



NOTICE OF MEETING

**Notice is hereby given of the Meeting of the
Infrastructure and Projects Committee
to be held in the Victoria Room, Civic Theatre,
88 Tay Street, Invercargill on
Tuesday 6 August 2024 at 3.00 pm**

Cr G M Dermody (Chair)
Mayor W S Clark
Cr A J Arnold
Cr R I D Bond
Cr P M Boyle
Cr S J Broad
Cr T Campbell
Cr A H Crackett
Cr P W Kett
Cr D J Ludlow
Cr I R Pottfingher
Cr L F Soper
Cr B R Stewart
Rev E Cook - Māngai - Waihōpai
Mrs P Coote - Kaikaunihera Māori - Awarua

MICHAEL DAY
CHIEF EXECUTIVE

Infrastructure and Projects Committee - Public

06 August 2024 03:00 PM

Agenda Topic	Page
1. Apologies	
2. Declaration of Interest	
a. Members are reminded of the need to stand aside from decision-making when a conflict arises between their role as an elected representative and any private or other external interest they might have.	
b. Elected members are reminded to update their register of interests as soon as practicable, including amending the register at this meeting if necessary.	
3. Public Forum	
3.1 Proposed Double Park Taxi Trial - Ms Mary O'Brien, CCS Disability Action Southland	
3.2 Proposed Double Park Taxi Trial - Ms Cathy Obers, Local Rep - CCS Disability Action Southland	
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13. Public Excluded Session	

Public Excluded Session

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

- a) Minutes of the Public Excluded Session of the Waste Advisory Group (WasteNet) Meeting Held on 8 April 2024
- b) Minutes of the Public Excluded Session of the Infrastructure Committee Meeting Held on 7 May 2024
- c) Minutes of the Public Excluded Session of the Waste Advisory Group (WasteNet) Meeting Held on 10 June 2024

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
a) Minutes of the Public Excluded Session of the Waste Advisory Group (WasteNet) Meeting Held on 8 April 2024	<p>Section 7(2)(h) Enable any local authority holding the information to carry on, without prejudice or disadvantage, commercial activities</p> <p>Section 7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7</p>
b) Minutes of the Public Excluded Session of the Infrastructure Committee Meeting Held on 7 May 2024	<p>Section 7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	
c) Minutes of the Public Excluded Session of the Waste Advisory Group (WasteNet) Meeting Held on 10 June 2024	<p>Section 7(2)(b)(ii) Protect the information where the making available of the information would be unlikely unreasonably to prejudice the commercial position of the person who supplier or who is the subject of the information</p>	<p>Section 48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7</p>

Section 7(2)(h)

Enable any local authority holding the information to carry on, without prejudice or disadvantage, commercial activities

Section 7(2)(i)

Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)



Minutes of a meeting of the Waste Advisory Group (WasteNet), held in the Gore District Council Chambers, 29 Bowler Avenue, Gore on Monday 10 June 2024, at 9.05am

Present

Gore District Council

Cr Keith Hovell (Chair) and Cr Neville Phillips.

Southland District Council

Mayor Mr Rob Scott.

Invercargill City Council

Cr Ian Pottinger.

In attendance

Ms Fiona Walker, Director of WasteNet, General Manager Critical Services (Mr Jason Domigan, Gore District Council), Group Manager Assets (Ms Erin Moogan, Invercargill City Council, via Zoom), Annie Benjamin (Invercargill City Council) and Fran Mikulicic (Southland District via Zoom until 9.53am).

Apology

Cr Christine Menzies apologised for absence, accepted on the motion of Cr Pottinger, seconded by Mayor Scott.

1. CONFIRMATION OF MINUTES

RESOLVED on the motion of Mayor Scott, seconded by Cr Phillips, **THAT** the minutes of the Waste Advisory Group meeting held on Monday 8 April 2024, as presented, be confirmed as a true and complete record.

2. WASTENET STRATEGIC PLAN FOR FY2024-2025

A copy of the draft strategic plan for FY2024/25 presenting the proposed work programmes to be completed by WasteNet over the coming 12 months had been circulated with the agenda. A workshop had been held in May 2024 to consider the

draft plan and some minor amendments had been made based on feedback received during the workshop.

RESOLVED on the motion of Cr Phillips, seconded by Mayor Scott, THAT the report be received,

AND THAT the implementation of the WasteNet FY2024/25 strategic plan be approved.

3. FINANCIAL STANDING AND PROPOSED BUDGET FOR FY2024/25

A report providing an update on WasteNet's financial position alongside the proposed budget for the FY2024/25 year had been circulated with the agenda. The report presented alternative mechanisms to fund the proposed budget as well as an overview of landfill fees including those proposed for the FY2024/25 year, an overview of WasteNet's reserves and a summary of FY2023/24 mid-point financial performance.

The meeting adjourned as Cr Pottinger left the meeting at 9.08am. He returned at 9.11am and the meeting resumed.

Cr Stewart attended the meeting via Zoom from 9.15am

Discussion followed on the budget, including assumptions made around waste volumes and the associated implications for the proposed budget. Discussion focussed on how the budget was funded, noting the balance between reserve and increases in the landfill gate fee. Mayor Scott referred to the reserves that were almost \$2 million and asked what a reasonable reserve balance should be? Cr Hovell said the Joint Agreement permitted that a surplus from one year could be used to fund operating shortfalls the following year. It was a matter of balance. His thought was reserves should be utilised in a way that benefitted the whole region. Mayor Scott highlighted that should reserves be used to fund the shortfall, that there was a risk of landfill fees seeing a significant increase in the future when available reserves were exhausted.

Discussion followed on staff costs included in the draft budget. Cr Hovell referred to staff and wondered if the staff functions should be charged to WasteNet on an hourly basis rather than as an FTE equivalent. Ms Moogan said the approach taken historically was where a position was dedicated to WasteNet it had been charged as a FTE role. Where there was less than an FTE, such a finance team costs, the charge was made on an hourly rate. Ms Moogan confirmed that where a dedicated role was vacant, these costs would not be charged unless staff were on board. Discussion followed on how to approach the currently vacant Community Engagement role, including use of part-time staff potentially.

In response to Mayor Scott asking if there would be an increase in fees to cover staff positions, Ms Moogan said the Director role had not been held for a full year previously. The General Manager Critical Services said the Group needed to be

mindful that there were sufficient resources in place to achieve what the Group wanted. Ms Moogan said a lot of the work that the Director was expected to take on were tasks that the Group had not previously been resourced to do.

Discussion took place on the statement of financial position, including outstanding debtors. Subsequent discussion extended to AB Lime's performance and obligations in relation to the Emissions Trading Scheme, including the role of organic material in the landfill and current government mandates. A paper on the matter was requested to be presented by staff to the Group.

The meeting considered the options presented to fund the budget deficit.

General discussion on approach to recycling currently being taken by each of the different Councils. Cr Hovell said the Gore District had considered introducing a third bin but based on the feedback from submissions to the draft Annual Plan, it was unlikely to proceed. Cr Pottinger said the Invercargill City Council's (ICC) Long Term Plan had rejected a blue bin. ICC was encouraging residents to take glass elsewhere. Mayor Scott said the Southland District Council had three options out for consultation. Ms Moogan added from ICC's perspective, whilst there was a bottle bank option put forward, the Council decided not to go with a glass bin or bottle bank, but would revisit glass collection as part of the contract renewal process in 2027.

RESOLVED on the motion of Cr Hovell, seconded by Mayor Scott, THAT the financial standing and proposed budget for FY2024/25 report be received,

THAT the proposed budget for FY2024/25 be approved,

AND THAT the mechanism to fund the budget deficit be option B, being to marginally increase the WasteNet administration fee and allocate reserves to fund specific strategic and waste minimisation and improvement activities. This option would increase the gate fee by \$1.64 to a total of \$216.34/T, with the WasteNet administration fee component increasing from \$17.27/T to \$18.91/T. The remainder of the deficit would be funded by drawing \$375,000 from current reserves.

4. WAG KEY PERFORMANCE INDICATORS

A copy of a report prepared by the Commercial and Contracts Manager had been circulated with the agenda. It included data on key performance indicators, including:

- Materials discarded rate;
- Waste volumes to landfill; and
- Diversion rate and recycling data.

For the Southland region, the cumulative waste discarded through transfer stations to the landfill was currently tracking 6.2% (1,930.34 tonnes) less than the same period-to-date last year. The year-to-date average of contamination in recyclables was currently 18.2% down from 19.42% same period-to-date last year. The volume of

diverted material had increased with a year-to-date average of 33.4% compared to 31.28% for the same period-to-date last year.

RESOLVED on the motion of Cr Pottinger, seconded by Cr Phillips, THAT the information be received,

AND THAT the materials discarded, waste to landfill and diversion data and trends be noted.

5. WASTENET EDUCATION AND COMMUNICATION UPDATE

A copy of an education and communication update report on WasteNet prepared by the Director of WasteNet had been circulated.

The meeting discussed the content of the report that included an update on school waste education activities, residential education and community engagement and an update on business waste minimisation education.

The current regional organics feasibility study being undertaken was discussed, including scope and outcomes.

RESOLVED on the motion of Cr Phillips, seconded by Mayor Scott, THAT the report be received,

AND THAT the proposed 2024/25 education and engagement activities be endorsed.

The meeting concluded at 11.00am

MINUTES OF INFRASTRUCTURE AND PROJECTS COMMITTEE, HELD IN THE VICTORIA ROOM, CIVIC THEATRE, 88 TAY STREET, INVERCARGILL ON TUESDAY 2 JULY 2024 AT 3.00 PM

Present:

- Cr T Campbell (Chair)
- Cr G M Dermody (Zoom)
- Cr A J Arnold
- Cr R I D Bond
- Cr P M Boyle
- Cr S J Broad
- Cr A H Crackett (via Zoom)
- Cr P W Kett
- Cr D J Ludlow
- Cr I R Pottinger
- Cr L F Soper
- Rev E Cook – Māngai – Waihōpai
- Mrs P Coote – Kaikaunihera Māori – Awarua

In Attendance:

- Mr M Day – Chief Executive
- Ms E Moogan – Group Manager – Infrastructure
- Mrs P Christie – Group Manager – Finance and Assurance
- Mrs T Hurst – Group Manager – Community Engagement and Corporate Services
- Mr R Capil – Group Manager – Community Spaces and Places
- Mr J Shaw – Group Manager - Consenting and Environment
- Mr A Cameron – Chief Risk Officer
- Ms H Guise – Property Portfolio Manager
- Mr A Strahan – Transition Manager – 3 Waters Reform
- Ms S Lawson – Team Leader Marketing
- Mr G Caron – Digital and Communications Advisor
- Ms M Sievwright – Senior Executive Support

1. Apologies

Mayor Clark, Cr Stewart.

Moved Cr Boyle, seconded Cr Soper and **RESOLVED** that the apologies be accepted.

2. Declaration of Interest

In response to a question regarding how this Committee would now work since it had Projects incorporated into it, the response was that this was the first Infrastructure and Projects meeting. The Strategic Programme Update came bi-monthly to the Committee and as it was presented to the Finance and Projects committee last month it would come to the Infrastructure and Projects committee next month.

Rev Cook advised she was on the Board of Governance for Te Ao Marama and Waihōpai Rūnaka and there could be a perceived conflict regarding the Primary Infrastructure Consenting Programme update.

3. Public Forum

3.1 Wachner Place Petition

A5402628

A petition had been received by staff and needed to be received by Council.

Moved Cr Ludlow, seconded Cr Soper and **RESOLVED** that the petition be received.

3.2 Stead Street Pump Station

Mr Paul Hulse (General Manager, Integrated Catchment Management) and Mr Scott Patterson (Project Manager) - Environment Southlands provided an update, and took the meeting through their PowerPoint presentation.

It was noted that the transformer and switch gear was underwater during the 1984 floods and this had been designed so the transformer was on top of the platform above the 1984 flood levels.

Foundations had been installed in preparation for the cultural art work which was due to be installed within the next few months, with an official opening due in August.

In response to a question regarding the total cost of the project and funding, it was \$11 million, funded through debt over 10 years.

In response to a question regarding the lessons learnt with regard to traffic management, it was noted that the changes required meant there was unfortunately disruption to the public and there were health and safety risks which meant at times the roads need to be fully closed and not just down to one lane. The traffic disruption was now complete and the temporary roading restrictions had been removed.

3.3 Elderly Persons Housing Policy - Pets

Ms Penny Ivey and Ms Brenda Shanks on behalf of Ms Donna Keil (NZ chairman of Furever Homes).

Ms Ivey and Ms Shanks were advocating on behalf of a member of the public who wanted to have her pet with her in Council's elderly persons housing, and noted there was a potential health issue if she was separated from her pet.

In response to a question regarding how old the dog was, the response was it was nine years old.

In response to a question regarding if the dog was too old to be registered as a companion pet, it was noted that staff had said this would not make any difference.

In response to a question regarding whether this issue could come back to be voted on or if it was on a case by case basis, it was noted this policy would be discussed further in the meeting agenda.

The Chair thanked Ms Ivey and Ms Shanks for attending the meeting.

4. Minutes of the Waste Advisory Group (WasteNet) Meeting held on Monday 8 April 2024

A5353196

Moved Cr Campbell, seconded Cr Ludlow (pro forma) and **RESOLVED** that the Minutes of the Waste Advisory Group (WasteNet) meeting held on Monday 8 April 2024 be received.

5. Minutes of the Infrastructure Committee held on Tuesday 7 May 2024

A5344851

Moved Cr Pottinger, seconded Cr Kett and **RESOLVED** that the Minutes of the Infrastructure Committee held on Tuesday 7 May 2024 be confirmed.

6. Primary Infrastructure Consenting Programme: Bluff Wastewater Consent, Alternate Water Supply and Clifton Wastewater Consent Update

A5313577

Mr Alistair Snow spoke to the report.

Ms Moogan noted this consenting programme was different to strategic project updates and none of the projects were at the stage where they would be handed over for delivery, they were part of the early scoping and consenting phases, however she wanted to give the Committee visibility and this was the first update.

In response to a question regarding the four options and if they were all ocean discharge, it was noted that two were land treatment and two were to be treated and then would go to sea. In terms of the process, the Project Team included Public Health and Te Ao Marama and were working through the RMA best practicable option approach.

In response to a question regarding the \$27 million, it was noted that costs were still to be quantified. \$27 million was the most expensive of the four options.

In response to a question regarding what would happen with Bluff if there was a similar outcome for Clifton, it was noted that issues could be similar but Clifton would have its own issues and it would be a significant piece of work.

In response to a question regarding the Fast Track consent process, it was noted that permission had been given to be listed as an applicant but would not know until August if projects were approved.

In response to a question regarding potential Environment Court, it was noted the approach taken to date was to work to the legislation in place at this moment, noting that there could be changes. The expiry date of 2025 was possible, the key was to ensure the consent application was submitted within the timeframe.

It was suggested that a workshop be held with the planners who were advising.

In response to a question regarding a hierarchy of needs for a workshop in how to factor the different elements of each project, and if there were other councils ahead of Invercargill in this process, it was noted that part of the process was qualitative and quantitative and there were nine key criteria. A report would be brought back to the committee to further outline this criteria.

Moved Cr Soper, seconded Cr Ludlow and **RESOLVED** that the Infrastructure and Projects Committee:

1. Receives the report 'Primary Infrastructure Consenting Programme: Bluff Wastewater Consent, Alternate Water Supply and Clifton Wastewater Consent Update', including Dashboard Reports – June 2024.
2. Note that consent option assessment process for Bluff Wastewater Consent and the Alternate Water Supply are progressing as planned.
3. Note project initiation work has commenced for Clifton Wastewater Consent, with the options assessment process planned to commence fourth quarter 2024.

7. Local Water Done Well - Update

A5421307

Mr Andrew Strahan spoke to the report, updating the Committee on the legislation, he gave an overview of the submissions received and an update on the Local Water Done Well Otago Southland Work Group.

In response to a question regarding how often the water service delivery plans got renewed, it was noted these were one time documents and the intention was this was a stopgap until the new regulations were put in place.

In response to a question regarding the models which has been costed, it was noted these works were already being undertaken as business as usual.

In response to a question regarding revenue, it was noted this was a regime across every council in the country. There were councils that had trouble funding the levels of service they needed in terms of achieving consenting for water. What was being sought was the state of assets, levels of service and performance against this, compliance and ensuring enough rates revenue was provided to do this. A reminder was given that staff were working on a best possible assumption which could be made at this time.

Ms Moogan updated the Committee on the work regarding alternative options, including regional collaboration, regional delivery model, national collaboration and potential shared services. The Otago Southland Mayoral Forum was working on the Water Reform together and how to work together on day to day business.

In response to a question regarding checking on what others are doing, it was noted this was around asking the DIA and checking in with contacts which Council had.

In response to a question regarding the Morrison Low report, and if there was a similar theme regarding where Council should position themselves, it was noted that an analysis was undertaken regarding the entity models.

In response to a question regarding the common theme, it was noted the strong theme was around the asset management work, and that all councils faced similar challenges in that there was not enough staff to go around and working out how to leverage the knowledge around the region.

Moved Rev Cook, seconded Cr Soper and **RESOLVED** that the Infrastructure and Projects Committee:

1. Receives the report "Local Water Done Well - Update".

8. Elderly Persons Housing Policy - Pets

A5413794

Ms Heather Guise spoke to the report.

In response to a question regarding classifying or registering as companion dogs, it was noted that if a dog was registered as a disability assist dog it was allowed under the policy.

A discussion was held regarding the wording of the recommendation to Council, and it was suggested that this recommendation be reworded.

It was noted that people going into elderly housing did suffer loneliness and isolate and the policy needed to be a bit more humane.

Moved Cr Soper, seconded Rev Cook and **RESOLVED** that the Infrastructure and Projects Committee:

1. Receives the report "Elderly Persons Housing Policy - Pets".

Moved Cr Soper, seconded Cr Bond and **RESOLVED** that the Infrastructure and Projects Committee:

Recommends to Council

2. Ask staff to bring a paper to full Council regarding specific parameters allowing dogs to be included in the Elderly Persons Housing Policy.

Meeting ended at 5.23 pm due to a fire alarm. The rest of the meeting would be held over to the next Infrastructure and Projects meeting.

**MINUTES OF THE EXTRAORDINARY INFRASTRUCTURE AND PROJECTS COMMITTEE, HELD
IN THE VICTORIA ROOM, CIVIC THEATRE, 88 TAY STREET, INVERCARGILL ON TUESDAY
9 JULY 2024 AT 2.00 PM**

Present: Cr T Campbell (Chair)
Cr A J Arnold
Cr S J Broad
Cr P W Kett
Cr D J Ludlow
Cr L F Soper
Cr B R Stewart
Rev E Cook – Māngai – Waihōpai

In Attendance: Mr M Day – Chief Executive
Ms E Moogan – Group Manager – Infrastructure
Mrs P Christie – Group Manager – Finance and Assurance
Mrs T Hurst – Group Manager – Community Engagement and Corporate Services
Mr J Shaw – Group Manager - Consenting and Environment
Mr A Cameron – Chief Risk Officer (via zoom)
Mr D Rodgers – Manager – Strategic Asset Planning
Ms L Knight – Manager – Communications and Marketing
Mr G Caron – Digital and Communications Advisor
Ms M Sievwright – Senior Executive Support

Note the meeting was adjourned at 2.02 pm

Note the meeting reconvened at 2.16 pm

1. Apologies

Mayor W S Clark, Cr R I D Bond, Cr A H Crackett, Cr P M Boyle, Cr I R Pottinger, Cr G M Dermody

Moved Cr Arnold, seconded Cr Soper and **RESOLVED** that the apologies be accepted.

2. Declaration of Interest

Nil.

3. Submission to the Draft Land Transport Rule: Setting of Speed Limits

A5440816

Mr Doug Rodgers spoke to the report.

Councillors Ludlow and Soper noted that Council had delegated to this Committee to approve the submission as the timeframe for submissions was extremely tight.

It was noted that Government was proposing to reverse the blanket speed limits and impose different rules. There were concerns regarding the speeds around school zones and there were also a number of technical issues which would be addressed in this submission.

Clarification was provided that Council was not required to revisit the Speed Management Plan, however would recommend that a speed management revision be looked at.

In response to a question regarding the costs being passed to Council, it was noted that rule changes did not include the provision of funding, so if central government wanted Council to comply it would require more funding.

In response to a question regarding implementation of speed limits, it was noted the previous government was responsible.

In response to a question regarding other councils, it was noted that many other councils were submitting.

Moved Cr Soper, seconded Cr Stewart and **RESOLVED** that the Infrastructure and Projects Committee:

1. Receives the report "Submission to the Draft Land Transport Rule: Setting of Speed Limits".
2. Approves the draft submission.
3. Officers be asked to review the speed limits on roads by exception and bring a paper back to the Infrastructure and Projects Committee by the end of 2024.

There being no further business, the meeting finished at 2.40 pm.

TEMPORARY ROAD CLOSURES – BURT MUNRO CHALLENGE 2025

To:	Infrastructure and Projects Committee
Meeting Date:	Tuesday 6 August 2024
From:	Doug Rodgers – Manager Strategic Asset Planning
Approved:	Erin Moogan - Group Manager - Infrastructure Services
Approved Date:	Thursday 1 August 2024
Open Agenda:	Yes
Public Excluded Agenda:	No

Purpose and Summary

Council has received requests for temporary road closures for the Burt Munro Challenge 2025, to be held on Thursday 6 February 2025 (Bluff Hill Climb), and Friday 7 February 2025 (Oreti Beach Races).

This is a regular event for Invercargill City to host, and with well organised traffic management, will not unreasonably impede traffic in these areas.

Council is being asked to consider utilising its powers under Local Government Act 1974 (Section 342 and Schedule 10). This Act allows Council to close a road for an event (after consultation with the NZ Police and NZTA) which it decides will not unreasonably impede traffic.

Recommendations

That the Infrastructure and Projects Committee:

1. Receives the report "Temporary Road Closures – Burt Munro Challenge 2025".
2. Resolve that the proposed event outlined in the report will not impede traffic unreasonably.
3. Approves the temporary road closures for:
 - Mason Street, Lagan Street, Flagstaff Road, Budd Street, Pearce Street, Theodore Street and Slaney Street, Bluff, from 12:00pm Wednesday 5 February 2024, until 8.00pm Thursday 6 February 2025
 - Oki Street, Dunns Road, and Oreti Beach (from Dunns Road entrance to 2km north of Dunns Road entrance), from 11:00am until 5:00pm Friday 7 February as permitted under the Local Government Act 1974 (Section 342 and Schedule 10).

Background

On 19 June 2024 Council received a request from the Burt Munro Challenge Committee for the following road closures:

- Mason Street, Lagan Street, Flagstaff Road, Budd Street, Pearce Street, Theodore Street and Slaney Street, Bluff, from 12:00pm Wednesday 5 February 2024, until 8.00pm Thursday 6 February 2025*.
- Oki Street, Dunns Road, and Oreti Beach (from Dunns Road entrance to 2km north of Dunns Road entrance), from 11:00am until 5:00pm Friday 7 February.

* This extra time compared to previous years is because the organisers have additional safety equipment to layout, with the road closures period extended to allow safe installation of the additional equipment while the road is closed.

The Local Government Act 1974 Section 342 allows Council to close a road for an event (after consultation with the NZ Police and NZTA New Zealand Transport Agency), which it decides will not unreasonably impede traffic. Consultation with the public under this legislation is not required.

The Risk and Assurance Committee on 21 March 2023 outlined the overlapping duties of Council and event organisers. This paper has been prepared for Council to consider while staff continue to work with the event organiser to consult, co-operate and co-ordinate the management of work place health and safety risks, which may arise from this event. A verbal update will be provided at the time of this paper so that the Committee can understand the outcome of those discussions.

This event will have minimal impact on general traffic movement outside of the closure area.

Good traffic management will be provided. With the location of these events, there are no options of alternative routes available.

A request has been made to the NZ Police and NZTA and no objections to the proposed closures are expected.

Issues and Options

Analysis

This event will create only minor disruption to traffic flows. The affected Bluff Streets and area of Sandy Point are the same streets as per previous years this event has run. The closing of the streets is necessary allow the event site to be set-up on the days of each event. The closures will also assist the event organisers to provide appropriate safety of the set-up staff, participants and general public at these events.

Significance

This request is not significant in terms of Council policy.

Options

The options which exist are to approve or decline the request. The streets planned to be closed is seen as appropriate to effect a safe area for the activities.

Community Views

This legislation does not require community views to be sought however this is a public event which has been held in Invercargill and the Southland area since 2006.

Implications and Risks

Strategic Consistency

This report is consistent with good governance of our roads.

Financial Implications

No direct financial implications.

Legal Implications

This report looks to ensure that the legal process of temporarily stopping a road for an event is followed.

Climate Change

This report does not have a direct climate change impact.

Risk

The key risk noted is to ensure that good traffic management is delivered by experienced contractors.

The NZ Police and NZTA are being consulted on this closure and expected to be supportive.

Council staff are working through the health and safety risks that may arise as a result of overlapping PCBU duties.

Next Steps

If these closures are approved, the event organisers will be advised and a traffic management contractor engaged by the organiser. A public notice would be published in a local newspaper and information posted on the ICC website.

Attachments

None.

BLUFF WASTEWATER CONSENTING PROGRAMME – MULTI-CRITERIA ANALYSIS

To:	Infrastructure and Projects Committee
Meeting Date:	Tuesday 6 August 2024
From:	Erin Moogan – Group Manager - Infrastructure
Approved:	Trudie Hurst – Acting Chief Executive
Approved Date:	Thursday 1 August 2024
Open Agenda:	Yes
Public Excluded Agenda:	No

Purpose and Summary

This report is prepared to provide the Committee with information on the options assessment process being undertaken for the Bluff Wastewater Consenting Programme. In particular it seeks endorsement of the criteria and weightings used as part of the Multi-Criteria Assessment stage for the Bluff Wastewater Consent.

Recommendations

That the Infrastructure and Projects Committee:

1. Receives the report 'Bluff Wastewater Consenting Programme – Multi-Criteria Analysis'.
2. Receive the Resource Consenting Process and Roadmap presentation from Andrew Collins – Harrison Grierson Ltd.
3. Endorses the Best Practicable Option Multi-Criteria Analysis and Weightings Methodology for the Short List of Options
4. Receives the Bluff Wastewater Consent - Affordability Assessment Report

Background

Project Vision and Objectives

The current Bluff Wastewater discharge consent expires December 2025. A new consent is programmed for application in April 2025, and lodgement no later than end of June 2025.

The Resource Management Act 1991 (RMA) requires consideration of alternative locations and methods in relation to any discharge application, including the discharge of treated wastewater from the Bluff Wastewater Treatment Plant. This is an important consideration in identifying the Best Practicable Option (BPO) as defined under the RMA.

At the outset of this project, the following were identified as the project vision and objectives:

- The **vision** of the Project is to meet the Bluff community's current and future wastewater servicing needs by working with iwi and stakeholders to determine the BPO and seek resource consent for that option.
- The **objectives**:
To achieve this, the project will work in partnership with Te Ao Marama Inc. and engage with the community to identify the BPO to continue to provide wastewater services for the Bluff community. The BPO will:
 1. Provide a safe and reliable wastewater discharge for the Bluff community.
 2. Provide a discharge solution that is achievable, affordable and deliverable.
 3. Reflect a partnership process meets the commitments of the Charter of Understanding He Huarahi mo Nga Uri Whakatipu.
 4. Reflect the outcome of meaningful and constructive consultation with stakeholders and the community.

Best Practicable Option (BPO)

In accordance with the Project Objectives, Council needs to work through a process to identify the BPO for the Bluff Wastewater Consenting Project.

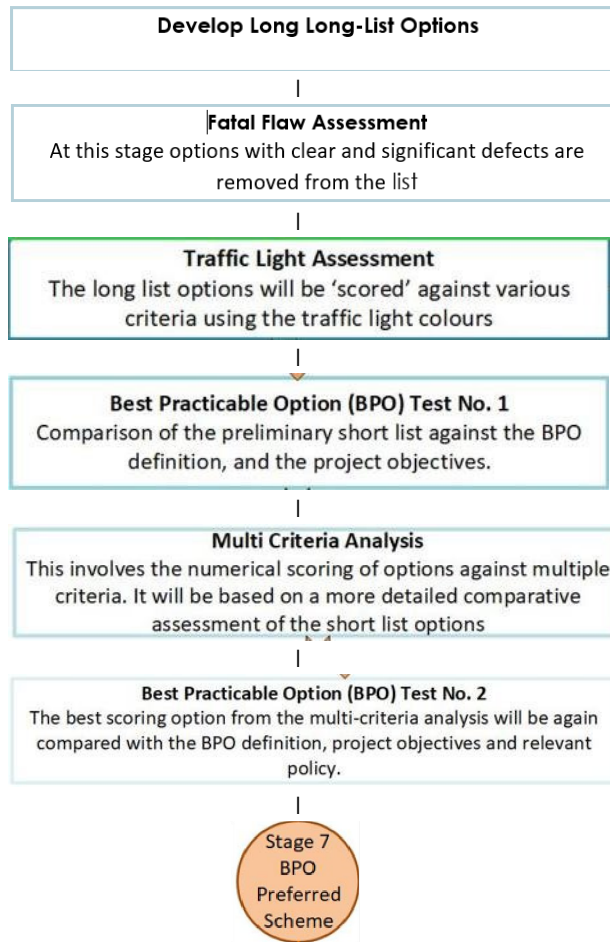
The definition of the BPO under the RMA, Section 2(1) is:

“best practicable option, in relation to a discharge of a contaminant or an emission of noise, means the best method for preventing or minimising the adverse effects on the environment having regard, among other things, to

- a) the nature of the discharge or emission and the sensitivity of the receiving environment to adverse effects; and*
- b) the financial implications, and the effects on the environment, of that option when compared with other options; and*
- c) the current state of technical knowledge and the likelihood that the option can be successfully applied”*

The Assessment Process developed by the project team to determine the BPO includes seven key stages.

Assessment process to determine BPO:



The Long Long-List developed at stage 1 of the assessment process comprised 24 options (Attachment 1). These are summarised below:

1. Marine Discharge options (8 options, numbered 1A to 1H);
2. Combination (Bluff/Clifton) options (4 options, numbered 2A to 2D)
3. Land discharge options (5 options, numbered 3A to 3E)
4. Freshwater/Groundwater discharge options (2 options, numbered 4A to 4B)
5. Reuse options (2 options, numbered 5A to 5B)
6. Other options (2 options, numbered 6A to 6B)
7. Combination of above options

Stages 2-4 of the assessment process has reduced the long list to the following shortlist ready for the multi-criteria analysis stage of the process.

Shortlist of options ready for multi-criteria analysis:

Option No.	Option Name
1F	Aerated lagoon, sedimentation and UV treatment and discharge to CMA with 100% flow through surface flow wetland located between the Bluff WWTP and the outfall
1G	Aerated lagoon, sedimentation and UV treatment and discharge to CMA with land contact other than a surface flow wetland located between the Bluff WWTP and the outfall
3B1	Dual solution: Aerated lagoon, sedimentation and UV treatment and discharge to CMA using existing 50m outfall as well as land application by Rapid Rate Irrigation <i>at site within 2km of WWTP. Split between flow to RIBs, storage to balance some flow and discharge to sea to be determined</i>
3B2	Dual solution: Aerated lagoon, sedimentation and UV treatment and discharge to CMA using existing 50m outfall as well as land application by Rapid Rate Irrigation <i>at site within 5km of WWTP. Split between flow to RIBs, storage to balance some flow and discharge to sea to be determined</i>
3C1	Aerated lagoon, sedimentation and UV treatment and land application of 100% of treated wastewater by Rapid Rate Irrigation <i>at site within 2km of WWTP</i>
3C2	Aerated lagoon, sedimentation and UV treatment and land application of 100% of treated wastewater by Rapid Rate Irrigation <i>at site within 5km of WWTP</i>

Issues

Multi-Criteria Analysis

The assessment process has now reached the Multi-Criteria Analysis stage. Multi-Criteria Analysis (MCA) is a tool to assist in decision making. It is used in the wide range of infrastructure projects. The International Infrastructure Management Manual 2011 describes MCA as “a decision technique that considers more than one criterion (not just monetary units). It is commonly used where benefits and costs are more difficult to accurately define and are both quantitative and qualitative in nature.”

Decisions are guided by rating the options, which is achieved by assigning scores to a set of chosen criteria of the options considered. Criteria are chosen to cover all issues of concern and can cover tangible (e.g. cost) and intangible (e.g. resilience) factors.

The Project Team have met and drafted the MCA criteria and weightings to be used for the assessment. These are provided below for the Committees consideration.

MCA/BPO Criteria and Scoring Guide

BPO Source	Criterion	Description	Score Guide				
			1	2	3	4	5
RMA BPO definition (a)	Nature of discharge and receiving environment sensitivity	What is the nature of the discharge, and how sensitive is the receiving environment to adverse effects?	High sensitivity	Medium to high sensitivity	Medium sensitivity	Medium to low sensitivity	Low sensitivity
RMA BPO definition (b)	Comparison of effects on the environment – social and public health	How do the effects of each of option compare with the other options in terms of the social and public health impacts?	High (significant and unlikely to be mitigated) potential public exposure to risk or adverse effects	Medium to high (significant) potential public exposure to risk or adverse effects	Medium (more than minor) potential public exposure to risk or adverse effects	Medium to low (minor) potential public exposure to risk or adverse effects	Low (less than minor) potential public exposure to risk or adverse effects
RMA BPO definition (b)	Comparison of effects on the environment – cultural	How do the effects of each of option compare with the other options in terms of the cultural effects?	High (significant and unlikely to be mitigated) risk to Cultural Values and Protection	Medium to high (significant) risk to Cultural Values and Protection	Medium (more than minor) risk to Cultural Values and Protection	Medium to low (minor) risk to Cultural Values and Protection	Low (less than minor) risk to Cultural Values and Protection

BPO Source	Criterion	Description	Score Guide				
			1	2	3	4	5
RMA BPO definition (b)	Comparison of effects on the environment – biophysical	How do the effects of each of option compare with the other options in terms of the biophysical effects?	High (significant and unlikely to be mitigated) potential adverse effects	Medium to high (significant) potential adverse effects	Medium (more than minor) potential adverse effects	Medium to low (minor) potential adverse effects	Low (less than minor) potential adverse effects
RMA BPO definition (b)	Comparative financial and affordability implications	How does the cost to ratepayers of each option compare with the other options? ¹	Highest Cost to Ratepayers				Lowest cost to Ratepayers
RMA BPO definition (c)	Likelihood that option can be successfully applied	Can the options be successfully implemented e.g. how complex is each option to construct, operate and successfully be applied when compared with the other options?	High complexity / uncertainty and/or Unproven Technology	Medium to high complexity / uncertainty and /or Emerging Technology	Medium complexity / uncertainty and/or Technology Proven internationally but not in NZ	Medium to low complexity / uncertainty and/or Technology Proven internationally and some use in NZ	Low complexity / uncertainty and/or Proven Technology in common use

¹ All options will be pro-rated between the highest and the lowest cost option.

Draft Preliminary Weighting of Criteria

BPO Source	Description	Preliminary Weighting
RMA BPO definition (a) Receiving environment sensitivity.	What is the nature of the discharge, and how sensitive is the receiving environment to adverse effects?	5%
RMA BPO definition (b) Comparative effects assessment – social and public health.	How do the effects of each of option compare with the other options in terms of the social and public health impacts?	15%
RMA BPO definition (b) Comparative effects assessment – cultural	How do the effects of each of option compare with the other options in terms of the cultural effects?	20%
RMA BPO definition (b) Comparative effects assessment – biophysical	How do the effects of each of option compare with the other options in terms of the biophysical effects?	15%
RMA BPO definition (b) Comparative financial implications	How does the cost to ratepayers of each option compare with the other options?	40%
RMA BPO definition (c) Likelihood that option can be successfully applied and is a proven solution	Can the options be successfully implemented e.g. how complex is each option to construct, operate and successfully be applies when compared with the other options and are the technologies reliable / proven?	5%
Total:		100%

Affordability Assessment

The BPO requires a thorough evaluation of the environmental, technical and financial impacts of each option to enable the establishment of the preferred option.

The project team have engaged an external affordability assessment to establish criteria for assessing the affordability of wastewater treatment options within the BPO framework. The affordability assessment report is attached for the Committees consideration.

There remains a high level of budget uncertainty for this project as we work through the Resource Management Act criteria. Initial cost estimates for these options range from \$5 - \$27 million. We have placed a figure in the Long-term plan towards the lower end of the range reflecting the current pressure on cost affordability within the community.

Next Steps

Committee to consider Best Practicable Option Multi-Criteria Analysis and Project Objectives Test Methodology for the Short List of Options

Committee to consider the Affordability Assessment Report

Community communications is progressing and consultation with key stakeholders is continuing, including the Partnership with Te Rūnaka o Awarua, Te Ao Mārama.

Project is on programme for the preferred option selection in September 2024.

Attachments

1. Long Long-List of Options (A5484447)
2. Affordability Assessment Report (A5459804)

Attachment 1 "Long Long-List" Options

Option	Option Name	Receiving Environment & Scheme Summary	Reference to Option or New Option (Refer listing at end of this Table)	Key Comments to provide input to "Fatal Flaw" Assessments
Marine Discharge Options				
1A	Status Quo Scheme	<ul style="list-style-type: none"> Discharge to Foveaux Strait through existing 50m long outfall Treatment as is, namely screening, secondary treatment, and UV disinfection 	1, 2, 3, 4, 6, 7	<ul style="list-style-type: none"> 1999 AEE assessed that effects should be acceptable Beca options review reports (2014 and 2019) indicate compliance with consent conditions Condition and remaining life of existing 50m Foveaux Strait outfall may not match life of new consent
1B	Status Quo with reduced treatment	<ul style="list-style-type: none"> Discharge to Foveaux Strait through existing 50m long outfall; with reduced treatment 	New Option	<ul style="list-style-type: none"> Potentially reducing the treatment, if appropriate, from effects assessment
1C	Status Quo (1A) plus additional treatment	<ul style="list-style-type: none"> As for Status Quo 1A plus additional treatment for specific issues. 	1, 2, 3, 4	<ul style="list-style-type: none"> Various changes in treatment type possible to address different issues: storage, flows or quality Beca options review reports (2014 and 2019) indicated higher costs and more sludge for higher degrees of treatment
1D	Status Quo (1A) Treatment and longer Foveaux Strait Outfall	<ul style="list-style-type: none"> Status Quo treatment plus new or extended Foveaux Strait Outfall – possibly 300m long total 	1, 2, 3, 4	<ul style="list-style-type: none"> Statements in documentation that if outfall effects not acceptable ICC will look at longer outfall Beca reports (2014 and 2019) considered that “the minor environmental benefit would not justify the significant capital cost that would be entailed”
1E	Combination 1C (additional treatment) and 1D – longer Foveaux Strait outfall	<ul style="list-style-type: none"> As for 1C and 1D above 	New Option, 6	<ul style="list-style-type: none"> This combination option not previously considered except in 1999 AEE and Assessment of alternatives as a possibility
1F	Status Quo (1A) and surface flow wetland	<ul style="list-style-type: none"> Status Quo treatment and 50m outfall but with surface flow wetland before outfall 	New Option	<ul style="list-style-type: none"> May provide land contact

Option	Option Name	Receiving Environment & Scheme Summary	Reference to Option or New Option (Refer listing at end of this Table)	Key Comments to provide input to "Fatal Flaw" Assessments
1G	Status Quo (1A) and land contact other than a surface flow wetland	<ul style="list-style-type: none"> Status Quo treatment and 50m outfall with land contact added before outfall 	New Option	<ul style="list-style-type: none"> e.g. rock passage, trench before marine outfall discharge May provide land contact Could meet requirements of "Cultural Effects Assessment for Bluff Treated Sewage Discharge Consent – 1999 Consent Appendix B" in terms of local iwi perspectives on Wastewater treatment and discharge in that "all things must pass through Papatuanuku"
1H	Any of 1A to 1G above with discharge on outgoing tide	<ul style="list-style-type: none"> As for any of above scheme but discharge on outgoing tide 	New Option	<ul style="list-style-type: none"> Practicalities may determine Position with Fatal Flawing of above may determine need for this
Combination with Clifton Wastewater Facilities				
2A	Convey raw wastewater to ICC's Clifton Treatment Plant	<ul style="list-style-type: none"> New raw wastewater pumping conveyance line (Approx. 21 km) to Clifton Treatment Plant. Decommission Bluff Treatment Plant and Foveaux Strait outfall 	1, 2, 3, 5, 6	<ul style="list-style-type: none"> Rejected in Beca review reports (2014 and 2019) – reasons included length (21 km), cost, Clifton upgrade potentially, salt level Sulphate levels could result in odour and safety risk and treatment issues at Clifton from salt Could increase load to New River Estuary (NRE)
2B	Convey treated wastewater from Bluff to Clifton outfall	<ul style="list-style-type: none"> Existing Bluff treatment plant discharge conveyed to Clifton outfall 	New Option	<ul style="list-style-type: none"> Appears not to have been previously considered Sulphate levels could result in odour and safety risk at Clifton from transfer Could increase load to NRE To be considered in Clifton Consent?

Option	Option Name	Receiving Environment & Scheme Summary	Reference to Option or New Option (Refer listing at end of this Table)	Key Comments to provide input to "Fatal Flaw" Assessments
2C	Convey treated wastewater from Bluff for additional treatment as part of potential upgrade of Clifton WWTP and discharge	<ul style="list-style-type: none"> Variation of 2B 	5, 6	<ul style="list-style-type: none"> Contingent upon the long term solution for Clifton including a treatment upgrade Included in Southland Economic Project Report, if consents could not be obtained for Status Quo at Bluff WWTP such that an upgrade at Bluff Treatment Plant and outfall is required Sulphate levels could result in odour and safety risk and treatment issues at Clifton from salt To be considered in Clifton Consent
2D	Convey treated wastewater from Clifton to Bluff then discharged out of new large outfall and longer (?)	<ul style="list-style-type: none"> Treated wastewater from Clifton pumped to Bluff and then discharged out of new outfall along with Bluff treated wastewater and longer (?) 	New option	<ul style="list-style-type: none"> Would result in upgrade of the Bluff outfall. Currently excluded from scope, to be considered when the Clifton WWTP project is developed
Land Application				
3A	Status Quo treatment and land application by Slow Rate Irrigation	<ul style="list-style-type: none"> 100% applied to suitable land Decommission existing 50m outfall 	1, 2, 3, 4, 6	<ul style="list-style-type: none"> 1999 AEE and Alternatives assessment found that generally unsuitable because of the (then) high salt contents Limited land available Various options considered in Beca options reports (2014 and 2019) could require up to 150ha + buffer zones = 203ha <p>Issues include: High costs, wet periods, storage needs, salt level in treated wastewater</p>
3B	Dual solution: Status Quo treatment and existing 50m outfall as well as land application	<ul style="list-style-type: none"> A "mix and match" scheme with existing treated wastewater applied to land when conditions are suitable, then discharge to the outfall when not 	New Option	<ul style="list-style-type: none"> Variations available for this option being due to proportion of treated wastewater directed to land Not previously covered

Option	Option Name	Receiving Environment & Scheme Summary	Reference to Option or New Option (Refer listing at end of this Table)	Key Comments to provide input to "Fatal Flaw" Assessments
3C	Status Quo treatment and land application by Rapid Rate Irrigation	<ul style="list-style-type: none"> • 100% applied to suitable land to achieve rapid percolation • Applied through Rapid Infiltration Beds (RIBs) or trenches • Decommission existing 50m outfall 	4,6	<ul style="list-style-type: none"> • Beca option report 2019: indicated that could require 7.2 to 45 ha
3D	Status Quo treatment and Infiltration Wetland discharge	<ul style="list-style-type: none"> • Treated wastewater infiltrates into porous soil through permeable bottoms. These combine treatment and discharge • Decommission existing 50m outfall 	1, 2, 6	<ul style="list-style-type: none"> • 1999 AEE: "would not be a possibility for Bluff as requires flat land with permeable soil" (abridged) – refers to a facility relatively near Bluff
3E	Upgraded treatment and land application by Rapid Rate Irrigation	<ul style="list-style-type: none"> • Treatment upgrade • 100% applied to suitable land to achieve rapid percolation • Applied through RIBs or trenches • Decommission existing 50m outfall 	New Option	<ul style="list-style-type: none"> • Additional treatment to address any issues, possibly N, P and/or pathogen reduction • Refer 3C above for possible land requirements
Discharge to Watercourse/Freshwater/Groundwater				
4A	Treatment and Discharge to Watercourse/Stream	<ul style="list-style-type: none"> • Appropriate treatment and freshwater discharge 	3, 4, 6	<p>Beca options report (2014 and 2019):</p> <ul style="list-style-type: none"> • Unlikely to be acceptable to local community • Seen as "retrograde step and freshwater discharge". Would likely have more stringent treatment limits than a marine discharge • More stringent, further National Policy Statement for Freshwater Management (NPS-FM) requirements likely to be required • Minimal surface water available on Bluff Hill

Option	Option Name	Receiving Environment & Scheme Summary	Reference to Option or New Option (Refer listing at end of this Table)	Key Comments to provide input to "Fatal Flaw" Assessments
4B	Treatment and Managed Aquifer Recharge (MAR)	<ul style="list-style-type: none"> • Treatment to required standard, conveyance to appropriate aquifer, and injection into aquifer • Typically requires advanced water treatment • A reuse option 	New Option, 6	<ul style="list-style-type: none"> • No previous consideration for Bluff's wastewater • Level of treatment required depends upon aquifer and its use • Dependent on level of treatment, management of byproducts (eg brine) can be problematic
Other Reuse Options				
5A	Potable (Water Supply) Reuse	<ul style="list-style-type: none"> • Treatment to potable (drinking) water standard and conveyance to and connection to Bluff community water supply system and/or other municipal supply 	New Option, 6	<ul style="list-style-type: none"> • No previous consideration for Bluff's wastewater • Appropriate legislation to control potable reuse is not yet available in NZ
5B	Non-Potable Domestic and other reuse water supply	<ul style="list-style-type: none"> • Treat to required standard for domestic non-potable reuse and other reuse options • Requires dual reticulation network 	New Option, 6	<ul style="list-style-type: none"> • No previous consideration for Bluff's wastewater • Potentially treated wastewater could be used at trade premises, if available
Other Options				
6A	Evaporation of wastewater to achieve zero liquid discharge	<ul style="list-style-type: none"> • Pre treatment is required to remove solids and salts • Evaporate water from treated wastewater to achieve solid residue which needs to be managed 	New Option, 6	<ul style="list-style-type: none"> • No previous consideration for Bluff's wastewater • Previously used on industrial/trade waste wastewater. No experience on municipal wastewater • Management of Residues from treated wastewater is highly problematic • Issues expected with construction materials to deal with aggressive residue
6B	Tankering raw wastewater to ICC's Clifton Treatment Plant	<ul style="list-style-type: none"> • Road tankers transporting raw wastewater from a reception facility that the Bluff collection network feeds to 	New Option, 6	<ul style="list-style-type: none"> • No previous consideration for Bluff's wastewater • Would require a large number of tanker movements a day

Option	Option Name	Receiving Environment & Scheme Summary	Reference to Option or New Option (Refer listing at end of this Table)	Key Comments to provide input to "Fatal Flaw" Assessments
Combinations of options				
7	Combination options incorporating two or more of above options	<ul style="list-style-type: none"> Depends on the options being combined – as per above listing 	New Option, 6	<ul style="list-style-type: none"> No previous consideration for Bluff's wastewater

References used in the "Long Long List" **Error! Reference source not found.**

- 1 Wastewater Treatment and Disposal Options for Bluff – MWH (now Stantec) 1998
- 2 Bluff Wastewater Treatment and Disposal Upgrade Resource Consent Application and Supporting Information (AEE) Feb 1999 (MWH now Stantec)
- 3 Bluff Wastewater Treatment Plant: Review of Wastewater Treatment and Disposal Options (2014) – CH2M Beca
- 4 Bluff Wastewater Treatment Plant: Review of Wastewater Treatment and Disposal Options (2019) Beca Limited
- 5 Southland Economic Project: Urban and Industry Report – Excerpts Compiled on Bluff Wastewater relative to this Project – Prepared by Environment Southland
- 6 Bluff Wastewater Consenting Project Alternatives (Options) Assessment (Summary of previous considerations) Stantec 13 Sept 2023 Agenda Item 13, Workshop 1

A5459804



Bluff Wastewater Treatment Plant Resource Consent Application

Establishing the Affordability of Wastewater Treatment Plant Options

In developing a viable option for the Bluff WWTP consent application, Invercargill City Council must strike a balance between the critical considerations of the Best Practicable Option (BPO) framework under the Resource Management Act (RMA) and the financial prudence, transparency, and stability required by Subpart 3 – Financial Management of the Local Government Act 2002 (LGA).

An examination of the financial impacts of the Bluff Wastewater Treatment Plant (WWTP) upgrade within the Best Practicable Option (BPO) framework of the RMA highlights crucial affordability considerations.

Utility have assessed key principles such as 'ability to pay,' 'economic efficiency,' and 'benchmarking,' based on guidance provided within the International Infrastructure Management Manual and the NZ Infrastructure Commission. Also through direct liaison with Water New Zealand, the Commerce Commission and MBIE.

- Utility have derived an affordable upper limit of costs per rating unit, which ranges from \$625 to \$1,000 annually..
- When compared to the current costs per rating unit of \$578, this reveals that the current budgetary projections for wastewater services would surpass this affordability threshold, with a projected cost of \$1,362 per rating unit in ten years.
- A budgetary revision of the LTP should be considered or exploration of alternative solutions to contain expenses within the established affordability limits.

City-wide funding has been included in this assessment. Which does support affordability for smaller communities like Bluff. However, it's crucial to balance out potential 'diluted' impacts on overall rates due to this approach with value-for-money concerns for the Bluff community itself.

This analysis indicates that to remain affordable, the Bluff WWTP upgrade project should be limited in costs to the following range.

Upfront Costs (CAPEX): \$XM to \$XM assuming additional operating costs (OPEX) being limited to: \$50k to \$100k p.a.





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Introduction

The Bluff Wastewater treatment plant is applying for a resource consent to discharge treated wastewater into environment. The Best Practicable Option (BPO) framework under the Resource Management Act (RMA) is being used for the consent application. The BPO requires a thorough evaluation of environmental, technical, and financial impacts of each option, to enable the establishment of the preferred option.

Purpose

The purpose of this paper is to establish a comprehensive approach of determining the affordability of wastewater treatment plant options and establish criteria for assessing the affordability of wastewater treatment options within the BPO framework, particularly their financial impacts as a crucial determinant in decision-making. Evaluating financial impacts involves establishing permissible cost limits and determining what could be considered an undue economic strain on the community.

This financial case is presented in a logical flow to enable this to be understood and applied.

1. The Costs of Wastewater Services
2. How will the Wastewater Upgrade be Paid for?
3. What is Affordable for the Community?
4. How does this impact Bluff?

About Utility

Utility is an independent infrastructure advisory based in Arrowtown. Utility provides asset management, engineering, commercial, and financial expertise to local government clients. Principals Vaughn Crowther and Walter Clarke established Utility in 2017.



Context

Significant Investment in Essential Services

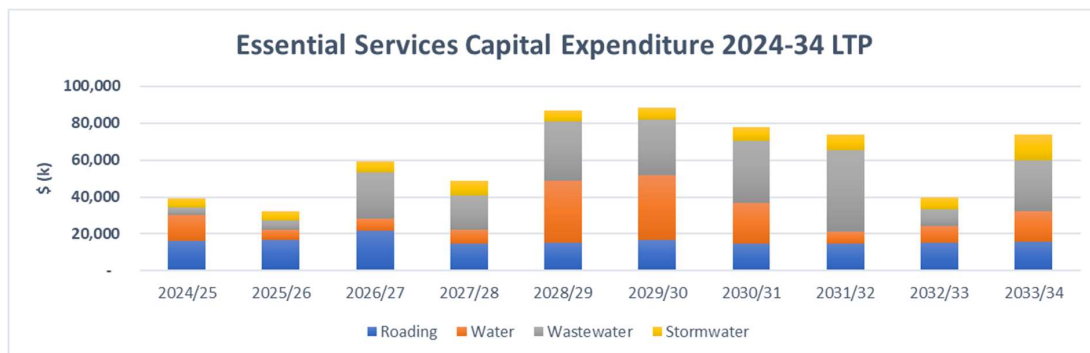
The investment in the Bluff WWTP is significant. However, it sits within a very large programme of investment into the essential services of Roothing and 3-Waters.

Within the 2024-34 Long Term Plan:

- Close to \$622m of capital expenditure is budgeted for essential services over the next 10 years, with \$459m of this directed towards the 3-waters activities.
- Capital expenditure on Wastewater totals \$229m over this 10-year period.
- Of this \$229m in the Wastewater activity, approximately half is for treatment plant upgrades to meet resource consent.
 - Clifton WWTP is budgeted at \$103.4m
 - The Bluff WWTP budgeted at \$7.7m.

All of this expenditure has a direct impact on rates and on Council’s financial sustainability. Council has developed their Financial Strategy for 2024-34 LTP based on this investment.

Figure 1 Council will invest over \$622m on essential services over the next 10 years.



Financial Management under the Local Government Act 2002

The Local Government Act (LGA) 2002 aims to provide for democratic and effective local government that recognises the diversity of New Zealand communities. It emphasises the promotion of social, economic, environmental, and cultural well-being of communities in a sustainable manner, including financial sustainability. Subpart 3 of the Local Government Act compels Council to manage its finances in a manner that promotes the current and future interests of the community. It does this through:

- Section 100 of the LGA requires Council to operate a balanced budget each year. This means, Council’s cannot keep rates artificially low by running operational deficits (overdrafts) during tough times. Equally Council cannot intentionally run surpluses by collecting more than the annual costs of the activity.
- Section 101 of the LGA 2002 is also crucial because it mandates that local government must manage their financial operations prudently, transparently and to promote the current and future interests of communities.
- Section 101A implements prudent financial management by mandating local authorities to set a quantified limits on rates and borrowing, as part of the Financial Strategy in their Long Term Plan (LTP). Specifically:
 - Rates increases: Places restrictions on how much rates can be increased year-to-year, promoting predictability and stability within the community.



- o Debt: Limits the maximum total debt that a local authority can carry at any time and on the amount of interest on borrowing, preventing over-leveraging.

Council’s Financial Strategy for 2024-34 has set the following limits on rates increases and on its debt. These amounts include all activities that Council undertakes, not just 3-Waters and Roothing.

Figure 2 ICC’s Quantified Limit on Rates Increases (Financial Strategy 2024-34) which is based on the budgets with the 2024 LTP

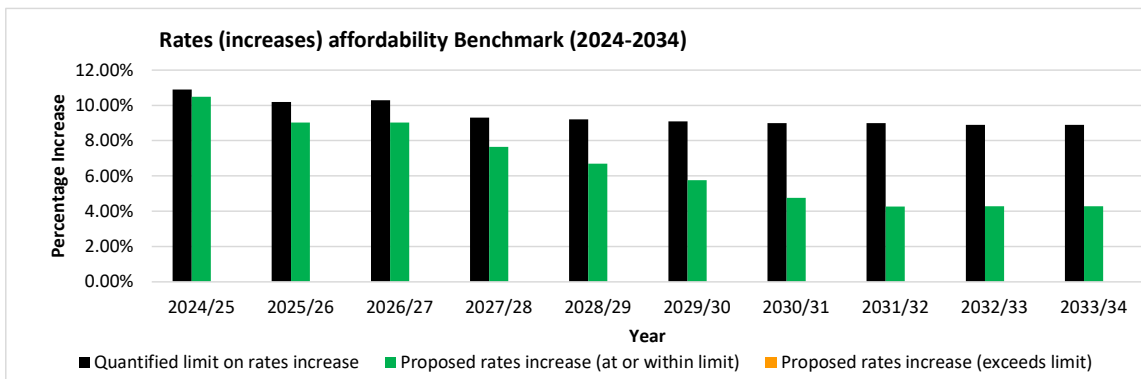
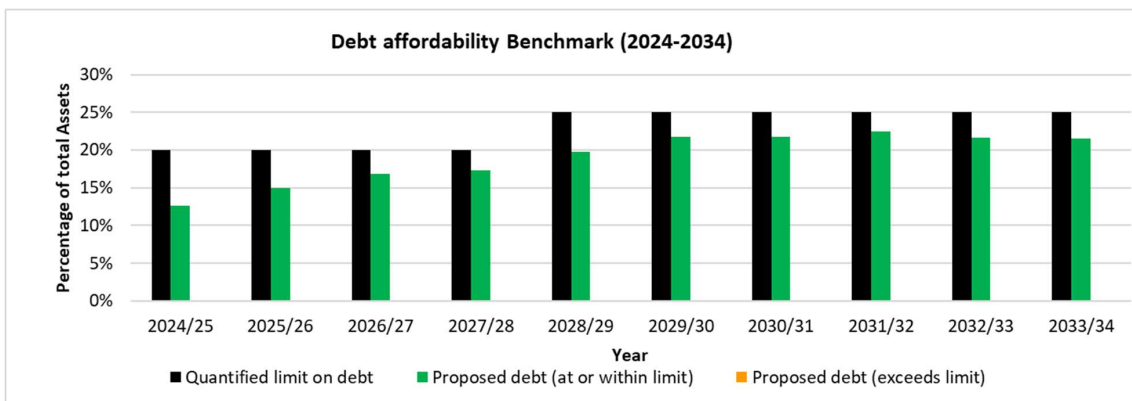


Figure 3 ICC’s Quantified Limit on Debt (Financial Strategy 2024-34) which is based on the budgets with the 2024 LTP



What if the Bluff WWTP costs more than Budgeted?

An option that costs more than budgeted, may lead to an increase rates beyond the set limits in this Financial Strategy. If deemed a significant change, Council would generally need to carry out a special consultative procedure, which includes preparing and adopting an Annual Plan.



How is a Wastewater Plant Upgrade paid for?

The cost of a wastewater upgrade comprises two expenditure items. The **up-front costs** to build the plant and the **ongoing costs** to operate and maintain the plant over its lifetime.

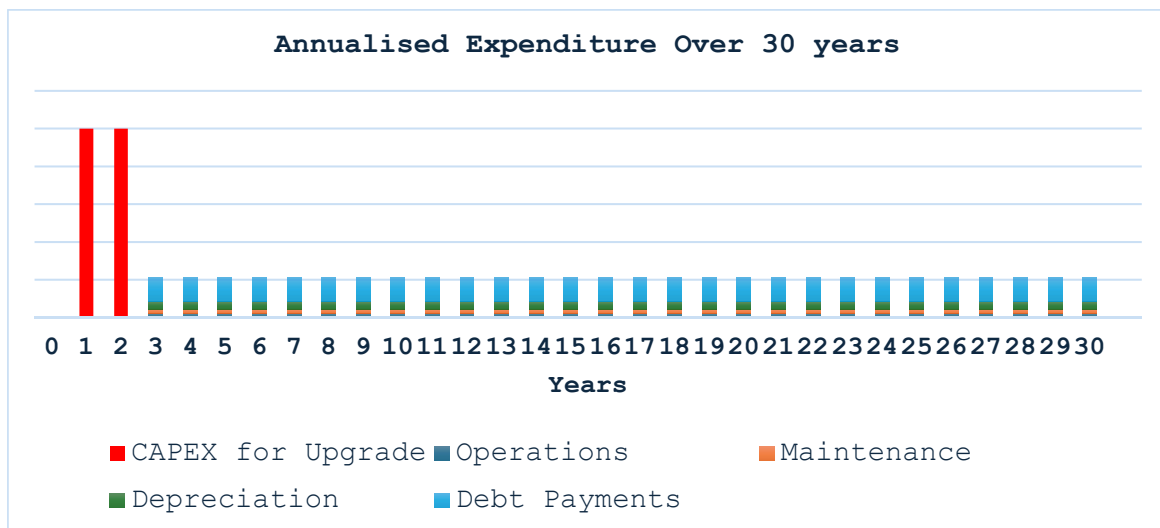
Up Front Costs (Capex)

Any expenditure that generates an improvement to service levels (new or upgraded assets) or replaces an existing asset (renewal) is accounted for as Capital expenditure (Capex). Capex is financed through additional debt. The reason for using debt is because it is an efficient tool in the context of the local government act. It enables the spread of these large, one-off costs over the long term, by fairly allocating charges between current and future communities, while also maintaining short-term financial stability through annual payments.

Ongoing Costs (Opex)

Once operational, the plant will begin to incur operating and maintenance costs to operate it (electricity, labour, monitoring etc), and for planned maintenance. This is accounted for as operational expenditure (Opex). As a perpetual, long term service there is also a need to account for an assets ‘decline in service potential’, termed depreciation, once the plant is built. Depreciation is the means to fairly distribute the annual cost of the plant’s eventual replacement between current and future communities.

The combination of total Capex and total Opex, over the life of the plant, is called its ‘Whole of Life Cost’. This amount is annualised, as shown below, and then collected as revenue from ratepayers to maintain a balanced budget.



How is this paid for by ratepayers?

The annualised cost of the upgrade, along with the corresponding revenue needed from all ratepayers each year is made up of the following:

- The annual principal and interest payments of all debt are made over a 30-year loan term at 4.5%. This is paid for with rates.

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- Any renewal component of an upgrade (e.g. replacing a pumpstation with a new one) will be funded by depreciation reserves and if reserves are insufficient, then by additional debt.¹
- Any increase in the costs for the operation and maintenance of the upgraded plant will be funded through additional rates.
- There is also a need to fairly pay for the eventual renewal of the upgraded plant (as a perpetual service) through depreciation. ICC have determined to fund 100% of annual depreciation of assets through rates, ramping up from c. 75% now over 6 years.²

¹ Growth capex is not currently funded by development contributions. Capital contributions are levied on a case-by-case basis where necessary. This is unlikely for Bluff.

² Depreciation is calculated as the gross replacement cost divided by the total useful life of the asset. Typically, this is the plant’s physical life (c. 50 years), however, where future resource consent conditions require major upgrades again in the future, then the total useful life would be the length of the consent term.



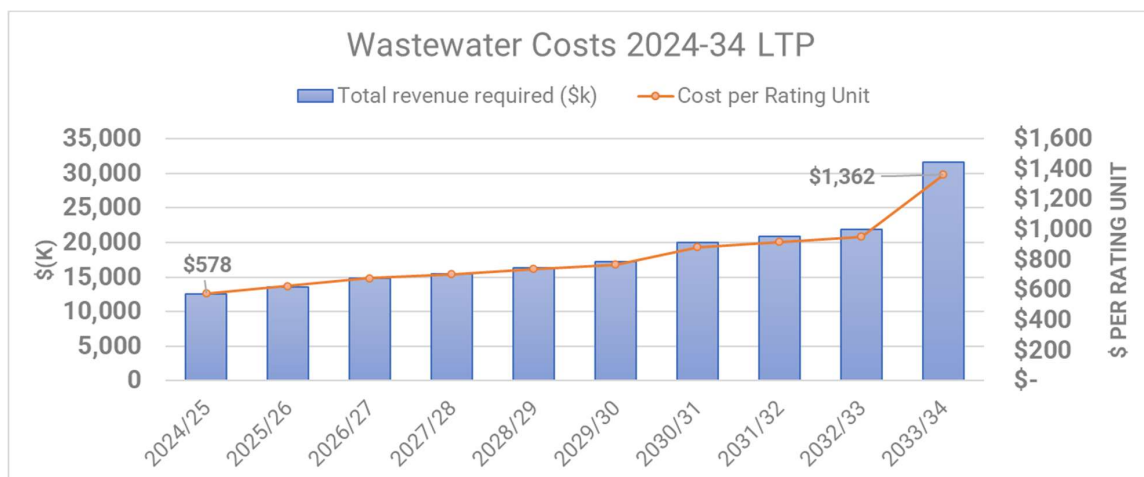
The Costs of the Wastewater Service

The conveyance, treatment, and discharge of wastewater from habitable areas is critical to protecting public health and for the promotion of community well-being. As a Council owned scheme, the annual costs to own and operate the wastewater activity into perpetuity must be collected to ensure a balance budget each year³.

Although ICC own and operate three wastewater schemes, city wide rating is in place for the Wastewater activity, promoting fairness and acknowledging the wider public good of doing so. This means that all costs are combined and funded by all ratepayers equally across the schemes.

For the purposes of this paper, a simple yet comparatively accurate approximation of costs per ratepayer can be calculated by dividing the annual revenue needed to cover the annualised costs, by the number of rating units serviceable by the wastewater system.

In 2024/2025 the annual revenue needed to fund the ICC wastewater activity is \$12.5 million p.a. and served c. 21,608 rating units⁴.



Cost per rating unit = Annual revenue needed ÷ Rating units
 = \$12.5m ÷ 21,608
 = \$578 p.a. for each rating unit

The annual cost of the wastewater service for Bluff and Invercargill in 2024/25 is \$578 per rating unit. In 10 years, based on the current LTP budgets, the cost of the wastewater service will be \$1,362 per rating unit.

Using the same method for Water Supply and for Stormwater in 2024/25, the cost each year for 3-Waters per rating unit is \$1,509:

- Stormwater = \$259 p.a. per rating unit

³ The balanced budget is a legal requirement of the Local Government Act 2002.

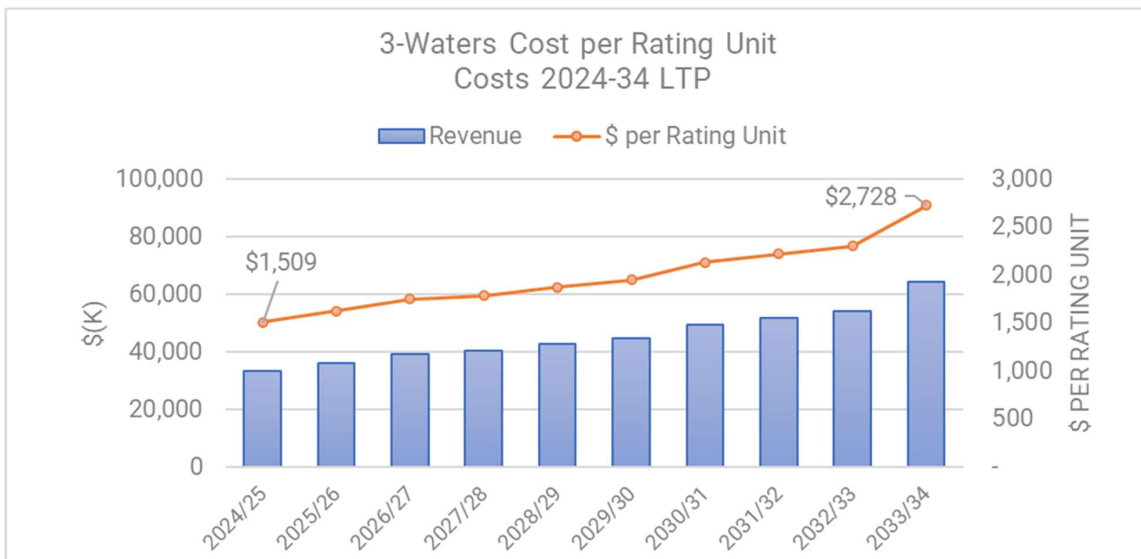
⁴ Under the Local Government (Rating) Act 2002 in New Zealand, a rating unit is defined as a property or a piece of land that is recorded in the district valuation roll. A rating unit is the basis on which council rates are levied, and the rates paid are used to fund local council services.



- Water Supply = \$672 p.a. per rating unit

The projected annual total cost for the 3-waters in 2033/34 is \$2,728 per rating unit. This is made up from:

- Wastewater = \$1,362 per rating unit
- Stormwater = \$381 per rating unit
- Water Supply = \$984 per rating unit



The cost for the entire 3-Waters service per rating unit in 2024/25 is \$1,509 p.a.. In 10 years, based on the current LTP budgets, the 3-Waters service will be \$2,728 p.a. per rating unit.

The Influence of City-Wide Rating

As indicated, city wide rating promotes fairness of funding by combining all costs and rating equally across all connected communities. A key reason for city wide funding is to enable the affordable delivery of public sanitation to smaller communities. This can often require higher investment per rating unit to meet the same level of service provided in a city that benefits from economies of scale.

Table 1 Wastewater Rating Units across the city.

Scheme	Rating Units (2024/25)	Ratio
Bluff	1,246	1
Invercargill and Omaui	20,362	17
Total	21,608	

The ratio of rating units between Invercargill and Bluff is approximately 17 to 1, meaning \$1 spent in Bluff, equates to a \$0.06 impact across the entire rating base. So, when assessing the affordability of options for the Bluff WWTP upgrade alone, we must be cognisant that city wide funding may inadvertently lead to planned expenditure having a ‘diluted’ impact on overall rates when spread across the entire city.

As well as affordability, public value for money must also be maintained. This can be done through comparison of the planned expenditure per rating unit of the Bluff scheme as a final step in this process. It

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provides additional context to the affordability assessment. For instance, Bluff can arguably afford to spend large amounts on its infrastructure on a per capita basis, because of city-wide funding, however, this does not mean doing so represents good value for money.



What is affordable for the community?

Knowing how much the WWTP upgrade will impact the community allows the financial impact of options to be understood. Not doing so early in the process, means unaffordable options may progress further, setting unrealistic expectations.

The International Infrastructure Management Manual (IIMM), 5th Edition, issued by the Institute of Public Works Engineering Australasia (IPWEA) in 2015, is a principal reference manual for evaluating the affordability of infrastructure. It identifies the significance of comprehending the community's financial capacity and encourages the implementation of economically efficient infrastructure through lifecycle costing. ((IPWEA), 2015)

An upper threshold of cost can be determined using the following key principles of affordability. These are based on :

- 1. Ability to pay:** Reflects the community's economic capacity to pay, considering factors like income and employment, establishes an upper limit of the costs of services. It sets a reasonable proportion of income that can be allocated to wastewater services, thus defining the 'ability to pay'. This can be represented by a proportion of annual salary that can be allocated to public sanitation (3-waters).
- 2. Economic Efficiency:** A fundamental assumption is that reticulated and centralised wastewater systems remain the most cost-effective means of providing public sanitation and environmental protection, as compared to private alternatives (such as advanced septic tanks). An upper threshold of affordability can thus be set based on not breaching the comparative cost of a de-centralised alternative of similar service level. Any upgrade option that imparts costs that are significantly higher than a decentralised alternative, with near or similar performance, could be considered uneconomic by the user.
- 3. Benchmarking:** Benchmarking against comparable townships offers valuable insights into wastewater service affordability and operational efficiency. It provides a comparative context, presenting industry norms against which to gauge expenditures and service levels.

Arguably, the most valuable means of establishing affordability, is through direct consultation with the community. This has occurred at the high level using the current LTP budget. It will also occur as part of the consenting process, well after the short listing of options, however.

- 4. Willingness to pay:** Independent of the community's ability to pay, is a community's willingness to pay for the benefits offered for the service. This is established through direct consultation on the options, the benefits of each and their costs. It is assumed that this will take place with the short-listed options as part of the consenting process.



Ability to Pay

The affordability of wastewater services must consider the economic capacity of the community, and specifically, a household’s ability to fund it. Three key metrics are needed to perform this assessment: Household income, annual expenditure on wastewater, and an indicator of expected household spend on wastewater infrastructure.

Household Income Data: Income distribution data for Bluff and Invercargill was sourced from a report by the economists at Infometrics titled, Bluff community baseline report commissioned by Beyond 2025 Southland. (Infometrics, 2023)

Of note is that this income data within this report is from the 2018 Census. At the time of reporting, the 2023 Census data on household income had not been released. However, the growth in median household income for New Zealand, as reported by Stats NZ, grew between 2018 and June 2023 by 25% (Stats NZ, 2023).

Bluff:

- Median household income: \$50,000 per year (2018 Census) or \$62,500 p.a. (2023 equivalent).
- Approximately 65% of households in Bluff are considered low income, earning below the median income.
- The number of households earning less than \$30,000 p.a. grew 26% between 2013 and 2018 while the number earning more than \$100k declined from 16% to 9%.
- Benefit dependency rate was 2.8% in 2018.
- Bluff’s population of 2,060 to remain steady in the future.
- As of 2022, the proportion of dependent⁵ aged people was 40% of the population.

Invercargill:

- Median household income: \$65,000 per year (2018 Census) or \$81,250 p.a. (2023 equivalent).
- Benefit dependency rate of 12%
- Approximately 50% of households in Invercargill are considered low income, earning below the median income .

By comparison, the median household income in New Zealand is \$70,000 per year (2018 Census), or \$87,500 (2023 equivalent).

Household Spend on Infrastructure. In 2023, the Infrastructure Commission of New Zealand commissioned research to understand the spend on infrastructure services for different types of household incomes. It covered land transport (roading and public transport), energy (electricity, gas, and heating fuels), water (drinking, storm, and waste), and telecommunications (mobile and fixed line).

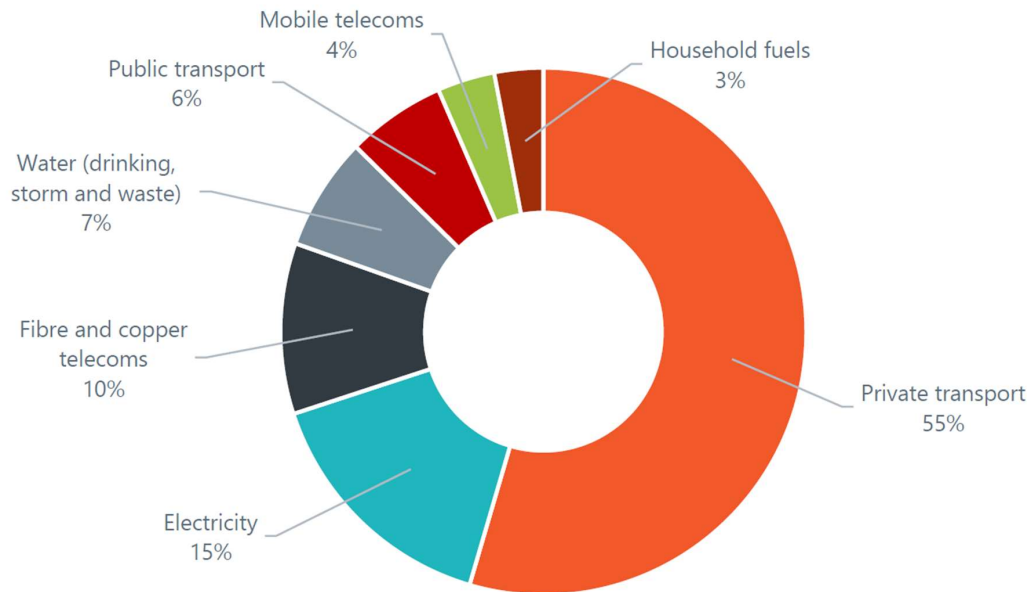
The research found that the average New Zealand household spent approximately 16% of its after-tax income on infrastructure services in 2018/19. This equated to slightly over \$13,500 per year of an average household income of \$84,000 of those households sampled. The analysis used data from New Zealand’s Household Economic Survey (HES), which is conducted by Statistics New Zealand. Specifically, the data used in the analysis covers five survey waves between 2006/07 and 2018/19, capturing detailed spending habits and income data from a subset of households.

Spending on the 3-Waters, (drinking water, wastewater and stormwater) equated to 7% of this 16% of after tax spend, which is equal to \$810 per year. Another way to express this, is as a percentage of annua income where, $16\% \times 7\% = 1.1\%$ of after-tax income. The results are illustrated below (Commission, 2023)

⁵ Stats NZ define dependents are define as those not in the workforce, often grouped as under 15 years of age or over 65 years of age.



Figure 4 Breakdown of New Zealand households' infrastructure spending, averaged over 2006/07 to 2018/19. This breakdown represents 13% of annual household income. Of which, 7% of this 16% is allocated to 3-Waters. This equates to approximately 1.1% of household income.



In 2018/19 the average household spending in New Zealand, on all the 3-Waters activities equated to just under 1.1% of after-tax annual income, or \$810 per year.

Of note in the Infrastructure Commission report was:

1. This household income data is now over 5 years old, during which, considerable price and wage inflation has taken place as well as higher regulatory standards for 3-Waters service levels.
2. This considers after tax income, where as the household income analysis for Bluff and Invercargill is pre-tax. After tax income would add between 17% and 33% to the 3-waters spend, but for this analysis it is assumed to be negligible.

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By comparison, the proportion of median household income spent on 3-Waters in 2024/25 for Bluff and Invercargill is as follows:

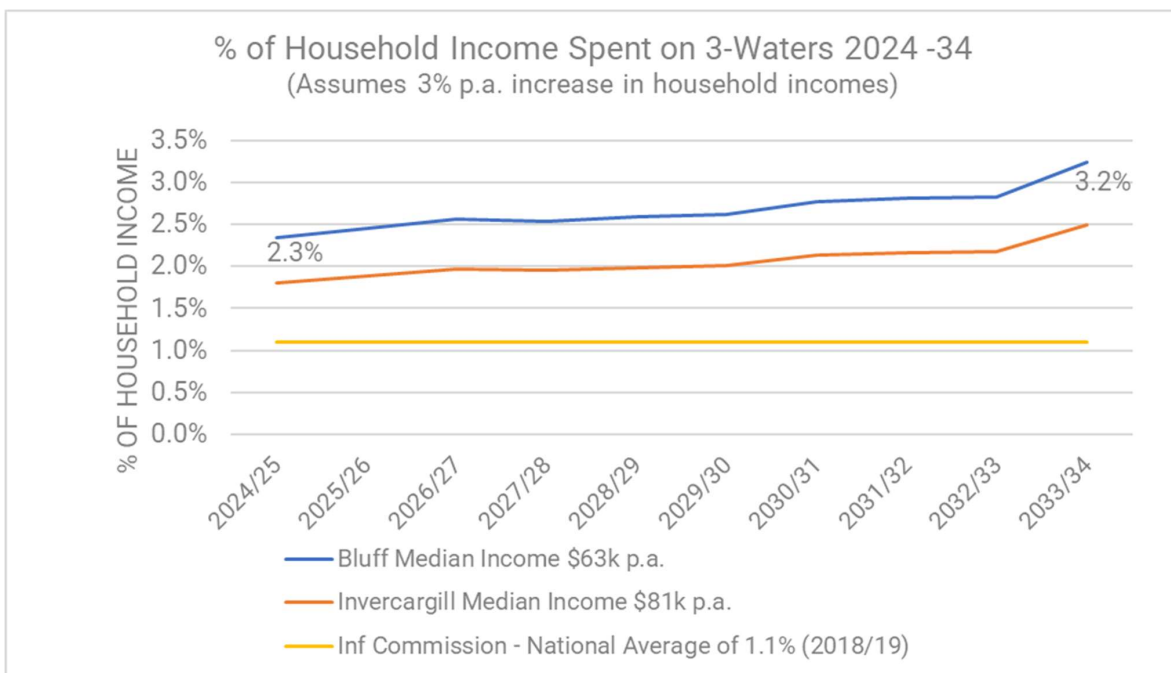
- Bluff = \$1,505 per rating unit ÷ \$62,500 p.a. = 2.3% of median household income
- Invercargill = \$1,505 / \$81,250 p.a. = 1.9% of median household income

Over the next 10 years of planned expenditure (2024 LTP), this proportion will increase considerably.

Even after accounting for an 3% increase in annual household income, by 2034, a Bluff household can expect to be paying over 3.2% of its household income on 3-Waters activities, with Wastewater making up half of this.

For comparison, the average electricity bill per year in Invercargill for 2024 was \$2,157 as collected by powercompare.co.nz, or 3.3% of the \$65k p.a. median income.

Figure 5 Proportion of household income spent on 3-Waters by annual income.



Bluff residents spend 2.3% of median household income on the 3-waters activity each year compared to the national average of 1.1%. This will rise to 3.2% of median household income.

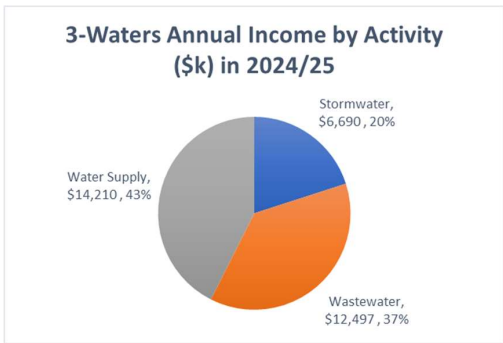
Currently, approximately 37% of the 3-waters costs for Invercargill City Council is made up of wastewater spend.



Affordability Assessment:

Despite the findings of the Infrastructure Commissions report on affordability being 1.1% of income, for this analysis, a higher proportion of household income is conservatively assumed for 3-Waters spend, at 2.0% p.a. of annual household income.

Also assuming conservatively, that 50% of this would be allocated to wastewater (higher than the actual 37% in 2024/25). Then the upper threshold of costs per household is as follows:



1. **Bluff Households** at \$62,500 p.a. (65% are earning below median):
 - 2.0% of \$62,500 = \$1,250 per year for all 3-Waters.
 - 50% of this is for Wastewater, or 1.0% p.a. = \$ 625 per rating unit per year

2. **Invercargill Households:**
 - Median income: \$81,250 per year.
 - 2.0% of \$81,250 = \$1,625 per year.
 - 50% of this is for Wastewater, or 1.0% p.a. = \$ 813 per rating unit per year

Ability to pay: The upper limit of wastewater costs based on a Bluff households economic capacity is \$625 per rating unit per year



Economic Efficiency

When presented with significant cost increases, customers will naturally seek to explore more economic alternatives. So, for the long-term viability of large Council schemes, it is critical that any proposed upgrades do not escalate whole of life costs above the costs of de-centralised alternatives with similar performance.

This principle doesn't imply that disconnections from Council schemes would necessarily occur due to economic reasons. Rather, it is aimed at maintaining the financial durability of the Council's significant investment in infrastructure, an aspect often overlooked but extremely crucial in public wastewater provision. Preserving this economic stability is important, not least because the real and more substantial long-term risk comes from innovation within the private sector of more economic alternatives. If Council schemes can't match these innovative and more cost-effective decentralised solutions, there could be a considerable shift in consumer preferences which may negatively impact the Council's substantial infrastructure assets.

Affordability Assessment: For this analysis, the focus is on the installation of an advanced septic system with tertiary treatment (including processes such as disinfection, de-eutrophication, and minimal sludge production), such as a Membrane Bioreactor septic system. These systems are located within the property boundary and require annual servicing by a specialist, conditional on the loading received by the system.

The table below exemplifies a spectrum of annualised costs, factoring in a lower and higher end estimation for such a system.

	<u>Low Estimate</u>	<u>High Estimate</u>
Purchase and Installation	\$30,000	\$50,000
Annual Loan repayments (30 years at 6%):	\$2,200	\$3,900
Annual Operating and Maintenance Costs:	\$250	\$500
Annual Costs:	\$2,450	\$4,100

Economic Efficiency: The upper limits of annual wastewater costs based on the need to remain economically viable is \$2,450 per year.

It is highly unlikely for this upper limit to be breached based on the current Long Term Plan budgets, but it offers useful context for other substantial projects scheduled within the 10-year timeframe, particularly the Clifton Wastewater Treatment Plant upgrade planned for the year 2029.



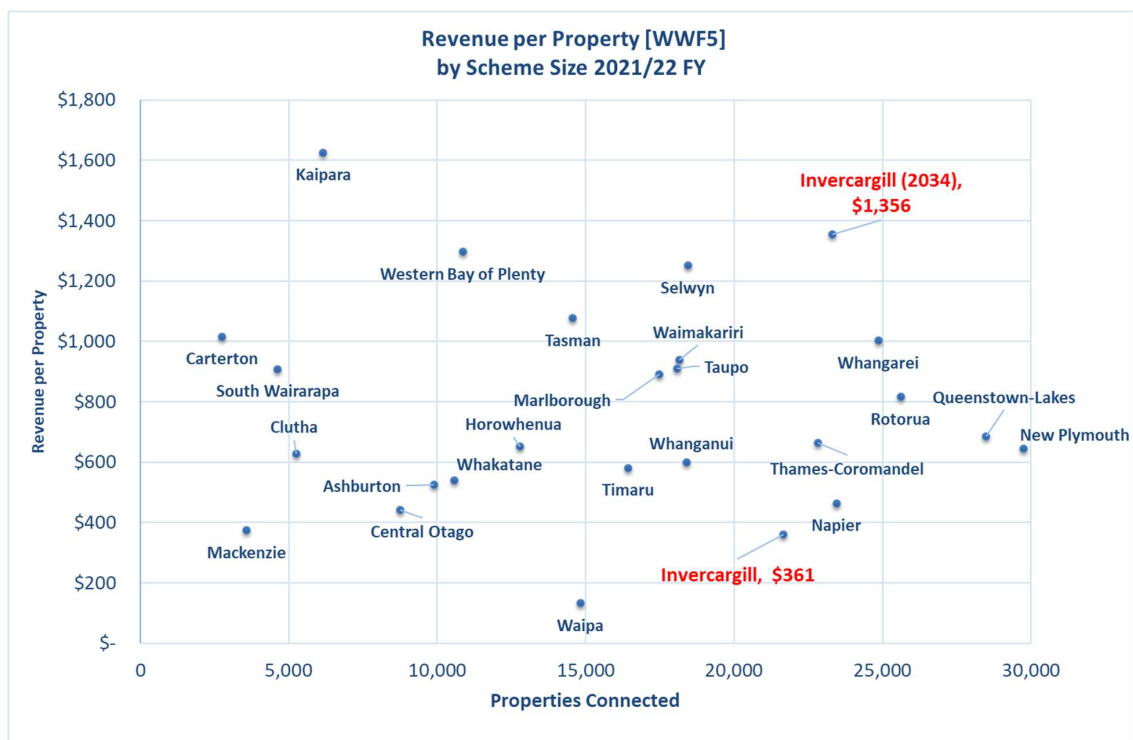
Benchmarking

Benchmarking offers insights into wastewater service affordability of comparable sized townships. This involves assessing the cost of wastewater services across the region and country, using a common basis of comparison. With regionally and nationally driven wastewater discharge standards, and not too dissimilar annual household incomes, it is expected that the upper limit of wastewater costs will assimilate for similar sized schemes (properties served), give or take variances for geographic conditions and an asset’s lifecycle.

For credible and accessible data on wastewater service costs across New Zealand, the primary source is Water NZ. An analysis has been conducted on the revenue per property using performance data annually collected by the Water NZ National Performance Review. (Water New Zealand, 2022)

The below chart denotes the revenue per property for varying sized wastewater schemes throughout New Zealand for the 2021/22 financial year. As a context, it includes the projected cost of wastewater per rating unit for Invercargill in 2034, factoring in a 10% growth in properties during this period.

Figure 6 Revenue collected per property in the 2021/22 Financial Year for schemes serving less than 50,000 properties.



Noteworthy observations include:

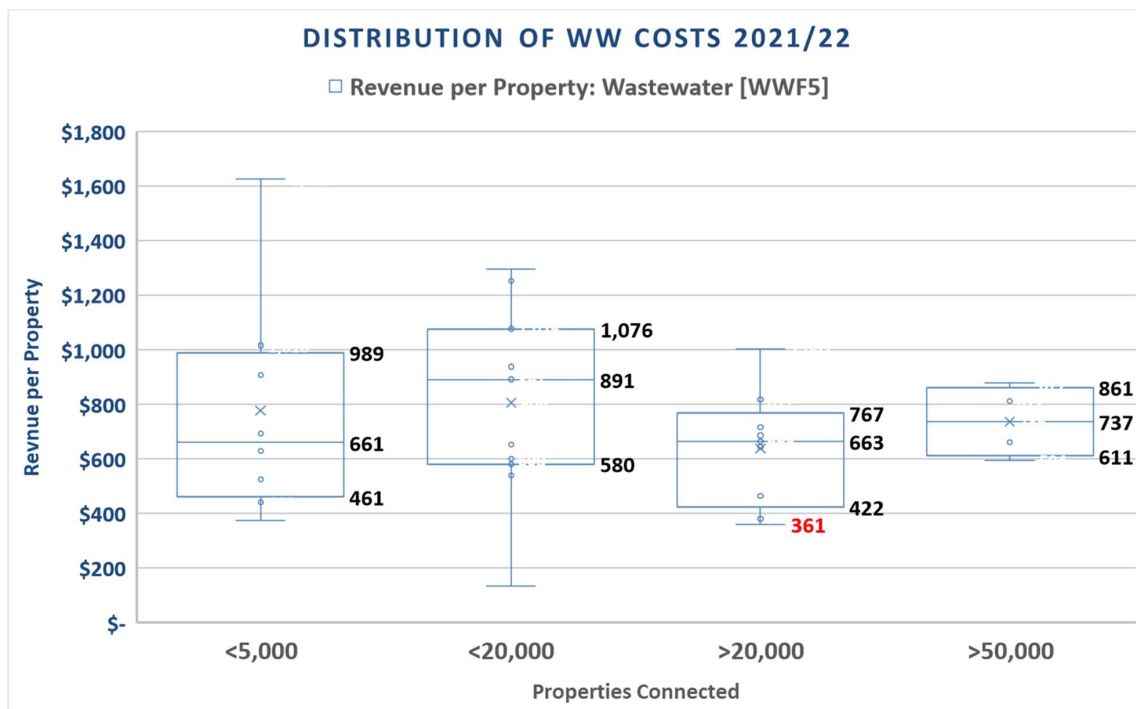
1. The variability in revenue needed per property for small schemes on the left side of the plot.
2. The convergence and lower cost limit for larger schemes on the right side, as the number of properties served increases, indicating economies of scale.
3. The upper cost limit of wastewater schemes of similar size to Invercargill is \$1,000 per property.

Another beneficial method to outline the upper limit of costs is to understand their distribution across schemes.

The Box and Whisker plot below visually represents five key statistics: the minimum value (bottom whisker), the lower quartile (bottom edge of the box), the median (line inside the box), the upper quartile (top edge of the box), and the maximum value (top whisker). The ‘X’ represents the mean average value of the data. The item in red is the Invercargill City Council data point for 2021/22.



Figure 7 The box and whisker plots below demonstrate the distribution of wastewater costs for varying scheme sizes.



In 2021/22, the upper limit of revenue per property for schemes serving over 20,000 properties was \$1,000 p.a. with 75% of all schemes requiring less than \$767 p.a. of revenue per property. The Invercargill scheme recorded the lowest cost per property in this data set, at \$361 p.a. or revenue per property.

It is acknowledged that these costs have likely increased from the large amounts of inflation experienced in the past 2 years. Stats NZ data indicates this is as high as 27% between June 2021 and April 2024, at the time of writing this paper. (Stats NZ, 2024).

Benchmarking: *The upper limit of annual wastewater costs based a comparison with other like sized schemes is \$1,000 per rating unit..*



What does this mean for the Bluff Wastewater upgrade?

This assessment of affordability has established a series of upper limits on what is considered affordable. These upper limits are based on the three principles of ability to pay, economic efficiency and a comparison with like sized schemes.

What is Affordable? The upper limit of affordability for the Wastewater activity in Bluff ranges from a recommended amount of \$625 per rating unit to a maximum limit of \$1,000 per rating unit.

The Current Wastewater Budgets Will Breach the Maximum Limit of Affordability

Council have also set a limit on annual rates increases and on debt levels within its Financial Strategy for the 2024-34 Long Term Plan. These limits are based on the budgets for the wastewater activity within the 2024-34 LTP. These are

- Capital expenditure on Wastewater totals \$229m over this 10-year period.
- Of this \$229m in the Wastewater activity, approximately half is for treatment plant upgrades to meet resource consent.
 - Clifton WWTP is budgeted at \$103.4m
 - The Bluff WWTP budgeted at \$7.7m.

Based on these budgets, the projected cost of the Wastewater scheme per rating unit in 10 years will be \$1,362 per rating unit. Fundamentally, any upward variance from these budgets would be considered unaffordable and likely require additional consultation if deemed significant⁶.

Remaining Affordable for Bluff Requires Lower Expenditure than what is Currently Budgeted.

Based on the current annual costs for Wastewater at \$578 per rating unit, this leaves an additional \$46 per rating unit, per year to remain within the recommend annual costs of \$625 per rating unit.

Therefore, for the Bluff upgrade to remain viable, a revision of the current budgetary expectations may be necessary.

Table 2Table 1 lists the wastewater rate per rating unit based on range of upgrade costs (left side margin) and a range of the annual operations and maintenance costs (top margin). The table is colour coded to show which budgeted upgrade and operational costs would remain within the limit of \$625 per rating unit (Green), which would remain within the upper limit of \$1,000 per rating unit (yellow) and anything beyond this (red).

⁶ As defined within ICC's Significance and Engagement Policy.

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These costs are for the entire wastewater activity, not just for the Bluff WWTP Upgrade.

Table 2 The impact on rates for each rating unit of various Capex and Opex plant upgrade costs. Costs inside the table included annual depreciation and debt repayments for new assets.

		Wastewater Rates Needed for CAPEX and OPEX Budgets (\$ per Rating Unit)						
		Additional Operations and Maintenance each year (Opex)						
		\$25,000	\$50,000	\$100,000	\$200,000	\$500,000	\$1,000,000	\$3,000,000
Upgrade Costs (Capex)	\$2.5 M	\$586	\$587	\$590	\$594	\$608	\$631	\$724
	\$5.0 M	\$595	\$597	\$599	\$604	\$617	\$641	\$733
	\$7.5 M	\$605	\$606	\$608	\$613	\$627	\$650	\$743
	\$10.0 M	\$614	\$615	\$618	\$622	\$636	\$659	\$752
	\$15.0 M	\$633	\$634	\$637	\$641	\$655	\$678	\$771
	\$20.0 M	\$652	\$653	\$655	\$660	\$674	\$697	\$790
	\$25.0 M	\$671	\$672	\$674	\$679	\$693	\$716	\$808
	\$35.0 M	\$708	\$710	\$712	\$717	\$730	\$754	\$846
	\$50.0 M	\$765	\$766	\$768	\$773	\$787	\$810	\$903
	\$75.0 M	\$859	\$860	\$863	\$867	\$881	\$904	\$997
	\$100.0 M	\$953	\$954	\$957	\$961	\$975	\$998	\$1,091
	\$150.0 M	\$1,142	\$1,143	\$1,145	\$1,150	\$1,164	\$1,187	\$1,279
	\$250.0 M	\$1,518	\$1,519	\$1,522	\$1,526	\$1,540	\$1,563	\$1,656

How does this impact the Bluff WWTP Budget?

Seeing as city-wide funding ensures an equitable spread of costs, it is important to ponder on the effects of the upgrade on the Bluff community. For the Bluff WWTP, any expense that exceeds the city-wide per-unit cost would entail sourcing funds from the entire city's ratepayers. Additionally, if such expenses surge significantly beyond the current levels, they could potentially compromise funding for other critical projects, such as the Clifton WWTP upgrade.

The objective of this analysis is to ensure the provision of value-for-money, as well as to respect affordability principals.

Table 3 below lists the wastewater rates for each rating unit for a range of upgrade costs (left side margin) and a range of the annual operations and maintenance costs (top margin) resulting from that WWTP upgrade. For the purposes of this assessment, this assumes that Bluff is not co-funded by city-wide rating.

This indicates that the Bluff WWTP upgrade project should be limited in costs to the following range. Upfront Costs (CAPEX): \$XM to \$XM and additional ongoing Costs (OPEX): \$50k to \$100k p.a.

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The table is colour-coded to show which costs breach the maximum limit of \$1,000 per rating unit (yellow), and those breaching the economic efficiency threshold of \$2,450 per annum (red).

The purpose of this table is to provide context of the value for money of the budgets

Table 3 The hypothetical impact on Bluff rates for each rating unit based on various Capex and Opex plant upgrade costs. Costs inside the table included annual depreciation and debt repayments for new assets.

**What is an affordable budget for the Bluff
WWTP Upgrade?**
(\$ per Rating Unit for Bluff Only - No City Wide
Funding)

		Additional Operations and Maintenance each year				
		\$25,000	\$50,000	\$75,000	\$100,000	\$200,000
Upgrade Costs (Capex)	\$2.5 M	\$759	\$779	\$799	\$819	\$899
	\$3.0 M	\$890	\$910	\$930	\$950	\$1,030
	\$3.5 M	\$1,021	\$1,041	\$1,061	\$1,081	\$1,162
	\$4.0 M	\$1,152	\$1,173	\$1,193	\$1,213	\$1,293
	\$5.0 M	\$1,415	\$1,435	\$1,455	\$1,475	\$1,555
	\$6.0 M	\$1,677	\$1,697	\$1,717	\$1,737	\$1,818
	\$7.0 M	\$1,940	\$1,960	\$1,980	\$2,000	\$2,080
	\$8.0 M	\$2,448	\$2,468	\$2,489	\$2,509	\$2,589
	\$9.0 M	\$3,204	\$3,224	\$3,244	\$3,264	\$3,344
	\$10.0 M	\$4,451	\$4,471	\$4,491	\$4,512	\$4,592
	\$15.0 M	\$5,763	\$5,783	\$5,804	\$5,824	\$5,904
	\$20.0 M	\$8,307	\$8,327	\$8,347	\$8,367	\$8,448
	\$25.0 M	\$13,315	\$13,335	\$13,355	\$13,375	\$13,455



Financial Assumptions

1. CAPEX is funded through loans at 4.5% interest rates over a 30-year payback term.
2. New assets have 100% of depreciation funded, over a 50-year asset life. Asset life is a sensitive assumption as it may reduce to 25 years or less to match the consent term. This would double depreciation.
3. No additional funding from development contributions.
4. Interest cost of debt must not exceed 10% of annual revenue.
5. Total rating units is currently 21,608 and annual rate per rating unit is \$578 p.a.
6. The annual operating and maintenance cost of Bluff WWTP was \$131k in 2019.
7. City wide rating for the Wastewater activity will continue (no targeted rates by township, and no 3-waters reform or scheme coverage change will introduce additional rating units or revenue.)
8. Assumes growth in rating units of less than 1% p.a. or 160 new connections per year.

References

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CRASH REPORTING 2019-2023 (DEFERRED FROM LAST MEETING)

To: Infrastructure and Projects Committee

Meeting Date: Tuesday 2 July 2024

From: Doug Rodgers – Manager -Strategic Asset Planning

Approved: Erin Moogan - Group Manager - Infrastructure

Approved Date: Wednesday 26 June 2024

Open Agenda: Yes

Public Excluded Agenda: No

Purpose and Summary

The purpose of this report is to update the Committee on crash data and trends over the previous 5 years and utilise the information for sites that require intervention through the design of safety improvements.

Recommendations

That the Infrastructure and Projects Committee:

1. Receives the "Crash Reporting 2019-2023".

Background

Typically, Territorial Authorities report on a regular basis, a summary of crash records in terms of trends and severity over selected periods of time. This is generally the previous full five year period.

This data is used to identify sites and corridors that either have a history currently or have the potential to increase in severity over time. This is a more proactive approach to road safety and mitigation strategies.

Trends

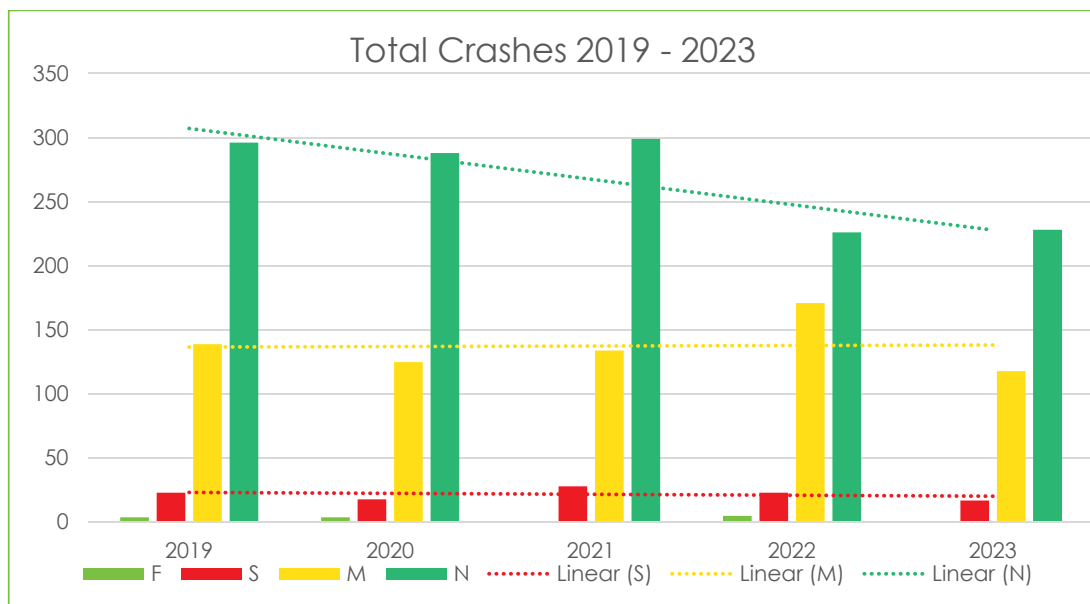
An examination of the period 2019-2023 shows that the crash trends in terms of overall numbers is heading downward. For intersections crashes the severity of crashes is upward.

General

Total crashes for the period 2019-2023 for Invercargill City is shown below and broken down by severity and year.

	2019	2020	2021	2022	2023	Total by Severity
Fatal	4	4	1	5	0	14
Serious	23	18	28	23	17	109
Minor	139	125	134	171	118	687
Non-Injury	296	288	299	226	228	1337
Annual Total	462	435	462	425	336	2147

Total crashes (including non-injury) for the period 2019 to the end of 2023 was 2,147.

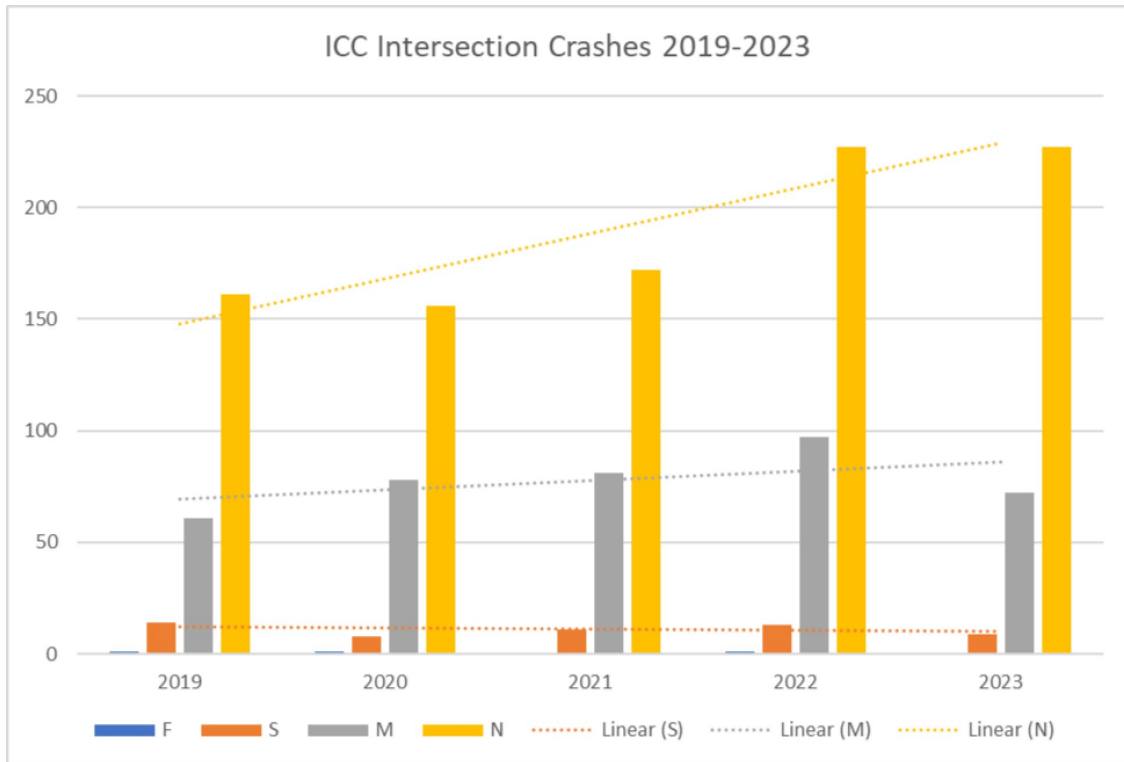


Overall crash

Intersection crashes

Invercargill City has been recently reported as having the highest intersection crash rate in the country. Note: a crash rate is the number of crashes that occur at a given location during a specified time (usually 3-5 years) divided by a measure of exposure for the same period. Exposure in the context of road crash risk is a function of current injury crashes per year and the annual average daily traffic (AADT) and some measure of a modifying factor for side friction, lane width, shoulder widths and others).

These models are different for each type of traffic environment (e.g. rural versus urban, control types, speed environment and others).



Total intersection crashes for the period 2019-2023 for Invercargill City is shown below and broken down by severity and year.

	2019	2020	2021	2022	2023	Total by Severity
Fatal	1	1	0	1	0	3
Serious	14	8	11	13	9	55
Minor	61	78	81	97	72	389
Non-Injury	161	156	172	227	227	943
Annual Total	237	243	264	338	308	1390

Further analysis of this shows:

- Intersection crashes make up 65% of all crashes in Invercargill.
- Alcohol and drug were identified as a contributing factor in 13% of intersection crashes
- The most common cause is failing to give way or stop at an intersection (557 crashes or 40%).
- Other categories that have commonality are merging on approach to an intersection, rear end collisions and same direction turning collisions.

Common Trends

Overall crashes are trending downward for the 5-year period. However, it is clear that crashes at intersections remain of concern.

A deeper analysis of the types of crashes at intersections shows that whilst driver behaviours are a feature, there are engineering solutions to reduce ability of drivers to make poor decisions, such as traffic calming, intersection controls upgrades (e.g. increasing visibility).

Economic Costs

Crash costs are calculated as a social and economic cost. For example, the economic cost of a fatality was increasing linearly until 2022 to a value for preventing fatalities (VPF) of approximately \$5 million. NZTA examined this from 2017 through to 2023, through analysing the indexing that has occurred over time and it was found that a figure of \$8.3 million was the minimum value that could be applied. The range of values was found to be from \$8.3 million to \$16.9 million. A figure of \$12.5 million was found to reflect all factors.

Equally serious and minor injury crashes hold values that reflect the actual and social impacts of these injury levels. These are for serious injuries \$660,100 and for minor crashes \$68,000. Reducing crashes that reduce the exposure to levels of injury have direct societal and fiscal benefits.

Issues

Separating driver behaviour from road environment impacts is complex when considered as causal factors. The most effective approach to improving the safety of road users is to improve decision making time available. This includes, but isn't limited to, increasing visibility and safe sight distance, reducing speed of travel to reduce the severity of impacts should crashes occur (traffic calming, speed limit reductions, and education).

Costs of safety improvements are offset by NZTA's Financial Assistance Rate (FAR). Government policies have an impact on the application of this subsidy.

Council has made provision in the Long-term Plan budgets for provision of safety improvements to address the challenges of crash rates.

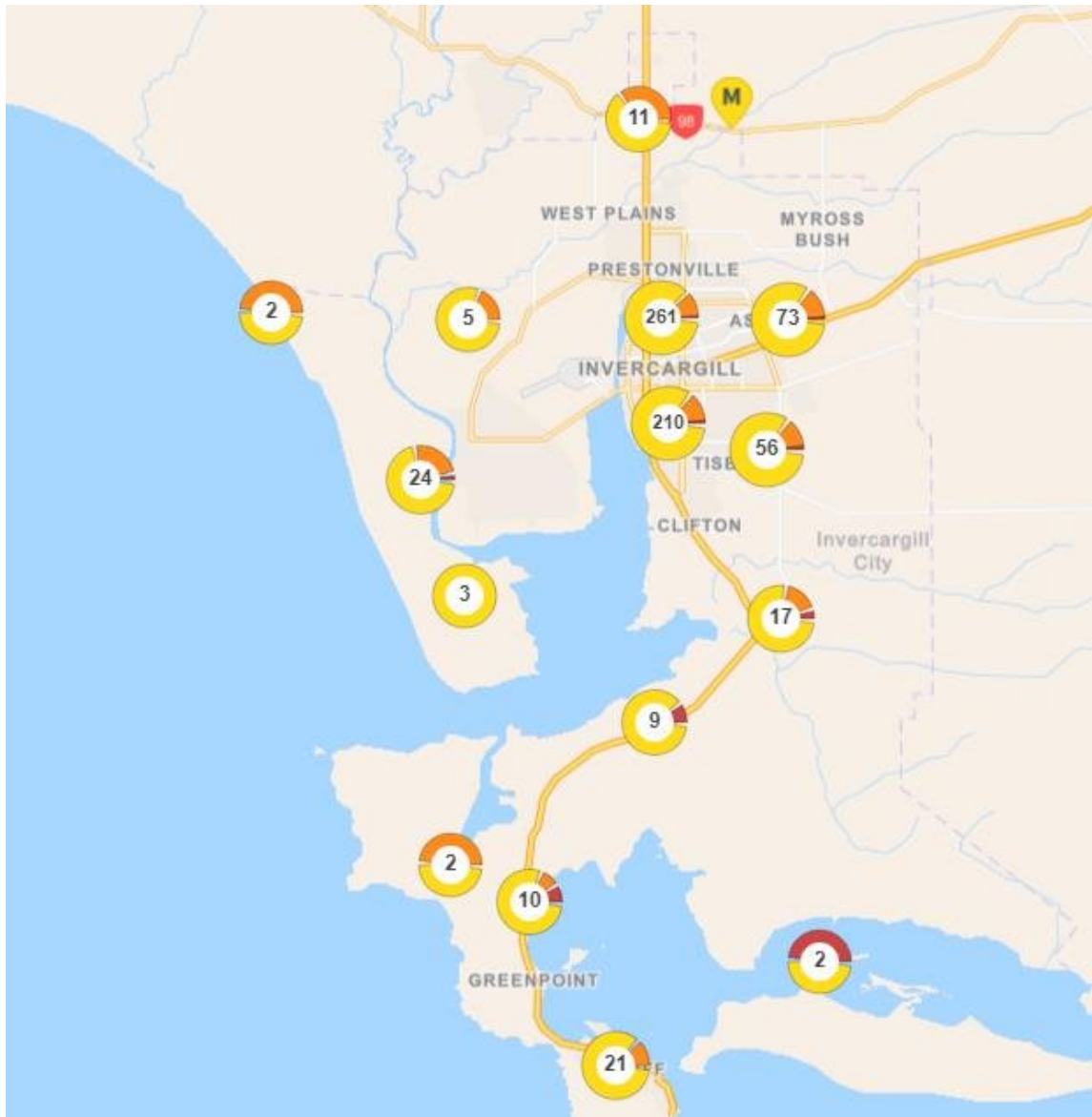


Figure 1. Locations of Fatal, Serious and Minor injury Crashes

Next Steps

Staff will continue to monitor crash rates and sites for intervention and report annually. Staff will development interventions for safety improvements based on identified 'blackspots' and crash trends.

Attachments

Not applicable.

REGIONAL PUBLIC TRANSPORT PLAN REVIEW SCOPE (DEFERRED FROM LAST MEETING)

To: Infrastructure and Projects Committee

Meeting Date: Tuesday 2 July 2024

From: Doug Rodgers – Manager Strategic Asset Planning

Approved: Erin Moogan - Group Manager - Infrastructure

Approved Date: Wednesday 26 June 2024

Open Agenda: Yes

Public Excluded Agenda: No

Purpose and Summary

The purpose of this report is to brief the committee on the planned review of the Regional Public Transport Plan to be completed in 2024.

In terms of service levels there isn't a need to increase based on capacity and demand, although patronage is now growing.

Recommendations

That the Infrastructure and Projects Committee:

1. Receives the report "Regional Public Transport Plan Review Scope"

Background

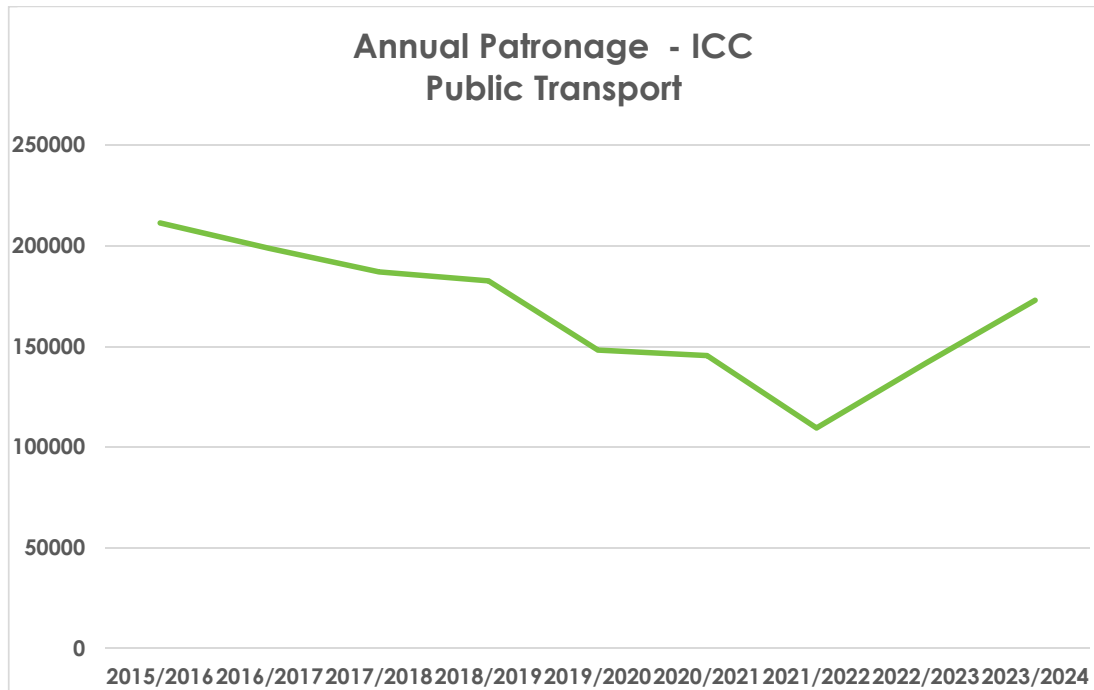
The ICC Regional Public Transport Plan was adopted in 2021 and provides a ten-year plan for the provision of public transport in Invercargill.

A review of the plan in the first three-year period can be undertaken in accordance with the Land Transport Management Act 2003.

Issues

Patronage

The impacts of COVID on patronage were felt for a considerable time in Invercargill. Yearly patronage is shown in Figure 1 below. With an extrapolated final figure for the year ending June 2024.



Patronage is recovering towards pre-COVID levels. The impact of half price fares over much of the past three years has improved patronage and seeded the recovery of the public transport network.

Price is a lever that has been used to increase the public's engagement with public transport during this time.

Current Regional Public Transport Plan Priorities

Priority 1: Ensuring access to essential goods and services

Priority 2: Achieving value for money

Priority 3: Responding to environmental priorities

Each of these priorities is based on managing a cost-effective service that meets the need of the public.

In Invercargill the demographic using public transport are generally those without transport options. These would be young people, students and to some extent the elderly, amongst others.

Priority 1 - Addresses this need, providing for access to school, work and recreation.

Priority 2 - Focuses on the value proposition for the service. The question we need to ask is are we providing value for money currently? It is reasonable to state that for users the cost is reasonable and affordable. Residents surveys confirm that most are satisfied with the cost of the service.

Priority 3 - The environmental priority focuses on the national 'net zero' goal by 2050. Although the GPS Transport has been amended and is less focused in this area, this priority can be enacted for public transport through the procurement of the upcoming contract to renew the service.

Current Outcomes Being Sought

The priorities are seen as appropriate and through a review are able to be refined to future proof the service. This is particularly so with modes, vehicle type, and the use of digital technology and to improve the experience of the disabled community.

A review will examine these matters for currency.

Actions in the Current Plan

Short Term

The Regional Public Transport Plan Action Plan has short and medium term priorities that will need to be reviewed for appropriateness and currency.

Short term goals identified in the plan are (noting a brief current status included):

1. Confirm bus smart terminus location and implement any change (completed - now on Tay Street).
2. Implement new Invercargill bus network (routes and timetables) and review prior to the next Regional Public Transport Plan (completed and now have pulse routes. Timetables have not been extended to date).
3. Have wider conversations with Southland residents and organisations (including Environment Southland, Gore District Council and Southland District Council where appropriate) about community transport needs, as reported to ICC, to understand the case for investment in services to advantage communities not currently served (more formalised stakeholder engagement is desirable).
4. Promote/market new Invercargill network and Bee Card, with a focus on attracting new users (need to revisit given the NTS and brand change. Bee Card uptake and use has been successful).
5. Work with all operators to consider stronger linkages which would support opportunities to Bluff and Rakiura/Stewart Island, and the national parks (further stakeholder both Councils and Operators needed to consider if business case is worthy of considering).
6. Monitor national development and technology changes to on-demand services (need to evaluate and consider with new contract considerations).

7. Re-tender the Invercargill bus contract prior to end of current contract (link with 6 above).
8. Develop policy and understand the impacts of a stronger transition to low or zero emissions vehicles (Need consideration of government GPS priorities and ICC direction, and incorporate if appropriate with 7 above).

A full review of achievements versus these short-term goals is part of the review.

Medium Term

As the plan is now nearing its fourth year a review of progress towards medium term (year 4-10) actions should be undertaken.

Regional Public Transport Plan Objectives and Policies

There are 10 Objectives in the Regional Public Transport Plan each with policies that inform those objectives.

1. A Southland transport system that is easily accessible for all ages and abilities and appeals to a broad customer base.
2. Improved access and travel choice for people whose needs are not met by, or who are unable to use, the public transport system.
3. Public transport services are delivered with quality infrastructure and coordinated with active modes.
4. Public transport provides a high-quality experience that meets the expectations of existing and potential customers.
5. Existing and potential customers have the information they need to use public transport.
6. A fare system that attracts and retains existing and potential customers, while balancing user contributions with public funding.
7. Effective and efficient allocation of public transport funding.
8. The vehicles used for public transport provide customers with safe, accessible and comfortable journeys, and have minimal environmental impact.
9. A procurement system that enables the efficient and effective delivery of the desired public transport system.
10. Timely information that assists a continuous process of review and improvement.

An essential part of this review is to ascertain whether these objectives remain valid and whether Council is progressing towards them and how they are introduced into future activity plans.

Next Steps

Staff will scope the review and engage consultants to complete.

Attachments

None.

STRATEGIC CAPITAL PROJECTS REPORT

To:	Infrastructure and Projects Committee
Meeting Date:	Tuesday 6 August 2024
From:	Lee Butcher – Programme Director
Approved:	Erin Moogan - Group Manager - Infrastructure Services
Approved Date:	Thursday 1 August 2024
Open Agenda:	Yes
Public Excluded Agenda:	No

Purpose

This report updates the Committee on the status of Strategic Capital Projects delivered by the Project Management Office (PMO).

Recommendations

That the Infrastructure and Projects Committee:

1. Receives the report "Strategic Capital Projects Report".
2. Receives the "ICC PMO Programme Dashboard".
3. Notes the current status of the projects, including project risk assessment.

Background

The PMO carry out oversight and management of eight strategic projects. Through the PMO, Invercargill City Council (ICC) develops tools and internal staff to manage and deliver projects directly and support better internal processes.

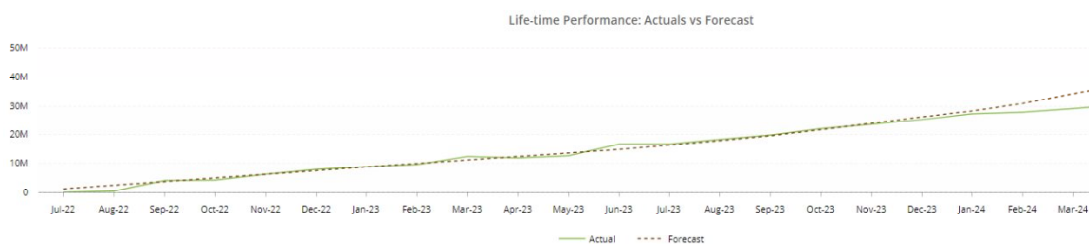
The PMO provides a snapshot of progress, risk, and commentary on the programme through the ICC PMO Programme Dashboard presented to the Infrastructure and Projects Committee bi-monthly.

Programme Summary

The last period has been very busy;

- We are preparing to live a section of the Branhholme line. It is great to start running fresh water into the city via this new pipeline despite some challenging weather and ground conditions over summer and early winter.
- The demolition of the old Museum is close to completion, with the demolition team undertaking a site-wide clean-up.
- The ECI contractor provided us with two cost options on time (July 4th).
- Staff are preparing a paper for the Council in July 2024 and preparing it to award to the main contractor in August 2024 as planned.
- Demolition of the Miller Street units has been completed with design and consenting to progress on time for the six replacement units. We plan to be out to tender this year for the next stage of the housing innovation project.
- An early item of equipment has been ordered for CCTV. The contractor onboarding is a little behind our programme, but we have this in hand.

Forecasting Information



Forecasting is improving as the LTP 2024 packs are released; the PMO will update all its projects and expects greater improvements in the next period.

Elected Member Updates

The next update is due later this month and will feature some of the recently closed projects and updates on others.

Attachments

Attachment 1 – July 2024 Strategic Projects Dashboard (A5466519).



ICC PMO Programme Dashboard (Roadmap To Renewal LTP July 2021 - June 2031)

Report to 28 July 2024

Programme Sponsor: Erin Moogan

Programme Lead: Lee Butcher

(A5466519)

Project Budget	Spend to date			PMO forecasting - Risk - ETC - tracking					
Project	Budget (inc Cont.)	Actuals (from Tech One)	Remaining	Estimate to Complete (ETC)	Contingency (remaining)	Variation - Budget vs ETC	RAG	Comments	
Branxholme Water Main - (100349)	\$ 25,348,575	\$ 18,776,984	\$ 6,571,591	\$ 26,028,575	2,163,104 (1,180,000)	-\$ 680,000	Yellow	A revised programme has been provided now through the prolonged bad weather period; this has the pipe lay drifting into the end of March/April 2025. The team is split at present between living work (north) and pipelay works at Myres. We will soon have the first fresh water passing through the north sections, a huge achievement for the project despite the poor weather we have had this summer. The current estimate to complete is tracking 2.5% over budget, but we are still working on bringing this down. It was \$800k and reducing.	
Rugby Park - (100305)	\$ 4,900,000	\$ 328,920	\$ 4,571,080	\$ 4,900,000	150,000 (150,000)	\$ -	Green	Stage 2 (2024) is now underway. We have found a few issues with services around the lift area and other issues with connection details. Engineers and installers are working on a solution, which will push some minor steel installation to after the season. A few unexpected services have been found in the piling area; these are not on the as-built plans. We were working on sleaving these through the pile cap.	
Te Hinaki - (100315)	\$ 16,000,000	\$ 807,040	\$ 15,192,960	\$ 16,000,000	1,600,000 (1,600,000)	\$ -	Yellow	Further options are being explored, and minor work is being undertaken on Levels 1 and 3 to accommodate the building's staff. This work will conclude in early August. Engineers have also started to review the building's seismic assessment to ensure it is up-to-date and using the latest standards and guidance.	
Te Unua - Museum of Southland (100551)	\$ 63,942,565	\$ 5,110,630	\$ 58,831,935	\$ 76,820,985	5,876,713 (5,536,494)	-\$ 12,878,420	Red	The project team has received final bids and cost advice; an options paper is due to the council in July. On-site, the demolition is in the clean-up phase and running on schedule. We plan to engage the main contractor in August. Now that we have firm pricing for the build and confidence in the experience pricing, we are currently over budget by \$12.8 million.	
Bluff Boat Ramp - (100335)	\$ 2,031,555	\$ 1,830,058	\$ 201,497	\$ 2,324,642	198,337 (43,206)	-\$ 293,087	Green	The west pontoon is completed, and the east is in production. The piles are set, and work has started on the jetty walkway to the east. Due to weather and tides, the sea pontoons will be launched; 1 in July and 1 in August. This is an 8-week delay in total.	
Housing Innovation - Stage Two (100883)	\$ 2,323,165	\$ 7,660	\$ 2,315,505	\$ 2,323,165	198,000 (198,000)	\$ -	Green	Demolition is underway for the second site. Early designs have been submitted for resource consent. Work on the building consent pack and a cost plan (developed) are underway. The quantity survey team undertook a review using pre-fabricated insulated panels it is likely we will trial these at this stage. We are targeting speed and time efficiencies in the build that will bring cost savings.	
CCTV - Stage 1 - (100698)	\$ 2,300,342	\$ 147,924	\$ 2,152,418	\$ 2,300,342	661,523 (661,523)	\$ -	Green	Some equipment has been ordered, and as an assessment of a number of the old sites, the contract onboarding is taking a bit longer as we seek revised pricing on a few items. Power contractors have also started planning for the power supplies. A police station visit is scheduled for next month. Work will start in the city centre next month, and we are still tracking the systems that will go live by the end of the year.	
Programme Total	\$ 116,846,202	\$ 27,009,216	\$ 89,836,986	\$ 130,697,709	\$10,186,154 (\$8,927,700)	-\$ 13,851,507			



ICC PMO Programme Dashboard: Risks (Overview)									
Report to 28 July 24			Programme Sponsor: Erin Moogan				Programme Lead: Lee Butcher (A5466519)		
PROGRAMME STATUS									
PROGRAMME HEALTH STATUS (1 = GREEN (OK), 2 = AMBER (ON WATCH), 3 = RED (ESCALATE))									
ID	ITEM	Branxholme	Ruby Park Stage 2	Te Hinaki	Te Unua - Museum of Southland	Bluff Boat Ramp	Housing Innovation - Stage 2	CCTV - Stage 1	DESCRIPTION
1	Schedule	2	2	1	1	2	1	1	<p>Branxholme - We are now reviewing the extension of time programme provided by the contractor.</p> <p>Rugby Park - A few problems with services and connection details around the lift will mean a re-design for steelwork (installation after the season).</p> <p>Bluff Boat-Ramp - Poor weather and tides have delayed the re-work on the west ramp and the pontoons sea launch.</p>
2	Financials	2	1	1	3	2	1	1	<p>Branxholme - Some contingency has been spent on poor ground conditions. The estimate to complete has also increased to \$27+ million, but this is expected to drop back to \$26+ million once we close out all historical contracts and conclude using the pipe yard. This is a challenging project, but tight controls allow us to manage risk monthly.</p> <p>Museum - The "Developed Early Contractor Involvement Design Stage" cost plan has been provided and a value engineering options developed to provide council options.</p> <p>Bluff Boat-Ramp - We are coming very close to the end of stage 1; a small overspend is forecasted.</p>
3	Scope	1	1	1	1	1	1	1	
4	Resources	2	1	1	1	1	1	1	<p>Branxholme - The Contractor staffing has slipped, and this has been raised with them; there is a link to a few more H&S issues.</p>
5	Dependencies	1	1	1	1	1	1	1	
6	Quality	1	1	1	1	1	1	1	
7	Stakeholder	1	1	1	1	1	1	1	
8	Benefits	1	1	1	1	1	1	1	
9	Health & Safety	2	1	1	2	1	1	1	<p>Branxholme - Some minor issues in the last period, this has been raised with the contractor and put on the watch list.</p> <p>Museum - There was one issue on-site with a near miss with the demolition team; otherwise, it was very tidy and controlled work.</p>
Overall		2	1	1	2	1	1	1	<p>Branxholme - This project will likely stay amber through the year as we are very tight on budget. Given the ever-changing conditions underground and frequent scope interruptions, it will be a watch-list project until the end.</p> <p>Te Hinaki - Minor works are underway on floors and engineering assessments. ELT is working through options regarding accommodation.</p> <p>Museum - A detailed paper is due to the Council in July with three options (two cost options and one pause option).</p>

CCTV PROJECT INFORMATION REQUEST

To:	Infrastructure and Projects Committee
Meeting Date:	Tuesday 6 August 2024
From:	Erin Moogan, GM Infrastructure
Approved:	Trudie Hurst – Acting Chief Executive
Approved Date:	Thursday 1 August 2024
Open Agenda:	Yes
Public Excluded Agenda:	No

Purpose and Summary

The purpose of this report is to provide the Committee with information requested by Cr Pottinger on the CCTV Project.

Recommendations

That the Infrastructure and Projects Committee:

1. Receives the report "CCTV Project Information Request".

Background

On 7 July 2024, a request for information under the Local Government Official Information and Meetings Act was received from Cr Pottinger. Specifically, the request was:

(1) In the CCTV "Actuals" section of the table it is noted that \$140,210 has been spent to date and this is prior to a "preferred supplier being engaged".

REQUEST: Please supply a breakdown of what cost items make up the \$140,210 in expenditure.

(2) It is stated in the CCTV "Comments" section that "Council is working with a preferred supplier to finalise costs, both capital spend and ongoing operational costs, such as data storage and licencing etc."

REQUEST: Please supply a copy of the report that explains the rationale and benefits to the rate payers of Invercargill that influenced Council to opt for a CCTV system that requires "Ongoing operational costs, such as data storage and licencing etc", when there are totally capable systems available that have zero "Ongoing operational costs, such as data storage and licencing etc".

This report provides the information requested by Cr Pottinger.

Financial information

A breakdown of the costs is provided below for the period March 2023 – April 2024 which was the period provided in the report:

Cost breakdown for the CCTV Project March 2023 – April 2024	
Cost description	\$ Amount
Camera Maintenance	310.00
CCTV Project review	5,000.00
Design and Implementation	37,342.37
Design and Investigation	51,136.40
Legal	7,398.00
Procurement Services	40,630.50
Quantity Surveyors	2,451.25
Total	140,210.01

Operational Considerations

The following considerations were made by Council Officers when planning the delivery of this project:

- Given the previous cameras had not been maintained or kept to an appropriate operational standard, it is apparent the skills and capacity to maintain and service this technology is not currently within this organisation. This expertise is either obtained via a contract or employing CCTV experts within Invercargill City Council (ICC).
- Servicing of the system is best managed by experts. Having this expertise in-house would be wasteful and create more risk or single points of failure. There is not the capacity or capability within the organisation to manage and grow such a city-wide CCTV network.
- It is a common requirement that CCTV cameras require an ongoing license payment. This is similar to paying license fees for the Windows software and updates on your computer. In line with Council's procurement policy selection of camera type, software, installation services and maintenance services has been done via a public tender process. This process was well responded to with bids received from a number of tenderers who provide CCTV to other large organisations around the country. No tenders received provided an option for unlicensed cameras.
- While the Infrastructure team will manage the delivery and operation of the CCTV network we are guided by our Information Services team in the management and storage of Council data. ICC has a preference to move to using off-premise or cloud-based technology to reduce potential risks from hosting data on-premise. Cloud-based computing and storage offers several benefits, including:
 - Cost Efficiency:
 - Reduced Capital Expenditure: No need for large upfront investments in hardware.
 - Operational Cost Savings: Pay-as-you-go models reduce overall IT costs.
 - Scalability: Easily scales resources up or down based on demand, avoiding over-provisioning or under-utilisation.
 - Reliability and Disaster Recovery:
 - Data Redundancy: Data is often stored in multiple locations, reducing the risk of data loss.

- Automatic Backups: Regular and automated backups ensure data protection.
- Security:
 - Advanced Security Measures: Cloud providers offer robust security measures, including encryption and multi-factor access controls.
 - Compliance: Cloud providers comply with various regulatory standards, ensuring data security and privacy.
- Performance and Speed:
 - High-Speed Access: Cloud providers typically offer high-speed network access to their resources.
 - Resource Optimisation: Efficient use of resources can lead to better performance for applications and services.
 - High Availability: Cloud services often provide better availability and reliability compared to traditional on-premises solutions.
- Innovation and Flexibility:
 - Access to Latest Technologies: Immediate access to new technologies and features as they are released by the provider.
 - Flexibility: Easy to test and deploy new applications without significant infrastructure changes.
- Focus on Core Business:
 - Less IT Management: Reduces the need for in-house IT management, allowing businesses to focus on their core activities.
 - Automatic Updates: Software and hardware updates are managed by the cloud provider, reducing maintenance overhead.
- Environmentally Friendly:
 - Energy Efficiency: Cloud data centres are typically more energy-efficient than traditional data centres.
 - Resource Optimisation: Shared resources reduce the overall environmental footprint.
- If an on-premise solution was the preferred option, there would be a requirement to invest in additional firewall appliances, server infrastructure and data storage, and backup infrastructure to hold and back up 75 terabytes of data per annum. Based on the initial installation of 63 cameras for phase 1, these requirements will increase with the rollout of future phases. This is more than all of our current ICC data now and would be costly to hold and back up.

Next Steps

The CCTV project team will continue to progress the mahi (work) with the preferred supplier.