NOTICE OF MEETING

Notice is hereby given of the Meeting of the Infrastructure and Services Committee to be held in the Council Chamber, First Floor, Civic Administration Building, 101 Esk Street, Invercargill on Monday 9 July 2018 at 4.00 pm

His Worship the Mayor Mr T R Shadbolt JP
Cr L S Thomas (Chair)
Cr I R Pottinger (Deputy Chair)
Cr A J Arnold
Cr K F Arnold
Cr A H Crackett
Cr I L Esler

EIRWEN HARRIS MITCHELL
MANAGER, SECRETARIAL SERVICES

Finance and Corporate Services Directorate
Civic Administration Building • 101 Esk Street • Private Bag 90104 Invercargill • 9840 • New Zealand
DX No. YA90023 • Telephone 03 211 1777 • Fax 03 211 1433

Council's Values:

Responsibility	Take ownership of decisions and outcomes, both collectively and individually. • We willingly share our knowledge. • We acknowledge our mistakes, work to resolve them and learn from them. • We give and receive feedback in a constructive manner to resolve issues. • We do our job with total commitment.
Respect	Everyone is important, as are their views. • We support and care for each other. • We stop to listen, learn and understand. • We communicate in an honest, up-front and considerate manner. • We maintain confidences and avoid hurtful gossip.
Positivity	Always look on the bright side of life. • We are approachable, interested and friendly. • We are open and receptive to change. • We acknowledge and praise the efforts of others. • We work together as a team to get the job done.
Above and Beyond	Take opportunities to go the extra mile. • We take the initiative to improve our work practices to get the best results. • We challenge ourselves and each other to make it better. • We take pride in providing the best possible outcomes. • We are ambassadors for our Council at all times.

Council's Vision for the City:

Enhance our City and preserve its character, while embracing innovation and change.

Council's Vision:

We are an energised, fun and innovative team that makes it better for each other and our community.

Council's Mission:

Making it better by making it happen.

A G E N D A

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2. **APOLOGIES**

Cr A Arnold

3. **PUBLIC FORUM**

4. **INTEREST REGISTER**

5. **MONITORING OF SERVICE PERFORMANCE**

5.1 **LEVELS OF SERVICE**

5.1.1 ***Parks and Reserves***

5.1.2 ***Public Toilets***

5.1.3 ***Roading***

5.1.4 ***Sewerage***

5.1.5 ***Solid Waste Management***

5.1.6 ***Stormwater***

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6. **MONITORING OF FINANCIAL PERFORMANCE**

6.1 **FINANCES**

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6.3 ***Toilets***

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6.7 ***Parks Operations***

6.8 ***Property***

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7. ACTION SHEET

8. OTHER BUSINESS

8.1 **REPORT OF THE DIRECTOR OF WORKS AND SERVICES**

8.1.1 ***New Zealand Motor Caravan Association Incorporated – Request to Lease Land***

8.1.1.1 Appendix 1

8.1.2 ***Storage Building Racecourse Road***

8.1.3 ***Sandy Point Forestry – Income / Expenditure – Budgets and Actuals***

8.1.4 ***Southland Economic Project: Draft Urban and Industry Technical Report***

8.1.4.1 Appendix 1

8.1.5 ***Rebooting Recycling Report***

8.1.5.1 Appendix 1

9. URGENT BUSINESS

10. PUBLIC EXCLUDED SESSION

Moved, seconded that the public be excluded from the following parts of the proceedings of this meeting; namely

(a) Contract 829 2018-2019 Road Resurfacing
(b) Contract 818 Urban Pavement Rehabilitation 2018-2019
(c) Contract 550 Right of Extension
(d) Contract 650 Recyclables Acceptance – Urgent Variation
(e) Contract 831 – St Andrews Street and Newcastle Street Foulsewer Renewal 2018/2019

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

	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
(a)	Contract 829 2018-2019 Road Resurfacing	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	Section 7(2)(i)
(b)	Contract 818 Urban Pavement Rehabilitation 2018-2019	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	Section 7(2)(i)
(c)	Contract 550 Right of Extension	Enable any authority holding the information to carry out, without prejudice, or disadvantage, commercial activities.	Section 7(2)(h)
(d)	Contract 650 Recyclables Acceptance – Urgent Variation	Enable any authority holding the information to carry out, without prejudice, or disadvantage, commercial activities.	Section 7(2)(h)
(e)	Contract 831 – St Andrews Street and Newcastle Street Foulsewer Renewal 2018/2019	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	Section 7(2)(i)

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INVERCARGIL CITY COUNCIL ELECTED MEMBERS

INTEREST REGISTER

ELECTED MEMBERS		
NAME	**ENTITY**	**INTERESTS**
RONALD LINDSAY ABBOTT	Invercargill City Council	Councillor
	Kiwi-Pie Radio 88FM Invercargill	Director / Broadcaster
	Invercargill Art Gallery	Council Representative / Board Member
	Invercargill Venues and Events Management	Director
REBECCA R AMUNDSEN	Invercargill City Council	Councillor
	Arch Draught Ltd	Director
	BP Orr Ltd	Director
	Task Ltd	Director
	Arts Murihiku	Trustee
	Dan Davin Literary Foundation	Trustee/Chair
	Heritage South	Contractor
	Glengarry Community Action Group	Events Co-ordinator (Volunteer)
	SMAG Board	Council Representative
	Venture Southland	Council Representative
	Southland Regional Heritage Committee	Council Representative
ALLAN J ARNOLD	Invercargill City Council	Councillor

KAREN FRANCES ARNOLD	Invercargill City Council Electricity Invercargill Ltd Powernet Ltd Pylon Ltd Invercargill Creative Communities Funding Scheme Southland Warm Homes Trust	Councillor Director Director Director Trustee/Chair Trustee
TONI M BIDDLE	Invercargill City Council Invercargill Venue and Events Management Limited Biddle & Malcolm Travel Southland Museum and Art Gallery Trust Board McIntyre and Dick	Councillor Director Ceased trading December 2017 Trustee Partner – Executive Team
ALEX CRACKETT	Invercargill City Council Ride Southland Southland Youth Futures Advisory Board Venture Southland and Sub-Committee	Councillor Chair Chair Council Representative
LLOYD ESLER	Invercargill City Council	Councillor
GRAHAM LEWIS	Invercargill City Council Invercargill City Holdings Limited	Councillor Director

DARREN JAMES LUDLOW	Invercargill City Council Radio Southland Invercargill City Holdings Limited Invercargill City Charitable Trust Invercargill Venue and Events Management Southland Museum and Art Gallery Trust Board Healthy Families Invercargill Murihiku Maori Wardens	Councillor Manager Director Trustee Director / Chairman Trustee Board Member
IAN POTTINGER	Invercargill City Council	Councillor
TIM SHADBOLT	Invercargill City Council Invercargill Airport Limited Kiwi Speakers Limited Sit Ambassador	Mayor Director Director Contractor
LESLEY SOPER	Invercargill City Council Breathing Space Southland Trust (Emergency Housing) Omaui Tracks Trust National Council of Women (NCW) Active Communities Invercargill Public Art Gallery Citizens Advice Bureau Southland ACC Advocacy Trust	Councillor Chair Secretary/Treasurer Member Chair/Trustee Board Member Board Member Employee

LINDSAY STEWART THOMAS	Invercargill City Council Invercargill City Holdings Limited Invercargill City Property Limited HWCP Management Limited	Councillor Director Director Director

EXECUTIVE STAFF		
NAME	**ENTITY**	**INTERESTS**
PAMELA GARE	Invercargill City Council	Director of Environmental and Planning Services
CLARE HADLEY	Invercargill City Council	Chief Executive
DEAN JAMES JOHNSTON	Invercargill City Council Invercargill City Holdings Limited Invercargill City Forests Limited Forest Growth Holdings Limited Netball South Crowe Howarth	Director of Finance and Corporate Services Chief Executive Chief Executive Director Director Donna (wife) is senior accountant
CAMERON MCINTOSH	Invercargill City Council	Director of Works and Services
RACHEL REECE	Invercargill City Council Reece Property Limited	HR Manager Sole Director

TO: **INFRASTRUCTURE AND SERVICES COMMITTEE**

FROM: **THE DIRECTOR OF WORKS AND SERVICES**

MEETING DATE **MONDAY 9 JULY 2018**

MONITORING OF SERVICE PERFORMANCES

Report Prepared by: Melissa Brook – Strategy and Policy Manager

SUMMARY

Reporting on the Infrastructure and Services levels of service measures for the period comprising 1 July 2017 to 30 April 2018.

RECOMMENDATIONS

That the report be received.

IMPLICATIONS

1.	*Has this been provided for in the Long Term Plan/Annual Plan?* The report monitors performance in relation to levels of service measures identified in the Long Term Plan and the Annual Plan.
2.	*Is a budget amendment required?* No.
3.	*Is this matter significant in terms of Council's Policy on Significance?* No.
4.	*Implications in terms of other Council Strategic Documents or Council Policy?* No.
5.	*Have the views of affected or interested persons been obtained and is any further public consultation required?* No.
6.	*Has the Child, Youth and Family Friendly Policy been considered?* Yes.

FINANCIAL IMPLICATIONS

No financial implications arise from this report.

PARKS AND RESERVES

Consent applications have been made for the work required on the Bluff boat ramp, although ownership and management of the site still needs to be clarified, as is funding for the project. A report on the storage shed at Racecourse Road has been included in this agenda. We are now in the process of ordering structures for the Chinese friendship gardens. Refurbishment of the Crematorium chapel is underway and will be staged over several weeks so as not to restrict the use for services. Interpretive signage at the Queen Park Aviary is being renewed, which is the first upgrade since the Aviary was opened. Major drainage work is being carried out in the Queens Park golf course and Surrey Park main line from the softball area to Pirates Old Boy's grounds.

PUBLIC TOILETS

	1 July 2016 to April 2017	1 July 2017 to April 2018
Access to Services		
Automated toilets are available 24 hours a day.	97%	93%

ROADING

	1 July 2016 to April 2017	1 July 2017 to April 2018
Traffic Signs and Signals		
Vandalised / missing signs and maps are promptly responded to within 48 hours.	93%	95%
Traffic signals are responded to within one hour for emergency works, four hours for serious faults and 12 hours for minor faults.	86%	100%
Response to Service Requests		
The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within the timeframe specified in the Long Term Plan. (LTP Measure 75% within 5 days)	New measure 65.3%	Monthly Cumulative result 70.9%

* Responded to means that the contractor has been notified and has visited the site to ensure it is made safe for use by traffic and pedestrians.

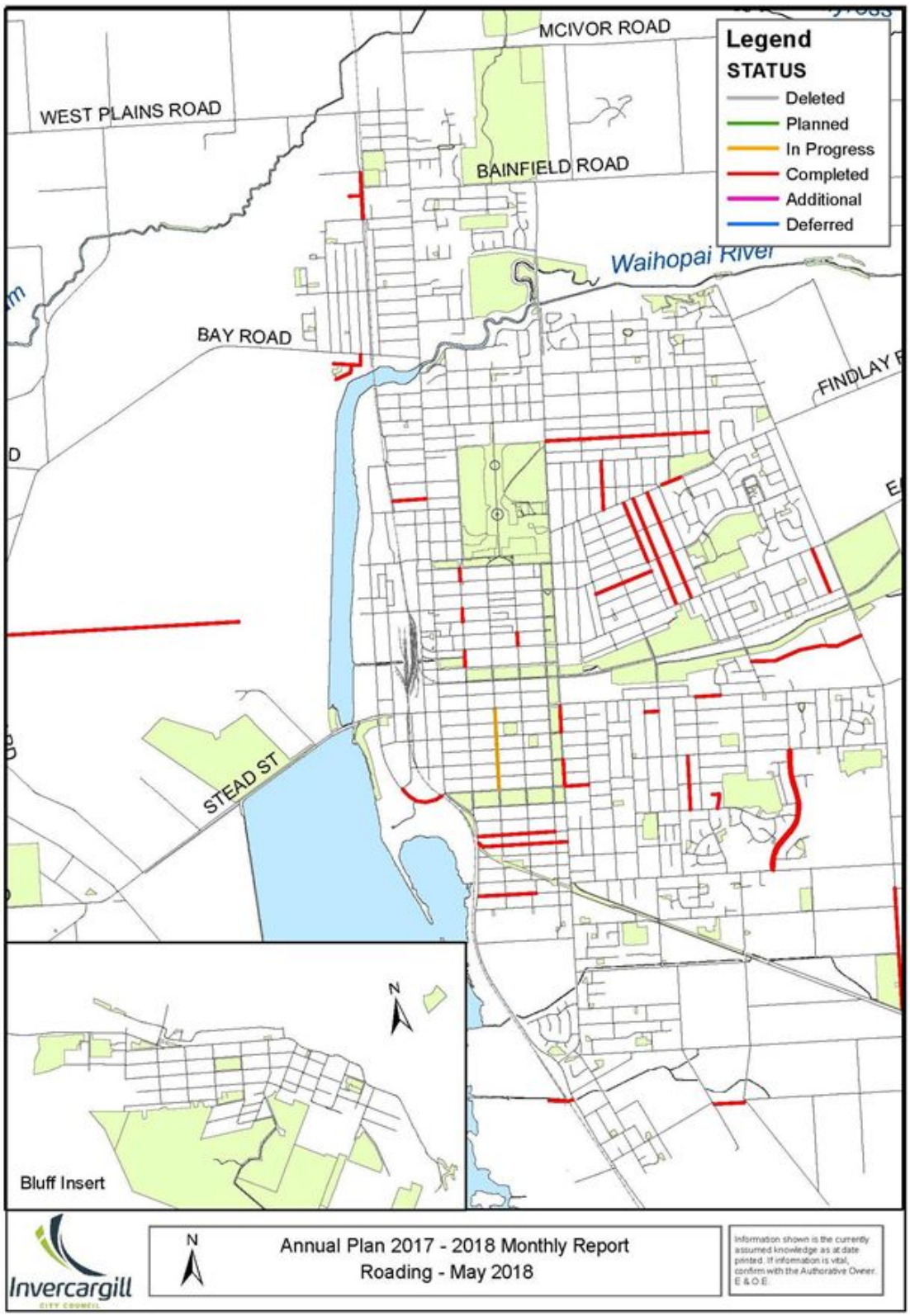
Programme of Works

Roading

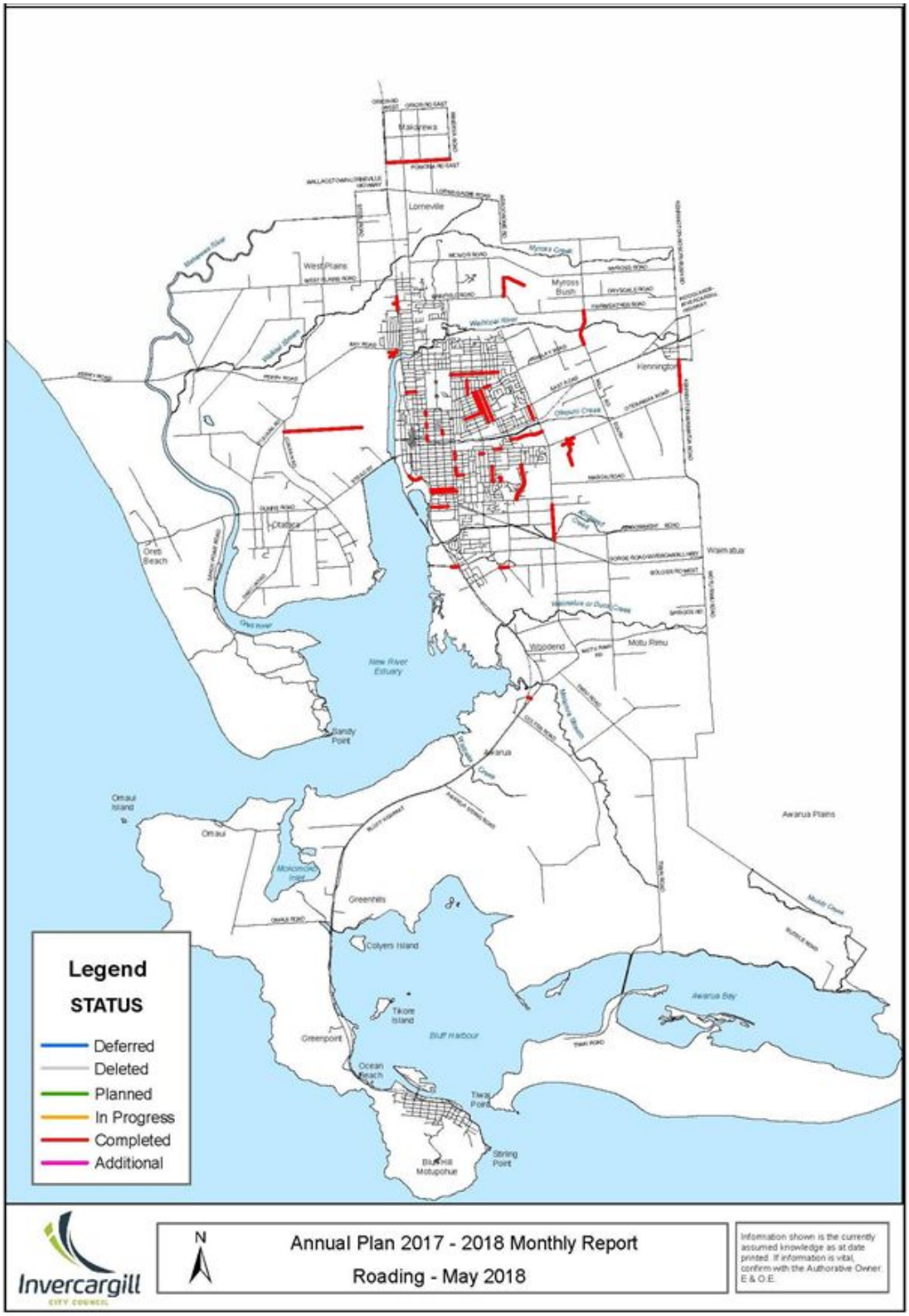
Street	Start	Finish	Activity	Status 2017/18 Annual Plan	Progress to May 2018
Avon Rd	Bain St	Chesney St	Chipseal	Planned	Completed
Baird St	Ritchie St	Bamborough St	Chipseal	Planned	Completed
Bamborough St	Yarrow St	St Andrew St	Chipseal	Planned	Completed
Biggar St	Elles Rd	Princes St	Chipseal	Planned	Completed

Street	Start	Finish	Activity	Status 2017/18 Annual Plan	Progress to May 2018
Bond St	Clyde Road	Annan St	Chipseal	Planned	Completed
Bonnies Chance	Sunrise Drive	End	Chipseal	Planned	Completed
Conon St	Balmoral Drive	Tweed-Conon Roundabout	Chipseal	Planned	In Progress
Court Of Ascot	Sunrise Drive	End	Chipseal	Planned	Completed
Dublin St	St Andrew St	King St	Chipseal	Planned	Completed
Duncan St	West St	Tay St	Chipseal	Planned	Completed
George St	Queens Drive	Ward St	Chipseal	Planned	Completed
Gloucester St	Renfrew St	Switzer St	Chipseal	Planned	Completed
Gretna St	John St	End	Chipseal	Planned	Completed
Hope St	Venus St	Morton St	Chipseal	Planned	Completed
Janet St	Bluff Rd	Ness St	Chipseal	Planned	Completed
Jed St	Tay St	Esk St	Asphalt	Planned	Completed
Kekeno Pl	State Hwy (1)	Railway Line	Chipseal	Planned	Completed
Kelvin St	Don St	Spey St	Asphalt	Planned	Completed
Kelvin St	Leet St	Gala St	Asphalt	Planned	Completed
Lake St	Cattlestop	Bluff Highway Sh1	Chipseal	Planned	Completed
Longford Rd	Curran Rd	Middle Rd North	Chipseal	Planned	Completed
Lorn St	Tay St	St Andrew St	Chipseal	Planned	Completed
Lowe St	Philip St	Dee St	Chipseal	Planned	Completed
Majestic Chance	Sunrise Drive	End	Chipseal	Planned	Completed
Margaret St	Tay St	St Andrew St	Chipseal	Planned	Completed
Mill Rd North	Findlay Road	Bainfield Road	Chipseal	Planned	Completed
Moray Cres	No Exit	Bay Rd	Chipseal	Planned	Completed
Nevis Cres	No Exit	Moray Cres	Chipseal	Planned	Completed
Nith St	Forth St	Tay St	Asphalt	Planned	Completed
O'Hara St	Bluff Highway Sh1	Ythan St Nth	Chipseal	Planned	Completed
Onslow St	Inglewood Rd	Rockdale Rd	Chipseal	Planned	Completed
Pomona Rd East	Sh.6	Minerva Rd	Chipseal	Planned	Completed
Pomona Rd West	Sh.6	Seal Ends	Chipseal	Planned	Completed
Redmayne Rd	Bainfield Rd	No Exit	Chipseal	Planned	Completed
Regent St East	Tramway Rd	Centre-Regent Roundabout	Chipseal	Planned	Completed
Regent St West	Tramway Rd	Centre-Regent Roundabout	Chipseal	Planned	Completed
Selwyn St	Sh.1	Elles Rd	Chipseal	Planned	Completed
St Andrew North	Isabella St	Newcastle St	Asphalt	Planned	Completed
Stephens St	No Exit	Gloucester St	Asphalt	Planned	Completed
Sunrise Drive	Oteramika Road	End	Chipseal	Planned	Completed
View St	Centre St	Rimu St	Chipseal	Planned	Completed
Tweed St	Metzger St	Highfield Tce	Rehabilitation	Planned	Completed
Rockdale Road	Moulson St	Lardner Road	Rehabilitation	Planned	Completed
Kennington-Waimatua Road	Oteramika Road	Rimu Road	Rehabilitation	Planned	Completed
Elles Road	Ettrick Street	Tweed Street	Rehabilitation	Planned	Completed
Elles Road	Balmoral Drive	Crinan Street	Rehabilitation	Planned	Completed

Map of Roading Programme – Urban



Map of Roading Programme – District

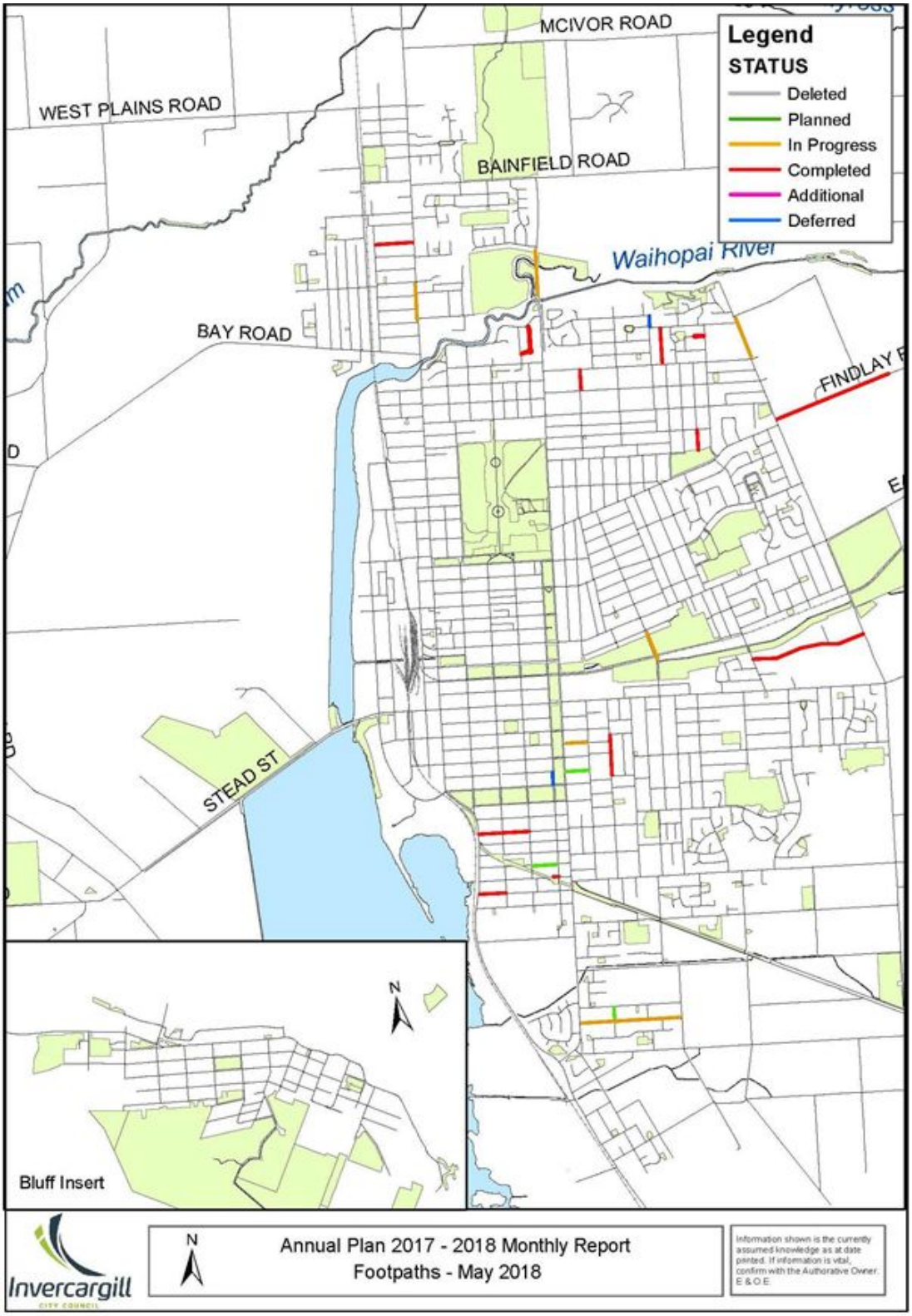


Programme of Works

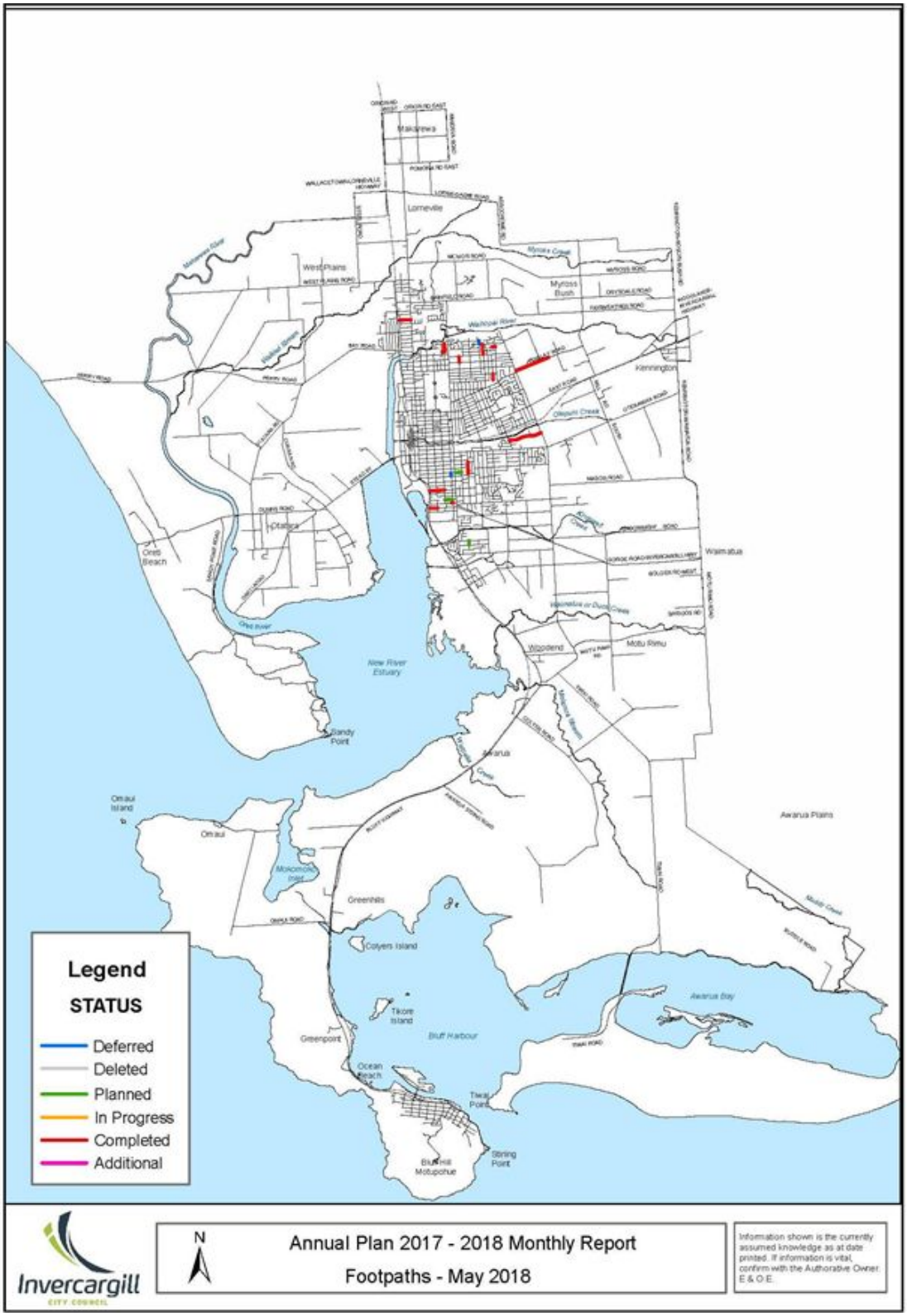
Footpaths

Street	Start	Finish	Activity	Status 2017/18 Annual Plan	Progress to May 2018
Bowmont St	Elles Rd	Princes St	Concrete	Carried Forward	In Progress
Earn St	Elles Rd	Princes St	Concrete	Planned	Planned
Elm Crs	Montrose St	No 7	Concrete	Carried Forward	Completed
Elm Crs	Montrose St	Gladstone Tce	Concrete	Carried Forward	Completed
Findlay Rd	End K&C	Tuai St	AC O/lay	Carried Forward	Completed
Janet St	Bluff Rd	Ythan St	Concrete	Carried Forward	Completed
Joseph St	End	George St	Concrete	Carried Forward	Completed
Kowhai Ave	Layard St	Lamond St	Concrete	Carried Forward	Completed
Lindisfarne St	Otepuni Ave	Islington St	Concrete	Planned	In Progress
Lock St	Oreti St	Dipton St	Concrete	Planned	Planned
Manse St	End	Ness St	Concrete	Carried Forward	Completed
Nelson St	Hardy St	Rodney St	Concrete	Planned	Completed
Ness St	Balmoral Dv	Earn St	Concrete	Carried Forward	Deferred
North Rd	Dudley St	Galway St	Asphalt	Carried Forward	In Progress
O'Hara St	Bluff Rd	Conon St	Concrete	Carried Forward	Completed
Onslow St	Inglewood Rd	Baker St	Asphalt	Planned	Completed
Onslow St	Baker St	Rockdale Rd	Asphalt	Planned	Completed
Oreti St	Elles Rd	Bain St	Concrete	Planned	In Progress
Panton St	Ythan St	Ness St	Concrete	Carried Forward	Planned
Pine Crs	No 22	Ward St	Concrete	Carried Forward	Completed
Pine Crs	No 22	Ward St	Concrete	Carried Forward	Completed
Price St	Ross St	North Rd	Concrete	Carried Forward	Completed
Queens Dv West	Bridge	Gimblett St	Resurfacer	Carried Forward	In Progress
Racecourse Rd East	Layard St	Auburn Rd	Concrete	Planned	Completed
Racecourse Rd West	Layard	Talbot Place	Concrete	Planned	In Progress
Racecourse Rd West	Lamond St	Talbot Place	Concrete	Planned	In Progress
Salford St	Cruickshank Crs	Moana St	Concrete	Carried Forward	Deferred
Windsor St	Chelmsford St	Layard St	Concrete	Carried Forward	Completed

Map of Footpath Programme – Urban



Map of Footpath Programme – District



SEWERAGE

		1 July 2016 to April 2017	1 July 2017 to April 2018
System and Accuracy			
Sewerage. System Adequacy. Number of dry weather sewerage overflows. The number of dry weather sewerage overflows from the Invercargill City Council's sewerage system, expressed per 1000 sewerage connections to that sewerage system (LTP Target 2015/16 ≤ 4 blockages per 1000 properties annually)		Annual Measure 0.47	Annual Measure 0.79
Discharge Compliance			
Sewerage. Discharge Compliance. Compliance with the Council's resource consents for discharge from its sewerage system. Compliance with the Council's resource consents for discharge from its sewerage system measured by the number of: ➢ Abatement Notices ➢ Infringement Notices ➢ Enforcement Orders ➢ Convictions received by Council in relation to those resource consents. (LTP Target 2015/16 – 100% compliance)		Compliant	Compliant
Customer Satisfaction			
The total number of complaints received by Council about any of the following: ➢ Sewerage - Customer Satisfaction. Number of complaints received by Council about sewerage odour. (LTP Target 2015/16 – 0 complaints per year)		0	0
➢ Sewerage - Customer Satisfaction. Number of complaints received by Council about its sewerage system faults and blockages. (LTP Target 2015/16 - <4 blockages per 1000 connections per year) The Council's response to issues with its sewerage system, expressed per 1000 connections to Council's sewerage system.		0.63	2.12
Fault response times			
Where the Council attends to sewerage overflows resulting from a blockage or other fault in the Council's sewerage system, the following median response times measured: ➢ Attendance time – from the time Council receives notification to the time that service personnel reach the site. ➢ Resolution time – from the time that Council receives notification to the time that service personnel confirm resolution of the blockage or fault.			
Priority	**Target**		
Sewerage - Emergency Response Attendance Time - 1 hour target	1 hour (LTP Target 2016/17 – 90% compliance)	86.44%	90%
Sewerage - Emergency	6 hours	96.61%	91.25%

Resolution Time - 6 Hours (Target 90%)	(LTP Target 2016/17 – 90% compliance)		
Sewerage - Urgent Response Attendance Time - 4 hour target	4 hours (LTP Target 2016/17 – 90% compliance)	95.56%	85.71%
Sewerage - Urgent Resolution Time - 24hour target	24 hours (LTP Target 2016/17 – 90% compliance)	95.56%	89.29%

Programme of Works

Pipeworks

Street	Start	Finish	Activity	Status 2017/17 Annual Plan	Progress to May 2018
Tweed St	Metzger St	Highfield Tce	Renewal	Planned	Completed
Queens Park	Queens Drive	Kelvin St	Project Completion	Planned	Completed
Tay St	Nith St	Doon St	Renewal	Planned	In Progress
Kennington Area	Kennington Area		Growth		In Progress
Mersey St	Otepuni Stream	Spey Street	Relining	Planned	In Progress

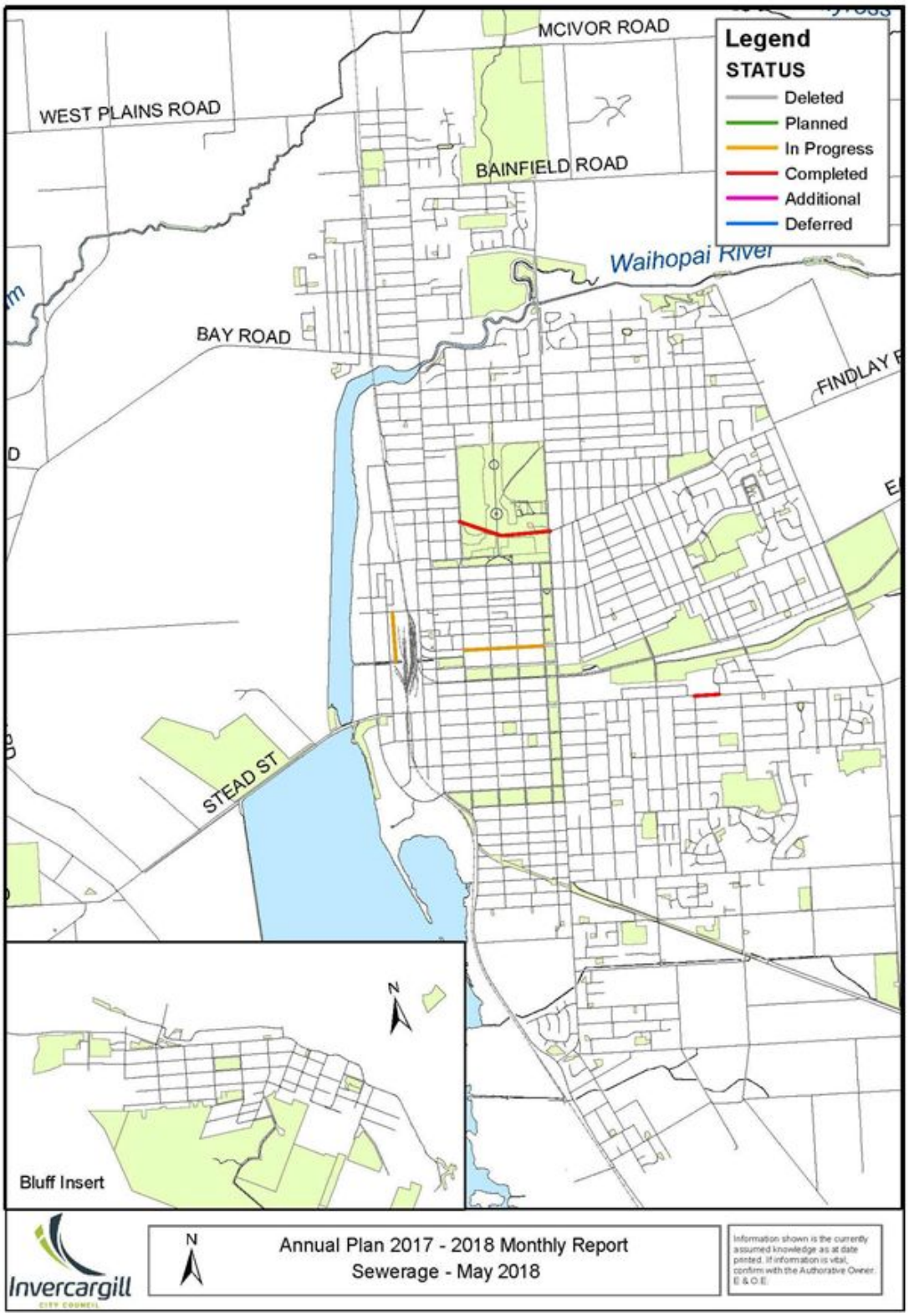
Pump Stations

Location	Activity	Status 2017/18 Annual Plan	Progress to May 2018
Grey St Foulsewer Pump Station	Electrical Upgrade include PLC	Planned	Completed
Lindisfarne St Foulsewer Pump Station	Electrical Upgrade include PLC	Planned	In Progress
Lindisfarne St Foulsewer Pump Station	Generator replacement	Planned	Deferred
Preston St Foulsewer Pump Station	PLC and Flow meter	Planned	In Progress
Talbot St Foulsewer Pump Station	Electrical Upgrade include PLC	Planned	Completed

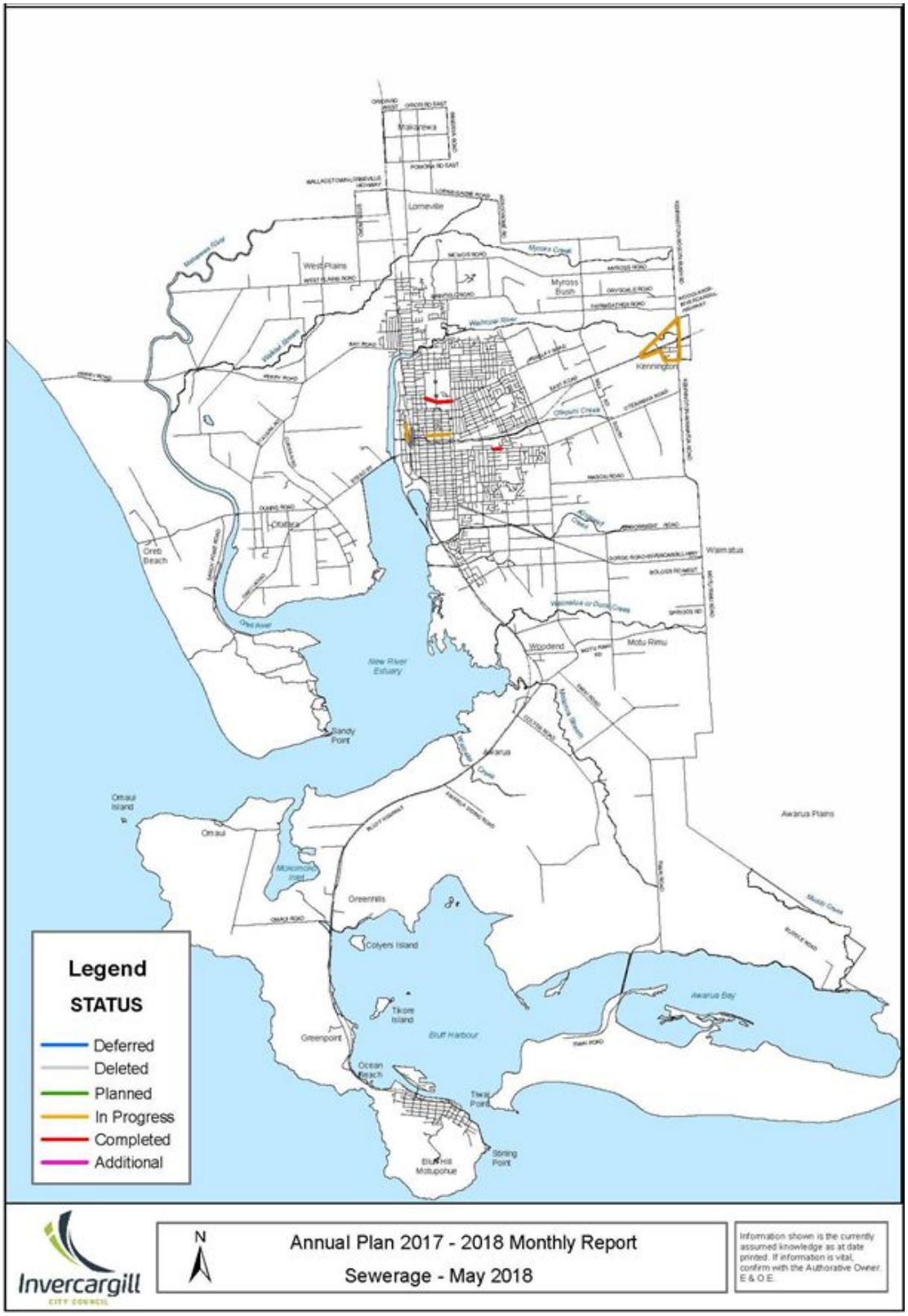
Waste Water Treatment Plant

Location	Activity	Status 2017/18 Annual Plan	Progress to May 2018
Clifton WWTP	Main Sewage Pump 4 replacement	Planned	Completed
Clifton WWTP	Tractor - Screening	Planned	Planned
Clifton WWTP	Digester 1 and 2 Lid replacement and screening equipment	Planned	In Progress

Map of Sewerage Works Programme – Urban

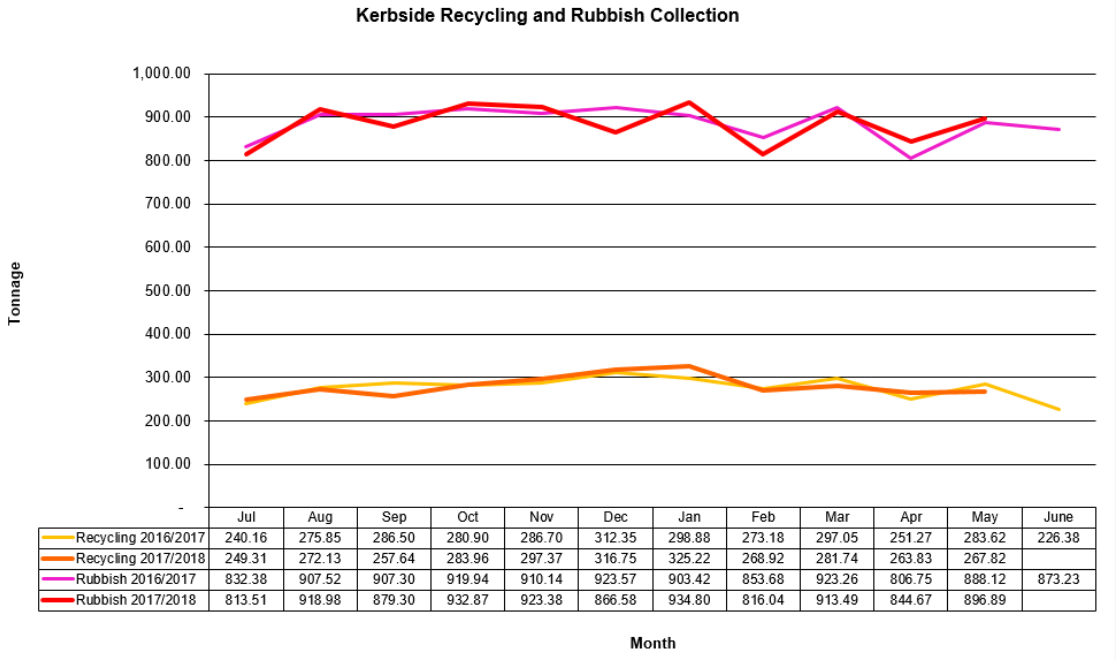


Map of Sewerage Works Programme – District

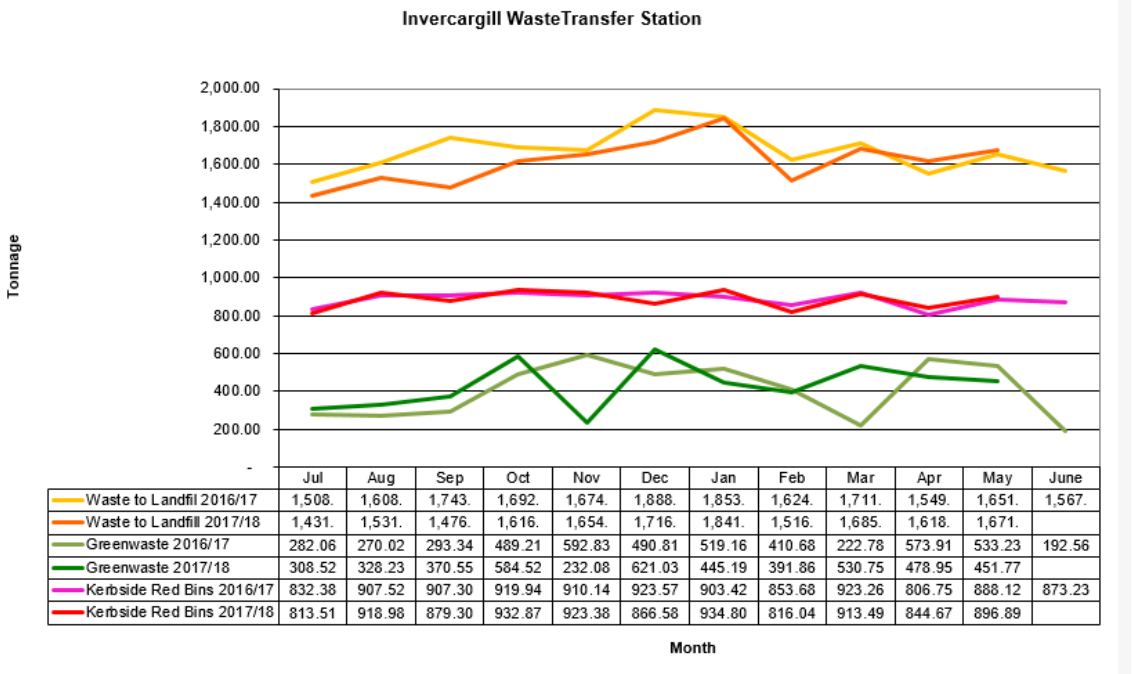


SOLID WASTE MANAGEMENT

Alternative Solid Waste Disposal Practices
Increasing use of alternative disposal practices (Cleanfill, green waste and recyclable material.) *(LTP measure)*



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Recycling 2016/2017	240.16	275.85	286.50	280.90	286.70	312.35	298.88	273.18	297.05	251.27	283.62	226.38
Recycling 2017/2018	249.31	272.13	257.64	283.96	297.37	316.75	325.22	268.92	281.74	263.83	267.82	
Rubbish 2016/2017	832.38	907.52	907.30	919.94	910.14	923.57	903.42	853.68	923.26	806.75	888.12	873.23
Rubbish 2017/2018	813.51	918.98	879.30	932.87	923.38	866.58	934.80	816.04	913.49	844.67	896.89	



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Waste to Landfil 2016/17	1,508.	1,608.	1,743.	1,692.	1,674.	1,888.	1,853.	1,624.	1,711.	1,549.	1,651.	1,567.
Waste to Landfill 2017/18	1,431.	1,531.	1,476.	1,616.	1,654.	1,716.	1,841.	1,516.	1,685.	1,618.	1,671.	
Greenwaste 2016/17	282.06	270.02	293.34	489.21	592.83	490.81	519.16	410.68	222.78	573.91	533.23	192.56
Greenwaste 2017/18	308.52	328.23	370.55	584.52	232.08	621.03	445.19	391.86	530.75	478.95	451.77	
Kerbside Red Bins 2016/17	832.38	907.52	907.30	919.94	910.14	923.57	903.42	853.68	923.26	806.75	888.12	873.23
Kerbside Red Bins 2017/18	813.51	918.98	879.30	932.87	923.38	866.58	934.80	816.04	913.49	844.67	896.89	

Graph of Solid Waste Disposal

STORMWATER

	1 July 2016 to April 2017	1 July 2017 to April 2018
System Adequacy		
Number of flooding events that occur in the Invercargill City district and for each flooding event the number of habitable floors affected. The number of flooding events that occur in the Invercargill City district. (LTP Target 2015/16 – Zero habitable floors affected per 1000 properties during any five year return storm.)*	4 storms recorded in Invercargill City District in April 2017. No habitable floors were affected.	0 storms recorded in Invercargill City District in April 2018.
Discharge Compliance		
Stormwater Discharge Compliance. Compliance with the Council's resource consents for discharge from its stormwater system. Compliance with the Council's resource consents for discharge from its stormwater system measured by the number of: ➢ Abatement Notices ➢ Infringement Notices ➢ Enforcement Orders ➢ Convictions received by Council in relation to those resource consents. (LTP Target 2015/16 – 100% compliance)	Yes	Yes
Response Times		
The median response time to attend a flooding event, measured from the time that Council received notification to the time that service personnel reach the site. (LTP Target 2015/16: Median response time to emergency events – 1 hour Median response time to urgent events – 4 hours)		
Stormwater - Emergency Response Attendance Time - 1 hour target - 90%	Median response time is 5 minutes	Median response time is 26 minutes. 94.74% within 1 hour.
Stormwater - Urgent Response Attendance Time - 4 hour target - 90%	Median response time is 1 hour and 2 minutes	Median response time is 1 hour and 15 minutes. 85% within 4 hours.
Customer Satisfaction		
Stormwater - Customer Satisfaction. Number of complaints received by Council about the performance of its stormwater system. The number of complaints received by Council about the performance of its stormwater system, expressed per 1000 properties connected to the Council's stormwater system. (LTP Target 2015/16 <4 complaints per 1000 properties per annum)	0.28	0.69

Programme of Works

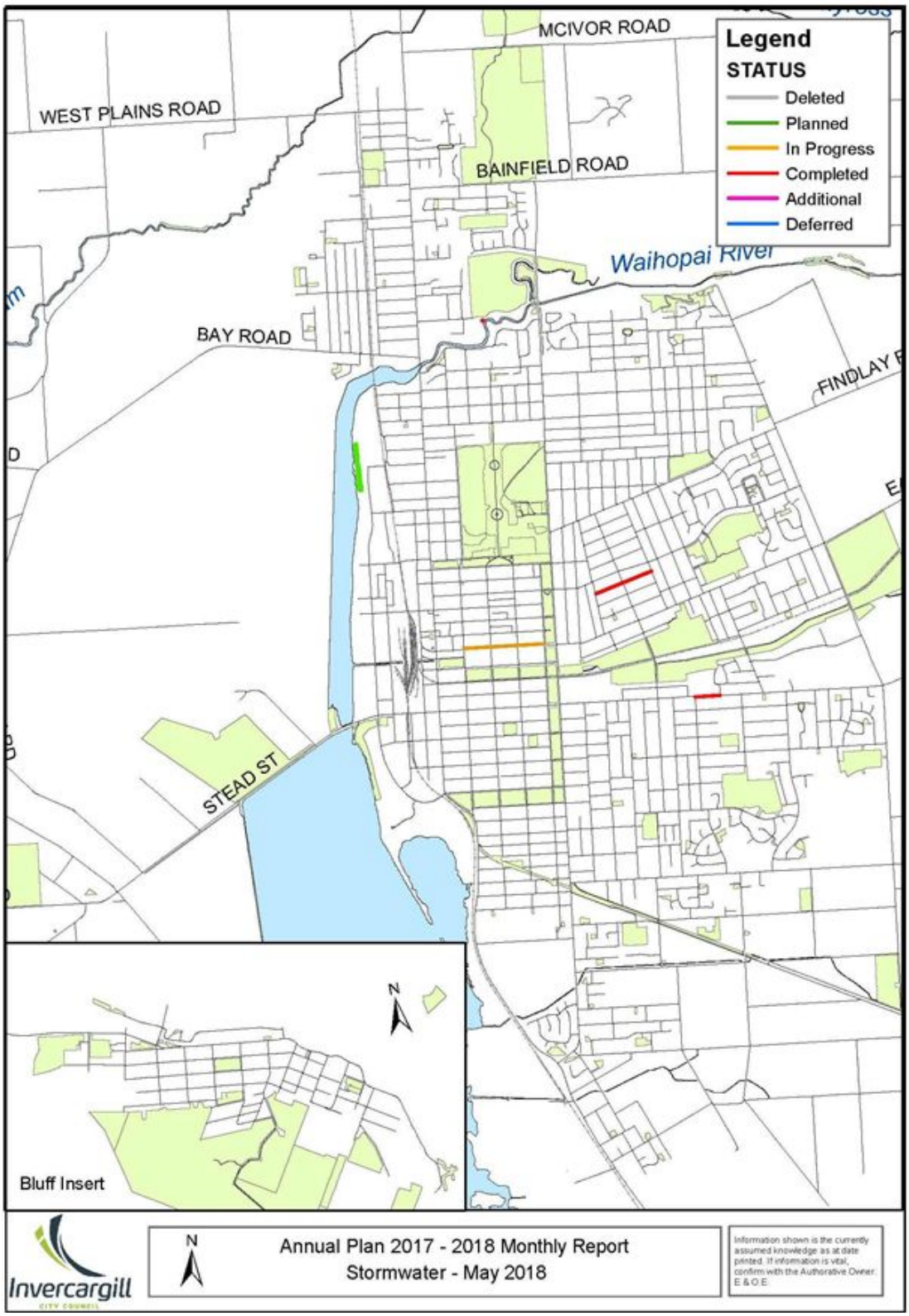
Pipeworks

Street	Start	Finish	Activity	Status 2017/18 Annual Plan	Progress to May 2018
Tay St	Nith St	Doon St	Renewal	Planned	In Progress
Tweed St	Metzger St	Highfield Tce	Renewal	Planned	Completed
Baird St	Ritchie St	Lindisfarne	Renewal	Planned	Completed

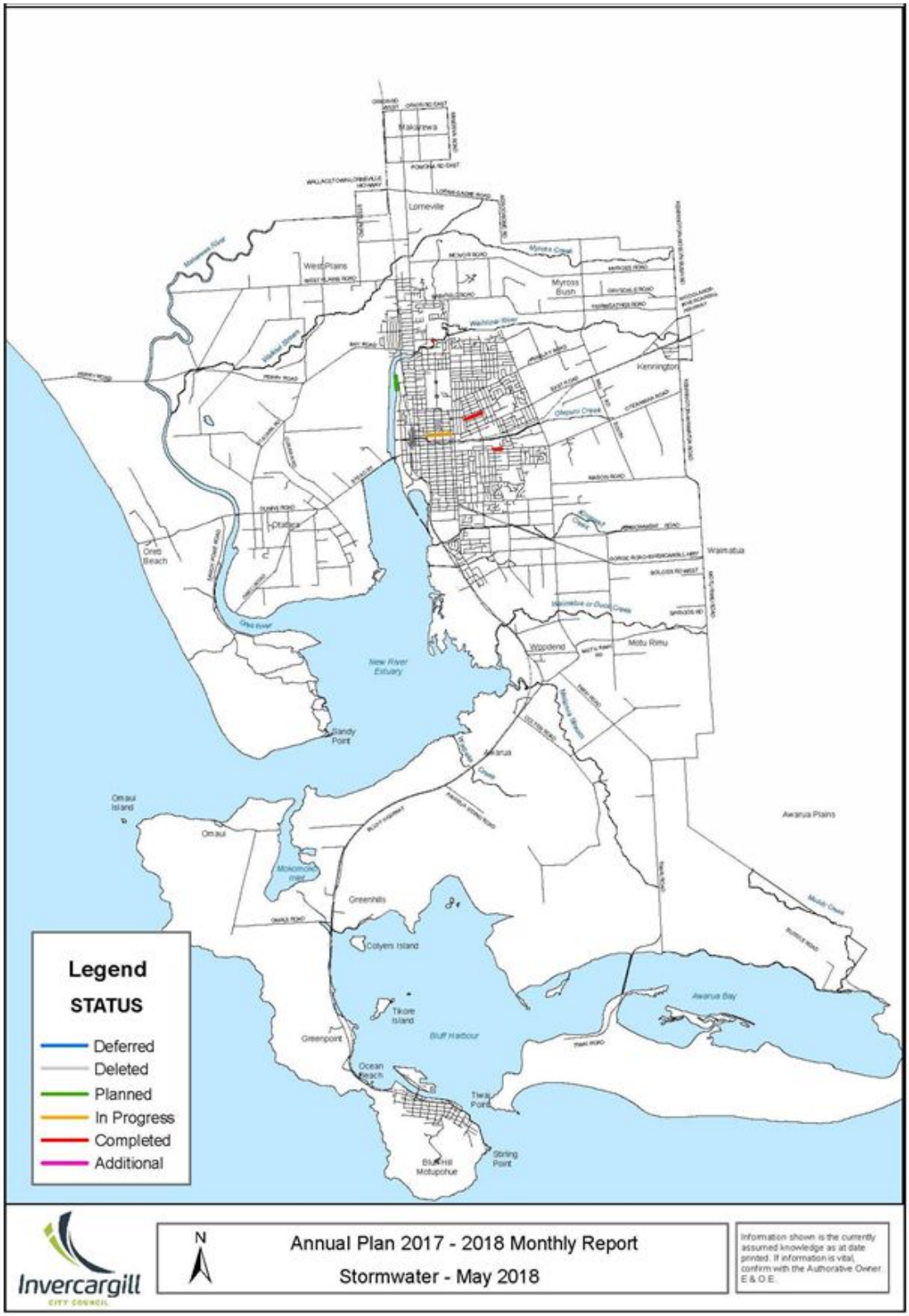
Pump Stations

Location	Activity	Status 2017/18 Annual Plan	Progress to May 2018
Gladstone Tce Stormwater Pump Station	General Plant renewals	Planned	Planned
Rifle Range Stormwater Pump Station	Pump replacement	Planned	Deferred
Beatrice Street	SW Treatment Pond	Carry forward	Planned
Prestonville SWPS	Pump Replacement (3)	Carry forward	Completed

Map of Stormwater Programme – Urban



Map of Stormwater Programme – Rural



WATER SUPPLY ACTIVITY

	1 July 2016 to April 2017	1 July 2017 to April 2018
Safety of Drinking Water		
The extent to which the local authority's drinking water complies with:		
Safety of Drinking Water - the extent to which ICC complies with drinking water standards - BACTERIA COMPLIANCE CRITERIA (a) Part 4 of the drinking water standards (bacteria compliance criteria) (LTP Target - 100%)	Compliant	Compliant
Safety of Drinking Water. The extent to which ICC complies with drinking water standards PROTOZOAL COMPLIANCE CRITERIA (b) Part 5 of the drinking water standards (protozoal compliance criteria) (LTP Target - 100%)	Non compliant	Compliant
Maintenance of the reticulation network		
Maintenance of the reticulation network. Percentage of real water loss form the networked reticulation system. The percentage of real water loss from the networked reticulation system (calculated according to the methodology outlined in Water NZ Water Loss Guidelines publication February 2010) (LTP Target – less than 30%)	Annual Measure	Annual Measure
Customer Satisfaction		
The total number of complaints received by Council about any of the following:		
(a) Customer Satisfaction. Total Number of complaints received by Council in relation to DRINKING WATER CLARITY. Drinking water clarity (LTP Target – no more than 0.45 per month)	Non compliant	Compliant
(b) Customer Satisfaction. The total number of complaints received by Council in regard to DRINKING WATER TASTE. Drinking Water taste (LTP Target – no more than 0.43 per month)	Non compliant	Compliant
(c) Customer Satisfaction. Total Number of complaints received by Council in relation to DRINKING WATER ODOUR. Drinking water odour (LTP Target – no more than 0.45 per month)	Compliant	Compliant

		1 July 2016 to April 2017	1 July 2017 to April 2018
(d)	Customer Satisfaction. Total Number of complaints received by Council in relation to DRINKING WATER PRESSURE OR FLOW. Drinking water pressure or flow (LTP Target – no more than 0.45 per month)	Compliant	Compliant
(e)	Customer Satisfaction. Total Number of complaints received by Council in relation to CONTINUITY OF SUPPLY. Continuity of supply (LTP Target – no more than 0.45 per month)	Compliant	Non compliant [1]
(f)	Customer Satisfaction. Total Number of complaints received by Council in relation to RESPONSE TO COMPLAINTS FROM PI 137 - PI 141. Council response to any of these issues. (LTP Target – no more than 0.45 per month)	Compliant	Compliant
Expressed per 1000 connections to the Council's networked reticulation system *(LTP Target – Per 1000 connections)*			
Demand Management			
Demand management. Average consumption of drinking water per day per resident. The average consumption of drinking water per day per resident within the Invercargill City Council territorial district. (LTP Target – less than 700 litres/day)		Compliant	Non compliant [2]
Fault Response Times			
(a)	Fault response times. Attendance for URGENT call-outs. Attendance for urgent call-outs: from the time that Council received notification to the time that service personnel reach the site. (LTP Target – 4 hours)	Compliant (median = 30 minutes)	Compliant (median = 29 minutes)
(b)	Fault response times. Resolution of URGENT call-outs. Resolution of urgent call-outs: from the time that Council received notification to the time that service personnel confirm resolution of the fault or interruption. (LTP Target – 24 hours)	Compliant (median = 1 hour and 34 minutes)	Compliant (median = 3 hours and 4 minutes)
(c)	Fault response times. Attendance for NON-URGENT call-outs. Attendance for non-urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site. (LTP Target – 5 working days)	Compliant (median = 4 days, 22 hours and 15 minutes)	Non compliant [3] (median = 8 days, 7 hours and 46 minutes)

	1 July 2016 to April 2017	1 July 2017 to April 2018
(d) Fault response times - Resolution of NON-URGENT call-outs Resolution of non-urgent call-outs: from the time that Council received notification to the time that service personnel confirm resolution. (LTP Target – 10 working days)	Compliant (median = 6 days, 19 hours and 32 minutes)	Non compliant [4] (median = 19 days, 21 hours and 6 minutes)

[1] Continuity of Supply. In late January a failure of the Slaney Street Bluff watermain resulted in much of the higher areas in Bluff being without water for several hours. 13 complaints were received. All other months have been below the maximum level.

[2] Demand Management. This to date has been reported on the basis that if any one month was non compliant then the whole year would be non compliant. Consideration of the actual wording can be taken as a running average to date. Future reports, including the Annual Report, will be presented on this basis.

[3] Whilst this month has been non compliant it is anticipated that the annual average will result in compliance being achieved.

[4] Whilst this month has been non compliant it is anticipated that the annual average will result in compliance being achieved.

Programme of Works

Pipeworks

Street	Start	Finish	Activity	Status 2017/18 Annual Plan	Progress to May 2018
Elles Rd	Kingswell Creek	Paisley Street	Renewal	Planned	Planned
Lake St	Bluff Highway	End	Renewal	Planned	In Progress
Lime St	Tweed St	Nichol Street	Renewal	Planned	Completed
Lagan St	200 Lagan St	220 Lagan St	Upgrade	Planned	Completed
Racecourse Rd	Layard St	Talbot Place	Renewal	Planned	Completed

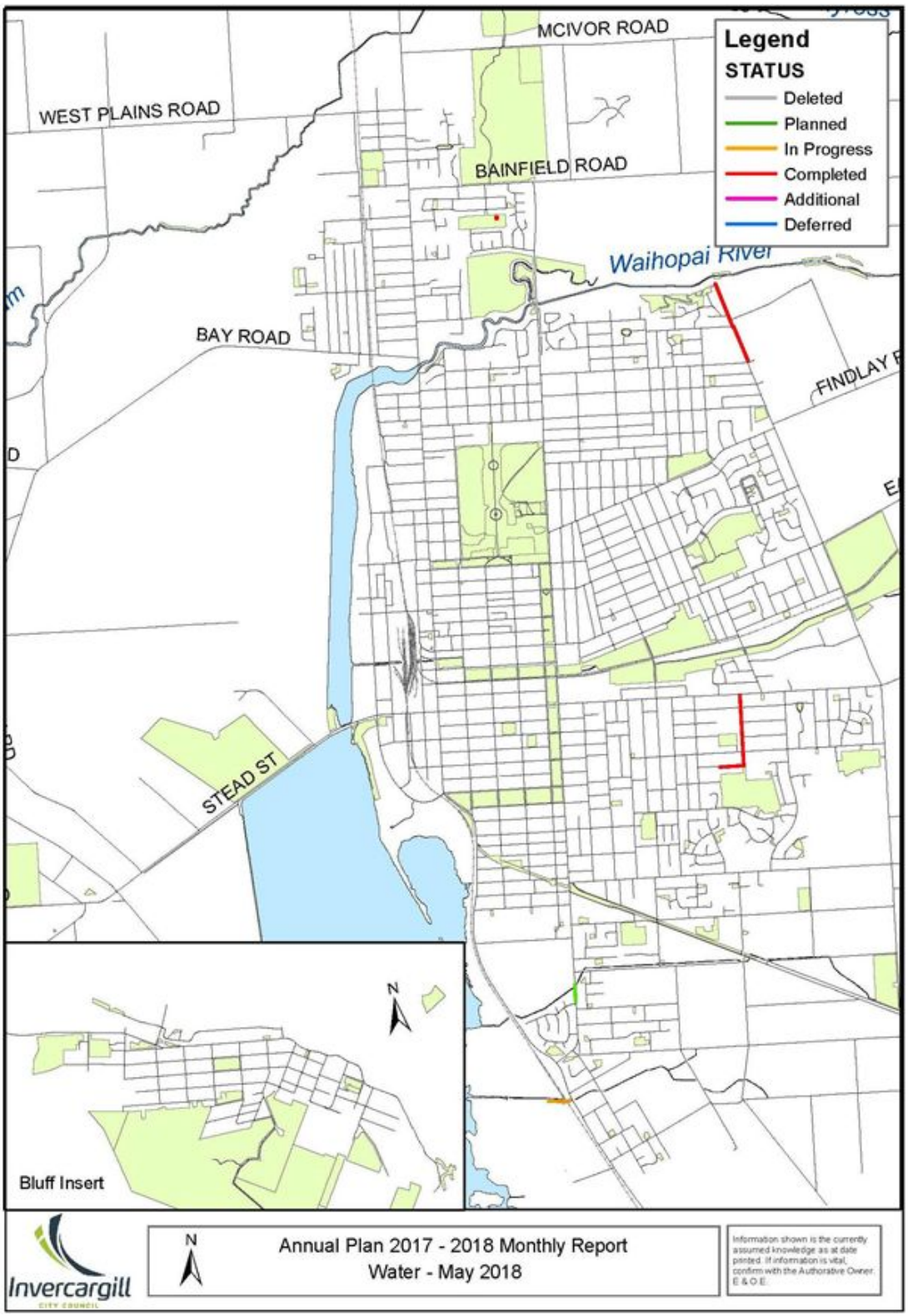
Pump Stations / Reservoirs

Location	Activity	Status 2017/18 Annual Plan	Progress to May 2018
Waikiwi Reservoir	Pump Replacement - No.3	Carry forward	Completed

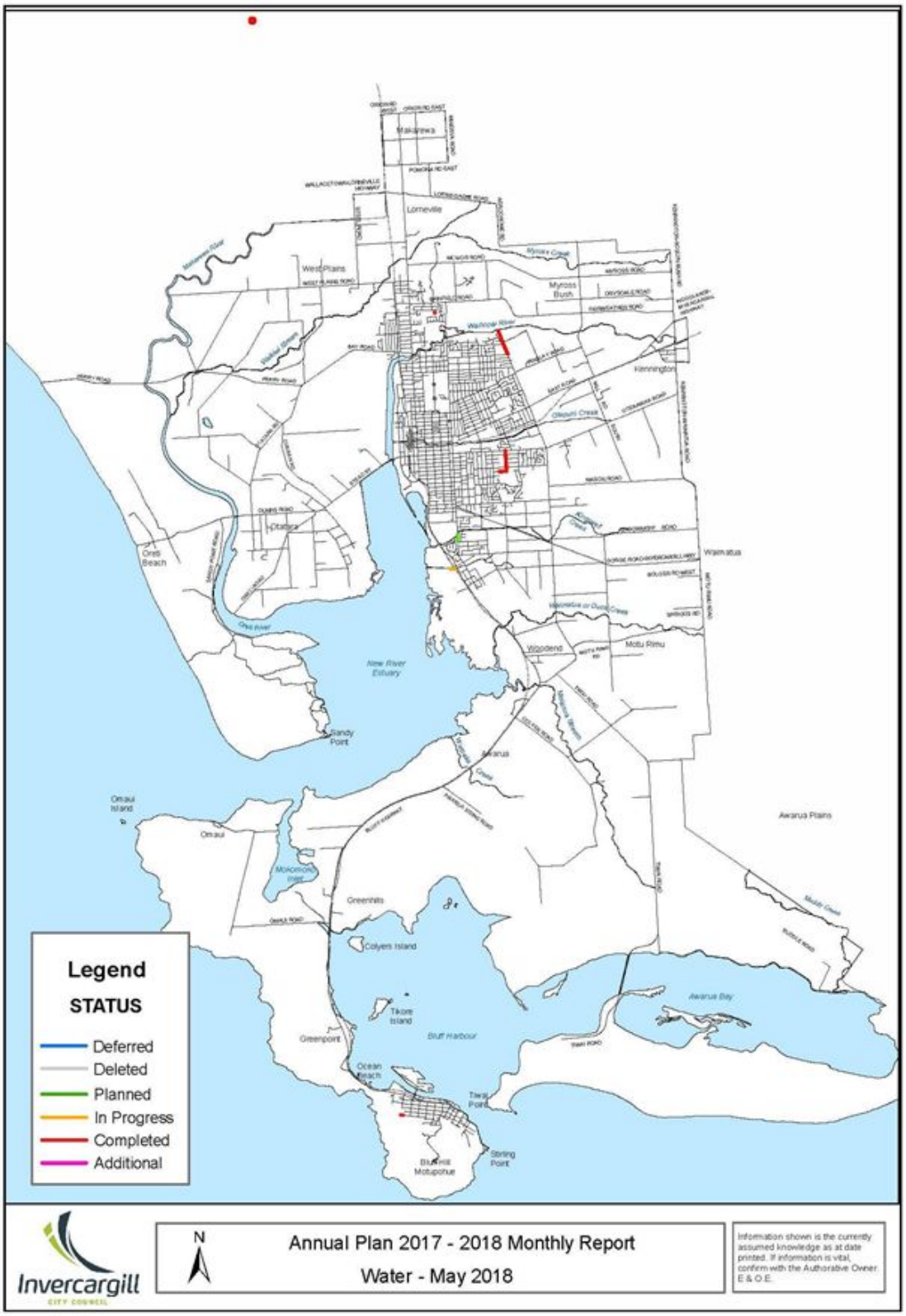
Water Treatment Plant

Location	Activity	Status 2017/18 Annual Plan	Progress to May 2018
Branxholme Treatment Plant	Pump replacement - B Pump	Carry forward	Planned
Branxholme Treatment Plant	Treatment Upgrade	Planned	Completed

Map of Water Programme – Urban



Map of Water Programme – Rural



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TO: **INFRASTRUCTURE AND SERVICES COMMITTEE**

FROM: **THE DIRECTOR OF WORKS AND SERVICES**

MEETING DATE: **MONDAY 9 JULY 2018**

MONITORING OF FINANCIAL PERFORMANCE

Report Prepared by: Cameron McIntosh – Director of Works and Services

SUMMARY

Financial commentary for activities reporting to the Infrastructure and Services Committee for the ten month period to 30 April 2018.

RECOMMENDATIONS

That this report be received

IMPLICATIONS

1.	*Has this been provided for in the Long Term Plan/Annual Plan?* Yes.
2.	*Is a budget amendment required?* No.
3.	*Is this matter significant in terms of Council's Policy on Significance?* No.
4.	*Implications in terms of other Council Strategic Documents or Council Policy?* No.
5.	*Have the views of affected or interested persons been obtained and is any further public consultation required?* Not applicable.
6.	*Has the Child, Youth and Family Friendly Policy been considered?* Yes.

FINANCIAL IMPLICATIONS

The financial commentary and financial accounts are provided for information.

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Business Unit **510000 - Works and Services - Services**

Ten months to 30 April 2018

	Apr YTD			2017 / 18	
	Actual	Budget	Variance	Remaining Budget	Budget
Internal Revenue	2,077,476	2,009,473	68,003	333,892	2,411,368
Fees & Charges Revenue	251,118	208,333	42,785	(1,118)	250,000
Financial Revenue	7,142	0	7,142	(7,142)	0
Total Revenue	2,335,737	2,217,807	117,930	325,631	2,661,368
Internal Expenditure	412,289	419,789	(7,500)	91,458	503,747
Staff Expenditure	1,381,310	1,419,756	(38,446)	312,831	1,694,141
Administration Expenditure	97,327	127,053	(29,727)	74,737	172,064
Repairs & Maintenance Expenditure	22,123	74,665	(52,542)	67,475	89,598
Operational Expenditure	157,567	202,314	(44,747)	224,210	381,776
Depreciation Expenditure	192,206	144,996	47,211	(18,211)	173,995
Total Expenditure	2,262,822	2,388,573	(125,752)	752,500	3,015,322
Operating Surplus / (Deficit)	72,915	(170,766)	243,681	(426,869)	(353,954)
Capital Expenditure	157,198	66,000	91,198	(81,370)	75,828
Capital Funding	170,267	101,943	68,324	(313,157)	(142,890)
Cash Back Depreciation	160,538	119,996	40,543	(16,543)	143,995
Rates Required	94,012	218,714	(124,702)	48,885	142,897

Commentary:

The Works Administration, Asset Management and Industrial Reclamation areas are $124,702 under budget for the first 10 months of the financial year.

The area is underspent in some administration areas.

Business Unit **516000 - Works and Services - Toilets**

Ten months to 30 April 2018

	Apr YTD			2017 / 18	
	Actual	Budget	Variance	Remaining Budget	Budget
Fees & Charges Revenue	185	375	(190)	190	375
Total Revenue	185	375	(190)	190	375
Internal Expenditure	29,517	29,196	322	5,518	35,035
Administration Expenditure	6,675	6,277	398	2,637	9,312
Financial Expenditure	8,791	13,498	(4,707)	7,406	16,197
Repairs & Maintenance Expenditure	27,026	34,108	(7,082)	13,904	40,930
Operational Expenditure	147,598	161,931	(14,333)	46,719	194,317
Depreciation Expenditure	22,965	20,376	2,589	1,486	24,452
Total Expenditure	242,572	265,386	(22,814)	77,671	320,243
Operating Surplus / (Deficit)	(242,387)	(265,011)	22,624	(77,481)	(319,868)
Capital Expenditure	0	0	0	181,875	181,875
Capital Funding	21,072	21,072	0	(155,225)	(134,153)
Cash Back Depreciation	22,965	20,376	2,589	1,486	24,452
Rates Required	240,494	265,706	(25,213)	102,645	343,138

Commentary:

Toilets are $25,213 under budget for the first 10 months of the financial year.

Capital expenditure is under budget as there has been no expenditure on a proposed new Exeloo in Waikiwi for which the location is currently being investigated.

Business Unit **520000 - Works and Services - Engineering Services**

Ten months to 30 April 2018

	Apr YTD			2017 / 18	
	Actual	Budget	Variance	Remaining Budget	Budget
Internal Revenue	1,156,175	1,516,312	(360,136)	663,399	1,819,574
Fees & Charges Revenue	41,316	41,729	(413)	21,684	63,000
Financial Revenue	1,497	0	1,497	(1,497)	0
Total Revenue	1,198,989	1,558,041	(359,052)	683,585	1,882,574
Internal Expenditure	321,589	321,589	0	64,318	385,907
Staff Expenditure	978,237	1,170,185	(191,948)	411,581	1,389,817
Administration Expenditure	57,942	64,375	(6,433)	19,308	77,250
Repairs & Maintenance Expenditure	2,501	2,917	(416)	999	3,500
Operational Expenditure	9,219	21,750	(12,531)	16,881	26,100
Depreciation Expenditure	4,928	5,042	(114)	1,122	6,050
Total Expenditure	1,374,415	1,585,857	(211,442)	514,209	1,888,624
Operating Surplus / (Deficit)	**(175,427)**	**(27,817)**	**(147,610)**	**169,377**	**(6,050)**
Capital Expenditure	1,173	0	1,173	3,989	5,162
Capital Funding	0	0	0	(5,162)	(5,162)
Cash Back Depreciation	4,928	5,042	(114)	1,122	6,050
Rates Required	**171,672**	**22,775**	**148,897**	**(171,672)**	**(0)**

Commentary:

Engineering Services are $148,897 over budget for the first 10 months of the financial year.

With senior staff leaving part of the internal billing for the area has not occurred and this will be corrected by end of year.

Business Unit **525000 - Works and Services - 3 Waters**

Ten months to 30 April 2018

	Apr YTD			2017 / 18	
	Actual	Budget	Variance	Remaining Budget	Budget
Internal Revenue	1,275,328	1,275,328	(0)	255,066	1,530,394
Fees & Charges Revenue	48,429	0	48,429	(48,429)	0
Financial Revenue	550	0	550	(550)	0
Total Revenue	1,324,308	1,275,328	48,979	206,086	1,530,394
Internal Expenditure	222,196	222,196	(0)	44,439	266,635
Staff Expenditure	1,091,386	1,019,690	71,696	114,408	1,205,794
Administration Expenditure	10,817	8,157	2,660	(1,028)	9,789
Financial Expenditure	0	2,647	(2,647)	3,176	3,176
Repairs & Maintenance Expenditure	102	0	102	(102)	0
Operational Expenditure	50,800	33,333	17,467	(10,800)	40,000
Depreciation Expenditure	1,061	7,500	(6,439)	7,939	9,000
Total Expenditure	1,376,362	1,293,523	82,839	158,032	1,534,394
Operating Surplus / (Deficit)	(52,054)	(18,195)	(33,860)	48,054	(4,000)
Capital Expenditure	4,050	0	4,050	950	5,000
Cash Back Depreciation	1,061	7,500	(6,439)	7,939	9,000
Rates Required	55,043	10,695	44,348	(55,043)	0

Commentary:

3 Waters are $44,348 over budget for the first 10 months of the financial year.

Income year to date is up by approximately $48,979. This was made up by additional external water testing not budgeted when setting up the 3 Waters area.

Expenditure is above budget by $82,839. This is mainly due to a number of staff resignations and the associated pay ou of leave entitlements, and the short term hire of an external contractor to cover this period.

Business Unit **530000 - Works and Services - Drainage**

Ten months to 30 April 2018

	Apr YTD			2017 / 18	
	Actual	Budget	Variance	Remaining Budget	Budget
Fees & Charges Revenue	587,893	518,042	69,851	87,107	675,000
Financial Revenue	57,979	0	57,979	312,021	370,000
Total Revenue	645,872	518,042	127,830	399,128	1,045,000
Internal Expenditure	1,408,862	1,056,959	351,903	(140,511)	1,268,351
Staff Expenditure	1,083	0	1,083	(1,083)	0
Administration Expenditure	214,336	251,678	(37,342)	174,956	389,292
Financial Expenditure	161,906	325,010	(163,104)	228,106	390,012
Repairs & Maintenance Expenditure	668,228	1,320,176	(651,948)	915,983	1,584,211
Operational Expenditure	1,477,823	1,122,014	355,810	(131,407)	1,346,416
Depreciation Expenditure	5,748,846	3,840,890	1,907,956	(1,139,778)	4,609,068
Total Expenditure	9,681,084	7,916,727	1,764,357	(93,733)	9,587,351
Operating Surplus / (Deficit)	(9,035,211)	(7,398,685)	(1,636,527)	492,860	(8,542,351)
Capital Expenditure	3,595,389	5,901,980	(2,306,591)	4,971,508	8,566,897
Capital Funding	533,630	687,453	(153,823)	(3,935,378)	(3,401,748)
Cash Back Depreciation	5,748,846	3,840,890	1,907,956	(1,139,778)	4,609,068
Rates Required	7,415,384	10,147,227	(2,731,843)	1,683,048	9,098,432

Commentary:

Drainage are $2,731,843 under budget for the first 10 months of the financial year.

Drainage operational budget is in deficit, with two major influences:
- Costs for obtaining the Stormwater Discharge consent including consultants fees, Environment Southland charges and hearing fees were higher than budget.
- Depreciation allocation is higher than budget due to revaluations in June 2017. When depreciation is added back the operational result will be within budget.

The end of year operational result is also expected to be within budget.

Capital expenditure is below budget but most capital projects including major stormwater and sewerage renewals are committed. Significant progress on these projects is expected by the end of June, but some carry forwards will be required to complete.

Business Unit **540000 - Works and Services - Parks Operations**

Ten months to 30 April 2018

	Apr YTD			2017 / 18	
	Actual	Budget	Variance	Remaining Budget	Budget
Internal Revenue	4,282,502	4,316,520	(34,018)	897,322	5,179,824
Fees & Charges Revenue	650,257	688,485	(38,228)	290,360	940,617
Financial Revenue	1,770	0	1,770	(1,770)	0
Total Revenue	4,934,529	5,005,006	(70,477)	1,185,913	6,120,441
Internal Expenditure	1,750,103	1,590,733	159,369	158,777	1,908,880
Staff Expenditure	2,188,871	2,396,606	(207,735)	655,880	2,844,751
Administration Expenditure	27,157	37,096	(9,939)	24,585	51,742
Financial Expenditure	0	430	(430)	516	516
Repairs & Maintenance Expenditure	153,369	173,336	(19,967)	54,634	208,003
Operational Expenditure	513,899	638,346	(124,447)	252,116	766,016
Depreciation Expenditure	292,410	205,573	86,837	(45,722)	246,687
Total Expenditure	4,925,809	5,042,121	(116,312)	1,100,787	6,026,596
Operating Surplus / (Deficit)	8,720	(37,115)	45,835	85,126	93,846
Capital Expenditure	377,804	0	377,804	243,374	621,178
Capital Funding	0	0	0	(280,645)	(280,645)
Cash Back Depreciation	292,410	205,573	86,837	(45,722)	246,687
Rates Required	76,675	(168,458)	245,133	(76,675)	(0)

Commentary:

Parks Operations are $245,133 over budget for the first 10 months of the financial year.

The expenditure for capital items are spread throughout the financial year and the income is uplifted from special funds as at 30 June 2018.

Capital expenditure will be completed by 30 June 2018.

Business Unit **550000 - Works and Services - Property**

Ten months to 30 April 2018

	Apr YTD			2017 / 18	
	Actual	Budget	Variance	Remaining Budget	Budget
Internal Revenue	4,823,694	4,823,694	(0)	964,739	5,788,433
Fees & Charges Revenue	8,661	5,414	3,247	(2,961)	5,700
Financial Revenue	0	0	0	148,000	148,000
Total Revenue	4,832,355	4,829,109	3,247	1,109,778	5,942,133
Internal Expenditure	380,876	360,972	19,905	52,290	433,166
Staff Expenditure	425	0	425	(425)	0
Administration Expenditure	641,898	623,377	18,521	82,815	724,713
Financial Expenditure	235,546	496,253	(260,708)	359,958	595,504
Repairs & Maintenance Expenditure	878,914	1,054,998	(176,083)	387,083	1,265,997
Operational Expenditure	1,168,147	954,778	213,369	(22,413)	1,145,733
Depreciation Expenditure	3,027,390	1,439,912	1,587,479	(1,299,496)	1,727,894
Total Expenditure	6,333,196	4,930,288	1,402,908	(440,189)	5,893,007
Operating Surplus / (Deficit)	(1,500,840)	(101,180)	(1,399,661)	1,549,967	49,126
Capital Expenditure	576,249	514,417	61,833	8,164,906	8,741,155
Capital Funding	641,256	757,183	(115,927)	(7,605,391)	(6,964,135)
Cash Back Depreciation	3,027,390	1,439,912	1,587,479	(1,299,496)	1,727,894
Rates Required	(309,045)	(67,132)	(241,912)	309,045	0

Commentary:

Property are $241,912 under budget for the first 10 months of the financial year.

Internal and Administration Expenditure are over budget due to budget timings and these will come back in line as the financial year progresses.

Financial Expenditure is under budget due to loans not yet drawn down for the CAB Refurbishment, and Library and Splash Palace projects. The underspend relating to the Library and Splash Palace will be used towards reducing the required reserve uplifts requested.

The Repairs and Maintenance Expenditure is under budget. The majority of this expenditure is large components of maintenance in the Splash Palace and Library projects and will be expended as the projects progress.

Operational Expenditure is over budget because of work undertaken to seal the SMAG roof, which is yet to be on-charged to the Trust Board.

Capital Expenditure is now underway, and what has been budgeted towards the Library and Splash Palace will be requested to be carried forward as work in progress into the 2018-19 financial year.

Business Unit **560000 - Works and Services - Roading Services**

Ten months to 30 April 2018

	Apr YTD			2017 / 18	
	Actual	Budget	Variance	Remaining Budget	Budget
Internal Revenue	0	65,599	(65,599)	78,719	78,719
Fees & Charges Revenue	849,718	797,672	52,046	100,055	949,773
Grants & Subsidies Revenue	5,683,882	4,469,028	1,214,854	146,182	5,830,064
Financial Revenue	30,858	244,537	(213,679)	332,273	363,131
Total Revenue	6,564,458	5,576,837	987,621	657,229	7,221,687
Internal Expenditure	1,017,483	1,066,473	(48,990)	262,284	1,279,767
Staff Expenditure	281	0	281	(281)	0
Administration Expenditure	263,547	406,463	(142,916)	243,007	506,554
Financial Expenditure	69,698	135,399	(65,702)	92,781	162,479
Repairs & Maintenance Expenditure	2,339,275	1,017,727	1,321,548	(1,118,002)	1,221,273
Operational Expenditure	1,828,381	3,210,323	(1,381,941)	2,052,256	3,880,638
Depreciation Expenditure	7,910,624	8,199,105	(288,481)	1,928,301	9,838,926
Total Expenditure	13,429,289	14,035,490	(606,201)	3,460,347	16,889,636
Operating Surplus / (Deficit)	(6,864,831)	(8,458,653)	1,593,822	(2,803,117)	(9,667,949)
Capital Expenditure	6,786,313	5,550,071	1,236,242	2,157,987	8,944,300
Capital Funding	669,021	705,204	(36,183)	(1,401,867)	(732,846)
Cash Back Depreciation	7,910,624	8,199,105	(288,481)	1,928,301	9,838,926
Rates Required	6,409,541	6,514,823	(105,282)	1,630,936	8,040,477

Commentary:

Roading are $105,282 under budget for the first 10 months of the financial year.

The Land Transport budget area for subsidised roading is close to budget but is expected to be overspent by the end of the financial year, as previously reported.

The Unsubsidised Roading is underspent but this is expected to allow for funds to contribute to the LED project.

The Footpath area is underspent by $304,841 with some capital work programmes behind schedule.

The Parking area is $114,888 under budget due to some unspent capital and revenue being ahead of budget.

Business Unit **570000 - Works and Services - Water**

Ten months to 30 April 2018

	Apr YTD			2017 / 18	
	Actual	Budget	Variance	Remaining Budget	Budget
Fees & Charges Revenue	1,187,431	1,134,300	53,131	251,434	1,438,865
Financial Revenue	32,856	0	32,856	(32,856)	0
Total Revenue	1,220,286	1,134,300	85,986	218,579	1,438,865
Internal Expenditure	1,351,226	1,116,237	234,990	(11,742)	1,339,484
Staff Expenditure	1,388	0	1,388	(1,388)	0
Administration Expenditure	150,975	80,578	70,398	(33,635)	117,340
Financial Expenditure	461,006	787,897	(326,891)	484,470	945,476
Repairs & Maintenance Expenditure	877,658	1,276,273	(398,615)	653,870	1,531,527
Operational Expenditure	1,220,961	1,291,175	(70,213)	328,448	1,549,410
Depreciation Expenditure	3,153,197	2,692,858	460,339	78,233	3,231,430
Total Expenditure	7,216,411	7,245,016	(28,605)	1,498,256	8,714,667
Operating Surplus / (Deficit)	(5,996,125)	(6,110,716)	114,591	(1,279,677)	(7,275,802)
Capital Expenditure	1,451,985	3,142,350	(1,690,366)	3,010,140	4,462,125
Capital Funding	683,925	691,001	(7,076)	(1,642,288)	(958,363)
Cash Back Depreciation	3,153,197	2,692,858	460,339	78,233	3,231,430
Rates Required	4,978,838	7,251,210	(2,272,372)	2,569,296	7,548,134

Commentary:

Water are $2,272,372 under budget for the first 10 months of the financial year.

This is predominantly due to under expenditure in the capital area. Specific comment on the various account items are as follows:

Revenue is ahead of budget and is anticipated to remain so albeit at a lesser level at the financial year end. High bulk water sales over the December / January period are the main cause of surplus in revenue.

Operational expenditure, excluding depreciation, is well below budget due to interest repayments being substantially less than budget.

The capital budget, although substantially underspent, is fully committed by contracted works which will not be completed at the year end and thus will be included in the requested carry foward budgets.

Business Unit **580000 - Works and Services - Parks Assets**

Ten months to 30 April 2018

	Apr YTD			2017 / 18	
	Actual	Budget	Variance	Remaining Budget	Budget
Internal Revenue	2,498,600	2,465,079	33,521	459,495	2,958,095
Fees & Charges Revenue	2,259,531	1,260,435	999,096	(753,628)	1,505,903
Grants & Subsidies Revenue	9,820	9,199	621	(199)	9,621
Financial Revenue	39,107	80,067	(40,961)	61,200	100,307
Total Revenue	4,807,058	3,814,781	992,277	(233,132)	4,573,926
Internal Expenditure	1,905,967	1,840,094	65,872	302,146	2,208,113
Staff Expenditure	1,038,563	1,091,092	(52,529)	261,206	1,299,769
Administration Expenditure	157,346	215,079	(57,733)	116,244	273,590
Financial Expenditure	59,867	43,623	16,245	(7,520)	52,347
Repairs & Maintenance Expenditure	2,914,878	3,213,055	(298,177)	940,624	3,855,503
Operational Expenditure	2,299,890	1,885,699	414,191	(37,051)	2,262,838
Depreciation Expenditure	673,713	436,212	237,501	(150,258)	523,455
Total Expenditure	9,050,223	8,724,853	325,370	1,425,392	10,475,615
Operating Surplus / (Deficit)	(4,243,166)	(4,910,073)	666,907	(1,658,523)	(5,901,689)
Capital Expenditure	383,315	797,852	(414,537)	2,624,872	3,008,187
Capital Funding	81,799	81,799	0	(2,267,870)	(2,186,071)
Cash Back Depreciation	673,713	436,212	237,501	(150,258)	523,455
Rates Required	4,034,567	5,353,512	(1,318,945)	2,165,783	6,200,350

Commentary:

Park Assets are $1,318,945 under budget for the first 10 months of the financial year, which are broken down into activity areas as follows:

Forestry income from logging before cost is $1,285,583.

Forestry operational expenditure is $665,535, although there are still costs associated with land reparation and replanting to be carried out.

Administration and staff expenditure are down slightly on budget.

Most other cost centres are going to be close to budget at year's end.

Capital expenditure will require some items to be carried forward if they are to be completed next financial year.

Business Unit **590000 - Works and Services - Solid Waste**

Ten months to 30 April 2018

	Apr YTD			2017 / 18	
	Actual	Budget	Variance	Remaining Budget	Budget
Internal Revenue	1,486,500	1,468,333	18,167	275,500	1,762,000
Fees & Charges Revenue	1,831,863	1,925,340	(93,477)	660,536	2,492,400
Financial Revenue	37,918	16,336	21,581	(17,918)	20,000
Total Revenue	3,356,281	3,410,010	(53,729)	918,118	4,274,400
Internal Expenditure	1,758,275	1,728,900	29,375	316,405	2,074,680
Administration Expenditure	49,178	40,604	8,574	17,694	66,872
Operational Expenditure	4,957,043	5,258,691	(301,648)	1,370,741	6,327,783
Depreciation Expenditure	318,910	282,436	36,475	20,012	338,923
Total Expenditure	7,083,406	7,310,630	(227,224)	1,724,852	8,808,258
Operating Surplus / (Deficit)	(3,727,125)	(3,900,620)	173,495	(806,733)	(4,533,858)
Capital Expenditure	44,780	83,333	(38,553)	251,863	296,643
Capital Funding	0	0	0	(196,643)	(196,643)
Cash Back Depreciation	318,910	282,436	36,475	20,012	338,923
Rates Required	3,452,995	3,701,518	(248,523)	841,941	4,294,936

Commentary:

Solid Waste are $248,523 under budget for the first 10 months of the year.

Both operational income and expenditure are both below budget with the net result being a surplus. This is due to commercial waste going directly to the landfill rather than through the transfer station.

Capital expenditure is below budget due to capital expenditure projects not commencing at this stage.

Business Unit **599000 - Works and Services - Wastenet**

Ten months to 30 April 2018

	Apr YTD			2017 / 18	
	Actual	Budget	Variance	Remaining Budget	Budget
Fees & Charges Revenue	10,811,505	0	10,811,505	(10,811,505)	0
Total Revenue	10,811,505	0	10,811,505	(10,811,505)	0
Staff Expenditure	1,402	0	1,402	(1,402)	0
Administration Expenditure	4,381,476	0	4,381,476	(4,381,476)	0
Financial Expenditure	31,114	0	31,114	(31,114)	0
Operational Expenditure	5,789,782	0	5,789,782	(5,789,782)	0
Total Expenditure	10,203,774	0	10,203,774	(10,203,774)	0
Operating Surplus / (Deficit)	607,731	0	607,731	(607,731)	0
Rates Required	(607,731)	0	(607,731)	607,731	0

Commentary:

WasteNet are a joint committee of Councils that operates within Council's Solid Waste Department. The surplus or deficit created by the joint committee are transferred to/from the WasteNet Reserve at year end.

ACTION SHEET

Item	Action Required	Date for Completion	Person Responsible
Breakdown of budgets and actuals on forestry matters	Report	*9 July 2018*	Mr Pagan

TO: **INFRASTRUCTURE AND SERVICES COMMITTEE**

FROM: **THE DIRECTOR OF WORKS AND SERVICES**

MEETING DATE: **MONDAY 9 JULY 2018**

NEW ZEALAND MOTOR CARAVAN ASSOCIATION INCORPORATED – REQUEST TO LEASE LAND

Report Prepared by: Robin Pagan, Parks Manager

SUMMARY

An application has been received from the New Zealand Motor Caravan Association (NZMCA) to lease an area of Stead Street Reserve and infrastructure land between Bond Street and the Estuary for their members to use.

RECOMMENDATIONS

That Council advertise the proposed amendment to the Reserve Management Plan as required under Section 41 of the Reserves Act 1977 to accommodate this request with submissions being brought back to Council for a final decision.

IMPLICATIONS

1.	*Has this been provided for in the Long Term Plan/Annual Plan?* No.
2.	*Is a budget amendment required?* No.
3.	*Is this matter significant in terms of Council's Policy on Significance?* No.
4.	*Implications in terms of other Council Strategic Documents or Council Policy?* Requires an amendment to the current Reserve Management Plan.
5.	*Have the views of affected or interested persons been obtained and is any further public consultation required?* Consultation will be carried out via the Management Plan review process.
6.	*Has the Child, Youth and Family Friendly Policy been considered?* NZMCA families and children will be able to use the area.

FINANCIAL IMPLICATIONS

NZMCA will be responsible for the cost of access and hard stand areas.

EXPRESSION OF INTEREST TO LEASE AN AREA OF LAND AT STEAD STREET RESERVE FOR NZMCA MOTOR CARAVAN PARK

The attached application (annexed hereto as ***Appendix 1***) has been received requesting to lease an area of approximately 5,600m^2 of land at Stead Street adjacent to the wharf. Part of this area is Reserve land and part is reclaimed infrastructure land.

As the Management Plan for Stead Street does not allow for camping on the Reserve, it will require an amendment to the Management Plan to accommodate this activity. Advertising the proposed amendment will allow for submissions to be received on the proposal and subject to those responses, Council can then decide to approve the application or not.

Only NZMCA members will have access to the park, and development of the driveway and hard stand areas will be at the cost of NZMCA. No other facilities are anticipated at this stage as all vehicles will be self-contained and there is a dump station at the adjacent fuel stop.

CONCLUSION

This site is limited in size, and depending on the size of the motorhomes, there may need to be restrictions put on the numbers using this area at any one time. Access needs to be restricted to the Bond Street entrance as the Stead Street entrance is already very congested at peak traffic times.

****

APPENDIX 1

New Zealand Motor Caravan Association Inc.

" Because you'll never be alone on the road again... "

15 June 2018

Invercargill City Council
Private Bag 90104
Invercargill 9840
Emailed to: robin.pagan@icc.govt.nz

Attention Robin Pagan | Parks Manager,

Expression of interest to lease an area of land at Stead Street Reserve for an NZMCA Motor Caravan Park

Please accept this letter from the New Zealand Motor Caravan Association Inc. (NZMCA) as a formal expression of interest to lease an area of land located at Stead Street Reserve in Invercargill. This letter is in support of your on-going discussions with our local NZMCA member, Ian McKay.

The proposal

The NZMCA proposes to establish a members' only motor caravan park on site. The identified parking area as per the enclosed map is approx. 5,600sqm. From our experience with other NZMCA Parks, we estimate the site has capacity to accommodate up to 70-80 average size motor caravans during the peak travel season. However, for the majority of time we expect the average site occupancy rate to be much less than 50% of its maximum holding capacity.

Enclosed is a photo of the NZMCA's consented site in Taupo, which operates under a long-term lease agreement with the Taupo Airport Authority and district council. The Taupo site has capacity to accommodate 130 self-contained motorhomes and caravans during the peak season, however the average occupancy rate is much less throughout most of the year.

Overnight stays on the proposed park at Stead Street Reserve will be restricted to NZMCA members travelling in certified self-contained vehicles for short-term stays, e.g. maximum 21 days in any 60 day period. If necessary, we are open to the public maintaining pedestrian access through the site.

NZMCA Parks provide members with short-term accommodation only and are not designed to provide semi-permanent or permanent residence. Their design and operation mirrors the Department of Conservation basic campsite model with only limited facilities required. Flat, accessible and safe parking space is the only prerequisite.

The site is conveniently located from the main city centre, primary transport routes, and local amenities including the reserve and walkway. Having an NZMCA Park will encourage more members to visit Invercargill during their travels down south, spending on average $90.00 per day[1] in local shops and businesses. Members also value the places they visit and this presents an opportunity for the NZMCA to work closely with the council on any planting / beautification projects for the reserve to help enhance amenity and environmental protection.

We would work closely with officers to include appropriate restrictions within all agreements and consents to ensure the park operates in a manner that is acceptable to the council and community. Attached is a news article highlighting the benefits of a new NZMCA Park to the Waihi Beach community in the Western Bay of Plenty.

The NZMCA will cover the costs associated with the development of the site and the obtainment of all resource consents. We will also cover the council's reasonable legal fees to prepare the required lease agreement. Therefore, the NZMCA would pay the necessary costs to open the site with no expectation for any financial contribution from the council.

If it helps, the NZMCA is happy to share with you copies of existing lease agreements that we have in place with other local authorities (although please understand commercially sensitive information may need to be redacted).

About the NZMCA

The NZMCA is a non-profit membership-based organisation that was formed in 1956 by a small group of like-mined enthusiasts. Today the NZMCA has grown to represent over 81,000 kiwis that share a passion for exploring New Zealand and have a keen interest in recreational vehicle-based camping. The NZMCA is a strong advocate for responsible camping and self-containment with the vast majority of members travelling in a vehicle certified to NZS 5465:2001 requirements.

Most members are hybrid campers frequently alternating between commercial campgrounds, DOC campsites, freedom camping areas, and private NZMCA Parks during the travels. The NZMCA currently operates 41 private NZMCA Parks across New Zealand (map attached) many of which exist under long-term commercial lease / licence agreements with local authorities and crown entities.

Regulatory considerations

Our preliminary review of the Invercargill district plan suggests resource consent may be required for a discretionary activity. Should the council support our proposal the NZMCA will seek further clarification from the council's planning department on the resource consent requirements. When a draft agreement is in place, the NZMCA will engage a reputable local planning consultant (approved by the council if required) to prepare and submit an application for resource consent.

According to section 3.19 of the Linkage Reserves Omnibus Management Plan (2014), camping is a prohibited activity on the reserve. If the council supports the NZMCA's proposal this plan may need to be reviewed or the council may be able to utilise its broad approval powers under the Reserves Act 1977 to permit camping on site. These powers were received by all local authorities from the

[1] This figure is based on recent research into the economic and social benefits of four NZMCA Parks operating within provincial/rural NZ towns. The research was conducted independently by the New Zealand Tourism Research Institute.

Department of Conservation back in 2013 (copy attached). Further investigation may be required in this regard, which the NZMCA is happy to support.

The NZMCA will charge members a nominal fee to park overnight with proceeds used to help recoup CAPEX and offset OPEX over time. We are not seeking to make a profit from this endeavour. However, the exchange of money still requires the Association to comply with the Camping-grounds Regulations 1985. In addition to applying for resource consent, the NZMCA will apply for a certificate of registration and exemptions from unnecessary development requirements, which is the same approach we have adopted with our parks. Last year the NZMCA worked with Local Government New Zealand officials and lawyers on guidance material for local authorities tasked with administering the regulations and applying appropriate exemptions on a case by case basis.

Summary

Thank you for considering the NZMCA's proposal along with this expression of interest. We are prepared to work with the council to ensure the activity complies with your expectations and that the park is of benefit to the Invercargill community. The NZMCA is very familiar with the time it may take for both parties to work through the legal and regulatory requirements, however we are determined to see it through and cover any reasonable costs necessary to make it happen.

Please feel free to contact the writer with any questions.

Yours faithfully,
On behalf of the Property Sub-Committee
New Zealand Motor Caravan Association Inc.

James Imlach
National Policy & Planning Manager

Copy sent to:

Neville Stirling
NZMCA Property Committee Chairman
neville.s@xtra.co.nz

Ian McKay
Local NZMCA member
ianmckay@xtra.co.nz

Proposed NZMCA Park

Date Printed: 15-June-2018

Legend

Metadata Footprints

SCALE 1: 2,257

0 113

Meters

Invercargill CITY COUNCIL

NZMCA Taupo Airport Park

The New Zealand Herald
Network

THE COUNTRY

Solution found for Waihi Beach's freedom campers

A block of unused land on Emerton Road in Waihi Beach has been put aside for freedom campers.

Waihi Beach's newest freedom camping spot is a win/win for everyone, the New Zealand Motor Caravan Association says.

The Western Bay of Plenty District Council has found a solution to freedom campers overcrowding a site at Anzac Bay.

The council has leased a block of unused land on Emerton Road in Waihi Beach to the New Zealand Motor Caravan Association (NZMCA) for freedom campers.

"That's a great approach by the council," NZMCA chief executive Bruce Lochore says. "It's a win/win for everyone involved — the council, our members and, importantly, the local community.

The pressure on Anzac Bay has been relieved, the council is now earning revenue from a non-productive piece of land and our members in certified self-contained vehicles have a low-cost place to stay in a very desirable location."

For Western Bay Mayor Garry Webber it is a great compromise and council says it is delighted to have worked with the association to provide a solution for the community and responsible freedom campers.

The Waihi Beach Park — one of more than 40 such properties the NZMCA owns or leases throughout the country — can accommodate around 50 motorhomes or caravans and has been quickly put to good use by members.

The site was tidied up by association members.

Sited within walking distance of the local shops and the beach, the new park will encourage more of the NZMCA's 80,000-plus individual members to stop, stay and shop in the area.

Mr Lochore says a key factor in establishing the Emerton Rd site is the ability to use Local Government New Zealand's campground exemption guidance. This enables such parks to be set up without the need for all the facilities of commercial campgrounds.

"The vast majority of our members travel in certified vehicles, so they don't need all the bells and whistles.

"All they need is a safe environment to camp with fellow members, secure in the knowledge they are complying with the council's bylaws."

Mr Lochore says that the NZMCA takes its responsibilities seriously to ensure the site is set up to a high standard.

"We engaged expert planners, engineers and archaeologists from Opus to manage the resource consent process. Later this year we will plant native trees and shrubs around the perimeter of the site, in accordance with our resource consent, to help soften the visual appearance and beautify the park."

- Waihi Leader

Department of Conservation
Te Papa Atawbai

8 July 2013

Chief Executive
Territorial Local Authorities
North Island
New Zealand

Dear Sir/Madam

Revised Delegation of Powers under the Reserves Act 1977

The Hon Dr Nick Smith, the Minister of Conservation has recently approved new delegations to local authorities, including regional councils, under the Reserves Act 1977.

A copy of the instrument of delegation signed by the Minister of Conservation on 12 June 2013 is attached, and updates the one currently incorporated in the *Reserves Act Guide*.

These delegations extend the scope of the existing powers by removing the previous limitations and conditions and they include some additional delegations. It is envisaged they will better enable local authorities to make decisions affecting reserves and are in accordance with the spirit of the changes taking place within the Department of Conservation with an emphasis on conservation with communities.

Local authorities will now be able to consider consent applications that previously had to be referred to the Department of Conservation for the consent of the Minister or the Minister's delegate, for matters such as the granting of leases, licences or easements over council vested reserves.

An appropriate record of any decision made under the delegations must be retained and it is suggested this should be in the form of a separate submission or component of a submission to the decision maker with clear recommendations and provision for the formal approval to be recorded.

A submission template is attached as a guide for the preparation of submissions together with, by way of example, a recent submission for the granting of a lease that required Ministerial consent by the Department. We trust that these will provide some guidance as to the information local authorities should be providing to the consenting authority.

In exercising the new delegations local authorities must, of course, still act in accordance with the requirements of the Reserves Act; and the processes set out in the Act must still be complied with.

Waikato Conservancy
Private Bag3072, Waikato Mail Centre, Hamilton 3240
Telephone (07) 858-1000.

DOCDM-1236921

There is an expectation that local authorities will maintain a distinction between their role as the administering body of a reserve and their role as a delegate of the Minister.

It is important to note that the decision making function, whereby the merits of the proposal are considered, is a fundamental responsibility of the reserve administering body. The Minister is not the decision maker, but has, instead, a supervisory role in ensuring that the necessary statutory processes have been followed; that the administering body has taken the functions and purposes of the Reserves Act into account in respect of the particular classification and purposes of the reserve; that it has considered any objections or submissions from affected parties; and that, on the basis of the evidence, the decision is a reasonable one.

A more detailed explanation of the differing roles and the matters which need to be considered in exercising the delegation of consent is attached as *Appendix 1*

It should be noted that the power to revoke a reservation has not been delegated to ensure that such a significant step would remain subject to consideration by the Minister or the Minister's departmental delegate.

The Minister is confident that the delegations will be exercised responsibly and the Department is of course still able to provide guidance and advice to you; however, where the required advice is complex and lengthy we may need to recover costs, though this would be discussed prior to incurring them.

There are some actions that the Department will need to be notified of to enable the maintenance of its national reserve records. Such actions would include changes to a reserve classification and other actions requiring a gazette notice. Please ensure that a system is put in place whereby such notification is undertaken.

Notices should be sent for the attention of Anna Ginnaw at our Hamilton office; and Anna may be contacted by phoning (07) 858 1050 or by email to aginnaw@doc.govt.nz

Please do not hesitate to contact Anna for advice.

Yours faithfully

Deidre Ewart
Manager Permissions/SLM

Appendix 1

EXERCISING THE DELEGATION OF CONSENT TO LOCAL AUTHORITIES

The Minister's Role

It is important to note that the decision making function, whereby the merits of the proposal are considered, is a fundamental responsibility of the reserve administering body ("the AB"). The Minister is not the decision maker, but has, instead, a supervisory role in ensuring that the decision was arrived at in compliance with the requirements of the Reserves Act; with the primary considerations being:-

(a) That the status of the land has been correctly identified and the AB has the power and authority to make the decision; [1]

(b) That the necessary statutory processes have been followed;

(c) That the AB has taken the functions and purposes of the Reserves Act into account in respect of the particular classification and purposes of the reserve, as required by section 40 of the Act;

(d) That the AB has considered any objections or submissions from affected parties; and that, on the basis of the evidence, the decision is a reasonable one. [2]

(e) That pursuant to the requirements of section 4 of the Conservation Act 1987, the AB has consulted with and considered the views of tangata whenua or has in some other way been able to make an informed decision. [3]

An example of the different roles can be seen in the consideration of submissions or objections under s.120 of the Reserves Act; which only requires that the AB provide a "summary" of all objection and comments received by it and state the extent to which they have been allowed or disallowed. The purpose of this requirement must be for the administering body to demonstrate that it has carried out its obligation to consider every objection and submission.

The actual content of the submissions is a matter for consideration by the AB as the primary fact finding body and decision maker; and it would be inappropriate for the Minister to receive and consider objections or submissions in relation to the merits of an application.

The Minister may, however, consider submissions relating to procedure; as these do relate directly to the consenting role. Another exception is under the provisions of s.24 of the Act, where the AB is required to forward all objections to the Minister for consideration. In this instance the Minister's delegate would need to consider the actual content of the submissions and be able to conclude that the AB had given fair and reasonable consideration to the subject matter.

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1 i.e. the legislative authority for the proposed consent has been clearly identified, and where necessary, that there is sufficient evidence that the reserve is vested in the AB.

2 The word 'reasonable' is used in the public law sense, whereby a decision would be considered unreasonable if it were one which no sensible decision maker acting with due appreciation of their responsibilities would have made.

3 See Chapter 4 of the Reserves Act Guide for local Government.

RESERVES ACT 1977

INSTRUMENT OF DELEGATION FOR TERRITORIAL AUTHORITIES

1. PURSUANT to section 10 of the Reserves Act 1977 I, NICK SMITH Minister of Conservation, DELEGATE to all territorial authorities (as defined in this Instrument of Delegation) such of my powers, functions and duties under the Reserves Act 1977 as are set out in the following Schedule subject to the Limitation of Powers in the Schedule and to the conditions in paragraph 2 of this Instrument.

2. The delegations in this Instrument apply only where the territorial authority is the administering body of the relevant reserve (i.e. affected by the decision to be made) by virtue of a vesting or an appointment to control and manage.

3 This Instrument replaces the previous Instrument of Delegation dated 10 March 2004, which is hereby revoked.

Definitions:

"Administering body" - means an administering body under the Reserves Act 1977.

"Territorial authority" - means a local authority and a unitary authority as defined in section 5 Local Government Act 2002.

"Vested reserve" - means a reserve vested in a territorial authority (not in the Crown).

SCHEDULE

SECTION	SUMMARY OF POWERS	O	LIMITATION OF POWERS
6(3)	Revoke a Gazette notice and issue a fresh notice or amend the original notice		Only applies to notices in the Gazette given by the territorial authority
14(4)	Gazette resolution to declare vested land to be reserve. Note: it is, therefore, no longer necessary to consult the Commissioner in terms of sec 14(3) of the Act.		

SECTION	SUMMARY OF POWERS	O	LIMITATION OF POWERS
15(1)	Authorise or decline to authorise, by Gazette notice, the exchange of land in any reserve or any part(s) of a reserve for any other land to be held for purposes of that reserve.		Only to be exercised where the territorial authority did not derive title from the Crown, or title would be deemed not to be derived from the Crown if the reserve was going through a revocation process (s.25). The territorial authority must consult with the Crown before making a decision under s.15(1) if the land it proposes to grant in exchange was purchased with funds provided either wholly or partly by the Crown.
15(3)	To do all things necessary to effect any exchange authorised by the local authority under Section 15(1) of the Act, or by the Crown in the case of vested reserves derived from the Crown, including the payment or receipt of any money by way of equality of exchange in the case of non Crown derived reserves.		
16(1)	Classify, by Gazette notice, according to their principal or primary purpose all reserves. [Note this delegation does not affect sections 16(2) and 16(2A) Reserves Act]		
16(4)	To advertise the intention to classify a reserve in accordance with sec 16(1).		
18(2)(e) 19(2)(a) 19(3)(a)	Determine in which cases exceptions can be made to the preservation of flora and fauna and the natural environment.		
24(1)	Change the classification or purpose of a reserve by notice in the Gazette.		Does not apply to the revocation of reserves
24(2)(e)	To consider all objections received to a proposed change of classification or purpose.		
24(3)	To form an opinion that the change of classification or purpose of a scenic, nature or scientific reserve is justified.		

SECTION	SUMMARY OF POWERS	O	LIMITATION OF POWERS
24(5)	To form an opinion that the change in the classification of a historic reserve is justified.		
25(1)	Upon revocation of the reservation of any public reserve (or part of one) pursuant to section 24 Reserves Act, dispose of that land in such manner and for such purpose as the Minister specifies. [Note this is intended to allow Territorial Authorities to decide how and for what purpose the land may be disposed of].		The delegation only applies where the title to the reserve was not derived from the Crown, or is deemed not to be derived from the Crown in terms of s.25(4) or (5).
41(1)	To approve reserve management plans.		
42(1)	Give or decline to give express written consent to the cutting or destruction of trees and bush on any historic, scenic, nature, or scientific reserve. Determine terms and conditions subject to which written consent is given.		
44(1)	To consent to the use of a reserve for temporary or permanent personal accommodation.		
44(2)	To consent to any vehicle caravan, tent or removable structure remaining on a reserve during the period 1 November to 31 March.		
45	Give or decline to give prior approval to administering body to erect, or authorise any voluntary organisation or educational institution to erect shelters, huts, cabins, lodges etc., on any recreation or scenic reserve.		

SECTION	SUMMARY OF POWERS	O	LIMITATION OF POWERS
48(1)	Consent or refuse consent to administering body granting rights of way and other easements over any part of a vested reserve for any of the purposes specified in section 48(1). Impose such conditions as it thinks fit in giving the consent.		
48A(1)	Consent or refuse consent to administering body granting a licence over a vested reserve to any person or department of State - (a) To erect, maintain and use buildings, dwellings, masts and other structures, and plant and machinery; and (b) To construct, maintain, and use tracks and engage in other works - for any of the purposes specified in section 48A(1).		
48A(3)	Approve terms and conditions determined by the administering body.		
49	Grant or decline to grant in writing any qualified person a right to take specified specimens of flora or fauna or rock mineral or soil from a reserve for scientific or educational purposes. Form opinion as to whether qualified person has the necessary credentials. Impose conditions on the grant in writing.		With regard to fauna, the delegation is for exotic fauna which are not protected under the Wildlife Act 1953.
50(1)	Authorise or decline to authorise any person to take and kill any specified kind of fauna that may be found in any scenic, historic, nature or scientific reserve. Authorise or decline to authorise the use of firearms, traps, nets or other like objects within reserve for the foregoing purposes.		The delegation is for non-protected exotic fauna only.

SECTION	SUMMARY OF POWERS	O	LIMITATION OF POWERS
51(1)	Authorise or decline to authorise in writing an administering body to introduce indigenous flora or fauna or exotic flora into any scenic reserve for any of the purposes referred to in section 51(1). Impose conditions on the giving of the authorisation.		
52(1)	Declare by Gazette notice that any 2 or more reserves, or parts of 2 or more reserves, or parts of one or more reserves and the whole of one or more other reserves, are to be united to form one reserve.		All affected reserves or parts of reserves must have the same administering body and must all either be vested in that body or all held under an appointment to control and manage.
53 (1)(d)	To consent to an increase in the number days the public shall not be entitled to have admission to a reserve.		
53 (1)(e)	To approve the fixing of charges generally or with respect to any specified occasion or event.		
54(1)	Give or decline to give prior consent to administering body, in the case of a recreation reserve vested in it, to grant leases for any of the purposes specified in paragraphs (a), (b), (c) and to grant a lease or licence for any of the purposes specified in paragraph (d) and to exercise all powers of the Minister referred to in the First Schedule that pertain to leases under s.54(1)(a), (b), (c) and (d).		

SECTION	SUMMARY OF POWERS	O	LIMITATION OF POWERS
	Give or decline prior consent to administering body permitting, in a lease, the erection of buildings and structures for sports, games or public recreation not directly associated with outdoor recreation. Consent or decline consent to variations or amendments to leases and consent to the carrying out of any other necessary actions arising out of the leases consistent with the First Schedule, Reserves Act.		
55(2)(a) (d), (e) (f) and (g)	In the case of a scenic reserve to give or decline to give consent to :- • the enclosure and grassing or grazing of open parts of the reserve; • the setting apart of areas for other purposes; • the erection of buildings and other structures and amenities; • such things considered necessary for the public to obtain the benefit of the reserve; • the setting apart of sites for residences and other buildings and structures necessary for the management of the reserve.		Must be satisfied that the facilities, amenities, buildings or structures are necessary and cannot readily be provided outside or in close proximity to the reserve.

SECTION	SUMMARY OF POWERS	O	LIMITATION OF POWERS
56(1)	Give or decline prior consent to administering body, in the case of a scenic reserve vested in it, to grant leases or licences for the purposes set out in s.56(1) and to exercise all powers of the Minister referred to in the First Schedule that pertain to leases under s.56(1)(a) and (b).		
	Consent or decline consent to variations or amendments to leases and licences, and consent to the carrying out of any other necessary actions arising out of the leases and licences consistent with the First Schedule, Reserves Act.		
56(2)	Give public notice in accordance with section 119 of the Reserves Act and give full consideration in accordance with section 120 to all objections and submissions.		
58(b)	Set apart and use part of a reserve as a site for residences and other buildings.		
58A(1)	Give or decline prior consent to administering body, in the case of an historic reserve vested in it, to grant leases or licences for any of the purposes specified in that subsection.		
	Consent or decline consent to variations or amendments to leases and licences and consent to the carrying out of any other necessary actions arising out of the leases and licences, consistent with the First Schedule, Reserves Act.		

SECTION	SUMMARY OF POWERS	O	LIMITATION OF POWERS
59A(1)	In accordance with Part IIIB Conservation Act 1987, grant or refuse a concession in respect of any reserve controlled or managed by an administering body under s.28 Reserves Act so that the administering body may apply Part IIIB as if references in that Part to a conservation area were references to such a reserve and references to the Minister of Conservation and to the Director-General of Conservation are references to an administering body.		
67(1)(b)	Consent or decline consent to lease of recreation reserve set apart for race course purposes, to a racing club.		
72(1)	To enter into and agree the terms of a lease or other agreement for the farming of a recreation or local purpose reserve.		Note sec 72(3) applies.
73(1)	Consent or decline prior consent to an administering body granting a lease of recreation reserve in the circumstances specified in s.73(1), where the reserve is vested in the administering body, and consent or decline prior consent to an administering body granting a lease in the circumstances specified in section 73(1) in all other cases. Exercise all powers of the Minister referred to in the First Schedule that pertain to leases under s.73(1).		

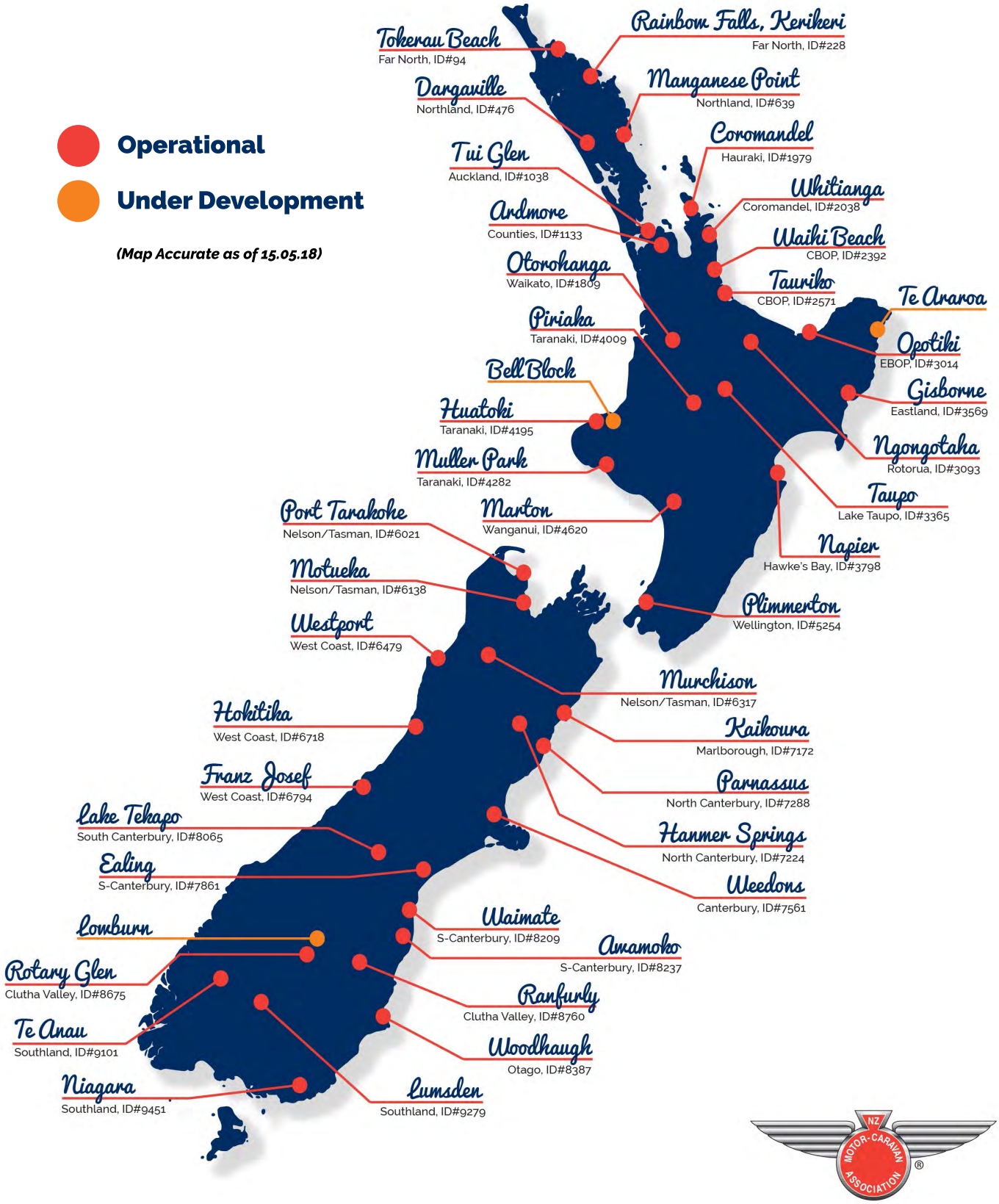
SECTION	SUMMARY OF POWERS	O	LIMITATION OF POWERS
73(2)	Consent or decline prior consent to an administering body granting a lease of recreation reserve for afforestation where the reserve is vested in the administering body, and consent or decline prior consent to an administering body granting a lease of recreation reserve for afforestation purposes in all other cases.		
	Exercise all powers of the Minister referred to in the First Schedule that pertain to leases under s.73(2).		
73(3)	Form opinion as to whether recreation reserve is not likely to be used for purposes of a recreation reserve.		Note: The provisions of Part IIIB Conservation Act apply (s.73(3A)(b))
	Consent or decline consent to administering body granting leases of whole or part of reserve vested in administering body.		Note: s.73(3A) (a) applies.
	Grant or decline to grant leases of whole or part of a reserve held under an appointment to control and manage.		
	Exercise all powers of the Minister referred to in the First Schedule that pertain to leases under s.73(3).		
73(5)	Consent or decline consent in writing to a member of an administering body becoming the lessee of any land under the control of that body.		
73(6)	Consent or decline consent to surrender of lease.		Only exercisable where the original approval for the lease was given by the territorial authority under this delegation.
74(1)(b)(ii) (proviso)	Consent or decline consent to granting of a licence to occupy a historic, scenic or scientific reserve.		

SECTION	SUMMARY OF POWERS	O	LIMITATION OF POWERS
75(1) and (2)	Consent or decline to consent to the afforestation of a recreation or local purpose reserve.		
121	Where under the provisions of the Reserves Act consent or approval is required, give consent or approval subject to such conditions as are thought fit.		Only exercisable in respect of matters delegated under this Instrument of Delegation.

SIGNED at Wellington this)
)
17th day of July . 2013)
)
by NICK SMITH)
Minister of Conservation)

41 NZMCA Parks

for you to enjoy!



TO: **INFRASTRUCTURE AND SERVICES COMMITTEE**

FROM: **THE DIRECTOR OF WORKS AND SERVICES**

MEETING DATE: **MONDAY 9 JULY 2018**

STORAGE BUILDING RACECOURSE ROAD

Report Prepared by: Robin Pagan, Parks Manager

SUMMARY

Finance has been provided for the provision of a storage shed at the Parks Racecourse Road depot to store Council's Christmas trees and lights currently stored at Bond Street. The building will also be used as a workshop for Parks projects and general storage to keep equipment undercover and secure. It will be available for Council infrastructure recovery in the event of an emergency.

RECOMMENDATIONS

That the price received from Calder Stewart in the sum of $237,600 be accepted with $200,000 funded from budgets carried forward from previous years for this purpose and the balance from the sale of the Bond Street property.

IMPLICATIONS

1.	*Has this been provided for in the Long Term Plan/Annual Plan?* Yes.
2.	*Is a budget amendment required?* No.
3.	*Is this matter significant in terms of Council's Policy on Significance?* No.
4.	*Implications in terms of other Council Strategic Documents or Council Policy?* N/A.
5.	*Have the views of affected or interested persons been obtained and is any further public consultation required?* N/A.
6.	*Has the Child, Youth and Family Friendly Policy been considered?* N/A.

FINANCIAL IMPLICATIONS

The building will be funded from approved budgets carried forward from previous years for this purpose in the sum of $200,000 and the balance from the sale of the Bond Street property.

PROPOSED STORAGE BUILDING 250 RACECOURSE ROAD

Two prices have been received for the construction of a 15m x 25m storage building at 250 Racecourse Road.

Calder Stewart Limited have provided a price of $237,600 to construct the building, complete with foundation, concrete floor, drainage, electrical and fire protection.

Nick Morris Engineering have provided a price of $173,161.04, excluding floor and foundations (estimated to be in the region of $75,000) and associated services.

The proposed building will service the need for storage of Council's Christmas lights, trees and associated materials once the Bond Street property has been sold. The building will also be used as a workshop for Parks projects and general storage to keep equipment undercover and secure. It will be also be available for Council infrastructure recovery in the event of an emergency, being ideally situated and fully serviced with essential communications.

CONCLUSION

This building will ensure that the equipment is kept in a secure site and protected from the elements at all times.

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TO: **INFRASTRUCTURE AND SERVICES COMMITTEE**

FROM: **THE DIRECTOR OF WORKS AND SERVICES**

MEETING DATE: **MONDAY 9 JULY 2018**

SANDY POINT FORESTRY – INCOME / EXPENDITURE – BUDGETS AND ACTUALS

Report Prepared by: Robin Pagan, Parks Manager

SUMMARY

At the Infrastructure and Services Committee Meeting on 28 May 2018, a request was made to supply figures comparing financial plan budgets with actuals for Sandy Point Forestry.

RECOMMENDATIONS

That the information be received.

IMPLICATIONS

1.	*Has this been provided for in the Long Term Plan/Annual Plan?* N/A.
2.	*Is a budget amendment required?* No.
3.	*Is this matter significant in terms of Council's Policy on Significance?* No.
4.	*Implications in terms of other Council Strategic Documents or Council Policy?* N/A.
5.	*Have the views of affected or interested persons been obtained and is any further public consultation required?* N/A.
6.	*Has the Child, Youth and Family Friendly Policy been considered?* N/A.

FINANCIAL IMPLICATIONS

The figures since the last ten year (2012-2022) financial report received from our Forestry Consultants in 2013 indicate better returns than anticipated. This reflects the buoyant prices for domestic and export logs that we are receiving from the Sandy Point plantations. This has now been updated.

COMPARISON OF BUDGET AND ACTUALS FOR SANDY POINT FORESTRY

The last 10 year plan (2012-2022) was revised and updated this year to better reflect the changing markets and potential returns. A breakdown of budgets and actuals since then is provided for comparison.

	2013/14	2014/15	2015/16	2016/17	2017/18
Budget	$51,412	$103,133	$65,163	$84,346	$108,562
Actual	$54,412	$205,349	$249,777	$336,516	Still Current

Because of the trend of better returns than previously anticipated, the new financial forecast commissioned also brings it in line with the Forestry Management Plan provided last month.

Balance in reserves at 30 June 2017 - $879,026.

CONCLUSION

Forestry historically has gone through a boom and bust cycle but generally the demand for natural product is increasing so looks relatively stable for the future. Being close to local mills and the Port also puts Sandy Point in a good position.

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TO: **INFRASTRUCTURE AND SERVICES COMMITTEE**

FROM: **THE DIRECTOR OF WORKS AND SERVICES**

DATE: **MONDAY 9 JULY 2018**

SOUTHLAND ECONOMIC PROJECT: DRAFT URBAN AND INDUSTRY TECHNICAL REPORT

Report Prepared by: Malcolm Loan, Drainage and Solid Waste Manager

SUMMARY

The Southland Economic Project: Urban and Industry Technical Report is a report of the potential costs of quality improvements to discharges to water from urban sewerage networks that may be required as a result of the National Policy Statement on Freshwater, and the Southland Water and Land Plan (SWLP). The report has been prepared by Environment Southland, with technical input from Stantec, and from officers of the three Southland Territorial Authorities. The report is intended to provide the economic tolls required to assess impacts of the SWLP as it moves into the Limit Setting phase. The report will be discussed with Councillors at a briefing scheduled for 5 July 2018.

RECOMMENDATIONS

That this report be received.

IMPLICATIONS

1.	*Has this been provided for in the Long Term Plan/Annual Plan?* Yes.
2.	*Is a budget amendment required?* No.
3.	*Is this matter significant in terms of Council's Policy on Significance?* No.
4.	*Implications in terms of other Council Strategic Documents or Council Policy?* No.
5.	*Have the views of affected or interested persons been obtained and is any further public consultation required?* No. The report is intended to provide information for the community consultation processes of limit setting for the Southland Water and Land Plan.
6.	*Has the Child, Youth and Family Friendly Policy been considered?* N/A.

FINANCIAL IMPLICATIONS

Funding for this report was provided from operational budgets of the three Southland Territorial Authorities, and Environment Southland.

SOUTHLAND ECONOMIC PROJECT DRAFT URBAN AND INDUSTRY TECHNICAL REPORT

The following report was prepared by Environment Southland, and agreed by officers of the three Southland Territorial Authorities for release to each Council during the July round of meetings.

Purpose

For Council to note the draft Urban and Industry Report as a joint council report and one of the Southland Economic Project's key outputs. The report will be used as a resource during limit-setting for water quality in Southland, under the National Policy Statement for Freshwater Management 2017. The draft Urban and Industry Report will be presented to all four councils in Southland between July and August 2018 and then finalised for public release.

Summary

The draft Urban and Industry Report brings together research on the wastewater schemes for eight towns across Southland. It was completed by Southland District Council, Gore District Council, Invercargill City Council and Environment Southland between 2016 and 2018. The report, and the research it is based on, is a key output from The Southland Economic Project. The project is an initiative to develop economic tools that will be used in the implementation of the National Policy Statement for Freshwater Management (2017) in Southland. The project's main output is a model of the regional economy, and the wastewater research is an input into the model. The model will be used to build an understanding of the region's economy and to test the possible economic impacts of different policy options for achieving water quality limits. The draft Urban and Industry Report is an important way for communicating this wastewater research within the community.

Background

As Council is aware, Southland's community processes to set limits on the 'use' of water (whether as a water take or to transport waste) will soon be occurring through the People, Water and Land Programme[1]. Achieving limits may require changes to how water, and the land it flows through, is managed. Such changes can have impacts on the activities of people and communities, particularly during any transition period. The possible economic impacts of how this 'transition' may occur will be an important consideration during limit-setting processes with the community.

The Southland Economic Project is an initiative between a wide range of organisations that was set up to develop the economic 'tools' (e.g. reports, data sets and a model) that will be needed during limit-setting. The main tool is the Southland Economic Model for Water, which will trace transition pathways for different scenarios that the economy is likely to take over time, with current knowledge. The model will be used to test different "what if" scenarios during community processes for limit-setting. The understanding gained from

[1] The People Water and Land Programme is a partnership between Environment Southland and Te Ao Marama.

these scenarios will put the Council and each community in a position to identify the best way forward.

To ensure that the information used in the model is robust, a large amount of research has been undertaken within The Southland Economic Project between 2014 and 2018 to create Southland-specific datasets for the agricultural and municipal sectors. Between 2016 and 2018, Gore District Council, Invercargill City Council, Southland District Council and Environment Southland have worked with Stantec (formerly MWH) and Market Economics Ltd. to develop a set of case studies for the municipal wastewater schemes of eight towns across Southland. These towns were: Gore, Matāura, Winton, Nightcaps, Ohai, Te Anau, Invercargill, and Bluff.

It is the first time the councils have collectively been involved in research of this type and there has been a high degree of support for the report, and the research contained within it. The eight town case studies are likely to be the most extensive dataset of its type in New Zealand.

The aim of the research was to develop information on the financial costs of further managing waste substances (i.e. contaminants) in discharges from municipal wastewater schemes. While a scheme's reticulation infrastructure is relevant, the research was specifically about step changes (or upgrades) in wastewater treatment. Specifically, it focused on the eight case study towns (identified above) and investigated:

1. For eight towns: the current performance of municipal wastewater treatment systems in terms of the waste in their discharges;
2. For six towns: the effectiveness of modelled scenarios to further improve their discharges and the financial costs of these scenarios.

The scenarios considered discharges to surface water (with improved treatment) and discharges to land (that included treatment). Two towns, Bluff and Ohai, were limited to their existing performance because of their specific circumstances (the reasons are explained in the report). The results are a 30 year forecast and are reported on an annual 'per household' basis to account for the different sizes of the towns – this measure should **not** be interpreted as a cost to ratepayers. The methodology and results of this research are summarised in Part C of the draft Urban and Industry Report (refer to ***Appendix 1***). Care needs to be taken when interpreting the research, and the results should only be considered within the wider context of the report (Parts A and B of ***Appendix 1***).

In completing the research, the councils have created a comprehensive source of information about these towns. The report gives an overview of the industries in the region and explains why similar research was not undertaken for their wastewater treatment systems. It also describes why research was not completed for stormwater schemes at this stage.

The key findings in the draft Urban and Industry Report are as follows:

1. There were marked differences between the towns but on a per household basis the quality of treated wastewater discharged was roughly similar in most cases;
2. A town's location is important, influencing its settlement and development, essential infrastructure, environmental conditions, and the downstream receiving environment. Many towns are part of a chain along a river catchment;

3. The capacity of the towns to further remove contaminants depends on the contaminant in question and the design of the existing wastewater treatment system;
4. In general, the scenarios designed for further treatment of a specific contaminant were lower cost, and the scenarios that were designed for several contaminants were higher cost;
5. The performance of land-based discharge scenarios was relatively effective for most contaminants, but Southland's soil and climatic conditions can make this type of scenario challenging and more costly; and
6. Treatment processes for reducing Total Phosphorus and *E. coli* on their own are relatively simple and were the lower cost scenarios modelled, while nitrogen is more difficult to reduce and can cost considerably more.

The research is subject to a range of limitations. Importantly, all of the scenarios modelled were pre-feasibility options, the land-based scenarios did not capture the full cost of land, future technological change was not considered, nor was the funding of any upgrades. The context for the wastewater treatment is critical – Parts A and B of the report outline general information on Southland (including its climate and soils) and its communities and industry, with specific reference to water. The report highlights Southland's reliance on its towns as service centres, and that the water, land, and people are highly connected. It also explores the variability within the municipal sector (one size does not fit all), and the complex relationships between wastewater and other types of essential infrastructure.

Alongside the wastewater research, agriculture industry groups have contributed to similar research for 95 farms across Southland, which was the subject of a report: The Agriculture and Forestry Report (produced in April 2017). The two reports will together form an important resource for the future. Additional work is being done on the connections between the economic and community outcomes in Southland.

It is planned that the draft Urban and Industry Report will be finalised and publicly released in August 2018. Environment Southland will be undertaking a small print run of the report at that time. Because this report is in advance of policy, it is important that the report is appropriately communicated, particularly around how it will be used during community processes to set limits for water. At the time of writing, this work was still in progress, however staff will be able to provide an update at the meeting.

Conclusion

The Southland Economic Project: draft Urban and Industry Report is a comprehensive piece of work that brings together many themes, and has had strong support from all four councils in Southland. It will be invaluable for helping the councils' work with the community during limit-setting for fresh water.

Attachments

The Southland Economic Project: draft Urban and Industry Report (Executive Summary) – a pdf version of the final draft report can be accessed on Environment Southland's website and a hard copy will be available on request.

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APPENDIX 1

The Southland Economic Project:

Urban and Industry

Technical Report

August 2018

Editing Team:

Emma Moran – Senior Policy Analyst/Economist (Environment Southland)

Denise McKay – Policy and Planning Administrator (Environment Southland)

Sue Bennett – Principal Environmental Scientist (Stantec)

Stephen West – Principal Consents Officer (Environment Southland)

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SRC Publication No 2018-??

Document Quality Control

Environment Southland Division:	Policy, Planning and Regulatory Services		
Report reference:	Title: The Southland Economic Project: Urban and Industry		No: 2018-??
Prepared by:	Emma Moran, Senior Policy Analyst/Economist, Environment Southland Denise McKay, Policy and Planning Administrator, Environment Southland Sue Bennett, Principal Environmental Scientist, Stantec Stephen West, Principal Consents Officer, Environment Southland Karen Wilson, Senior Science Co-ordinator, Environment Southland		
Reviewed by:	Ken Murray, RMA Planner, Department of Conservation		
Approved for issue by:			
Date issued:	??? 2018	Project Code:	03220.1302

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Citation Advice

Full report:	Moran, E., McKay D., Bennett, S., West, S., and Wilson, K. (2018). The Southland Economic Project: Urban and Industry. Technical Report. Publication no. 2018-??. Environment Southland, Invercargill, New Zealand. 340pp

The Southland Economic Project

This report has been produced by **The Southland Economic Project** for Water and Land 2020 & Beyond. The aim of this Project is to create ways of understanding the possible socio-economic impacts of achieving 'limits' for fresh water in Southland under the National Policy Statement for Freshwater Management (2017).

The Project is a joint venture between DairyNZ, Beef + Lamb New Zealand Ltd., Department of Conservation, Ministry for Primary Industries, Ministry for the Environment, Southland Chamber of Commerce, Te Ao Marama, and Environment Southland.

It also closely involves Deer Industry New Zealand and New Zealand Deer Farmers Association (Southland Branch), the three territorial authorities in Southland (Invercargill City Council, Southland District Council and Gore District Council). As well, the Project has had support from Foundation for Arable Research, and Horticulture New Zealand, and forestry companies: Southwood and Rayonier.

The Project is undertaking three major studies that flow on from each other:

Study 1: Economic Sectors:

A. Agriculture and Forestry
B. Urban and Industry

Study 2: The Southland Economy (The Southland Economic Model for Water)

Study 3: Community Outcomes

This report is an output from the Urban and Industry component of Study 1. The report and its related datasets are being used in the development of The Southland Economic Model for Fresh Water within Study 2. Study 3 uses information from this model to understand the connections between Southland's economy and local communities across the region.

Preface

This report brings together research undertaken for **The Southland Economic Project**. The research is presented in **Part C** and its context is described in **Parts A and B**. Additional information giving more detail on some aspects of this report is contained in the appendices. Specific sections of this report are written with different authors as identified below. Environment Southland staff contributed to these sections and wrote all other sections.

Stantec: The documents were prepared on behalf of Southland District Council, Gore District Council and Invercargill City Council. No liability is accepted by this company or any employee or sub-consultant of this company with respect to its use by any other person. This disclaimer shall apply notwithstanding that the documents may be made available to other persons for an application for permission or approval to fulfil a legal requirement.

Market Economics: Although every effort has been made to ensure accuracy and reliability of the document supplied, neither Market Economics Limited nor any of its employees shall be held liable for this information, opinions and forecasts expressed in this document.

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Climate: Brydon Hughes, Land Water People Ltd.

Climate Change: Dr. Christian Zammit (Group Manager and Programme Leader - Hydrological Processes and Water Resources), National Institute of Water and Atmospheric Research (NIWA).

Part B: Urban and Industry in Southland

Gore District: contributions from Sarah Crooks (Director, Fieldwork 2016 Ltd.) for Gore District Council (GDC).

Invercargill City District: contributions from Malcolm Loan (Drainage and Solid Waste Manager), Invercargill City Council (ICC).

Southland District: contributions from Ian Evans (Strategic Manager Water and Waste), Southland District Council (SDC).

Part C: Town Case Studies

Sue Bennett (Principal Environmental Scientist), Richard Bennett (Technical Discipline Lead, Civil Water), and Kirsten Norquay, Senior Environmental Engineer, Stantec New Zealand.

Tilly Erasmus (Analyst) and Lawrence McIlrath (Director), Market Economics Ltd.

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Invercargill City District (Invercargill and Bluff): Malcolm Loan (Drainage and Solid Waste Manager), Invercargill City Council (ICC).

Southland District (Winton, Nightcaps, Ohai, and Te Anau): Environment Southland staff and Ian Evans (Strategic Manager Water and Waste), Southland District Council (SDC).

Acknowledgements

As with everything to do with water quality, understanding the costs and effectiveness of municipal wastewater treatment is a complex task and requires a great deal of transdisciplinary knowledge and understanding. The three territorial authorities and two consultancies involved in this research have made substantial commitment to work together with Environment Southland to make this report possible. Each organisation and individual that has brought their expertise to this work has made an investment in the future of the Southland.

There are many people who have made invaluable contributions to this report. Huge thanks must go to Sarah Crooks (GDC), Matthew Bayliss (GDC), Paul Withers (ex-GDC), Malcolm Loan (ICC), and Ian Evans (SDC). Without their willingness to share their wealth of knowledge and expertise this report would still be on the drawing board. Thanks also to Marcus Roy (SDC), Courtney Ellison (SDC), Rebecca Blythe (SDC), and the entire Environment Southland's Policy & Planning Team. Grateful thanks to Simon, Harry and Kate Moran for their help and patience over many months. Appreciation is also due to the reviewer Ken Murray (DOC) for his informed and helpful comments, to Matt Couldrey (Land and Water Science) for his expert work on the maps, and to Russell Cannan and Fleur Matthews for their proof reading of the draft report.

All of these people and organisations have made this commitment to make sure that information and understanding on the possible economic impacts is readily available as Southland enters into the process of setting of limits for water.

Image 1: Ōreti Beach
Source Emma Moran

Executive Summary - DRAFT

Water, and the land it flows through, has a natural capacity for processing (or attenuating) substances, such as nutrients (e.g. nitrogen and phosphorus) and microbiological organisms (as indicated by the presence of *E. coli*). When by-products from human activity (e.g. agriculture, forestry, manufacturing, tourism or local government) ends up in water as waste, then this natural capacity is 'used' or taken up. The waste adds to in-stream concentrations and loads (or total amounts) of contaminants, and can cause water quality issues. In-stream concentrations tend to be the focus for rivers and groundwater; while loads are especially relevant for groundwater, lakes and estuaries, which act as 'sinks' for these substances.

Many new initiatives are being introduced that are designed to improve how people use water – in this context the 'use' of water is in a broad sense, as a water take and to receive waste substances (or contaminants). At the centre of these efforts is the National Policy Statement for Freshwater Management (2017), which requires environmental 'limits' to be set to safeguard values, such as ecosystem health and human health. A limit is the maximum amount of a resource available to be used and they must be set for water quantity and water quality.

As part of implementing the National Policy Statement for Freshwater Management (2017), Southland has been divided into five freshwater management units (FMUs) based on the four large river catchments and the mass of smaller river catchments in Fiordland and Stewart Island/Rakiura. These FMUS are: *Fiordland and Islands, Waiau, Aparima, Ōreti, and Matāura*. Planning processes with communities to set limits in these FMUs are planned to start in 2018 within the People, Water and Land Programme[1]. Achieving these limits may require people to change the way they use water, particularly for receiving waste, which is likely to have socio-economic impacts as they transition. The Southland Economic Project was set up to develop robust ways of understanding these possible impacts so that relevant information will be available for the limit-setting process.

This report brings together research on municipal wastewater that Southland's four councils (Gore District Council, Invercargill City Council, Southland District Council, and Environment Southland) have done within The Southland Economic Project. Overall, there are 1.2 million hectares of developed land in Southland. Around 3.3 percent of this land area is used for urban activities, such as residential and commercial areas, transport networks, and industry. These activities create wastewater and stormwater that is discharged either directly or indirectly to fresh or coastal water[2]. In Southland, a relatively large proportion of people live rurally (twice the national average) and towns are service centres for their local area. Invercargill and 24 towns in the region are served by municipal wastewater schemes, with most having been developed since the 1960s and 1970s.

The supply of essential services, such as wastewater, is a sizeable investment for local communities that make it possible for people to live and work together. These services form part of a local community's natural and built assets or 'wealth' and, where they are delivered sustainably (in all of its components), they contribute to a community's wellbeing. Water is vital to life but many towns

[1] People, Water and Land is a partnership between Environment Southland and Te Ao Marama that covers their work relating to fresh water.
[2] Discharges are either via the end of a pipe (point source) or diffuse through or across land (non-point source).

have an uneasy relationship with water, in terms of its quantity and its quality. Most towns and settlements lie on valley floors near rivers and streams (and in some cases, also lakes). Towns are often one of a series or chain within a catchment – lying either upstream or downstream from one another – connecting (through surface water and groundwater) the headwaters of a river, or one of its tributaries, with an estuary. The towns are also connected by the region's land transport networks, which weave around and across these water bodies.

The aim of this research was to develop information on the financial costs of further managing contaminants in discharges of treated wastewater from municipal schemes. The schemes consist of two main components: the reticulation infrastructure (i.e. pipes, pits, and pumps) and the wastewater treatment system. While a scheme's reticulation infrastructure is relevant, the research was specifically about upgrades or 'step changes' in wastewater treatment. In addition to these step changes, there are also possible actions to improve the performance of reticulation infrastructure. These actions can reduce inflows into a wastewater treatment system, increase its effectiveness, and improve the overall efficiency of a scheme.

Agricultural industry groups contributed to similar research on farms across Southland and were the subject of an earlier report: *The Southland Economic Project: Agriculture and Forestry* (Moran *et al*., 2017). Information was not developed for on-site residential wastewater, on-site industrial wastewater, or stormwater for reasons described in the Research Focus Section of this report.

The report highlights Southland's reliance on its towns as service centres, and developed a number of themes. One theme is the role of the environment and natural resources in the development of towns and industry and, in turn, how this development has modified the environment over the years and made it less resilient. Through resource use, Southland's water, land, and people are highly connected. The environment has less capacity to attenuate waste substances than in the past and people are putting more pressure on the environment. As a result, it is likely that Southland's economy is becoming less sustainable over time. Other themes are the variability within the municipal sector (between towns and between territorial authorities), and the complex relationships between wastewater and other types of essential infrastructure (e.g. transport networks, flood protection, stormwater, and water supply).

All of these themes were important considerations in this research.

Methodology

To develop information for municipal wastewater in Southland, the region's four councils scoped and commissioned research on the wastewater treatment for eight towns across the region: Te Anau, Ohai, Nightcaps, Winton, Gore, Matāura, Bluff and Invercargill. The research created a set of case studies that investigated:

1. The current performance of municipal wastewater treatment systems in terms of the waste in their discharges; and
2. The effectiveness of modelled scenarios to further improve their discharges and the financial costs of these scenarios.

The towns were selected to cover as wide a range of different situations as possible. Municipal wastewater schemes are largely driven by public health issues, and so population (present and historic) is a determining factor. At a regional scale, Southland's population is relatively stable (deaths and outward migration being balanced by births and inward migration) but there is strong variability between local communities – with growth in some towns and declines in other towns, reflecting changes in the economy. In total, the eight towns represent over 70 percent of the people living in the region.

The case studies were created using a four stage process. In the first stage, Stantec (formerly MWH) used the National Policy Statement for Freshwater Management 2014 as a guide for developing modelling scenarios for upgrading a town's existing wastewater treatment system. In developing these scenarios, Stantec estimated how the upgrades could improve the quality of treated wastewater discharge and their financial costs. Most of the modelled scenarios were 'bolt-ons' or additions to the existing treatment system. Only one of the scenarios (a membrane bioreactor) involved abandoning the existing treatment system and replacing it with an entirely new system. All of the case studies currently discharge to water and the scenarios modelled included upgrades that were land-based discharges. This information, including the specific caveats and limitations for each scenario, is included in the appendices of this report.

The scenarios developed for this research are largely theoretical and not all of the scenarios were modelled for all case studies. The number of scenarios modelled was largely based on each town's existing circumstances. For example, the existence of a new Te Anau wastewater consent for a discharge to land guided the two scenarios modelled. The scenarios modelled are not necessarily viable options or are being considered by any particular council. They would need to be subjected to due diligence, detailed feasibility assessments, consent processes and council consultation processes.

In the second stage, Market Economics used Stantec's scenarios to build an understanding of the relationship between the estimated effectiveness (improvements in the quality of treated wastewater) and costs. The results are a 30 year forecast reported on an annual 'per household' basis to account for the different sizes of the towns – this measure should not be interpreted as a cost to ratepayers. The number of households was calculated using Statistic New Zealand five yearly projections. The results for the scenarios were then compared to the costs and effectiveness of the existing (or base) wastewater treatment system.

In the third stage, Environment Southland translated Market Economics' analysis into a series of easily accessible graphs that are presented in this report. During this stage, new inflow concentration data and valuation became available for the existing treatment system and the data used was updated. The Stantec and Market Economics work is covered by separate disclaimers.

The information from the town case studies is a key input into The Southland Economic Model for Fresh Water, which is a regional model of Southland's economy that is being developed within The Southland Economic Project. This regional economic model will trace transition pathways (or routes) for the economy as it evolves over time in response to limit-setting for water. It will be used to test the economic impacts of 'what if' policy scenarios for achieving limits in each FMU. Additional work is being done on the relationship between economy and outcomes for Southland's communities to give a better understanding of wellbeing.

Baseline Results

All of the eight case studies currently discharge treated wastewater directly to a surface water body – a stream, river, or estuary. Although these discharges are directly to water, attenuation occurs within many of the wastewater treatment systems via a range of treatment methods. Nightcaps and Te Anau use oxidation ponds, Matāura , Winton and Gore also use oxidation ponds augmented with additional process units to improve the performance of the system, namely a wetland (Matāura and Winton), or chemically assisted phosphorus reduction (Gore). Invercargill, Bluff and Ohai use mechanical and biological treatment tank and pond based processes, instead of oxidation ponds.

Gore, Matāura, Winton, Nightcaps and Ohai discharge treated wastewater into Southland's rivers and streams. Te Anau currently discharges treated wastewater into the Upukerora River, just upstream of Lake Te Anau, while Invercargill discharges treated wastewater into New River Estuary. Bluff discharges treated wastewater into Foveaux Strait between Bluff Hill and Stewart Island/Rakiura. There are examples of schemes with discharges to land in Southland (e.g. Otautau) but they were not selected as case studies because they were considered likely to be less of a priority in the setting of limits for water quality in Southland.

The baseline results are for each town's existing wastewater treatment system. Two of the eight case study towns, Bluff and Ohai, did not have scenarios modelled because their specific circumstances mean that the treatment systems are unlikely to be upgraded. Ohai currently produces effluent of a similar quality as that estimated for the scenarios modelled for the other towns. A minor upgrade is planned for Ohai to maintain current levels of performance for *E. coli*. Bluff does not currently achieve the quality estimated for the scenarios modelled for the other towns but there are potential cost efficiencies of centralising its treatment with Invercargill's system at Clifton. It is more likely that Bluff wastewater is piped to Clifton, rather than changing the Bluff system itself. This solution is highly location specific, and not transferable to other towns across Southland, so it was not modelled as part of this research.

To date, wastewater treatment systems have usually been designed to reduce suspended solids and biochemical oxygen demand. There is a wide range in the type of technology used across the towns, with more complex treatment systems generally being used where there are larger urban areas. Despite the range of technologies used, the towns were relatively consistent in their performance for suspended solids and biochemical oxygen demand. Considerable reductions are also achieved for *E. coli* but for this contaminant even a very small amount remaining still indicates a potential risk to human health from the discharge. The level of *E. coli* reduction that the existing treatment systems achieve varies across the towns. Nutrients are a more recent focus – e.g. the specific treatment of phosphorus in the Gore wastewater treatment system was introduced in 2008. The reduction of nutrients was even more variable across the towns.

Table 1 shows the current performance of the wastewater treatment systems as measured by the proportion of contaminants removed from the inflow and the level of contaminants in the discharge. Reduction of *E. coli* (measured in colony forming units or cfu/100mL) is not reported as a percentage in this table because the wastewater treatment systems reduce *E. coli* concentrations by more than 99.9 percent (from 10 million cfu/100mL to less than 10,000 cfu/100mL). The water quality standards for stock drinking, contact swimming, shellfish gathering and drinking water require lower concentrations than those generally achieved by the treatment systems.

Table 1: Baseline performance of case studies

Case Study	Forecast average number of households 2016 to 2046	Suspended solids (kg/HH/year)		Biochemical oxygen demand (kg/HH/year)		Total nitrogen (kg/HH/year)		Total phosphorus (kg/HH/year)		E. coli (cfu/100mL)
		Removal	Discharge	Removal	Discharge	Removal	Discharge	Removal	Discharge	Discharge
Gore	4,035	86%	19	95%	7	76%	6	83%	0.7	4,600
Matāura	823	90%	6	97%	2	79%	2	80%	0.3	900
Winton	1,287	85%	7	94%	3	56%	4	46%	1.0	3,800
Nightcaps	161	89%	6	97%	2	80%	2	76%	0.4	8,600
Ohai	126	96%	3	96%	3	93%	1	71%	0.7	100
Te Anau	1,022	79%	16	92%	6	51%	7	4%	2.0	1,200
Invercargill	20,904	92%	8	97%	4	43%	12	34%	2.0	1,300
Bluff	886	81%	20	93%	8	36%	14	46%	1.6	300

Notes:
1. Due to the nature of the available consent data, the information provided for Ohai is for ammoniacal nitrogen rather than total nitrogen, and for faecal coliforms rather than *E. coli*.
2. For Te Anau, the average TP in discharge (based on nine years data) is 6.4, which improves the removal percentage slightly.
3. The number of households is estimated from Statistics New Zealand five yearly projections. The number of households is used to adjust for the size of the towns. It differs from the number of rating units (i.e. ratepayers) and the number of residential, commercial and trade waste connections to a wastewater scheme.

Key Findings

Based on the scenarios modelled, the key findings were:

1. There were marked differences between the town case studies, particularly between the smaller and larger municipal wastewater schemes. These differences are driven by variability in the relative contributions of domestic, commercial and industrial waste streams, and the types of existing technologies being used to treat these waste streams within each scheme. On a per household basis, the quality of treated wastewater discharged was roughly similar in most cases.
2. Location is important for many reasons. A town's context or position within the landscape influenced settlement and development, essential infrastructure, and the downstream receiving environment. Many, but not all, towns in Southland are part of a chain along a river catchment. For some of the scenarios to be viable, there needs to be suitable land available and, in parts of Southland, environmental conditions are likely to be limiting factors.
3. The capacity to further remove contaminants depends on the contaminant in question and the design of the existing wastewater treatment system. Where a large proportion of a contaminant (e.g. suspended solids and biochemical oxygen demand) is already removed there is less capacity for further removal. Conversely, where a small proportion of a contaminant is currently removed (e.g. total nitrogen and total phosphorus) there is more capacity for further removal. Further removal is also influenced by the nature of the wastewater streams and the characteristics of the site.

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4. In general, the scenarios that were designed for further treatment of a specific contaminant were lower cost, and the scenarios that were designed for further treatment of several contaminants were higher cost. The higher cost scenarios usually involved sophisticated technology (mechanical and biological plants) that can bring with it increased risks of failure.
5. The 'discharge to land' scenarios assumed land treatment rather than just land disposal, and their performance was relatively effective for most contaminants. Key site conditions needed for treatment are sufficient depth to groundwater and suitable soil types. A preliminary review of the land within 4 kilometres of the towns indicated that these conditions are unlikely to exist for most towns. In some cases, Southland's soil and climatic conditions are likely to mean that a discharge to water will need to be retained.
6. The treatment processes for reduction of phosphorus and *E. coli* on their own are relatively simple and were the lower cost scenarios modelled. Reduction of nitrogen is more difficult and the relevant scenarios cost considerably more. The treatment process to reduce nitrogen also reduces phosphorus, although not as effectively as the process that is specific to phosphorus reduction. The more advanced treatment processes modelled for Gore, Winton and Invercargill resulted in a higher degree of reduction of a number of contaminants but were at a much higher cost.

The variations in costs between similar scenarios for different towns were driven by the size and nature of the existing wastewater scheme. The context, particularly the environmental conditions (climate, soils and groundwater), was relevant to the performance of the discharge to water and discharge to land scenarios. For discharges to water, water flows (volume) in the receiving environment are also relevant because they influence the effects of a discharge on the water body. The performance of some scenarios may vary at different times of the year (e.g. biological nutrient reduction and slow rate infiltration). During limit-setting it will be important to understand the water quality issues of the receiving water body for each scheme because different scenarios are relevant for different contaminants.

Limitations

The research modelled step changes in wastewater treatment to give a general understanding of financial costs and effectiveness of improving existing systems. The scenarios modelled were all pre-feasibility options and in some cases additional technology may be needed. Treatment performance was measured as the difference between the contaminants in the discharge and the contaminants in the wastewater inflow (i.e. the reduction of contaminants). None of the scenarios allow for population growth beyond Statistics New Zealand five-yearly predictions for the future.

There were considerable differences between the eight case studies, in terms of the nature and performance of the existing treatment systems, and also the treatment processes that may improve these systems. In some cases the existing system acts as a constraint on future options. There were also important differences in the nature of the receiving water body. The design of a wastewater treatment system depends on its purpose (i.e. the contaminants it needs to address). Any generalisation of these results across other towns in Southland needs to consider these differences.

Information on the quality of the discharges was taken from monitoring data required for consents. The quality of the existing datasets varied between the towns used as case studies because they were collected for different purposes. There were extensive datasets available for the larger towns but much less data available for the smaller towns. As a result, there is a range of accuracy when determining the quality of the existing discharges and certain seasons may be under-represented in the available data. A detailed review of the operation of the treatment systems has not been undertaken because the focus of this research was on step changes for the setting of limits for freshwater. The age of the consent can be a factor in the quality of monitoring data available, with consents granted more recently likely to have more involved monitoring requirements.

It was assumed that the concentrations of contaminants in the inflow of wastewater to a treatment system were the same across all eight case studies. Monitoring data for the wastewater inflow was available for Invercargill, Bluff and Gore and these treatment systems were generally consistent with each other and with that which was generally assumed. Some variations were identified in the performance of the treatment systems for other towns that may be because of differences in their wastewater inflow compared to the assumed contaminant concentrations.

The cost estimates did not include the costs of implementing a wastewater treatment scenario (e.g. consultation with the community and the resource consent process). Implementation costs can be extremely expensive, particularly where there is strong opposition to a wastewater treatment option and a lack of viable alternatives. Achieving community acceptance is an important component of the total cost of a wastewater treatment system.

While some improvements may be achieved by minor operational changes, they will generally not achieve substantial changes in a wastewater treatment system's performance. Step changes are not undertaken as small scale, year on year, iterative improvements. They require considerable capital expenditure, which are typically undertaken once a generation, and often result in increased operating expenditure.

Generally, the scenarios modelled are stand alone. Some of the scenarios can be added together because they consist of different treatment processes (i.e. *E. coli* reduction, phosphorus reduction and land treatment scenarios). Others will require further examination. The treatment processes will interact with each other and result in different discharge characteristics and costs. Case by case assessments are undertaken for resource consent processes. These more detailed investigations may identify solutions not included in this research. The scenarios modelled here may not be the same as a treatment system that is actually implemented in response to the limit setting process, even in the case study towns identified. The costs reported identify the possible step changes and range of costs for each town as a result of the limit-setting process for water.

The research in Part C of this report was done to create a town dataset to use in the Southland Economic Model for Fresh Water for broad scale economic impact assessments. It was the first time that research of this type has been done across a region. The research is a snapshot and did not consider future technological change. It also did not consider how any upgrades could be funded, which is likely to be an important factor during limit-setting. The cost to ratepayers will require additional in-depth analysis. The research also did not investigate improvements in the performance of industrial wastewater treatment systems, stormwater schemes, and actions to improve reticulation infrastructure. These are all opportunities for further research.

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TO: **INFRASTRUCTURE AND SERVICES COMMITTEE**

FROM: **THE DIRECTOR OF WORKS AND SERVICES**

MEETING DATE: **MONDAY 9 JULY 2018**

REBOOTING RECYCLING REPORT

Report Prepared by: Mr Malcolm Loan, Drainage and Solid Waste Manager

SUMMARY

The collapse in international commodity markets has left New Zealand's recycling sector in a vulnerable position. China historically accepted 50% of the world's recyclables but is no longer accepting the quantity of recycling that they used to. The recyclables they are accepting are required to have very low levels of contamination (0.5%). The majority of kerbside recycling systems are not able to meet this requirement.

In May 2017, the Waste Management Institute of New Zealand (WasteMINZ) released a discussion paper titled "Rebooting Recycling – What Can Aotearoa Do?" The discussion document is the New Zealand recycling sector calling on the New Zealand Government to take strong and positive actions to avert our national recycling crisis, rebooting recycling and creating a circular economy in New Zealand.

The Waste Advisory Group received this report at its Committee meeting held on Wednesday 27 June 2018.

RECOMMENDATIONS

That the Infrastructure and Services Committee receives the report.

IMPLICATIONS

1.	*Has this been provided for in the Long Term Plan/Annual Plan?* Not applicable
2.	*Is a budget amendment required?* Not applicable
3.	*Is this matter significant in terms of Council's Policy on Significance?* Not applicable
4.	*Implications in terms of other Council Strategic Documents or Council Policy?* Not applicable
5.	*Have the views of affected or interested persons been obtained and is any further public consultation required?* The Waste Advisory Group received this report at their Committee held on Wednesday 27 June 2018.
6.	*Has the Child, Youth and Family Friendly Policy been considered?* Not applicable

FINANCIAL IMPLICATIONS

There are no financial implications due to this report.

BACKGROUND

The international commodity market for recycling materials has collapsed due to China's political decision to restrict the importation of recyclable materials. Historically China has been the largest buyer for plastic, paper and metal, purchasing over 50% of the world's recyclables. China is no longer accepting the quantity of recycling that they used to. The recyclables they are accepting are required to have very low levels of contamination (0.5%). The majority of kerbside recycling systems are not able to meet this requirement.

In May 2017, the Waste Management Institute of New Zealand (WasteMINZ) released a discussion paper titled "Rebooting Recycling – What Can Aotearoa Do?" The discussion document is the New Zealand recycling sector calling on the New Zealand Government to take strong and positive actions to avert our national recycling crisis, rebooting recycling and creating a circular economy in New Zealand.

The impact of the decreasing prices has resulted in many New Zealand Councils and Recycling Operations struggling to cope with the lack of market and lower income. For example Christchurch City Council is bailing out its recycling company, as the fall in revenue from the sale of recyclables is no longer able to meet their operating costs.

The Waste Advisory Group received this report at its Committee meeting held on Wednesday 27 June 2018. A copy of the report presented to the Waste Advisory Group is appended to this report (refer to ***Appendix 1***).

DISCUSSION DOCUMENT

WasteMINZ's discussion document – Rebooting Recycling, What Can Aotearoa Do? – calls on the New Zealand Government to take strong and positive actions to avert our national recycling crisis.

The discussionp document identifies short, medium and long term actions. For example:

- Short term: improve the quality of recycling where practicable, i.e. slow down sorting lines at material recovery facilities and put more staff on to reduce contamination and remove targeted products; gather better data to understand the exact nature of the issues and better target solutions.

- Medium term: establish initiatives that help transition to a more circular economy, i.e. encourage more joint working and investment in regional planning and infrastructure; focus on developing on-shore options for processing and adding value to materials.

- Long term: manufacturers and distributors take greater responsibility for products through their life-cycle, i.e. recyclability claims need to be evidence-based and paired with standardised on-pack labelling to enable consumers to make informed decisions; positive government procurement to stimulate demand for recycled materials through their own procurement.

The discussion document notes that no single measure will deliver the change that is needed. A suite of well-designed initiatives that support each other to move forward is required.

CONCLUSION

The collapse in international commodity markets has left the recycling sector in a vulnerable position. WasteMINZ in collaboration with the recycling industry has released a discussion document, calling on the New Zealand Government to take strong and positive actions such as: enabling access to funding, facilitating national communication and data, revising the national waste strategy, changes to the waste disposal levy, and product stewardship.

The WasteNet Councils will continue to work with WasteMINZ and local recycling operators, to work through this matter.

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APPENDIX 1

TO: **WASTE ADVISORY GROUP**

FROM: **WASTENET SOUTHLAND REPRESENTATIVE**

MEETING DATE: **WEDNESDAY 27 JUNE 2018**

REBOOTING RECYCLING REPORT

Report Prepared by: Donna Peterson, Invercargill City Council

SUMMARY

The international commodity market for recycling materials has collapsed due to China's policy restrictions on importing materials. Materials are still being imported by China, however they require very low levels of contamination, i.e. less than 0.5%. This level of contamination can be difficult to achieve and can come at a high cost.

In May 2018, the Waste Management Institute of New Zealand (WasteMINZ) released a discussion paper titled "Rebooting Recycling – What Can Aotearoa Do?" (Appendix A). The discussion document is the New Zealand recycling sector calling on the Government to take strong and positive action to avert our national recycling crisis, rebooting recycling and creating a circular economy in New Zealand.

RECOMMENDATIONS

That the Waste Advisory Group receives the Rebooting Recycling report.

BACKGROUND

The international commodity market for recycling materials has collapsed due to China's political decision to restrict the importation of recyclable materials. Historically China has been the largest buyer for plastic, paper and metal, purchasing over 50% of the world's recyclables.

In July 2017, China announced restrictions on the import of 24 types of materials into the country (their China Sword policy). The China Sword policy has been replaced with "Blue Sky" which essentially extends the restricted imports policy. This has resulted in a reduction in demand, and thus dramatic decreases in buy prices for the related grades of material.

The impact of the decreasing prices has resulted in many councils and recycling operations in New Zealand struggling to cope with the lack of market and lower income.

It is noted that materials are still being imported by China, but they require very low levels of contamination – 0.5%.

NEW ZEALAND RECYCLING SECTOR RESPONSE

In May 2018, WasteMINZ released a discussion paper titled “Rebooting Recycling – What Can Aotearoa Do?” (*refer to* ***Appendix A***). The discussion document is the New Zealand recycling sector calling on the Government to take strong and positive action to avert our national recycling crisis, rebooting recycling and creating a circular economy in New Zealand.

The discuss document identifies short, medium and long term actions. For example:

- Short term: improve the quality of recycling where practicable, i.e. slow down sorting lines at material recovery facilities and put more staff on to reduce contamination and remove targeted products; gather better data to understand the exact nature of the issues and better target solutions.

- Medium term: establish initiatives that help transition to a more circular economy, i.e. encourage more joint working and investment in regional planning and infrastructure; focus on developing on-shore options for processing and adding value to materials.

- Long term: manufacturers and distributors take greater responsibility for products through their life-cycle, i.e. recyclability claims need to be evidence-based and paired with standardised on-pack labelling to enable consumers to make informed decisions; positive government procurement to stimulate demand for recycled materials through their own procurement.

The discussion document notes that no single measure will deliver the change that is needed. A suite of well-designed initiatives that support each other to move forward is required.

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APPENDIX A

REBOOTING RECYCLING
WHAT CAN AOTEAROA DO?

A DISCUSSION PAPER PRESENTED BY
THE WASTE MANAGEMENT INSTITUTE
OF NEW ZEALAND (WASTEMINZ)

wasteMINZ

SUMMARY POINTS

THE MARKET FOR **RECYCLED MATERIALS HAS COLLAPSED** BECAUSE CHINA IS, IN EFFECT, SHUTTING OUT OUR RECYCLABLES

MANY COUNCILS AND RECYCLING OPERATORS IN NEW ZEALAND ARE **STRUGGLING TO COPE** DUE TO THE LACK OF MARKETS AND LOWER INCOME

ACTION IS REQUIRED – THIS ISSUE WILL NOT RESOLVE QUICKLY OR BY ITSELF

THE CURRENT CRISIS IS ULTIMATELY A RESULT OF THE WAY WE MANAGE MATERIALS BEING **FUNDAMENTALLY BROKEN**. SHORT-TERM FIXES, WHILE IMPORTANT, WILL NOT BE ENOUGH

THIS IS A GREAT CHANCE TO MOVE TO A **BETTER MODEL**, ONE THAT WORKS

MOVING TO A BETTER MODEL WILL REQUIRE EVERYONE TO **WORK TOGETHER**

GOVERNMENT MUST CONSIDER **SHORT-TERM ACTIONS** INCLUDING ENABLING ACCESS TO LEVY FUNDING, COMMUNICATIONS AND GETTING BETTER DATA

GOVERNMENT MUST ALSO CONSIDER **MEDIUM TO LONG-TERM ACTIONS** THAT WILL START TO BUILD A **CIRCULAR ECONOMY**. ACTIONS LIKE REVISING THE NATIONAL WASTE STRATEGY, CHANGES TO THE WASTE DISPOSAL LEVY, PRODUCT STEWARDSHIP AND DESIGN, BUILDING DATA SYSTEMS, GOOD PRACTICE GUIDANCE, COMMUNICATIONS AND POSITIVE PUBLIC PROCUREMENT.

ALL ACTIONS PROPOSED CAN BE ACHIEVED **WITHIN CURRENT LEGISLATION**. SIMILARLY, THE **FUNDING MECHANISMS ALREADY EXIST**.

Acknowledgements Our thanks to Eunomia Research & Consulting for their assistance in developing this discussion document.

MAY 2018

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2 Summary
4 What exactly is the problem?
4 What effect does it have in New Zealand?
5 What is likely to happen next?
5 What is the industry in New Zealand doing about it?
6 What needs to happen in the short term?
7 Access to funding
7 Use of levy funds
7 Communications
7 Commission an initial data gathering exercise
8 What needs to happen in the medium to long term?
8 Revise the New Zealand Waste Strategy
8 Better data
8 Waste disposal levy
8 Product stewardship and design
9 Good practice guidelines
9 National communications
9 Postive government procurement
10 Conclusions

What exactly is the problem?

In simple terms, the international market for recycled materials has collapsed because China is no longer accepting the quantity of material for recycling that they used to.

Plastic, paper, and metal collected for recycling is traded internationally as a commodity. Historically China has been the largest buyer for this material and purchased over 50% of all the world's recyclables.[1]

In July of 2017, China announced restrictions on the import of 24 types of material into the country. The new policy was termed 'National Sword'. National Sword has now been replaced by 'Blue Sky' which essentially extends the restricted imports policy.

The part of the policy that has created issues in the recycling industry are new strict standards for mixed paper and mixed plastic. These materials can still theoretically be imported into China, but they are required to have very low levels of contamination – 0.5%. The majority of kerbside recycling systems are not able to produce levels of contamination this low (around 2-4% is typical).

So, while China has not directly banned imports of recyclable materials, National Sword/Blue Sky has had the effect of drastically reducing demand in the biggest market. The reduction in demand has seen prices for these and related grades of material fall dramatically. Sellers of these commodities have sought other markets, but there is not sufficient capacity currently in the plants outside of China to process all the materials. This has meant stockpiles are building up and some material may not be able to find an end market.

Unless solutions are found urgently, material collected for recycling could end up being landfilled.

This would damage the public trust in our kerbside recycling systems that has been built up over many years.

1 https://www.pri.org/stories/2018-01-01/mountains-us-recycling-pile-china-restricts-imports. Velis C.A. (2014). Global recycling markets - plastic waste: A story for one player – China. Report prepared by FUELogy and formatted by D-waste on behalf of International Solid Waste Association - Globalisation and Waste Management Task Force. ISWA, Vienna, September 2014.

What effect has it had in New Zealand?

New Zealand can process approximately half of the paper and cardboard that is collected here but only a small proportion of the plastic – with no significant local processing of 3-7 plastics. Like most other countries with kerbside recycling, New Zealand has sent a lot of its collected recyclables to China, in particular, mixed paper and mixed plastic.

Paper and plastics are usually two of the most valuable kerbside commodities for recyclers in terms of revenue. Paper because it makes up the largest amount by weight (40-50%) and plastic because some grades can command high prices. The large falls in price, and the difficulty in finding markets for these grades of material is therefore severely affecting the economic viability of local collections.

A recent survey of councils and recycling operators[2] found that:

Four of the nine operators surveyed are stockpiling mixed plastics 3-7

82% of the councils surveyed indicated that they have been affected by the Chinese restrictions and are selling 3-7 plastics at a lower price, stockpiling, or struggling to find new buyers.

Although the issue with mixed paper is less pronounced, 40% are still indicating they are having to sell mixed paper at a lower price, stockpiling, or struggling to find new buyers.

The situation has now reached a critical point; our recycling system is in crisis!

This raises the spectre that recyclable materials going to landfill could be the next step.

2 WasteMINZ March 2018. Responses were received from 38 councils, and nine recycling operators.

What is likely to happen next?

It is not expected that market prices and demand will return to pre-National Sword levels in the foreseeable future.

The restrictions that China has imposed are due to expire at the end of 2018, however just as 'Blue Sky' replaced 'National Sword' in March this year, it is likely that there will be further extensions of the restrictions. These moves by the Chinese are officially "To protect China's environmental interests and people's health"[3], but it is also believed that the move is designed to encourage the development of higher levels of their own domestic recycling. The latest policy changes are part of a history of China having to deal with significant quantities of contaminated material coming into the country.[4]

It remains to be seen to what degree processors outside of China scale up to process the material that is looking for a market. Some scaling up will almost certainly occur, but it is unlikely to match the capacity of China. The risk for other processors scaling up is that it is unknown whether and to what degree China could relax restrictions in the future. There is also a risk for sellers that alternative markets to China could start to impose stricter standards if they receive too much contaminated material like China had been.

What is the industry in New Zealand doing about it?

Since the restrictions were announced, recyclers and councils have been managing the issues to the best of their abilities at an individual level. This has included efforts to reduce contamination and improve material quality, seek new markets, stockpile materials and renegotiate contracts to share risk.

In early May 2018 a group of key stakeholders from New Zealand's recycling sector met to share their experiences and to provide information which has helped to inform this discussion document.[5] While a wide range of interests and views were represented, there was general agreement on the following:

The current system is fundamentally broken. It relies on councils and recyclers reacting to and cleaning up whatever materials producers decide to put on the market. It requires enormous effort to achieve good clean streams of useable material – and this is not always possible. There is therefore too much cost and not enough value for the present model to be sustainable. It has only worked up until now because China was taking the environmental impacts – which they are no longer prepared to do.

The present model is far too supply driven. Materials are collected because there is a public desire for recycling. But the materials collected are not necessarily those for which there is demand. This is notably the case for 3-7 grade plastics.

There will be some significant short-term pain for the industry, but the stark reality of the situation is also a unique driver to change the system to a more viable and more circular model.

3 WTO Notification G/TBT/N/CHN/1211 18 July 2017

4 The most notable of these was the 'Green Fence' initiative in 2010 which placed similar but not as strict conditions on recycling imports and which led to a fall in the market at that time.

5 Participants included: Ministry for the Environment, Northland Waste, OJI, EnviroWaste, Countdown/Progressive, Smart Environmental, Whangarei District Council, Auckland Council, Visy, Reclaim, O-I Glass, Christchurch City Council, Wellington City Council, Waste Management, WasteMINZ, Eunomia Research & Consulting.

Change will not be able to be achieved by operators and councils working alone. It will require a collaborative approach involving operators, councils, producers and brand owners, and the community, with central government as the key enabler.

There is no single measure that will deliver the change that is needed. It will take a suite of well-designed initiatives that support each other to move us forward. Some of these actions need to happen immediately, others will take longer to put in place.

What needs to happen in the short term?

In the short term (by the end of 2018), the main issue that needs to be addressed is to improve the quality of recycling that is collected. This means reducing the amount of contamination so materials have a higher value.

Actions that could potentially be taken to improve the quality of recycling (within the current kerbside collection model) are:

Undertake more sorting at kerbside. This helps make sure contamination is removed before the material is bulked. It also educates the public as non-recyclable material is left behind.

Avoid collecting glass together with other recyclables - because if glass breaks it contaminates the other materials. This could mean introducing separate glass collection, not collecting glass, or setting up bottle banks to take glass.

Reduce the compaction ratios on collection vehicles to reduce glass breakage, and make materials easier to separate.

Slow down sorting lines at material recovery facilities and/or put more staff or machinery on the lines to reduce contamination and improve quality.

Engage and educate the public to reduce the contamination they put in the bin.

Stop collecting certain grades of material for which there are insufficient markets (like 3-7 plastics).

Send mixed grades of sorted material back through sort lines to further reduce contamination to a level that enables the product to be sold, or split out grades that may have a value on their own.

Gather better data to understand the exact nature of the issues and better target solutions.

Most of these actions will come at a cost, which is not insignificant. In the short-term, to support the industry, the following measures are suggested:

Access to Funding

Establish a Minister-initiated funding stream from the Waste Minimisation Fund which would be left open for an interim period. The fund would be open specifically for councils and operators to address issues in respect of recycling, avoiding materials going to landfill, or defaulting on contracts. The purpose of the fund would not simply be to subsidise existing collections but to take specific actions, such as those noted above, to address critical recycling issues. Applications to the funding stream would be considered on a case by case basis.

Use of Levy Funds

Allow councils to spend their levy funds (for an interim period only) on approved actions that are not in their Waste Management and Minimisation Plans, but that are targeted at addressing issues of recycling quality and avoiding sending recycling to landfill.

Communications

Give consideration to a Minister-initiated public awareness programme focussed on reducing contamination in recycling. The focus of the programme would be educating households to only put in their recycling bins items that they are certain are recyclable. This would be a short-term measure and would not remove the need for a more comprehensive longer-term public awareness programme.

Commission an initial data gathering exercise

While individual operators have reasonable data, there is no reliable industry-wide data. This is needed to enable quantitative assessment of the situation and establish a baseline, so the effectiveness of actions can be measured. Better industry data will be important to inform any decisions on the allocation of funding as well as strategic industry decisions. Key data that is not presently available that a study should aim to gather could include:

How much of each commodity is actually sent to China from NZ? Now and historically?

How much of each commodity is processed in NZ and what is the local capacity?

What have been the actual price impacts in the different markets by commodity? What is the likely impact of these on service viability?

The level of contamination in sorted recyclables: Mixed paper & Mixed plastic. i.e. how far off 0.5% are we for each type of recycling system (Commingled; Glass out; Kerb sort)?

What are the things that are creating the contamination in each system that makes it difficult to reach the threshold? – i.e. following on from above, what is the actual problem in each type of system, and what are the specific actions to address them?

This package of short-term measures will assist the industry to respond effectively in a coordinated fashion and ensure that disruptions to household recycling services are minimised.

What needs to happen in the medium to long term?

As noted above, the current issues with recycling are not merely short-term problems but are a result of the way we deal with materials in our economy being fundamentally broken. While there are some things we need to do immediately, we also need to start building a world-class recycling system. The following actions will be important to facilitate this and help transition to a more circular economy. While work on most of these actions should begin straight away, they are likely to take time to put in place and to deliver results.

Revise the New Zealand Waste Strategy

There are a range of possible actions that the Government could take (some of which are set out in this document as priorities). It makes sense to set these within a clear strategic framework. The current New Zealand Waste Strategy 2010 (NZWS) sets no goals, targets, timetables, actions, or responsibilities. This means it does not provide a basis for action or investment in the sector. A review of the NZWS is therefore very timely.

In this context a clear and comprehensive waste strategy would:

Provide clarity to the sector on the Government's priorities and timeframes.

Provide a clearer strategic direction for investment of waste levy funds, in particular into optimisation of kerbside systems nationally, integrated recovery infrastructure and aligned communications.

Encourage more joint working and investment in regional planning and infrastructure.

Create greater certainty for the private sector to facilitate investment in key infrastructure and services.

Better Data

New Zealand has very poor data on the amount of material that is collected for recycling, what that material actually is, and what happens to it. We also have limited knowledge of how much of each type of material is put onto the market and the pathways that each material follows, including how much of each is recovered, how much is disposed of and how it is disposed of.[6]

While snapshot studies can give us some insight (as suggested for the short-term measures), there is a need to understand the flows of material on an ongoing basis, so we can track trends and measure the effect of policy and market changes.

Waste Disposal Levy

Key changes to the waste levy will make recycling and recovery alternatives more cost competitive and provide a source of funding for investment in resource recovery infrastructure.[7] Any direction of funds towards infrastructure should follow a clear investment strategy. The investment strategy should:

Include a focus on developing on-shore options for processing and adding value to materials.

Recognise regional infrastructure development needs (possibly through regional waste infrastructure plans, that give effect to the national strategy).

Product Stewardship and Design

At present, companies can place products on the market with little consideration of, or responsibility for, what happens to them once they have been used. This is at the root of the problem the recycling industry is currently facing.

A long-term solution must involve manufacturers and distributors having greater responsibility for products through their life cycle. This will help incentivise better design and material choices, ensure appropriate funding is in place to enable effective recycling and help New Zealand move towards a circular economy.

6 Ministry for the Environment. 2017. *Review of the Effectiveness of the Waste Disposal Levy 2017*. Wellington: Ministry for the Environment

7 Eunomia Research & Consulting (2017) *The New Zealand Waste Disposal Levy, Potential Impacts of Adjustments to the Current Levy Rate and Structure*

The different types of product stewardship programmes include advance disposal fees, deposit refund systems, licensing fees or material recovery notes. Schemes can also be voluntary or mandatory. Consideration should be given to the most appropriate types of scheme for each product or material type, as well as the designation of priority product status for the most problematic material types.

Where voluntary schemes or agreements are adopted, careful design of the scheme will be required otherwise they won't solve anything. For example, a voluntary agreement establishing targets for the recyclability of packaging (as has been mooted in other countries) should consider the following:

Focusing just on recycling can mean options higher up the waste hierarchy such as reduction or reuse are not properly incentivised.

Voluntary commitments are just that. Such commitments have been made in the past and not met.[8] Any future commitments need to have consequences for those who don't meet them, otherwise they are simply a theoretical exercise.

Recyclability claims need to be evidence-based and paired with standardised on-pack labelling to enable consumers to make informed decisions.

Recyclability targets need to be paired with requirements for manufacturers and brand owners to specify minimum recycled content in products (to create market pull through).

Where possible, on-pack labelling should clearly show levels of recycled content to help consumers make informed choices.

Ultimately, consideration may also need to be given to other measures such as actively restricting the use of products or materials for which there is no viable recovery pathway (such as some types of plastic).

New Zealand has appropriate provision within the Waste Minimisation Act for both voluntary and mandatory product stewardship schemes. No new legislation should be required to introduce these measures.

Good Practice Guidance

Councils around the country who offer kerbside recycling systems are faced with an array of choices as to what the best form of service is. Councils do not always have the technical knowledge to understand the longer-term impacts of their choices. The result is that often the lowest cost or most convenient services are the ones that get chosen. These do not always deliver the best long-term value. Identifying best practice and providing clear guidance and specifications for councils who are procuring kerbside systems would improve the quality of service and materials collected, increase standardisation (resulting in clearer education messages, and cheaper service delivery), reduce procurement and contract management costs, and reduce risks in the industry.

National Communications

Presently it is up to each council and/or recycling operator to develop and deliver their own communications to households. This results in a wide variation in the effectivenss, quality and content of messages.

There is an opportunity to greatly improve engagement of householders not only to recycle better but to encourage reuse and reduction of waste. A more holistic national approach to communications (aligned with best practice collections) will allow more consistent and effective messages to be delivered, reduce duplication of effort in developing resources and programmes, and mean that resource can be targeted at getting the messages into the community.

Positive Government Procurement

One of the most positive things that government (both local and central) could do is to stimulate demand for recycled materials through their own procurement. Local and central government are huge consumers. Specifying recycled or refurbished items would stimulate market demand, create new consumer norms, and help to create economies of scale for producers

8 For example: https://www.smh.com.au/environment/australian-packaging-industry-falling-short-of-recycling-goal-may-cut-target-20150702-gi39h0.html

using reclaimed resources. This would, in turn, help these producers to access wider markets. Procurement could cover for example:

- Use of sourced recycled paper for offices.
- Use of sourced recycled tissue for public conveniences.
- Street furniture made from New Zealand sourced recycled soft plastics.
- Roading using recycled materials (concrete, rubber, plastic).
- Reused and refurbished office furniture.
- Use of composts and soil amendments from New Zealand sourced reclaimed materials on parks and gardens.

Appropriate standards and guidelines would have to be developed for procurement of a range of different types of materials and items.

Conclusions

The collapse in international recycling markets has left the recycling sector in New Zealand in a vulnerable position. Without decisive action to address the issue, recyclable material could be sent to landfill, councils and communities will suffer financially, and operators could go out of business.

Action from the government is urgently needed. There are some things that need to happen immediately, including enabling access to funding, and facilitating national communications and data. There are also some things that will take longer, but that will help build a more robust system and deliver a more circular economy. These actions include revising the national waste strategy, changes to the waste disposal levy, product stewardship and design, building data systems, good practice guidance, ongoing communications and positive public procurement.

While there is a lot to do, everything that has been set out in this discussion paper can be achieved using existing funding sources and legislation. The sector is engaged and willing to work with the government to ensure these things happen.

Finally, this crisis also represents an opportunity: The opportunity to build a new system that can deliver better outcomes for our communities, our environment, and our economy.

Together we can reboot recycling and create a circular economy for Aotearoa.

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