a new Public Transport Operating Model (PTOM) for planning of public transport services managed by regional councils/unitary councils. 	<p>or opportunity this proposed service is aiming to address, what alternatives to this proposal have been assessed and how the proposal fits in with national and regional priorities.</p> <ul style="list-style-type: none"> • The LTMA amendments have established a new policy framework for planning and procurement of public transport services, known as the Public Transport Operating Model (PTOM). The PTOM will have particular implications on how public transport services (incl passenger rail) are contracted and managed by regional councils.
<p>The operational feasibility of the proposed service</p>	<p><u>Route and terminating station</u></p> <ul style="list-style-type: none"> • It was proposed that the service will run between Frankton station in Hamilton and Newmarket in Auckland (via the Strand station with connecting bus services to the CBD) at peak times. • The peak service will travel on Waterfront route through Sylvia Park/ Glen Innes onto the Strand station and carrying on to Newmarket as the termination point. • The off-peak service could operate between Hamilton and Britomart station in Auckland. • The report found that is no berthing capacity available at Britomart station during both the morning and afternoon peak periods, so the only viable option for a service to go into the CBD was via the Strand station. This would however require the provision of new bus services to/from the CBD and the installation of associated bus stops. • Other options considered including, extension of existing Metro service to Hamilton or a Silver Fern service between Hamilton and Pukekohe. However these were not supported due to technical constraints, costs or timetable issues. <p><u>Timetable and journey time</u></p> <ul style="list-style-type: none"> • The proposed service would include 2 peak and 2 off-peak trips every weekday. The morning peak service will start in 6am from Frankton station and arrive at Newmarket at about 8.20am. The maximum expected travel time is about 2 hours 20 minutes. 	<p><u>City Rail Link</u></p> <ul style="list-style-type: none"> • The constraints with the Britomart station access during peak period still exist and it is unlikely to change until the City Rail Link (CRL) is completed which would greatly improve the capacity and access to the Britomart station. A funding commitment has been made by Auckland Council and Central Government to complete the CRL by 2022/23 and the construction is currently underway. <p><u>Auckland network Improvement</u></p> <ul style="list-style-type: none"> • Significant investment has been made by the Government to electrify Auckland's rail network from Swanson to Papakura and to upgrade signalling and train control system. The electrified network extends from Papakura in the south to Swanson in the west, and includes the Onehunga Branch Line and Manukau Rail Link. • Most of the Auckland Metro rail services are running on electric units with the exception of Papakura to Pukekohe, which runs a diesel shuttle service. Rail electrification from Papakura to Pukekohe has been included in the Auckland Transport Alignment Project (ATAP) for the first decade (2018 to 2028), however the funding has not been confirmed/committed. AT is also investigating the option of battery powered train unit which allow the electric services to be extended to Pukekohe. • The third rail line between Wiri and Westfield is also included as a first decade priority in the ATAP Final Report. This project is essential to provide for passenger and freight growth in Auckland and substantial enabling works have been already underway i.e. a business case has been completed. • Forecast growth rates for Auckland passenger rail pre CRL opening are as follows: 18% (2016/17); 10% (2017/18); 5% 	<ul style="list-style-type: none"> • Whilst the network/access issues at the Britomart station could be improved with the completion of CRL project, it is noted that diesel services are no longer permitted to enter the Britomart station due to safety reasons. Given this, any new inter-regional service that will require access to the Britomart station should be planned in conjunction with the network electrification between Auckland and Hamilton. • Network access in during peak periods has been identified as a critical constraint. There is presently no operational and berthing capacity available at either the Britomart or Newmarket stations. Whilst a limited peak and off peak service could be operated between Hamilton and the Strand (subject to detailed operational modelling), it is not considered as a viable option as the service would not be able to continue once the City Rail Link (CRL) is completed. Auckland Transport is committed to increase the Auckland Metro service frequencies in conjunction with the opening of CRL. This will increase peak frequencies on the southern line and as a result (and given the established rail freight paths) there will be no spare capacity between Papakura and Westfield line to accommodate any new peak service. • Given the planned Metro service improvements and the anticipated growth in freight rail, the ability to operate additional trains through north of Papakura is extremely limited. The network constraint issues are unlikely to be resolved until the third main rail line and the proposed works at Westfield Junction are completed. These project are included in the ATAP, however no funding has been committed • The maximum expected travel time as indicated in the RWP report was about 2 hours 20 minutes (from Frankton to the Strand station). It is anticipated that the journey time is likely to

⁷ An economic development strategy of the Waikato region instigated by the Waikato Mayoral Forum completed in February 2014.

	<p>Rolling stock</p> <ul style="list-style-type: none"> A silver fern railcar (96 seating capacity) will be used for the start-up service. The railcar will be refurbished to high standard including new interior and toilet facilities. The cost will included in the annual operating cost. This option is also considered as the affordable option 	<p>(2018/19); 6% (2019/20); and then 5% per annum until the commencement of City Rail Link services. There is expected to be a significant uplift post the City Rail Link opening with the introduction of higher frequency services.</p>	<p>take longer due to the current Metro service timetables and the planned service level improvements in the future.</p> <ul style="list-style-type: none"> It is noted that Auckland Transport have no spare rolling stock available for use on a Hamilton to Auckland service. Further assessment will need to be undertaken in conjunction with KiwiRail to assess the availability of rolling stock any required refurbishment (e.g. toilet facilities) to support a future inter-regional passenger rail service
Infrastructure/station upgrade	<ul style="list-style-type: none"> The proposed service includes stops at the following stations – Frankton, The Base, Huntly, Te Kauwhata, Tuakau, Papatoetoe, The Strand and Newmarket. RWP assessed the infrastructure requirements at the different stations in Waikato, and it was concluded that only The Base (Hamilton), Ngaruawahia and Tuakau stations would require more extensive work in terms of platform upgrade and pedestrian crossing It was assumed that capital cost associated with station upgrade will be funded by the territorial authorities (not included in the final preferred proposal). 	<ul style="list-style-type: none"> Waikato District Council has identified in its 2016 Long Term Plan an investment commitment of \$500,000 to upgrade the Tuakau rail platform (Note that this is reliant upon a 50 percent co-funding contribution from the NZ Transport Agency which is not confirmed). This is staged to occur in 2022. Hamilton City Council has reported that work is currently underway to investigate potential for land banking sites for passenger rail stations and park and/or ride in Hamilton, specifically in Frankton and Te Rapa. There is currently no funding committed to any future upgrade of the railway stations in Hamilton 	
Funding requirements	<ul style="list-style-type: none"> Funding requirements for the service proposal: <ul style="list-style-type: none"> Total cost of service \$1.97 million Fare recoveries \$0.74 million Funding gaps \$1.23 million It was also assumed that a funding application will be made to NZTA supported by a full business case, and will need to be included in the RLTP for NLTP funding consideration. The benefits accruing to Auckland from the proposed service will need to be quantified as part of the business case development and funding contribution will need to be discussed with Auckland Council and Auckland Transport. 	<ul style="list-style-type: none"> It should also be noted that the market dynamics may have changed considerably since the 2011 report. While patronage demand is likely to be higher (this has not been assessed), competition from the bus industry is also greater, offering the same journey time, but with greater frequency at less cost. This will have an impact on any rail patronage and revenue assumptions There are significant challenges in identifying and implementing funding across multiple organisations for subsidies through rates and other sources, particularly in the absence of a robust business case. 	<ul style="list-style-type: none"> No detailed financial analysis was carried out, given that the 2011 proposal is not considered as a feasible option under the current network conditions. However some data have been collected, including Future Proof population projections and Census Journey to Work data which could be used for future patronage assessment

Open Meeting

To	Infrastructure Committee
From	Gavin Ion Chief Executive
Date	12 June 2017
Prepared by	Lynette Wainwright Committee Secretary
Chief Executive Approved	Y
Reference	GOV1301
Report Title	Exclusion of the Public

I. EXECUTIVE SUMMARY

To exclude the public from the whole or part of the proceedings of the meeting to enable the Infrastructure Committee to deliberate and make decisions in private on public excluded items.

2. RECOMMENDATION

THAT the report of the Chief Executive be received;

AND THAT the public be excluded from the meeting to enable the Infrastructure Committee to deliberate and make decisions on the following items of business:

Confirmation of Minutes dated Tuesday 23 May 2017

REPORTS

- a. **Compulsory Acquisition of land required for Annebrook Road link to Matangi Road**

This resolution is made in reliance on section 48(1)(a) and 48(2)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by sections 6 or 7 of that Act which would be prejudiced by the holding of the whole or the relevant part(s) of the proceedings of the meeting in public are as follows:

Reason for passing this resolution to withhold exists under: **Ground(s) under section 48(1) for the passing of this resolution is:**

Section 7(2)(a)(i)(j)

Section 48(1)(d)

b. Waikato Expressway – All Sections Issues Register – Update June 2017

This resolution is made in reliance on section 48(1)(a) and 48(2)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by sections 6 or 7 of that Act which would be prejudiced by the holding of the whole or the relevant part(s) of the proceedings of the meeting in public are as follows:

Reason for passing this resolution to withhold exists under: **Ground(s) under section 48(1) for the passing of this resolution is:**

Section 7(2)(i)

Section 48(1)(d)

3. ATTACHMENTS

Nil