



HURUNUI
District Council

Strategy & Policy Committee

AGENDA

FOR AN ORDINARY MEETING TO BE HELD ON:

THURSDAY 1 DECEMBER 2011

**COMMENCING IMMEDIATELY FOLLOWING THE
EXTRAORDINARY COUNCIL MEETING
(9.40AM APPROXIMATELY)**

IN THE COUNCIL CHAMBERS
66 CARTERS ROAD,
AMBERLEY

In Hurunui we live the lives the rest of the world would love to live.

For the meeting timetable and order of business please refer to the back page fold-out.

Committee Membership

Cr Michael Malthus (Chair)	(Hanmer Springs Ward)
Winton Dalley	(Mayor)
Cr Gary Cooper	(Amberley Ward)
Cr Ross Little	(Amberley Ward)
Cr Jude McKendry	(Amberley Ward)
Cr Marie Black	(Amuri/Hurunui Ward)
Cr Dick Davison	(Amuri/Hurunui Ward)
Cr Jim Harré	(Amuri/Hurunui Ward)
Cr Vincent Daly	(Cheviot Ward)
Cr Russell Black	(Glenmark Ward)

Quorum Number – Is no less than five (5) members.

STRATEGY & POLICY COMMITTEE MEETING

1 DECEMBER 2011

TIMETABLE

Time	Item
9.40am (approx.)	Meeting commences.
10.30am	Morning tea.
10.45am	Presentation on the Hurunui Youth Programme.
11.30am	Presentation from "Food for Thought".
12.30pm	Lunch.
1.00pm	Presentation from Meridian Energy on the Amuri Integrated Water Project.
2.15pm	Presentation from Amuri and Hurunui Arts Councils.
3.00pm	Afternoon tea.

Item	Order of Business	Pages
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MINUTES OF THE MEETING OF THE HURUNUI DISTRICT COUNCIL'S STRATEGY AND POLICY COMMITTEE HELD ON THURSDAY 10 NOVEMBER 2011 AT 9.30AM IN THE COUNCIL CHAMBERS, 66 CARTERS ROAD, AMBERLEY.

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PRESENT:

Cr Michael Malthus (Chairperson), Councillors Marie Black (until 3.20pm), Russell Black, Vince Daly, Dick Davison, Jim Harré (absent between 12.13pm and 12.21pm), Judith McKendry and Ross Little (until 4.44pm).

IN ATTENDANCE:

Jason Beck (Manager Financial Services), David Edge (Manager Roading and Utilities), Audrey van der Monde (Manager Community and Corporate Services), Bruce Yates (Manager Amenities and Special Projects) and Graham Sutherland (Council Secretary).

PART MEETING:

Andrew Dalziel (Chief Executive Officer), Sally Cracknell (Solid Waste Manager), Scott Kellaway (Marketing Manager), Rachel McClung (Senior Policy Planner), Jan Weaver (Policy Planner) and Naomi Woodham (Communications and Projects Team Leader).

APOLOGIES:

Mayor Winton Dalley and Cr Gary Cooper. Councillors Marie Black and Ross Little for early departure.

THAT THE APOLOGIES BE ACCEPTED.

Harré/Little

CARRIED

CONFLICT OF INTEREST:

Cr Harré noted that he had an interest as a business owner with respect to the Targeted Tourism Rate. He said he did not consider this to be a conflict of interest but was raising it to make the Committee aware of his position.

RECORDING DEVICE:

The Committee was advised that a recording device was in use for the purpose of accurately recording the minutes.

URGENT BUSINESS:

- Cr R Black – Matter of process for spending the grant awarded to the Glenmark community regarding the Hurunui wind farm proposal.
- Cr Daly – Roothing matters.
- Late Report – Temporary Road Closure of Hawkswood Road

THAT THE COMMITTEE ACCEPTS THE MATTERS OF URGENT BUSINESS AND AGREES TO DEAL WITH THEM AT THIS MEETING.

Daly/Harré

CARRIED

1. MINUTES

THAT THE MINUTES OF THE STRATEGY AND POLICY COMMITTEE MEETING HELD ON 13 OCTOBER 2011, AS CIRCULATED, ARE TAKEN AS READ AND NOW CONFIRMED.

Little/Davison

CARRIED

Matters Arising

- Cr R Black referred to the last sentence on page 3 where the Manager Community and Corporate Services said with respect to the matter of establishing a Māori ward in the district "...the perception seems to be that this is not supported in the district." Cr R Black said he believed that the matter was strongly opposed by the community, given the community's strong opposition in 2009 to the proposal to appoint a runanga representative to the previous Environmental Services Committee.
- Cr M Black noted on page 7 that there had been a change of public meeting dates for the Draft Waste Management and Minimisation Plan.
- Cr M Black referred to page 9, second-last paragraph and the reference to a spreadsheet regarding roading issues in the community. She asked if this spreadsheet was available to the councillors and public. The Manager Roothing and Utilities said the idea was to develop the Cheviot model of a spreadsheet of issues and expand it to the rest of the community. He recommended that this be captured in the quarterly report or roading reports sent periodically to the Strategy and Policy Committee. This would indicate what work was happening in each ward.

2. ACTION LIST

The Action List was tabled with officers confirming the relevant actions had been completed.

3. FORWARD PROGRAMME

A programme of known reports and events was provided for the Committee's information and was taken as read.

4. CORPORATE MATTERS

4.1 Remuneration Review – Approval of Submission

The Manager Community and Corporate Services reported that the Remuneration Authority had invited councils to respond to its review of how it goes about setting remuneration for elected members of local authorities. The Remuneration Authority had asked that only one response from each council or community board be provided. The Council considered this matter at its meeting on 27 October 2011 and appointed a panel of councillors and the Hanmer Springs Community Board chair to prepare a Hurunui District Council submission for approval. The panel met on 31 October 2011 and the draft submission was circulated as soon as it was written up by officers.

The Manager Community and Corporate Services noted that the submission covered the direction the Council wanted to move in and the main elements were that the Council supports a remuneration pool and prefers a similar approach to remuneration for members of parliament. The submission favours every councillor having a base payment met through a taxpayer-funded pool and an additional payment depending on other factors like area and population. She said the submission favours councils having more influence on payments for community board members rather than this being set by the Remuneration Authority and the ability for the specific community to fund its community board, rather than having 50% met through the general rate.

Cr R Black said the submission was accurate however he asked that on page 1 the reference to non-ratepaying tax payers who get the benefits but may not contribute, could be written more clearly to explain that the group of residents in the district that benefit from Council services is wider than just ratepayers.

THAT THE COMMITTEE AUTHORISES THE RELEASE OF THE PROPOSED SUBMISSION TO THE REMUNERATION AUTHORITY ON ITS REVIEW OF LOCAL AUTHORITY REMUNERATION SETTING, WITH AGREED AMENDMENTS AS SUGGESTED BY COMMITTEE.

R Black/M Black

CARRIED

4.2 Long Term Plan Steering Group Recommendations

The Manager Community and Corporate Services reported that the Long Term Plan (LTP) Steering Group last met on Wednesday 19 October 2011. The topics covered at this meeting included:

1. Work plan for the remainder of the year
2. Proposal from the Youth Council
3. Targeted Tourism Rate report
4. NZ drinking water standards and the financial implications
5. LTP communication and consultation plan

The Manager Community and Corporate Services said the Steering Group made a call on some issues but not others. It was agreed that some matters would go straight to the budget workshops in December. She noted that there would be one more meeting of the Steering Group before the budget meetings.

Youth Council Proposal

The Hurunui Youth Council put forward a proposal for several initiatives. The Manager Community and Corporate Services said that the Youth Council was not asking the Council to commit to anything at this stage, just to consider matters through the LTP. The Steering Group supported the following:

- Continuation of Council funding and support for the Hurunui Youth Programme
- Continuation of Council funding and support for the Hurunui Youth Council
- Support for the development of physical equipment/resources in the district, such as swimming pools and gymnasiums
 - The Steering Group agreed that where there is community support to fund these initiatives, they were appropriate (using the Amberley swimming pool as an example)
- Continue to support and provide for the Biodiversity Programme
- Continue to advocate for better broadband and cellular coverage in the district
- Continue to improve roading infrastructure in the district (in line with Council policy and priority ratings)

The Steering Group was impressed with the list of initiatives put forward by the Youth Council. Some of the ideas are already being worked on or provided for by other organisations. A response will go to the Youth Council to update them on what is already happening and the process to be followed.

LTP Consultation and Communication Plan

A consultation and communication plan along similar lines to what has been done previously was discussed and agreed to. This was appended to the report as appendix 2. The Manager Community and Corporate Services noted that the public meetings issue was discussed and these were considered not popular enough to continue with, except for in Cheviot. Cr Davison agreed that it was a sensible idea to ask the ward committees whether they want to hold meetings in their areas and to invite the Council to attend if they wish.

THAT THE INFORMATION IS RECEIVED.

THAT THE COMMITTEE AGREES WITH THE STEERING GROUP'S DIRECTION REGARDING BUDGET CASES.

THAT THE COMMITTEE ENDORSES THE STEERING GROUP'S SUPPORT FOR THE YOUTH COUNCIL INITIATIVES DESCRIBED ABOVE.

THE COMMITTEE ACCEPTS THE COMMUNICATION AND CONSULTATION PLAN FOR THE LONG TERM PLAN.

McKendry/M Black

CARRIED

Targeted Tourism Rate

A report was presented on the targeted tourism rate policy review. The Steering Group agreed to invite the consultant who prepared the report to come to the 10 November Strategy and Policy Committee meeting and discuss his recommendations with the Committee. Therefore, the Steering Group deliberately decided not to go forward with a recommendation, appreciating that there would be wider interest from other Councillors and the Hurunui Tourism Board members. The report was separately circulated to all Councillors and Tourism Board members.

Presentation from Ray Sleeman – Targeted Tourism Rate Review

Ray Sleeman took the targeted tourism rate report as read and answered questions from councillors. Cr Malthus noted that in the absence of officer recommendations associated with this matter, the Committee would need to decide how to turn the results of the review into recommendations for the Long Term Plan.

Ray Sleeman referred to the tourism satellite account from Statistics New Zealand as a clear definition of what tourism embraces regarding businesses and types of expenditure. He said the Council can use this information as a robust structure to counter those who do not think there is benefit from the Targeted Tourism Rate. He said this information gives confidence that businesses paying the rate are the right ones and that there are not many identified who are not paying but who should be, which gives support to the fairness aspect of the rate. Ray Sleeman said he consulted stakeholders and reviewed other targeted tourism rates regimes, noting that each is quite different with some being a pure fixed rate, some based on land and capital and some a mixture. He suggested there was no perfect targeted tourism rate, particularly given that tourism has so many types of businesses, with different capital structures and some do benefit more than others.

Ray Sleeman said he looked at five options, from the status quo through to abolishing the rate. He said that abolishing the rate might be detrimental to business as a lot of work goes into marketing, promotion and research. He said the research in particular was critically important as businesses need to make decisions from an informed base and the planned research was very important. He said that it was unlikely there would be voluntary funding from businesses to conduct this research.

Cr Davison suggested that if this promotion and research work had value then businesses may voluntarily join together to fund this and get the benefits, noting there were other examples of businesses forming groups to promote themselves and conduct research in particular industries. He said the difference was compulsion, as this was not necessarily the right way to approach these things.

Cr Little suggested that given the diverse nature of tourism businesses, there may not be the same level of unity among businesses as farmers for example, so working together might be more challenging. Ray Sleeman agreed and said tourism was not an industry as such, but made up of many sectors, so it would be hard to bring them together to work towards common goals.

Cr Harré discussed the difference between fair and equitable and said in an area like Hanmer Springs the application of the rate is probably equitable but this is not so evident in the rest of the district. Ray Sleeman agreed it was difficult to spread the equitability over the wider district and the greater range of businesses but the Hurunui Tourism Board promotional work over the whole district does provide benefit to other areas. Ray Sleeman commented that with respect to accommodation providers, it would be more equitable to charge on a room basis rather than land value but other businesses would be harder to target more effectively. He said targeting accommodation on a room basis would address equity issues for smaller operators in buildings that had high capital value, like a bed and breakfast for example, compared to a property that had a large number of rooms.

Cr Daly suggested that the most equitable approach would be to not have the targeted tourism rate at all. He noted that two examples, the Rotherham store and the Cheviot petrol station, get little benefit. Cr Davison considered this and asked what the consequences of abolishing the rate would be. Ray Sleeman said he thought that tourism and individual businesses would be worse off as they would not have the district-wide promotion currently provided. Cr Davison suggested that there were many organisations that did their own promotion and he would prefer a voluntary model that does not require compulsion and is not overly complex.

Cr R Black commented that when the targeted tourism rate was established there was an assumption that all benefit from tourism but the same can be said about farming in the district and the wider benefit that has.

Cr Harré commented that advertising needs to have a value in the response generated and in his view the existing advertising was not working for places like Waiau. Ray Sleeman said that advertising impact was difficult to judge and it was hard to determine where requests for accommodation actually come from.

Cr Malthus thanked Ray Sleeman for attending and discussing the review of the targeted tourism rate.

The meeting adjourned for morning tea at 10.35am and returned to the discussion of this item following scheduled presentations after the morning tea break.

Cr Malthus asked the Committee how it wanted the Council to proceed with the targeted tourism rate now that the review was completed and recommendations received.

Cr Little sought information regarding why the rate was implemented in the first place and whether the district had changed since then. Cr Malthus provided a summary of the history of the Hurunui Tourism Board and previous promotional committee. He said there had been discussion about the value to the district from tourism and whether promotional funding should be compulsory or not. He said that after lengthy debate, funding for promotion was proposed and consulted on. It was argued that other sectors did not benefit in any way so rather than funding through general rates, it was decided to use a targeted rate. It was agreed that to be effective it needed to be compulsory and Cr Malthus suggested that there had been less and less opposition to the rate over time. However he accepted the need to review the rate with respect to fairness and equity, hence the review just completed.

Cr Harré commented that the truest form of whether people favour the rate or not would be in making it voluntary and this would be the test of whether it was considered beneficial. He considered that the rate as it was, was neither fair nor equitable. Cr Harré said he did not support the continuation of the rate and that if tourism operators want to set up a promotional mechanism themselves then that would be fine but there was no value in compulsion. He said the Council could support a voluntary mechanism but he did not accept the recommendations of the policy review and proposed that the targeted tourism rate be abolished. He acknowledged that the demise of the Hurunui Tourism Board may be a consequence but it could set itself up on a voluntary basis, if there was a will in the industry.

Cr Malthus commented that abolishing the rate would mean there was no rating for tourism promotion in the district. Cr R Black accepted this and said that there would be significant objection to paying for tourism promotion from the general rate.

The Manager Community and Corporate Services provided information related to what the targeted tourism rate currently provides, including local promotional boards, some staff support, visitor guides, a promotional website, promotion inserts and other material and focused research.

Cr Malthus noted that the Hurunui Tourism Board has been operating successfully for a number of years and promoting the district from a tourism perspective. He said there would be a lot of feedback received if a proposal to abolish the rate was in the draft Long Term Plan. He noted that as well as the funding from the targeted tourism rate, the Hurunui Tourism Board receives approximately \$44,000 funding from the Hanmer Springs thermal pools towards promotion.

Cr Harré noted that the contribution from the Hanmer Springs area is 85% of funding so if Hanmer Springs businesses can be convinced to keep contributing voluntarily then there would be enough to keep the Hurunui Tourism Board operating, albeit under a different structure. Cr Malthus said this could result in the promotional efforts being focused almost entirely on Hanmer Springs to the detriment of the wider district, as the current board funds promotional work district-wide. Cr Malthus commented that he did not think the Hurunui Tourism Board would exist without the targeted tourism rate and the Committee needed to keep this in mind.

Cr Davison commented that tourism organisations could raise their own funds for targeted promotional work and he suggested that local promotional boards throughout the district might continue and potentially be funded by general rates.

Cr R Black asked what the process would be if Cr Harré's motion to abolish the targeted tourism rate was successful. The Manager Community and Corporate Services said that this would become a proposal for the draft Long Term Plan and referred to the upcoming LTP budget workshops where councillors would be developing the draft LTP document. She said that officers would need to set out the Council's position and the implications of the decision. If adopted as a proposal in the draft LTP, this would then be consulted on and the Council could still change its position on the proposal when approving its final LTP but any change would need to be connected to the submissions received and matters raised.

Cr Harré commented that the Council's interest in this matter had already been signalled when it asked for a review of the targeted tourism rate. He said that he expected to see a review come back that was dynamic and he was disappointed that it was only recommending minor adjustments. Cr Davison agreed and said because the Council agreed to put this to a consultant, it has indicated its intention to review the targeted tourism rate and one of the options is to abolish it if no longer considered an appropriate mechanism.

The Chief Executive Officer advised that the Council had adopted the Tourism Strategy 2015, earlier in the year and that document adopted the position of maintaining the targeted rate to continue to support tourism promotion. He said that the Committee could still proceed as it wishes but to bear in mind commitments it may have given in approving that strategy. He said that if the Committee gives him the direction as contained in the motion, officers would have to provide advice about the funding contribution from the thermal pools, staffing matters and other impacts. He said the thermal pools funding could be put towards minimal promotional and marketing work but this would need to be explored further. Cr R Black commented that this funding should still be available for marketing and promotion and managed appropriately.

The Manager Community and Corporate Services noted that there were potential impacts of the decision to abolish the rate with respect to staff and she said the Council would have to show due sensitivity to the matter and be mindful of the Council's good employer responsibilities.

Cr Malthus advised caution in considering this matter as there were no other groups promoting the district at the moment and this could leave a significant gap. Cr R Black commented that there was a difference between tourism promotion and promoting the district as a place to live and do business and the Council should give consideration to this important difference.

THAT THE COMMITTEE RECOMMEND THAT A PROPOSAL TO ABOLISH THE TARGETED TOURISM RATE BE INCLUDED IN THE DRAFT LONG TERM PLAN.

Harré/Daly

CARRIED
(5:3 on a show of hands.)
(Crs M Black, Little and Malthus against.)

The Chief Executive Officer noted that this was a potentially significant decision with wide public interest and the Council should prepare an appropriate media release to explain the Committee's decision.

NZ Drinking Water Standards

The Steering Group had an extensive discussion with regard to the impact the NZ Drinking Water Standards would have on the Council's long term budget, and particularly the impact on the ratepayers. This discussion was a preliminary think about this issue before getting into the detail of what this will actually involve and what the Council's strategy will be. It was decided to report on the matter separately to the Strategy and Policy Committee and this was discussed under item 6.2 below.

Discussion with Colin King MP

Cr Malthus welcomed Colin King to the meeting and said this was a good opportunity for the Council and the local member of parliament to discuss issues of common interest.

Colin King said he appreciated being invited and said this was a great opportunity to develop relationships and work through issues together. He said he had been given a list of discussion topics prior to the meeting and proceeded to work through them.

1. National road funding policy.

The Manager Roading and Utilities said that the Council had a concern about the flat-lining of NZTA funding across the district and concerns about the impact on the long-term future of the roading programme as it moves from maintenance to renewals.

Colin King noted that he had discussed this many times with Mayor Dalley and he accepted there is pressure on roading in the district. He accepted that the national roading strategy is an imposition on rural communities in favour of urban projects and he wants to be part of finding a solution to the problem.

Cr Malthus said that the Council believes that a lot of the national economy generates from rural roads and maintenance costs for those roads fall on a small rating base. He said the main objection is to national roading funding going to cities rather than the source of income generation.

Colin King said the key was to develop data on rural roads, not on the value of the product coming out but the hubometers and amount of money that a truck pays through user charges for using the roads, and then send this to the Government. He said the debate is about road tax and where it goes into roading. He said the argument about the economy is clear cut but policy development is currently about unclogging roads close to cities. He said he wants a compelling argument to put to the Government regarding the value of rural roads. Colin King said he would take up the dialogue with the Government because as local MP it is his role to take views from the community forward to government. He said he has worked well with other councils in his electorate and he advised perseverance as the argument could be won eventually, but budgets are very tight at the moment.

The Manager Roding and Utilities also commented on the reclassification of state highways and suggested that the SH7 classification should not be based just on numbers. He said that Hanmer Springs was a tourism gem for the district and given SH7 is class 4, the lowest class, there was concern that there would always be a lower maintenance regime and lower maintenance for rural roads coming off it as well. The Manager Roding and Utilities said he had concerns about the process for classifying SH7 as 4 because only international tourists numbers are considered, not local tourists, and the bulk of Hanmer Springs visitors come from Canterbury. Colin King said he would be happy to discuss this with the Minister.

2. Drinking Water Standards compliance cost and government subsidies.

Cr Malthus said the key concern is affordability and the Manager Roding and Utilities said the Council supports safe water to its customers but its position would instead be “safe, secure and affordable” drinking water. He said the standard surpasses most first world countries and protozoal compliance requirements were acceptable for cities but small rural areas cannot afford it. He said that to be fully compliant after three years would cost about \$14M and this was a big imposition of cost.

Cr Daly explained how the costs would directly impact on the local Cheviot community and how those costs would escalate if it was confined to the town only, as many rural connections would opt out in the face of increased costs.

Cr Malthus said the practical alternative is to use miox plants to meet E-Coli standards and push protozoal compliance further out. He said there should be scope to show that councils are making progress towards the goal rather than a rigid timeframe being imposed.

Colin King said the standards came out of the United Nations and was put into legislation by the previous administration. He said this conversation had been held in his party caucus and there was a level of inevitability that it needs pragmatism in the approach taken. He said he would be happy to convey this message through to the Minister directly. Cr Daly asked if local councillors could accompany Colin King when he talks to the Minister about this. Colin King said this should be possible and he generally favoured working together to get clarity on the situation and solution.

3. *The future of the Canterbury Regional Council.*

The Chief Executive Officer commented on the terms of reference for the Canterbury Regional Council commissioners and the requirement to report back on the form and structure of the Canterbury Regional Council early next year. He said there had been some discussion of Christchurch being a unitary authority and if so what would happen to the rest of Canterbury. He said this could be an introduction to amalgamation and he asked if there was anything in the National Party manifesto about this sort of reform.

Colin King said he was not aware of the party's local government policy as it was not released yet. He said subject to the release of policy, he could not see Christchurch City Council taking on unitary status in its current state and suspects it is more in the conceptual stage at the moment.

Cr Little said reform of the role of regional councils throughout the country was needed. He said debate about whether they should be refined and constrained so overlaps are not so problematic, was of national importance and worthy of discussion.

4. *Any other National Party election policy / manifesto that might relate to Hurunui District Council.*

Colin King referred to the Resource Management Act policy released the previous day and said with respect to the Emissions Trading Scheme the Party is looking to distance New Zealand from imposing more costs on the productive sector and was putting economic growth ahead of higher level matters at this stage.

5. *Reduction in Midwife Services proposal for North Canterbury.*

Colin King said that no woman would be without a midwife in North Canterbury under a National Government and he said he had talked to the Minister of Health after Mayor Dalley raised this matter with him. He said he was also aware of a petition circulating at the Rangiora A&P Show trying to get a change in s55 of the Health Act regarding midwife services and the need to live within 20km.

Cr M Black said she was concerned that the Canterbury District Health Board (CDHB) was withdrawing midwives and Rangiora hospital was too far from rural Hurunui areas. She said the area would probably lose the midwives most willing to work in remote communities and any impacts on the independent midwife service means families will be disadvantaged.

Colin King said he understood the concerns and acknowledged that there were 20 midwives in general but they are not pushing into the corners of isolated communities. He said it was critical that the community does not lose the service and families need their support in the home. He said he was very supportive and acknowledged the need to keep working on this matter. Cr M Black said the expectation of care rises too and local mothers and families need this support. She said her understanding was that North Canterbury could lose four midwives out of the community.

Colin King said he would support the community as much as possible but councillors should also encourage rural people to use local midwives so there is measured use and demand. He said he wanted to hear if any local families did not get their quota of visits.

6. *Whether any action is under way to revisit the 10% variation allowed under the local government representation rules to respond to the realities of rural representation demands.*

Cr Malthus noted that the Council has its representation review coming up and asked for progress regarding the bill to review the “+ or – 10%” threshold.

Colin King said he understands the fundamental problem is the threshold is too tight and disadvantages small local communities. He said this had been discussed at length by the Government but no real progress had been made at this stage. He said he anticipated that the National Party policy would be released before the upcoming election and he would follow up on this.

7. *Audit costs: Why not provide an option for a bi-annual audit when a Council has established a clean slate, with a less detailed interim audit if deemed necessary?*

Cr Malthus noted the high costs of the annual audit and said there should be flexibility for well-performed councils and more focus on those councils that have not performed and need attention. The Chief Executive Officer said that the Council faced an annual charge of about \$90,000 as well as additional audit fees when it does its Long Term Plan and this seems excessive. He said the Council would benefit more from having its Manager Financial Services focusing more on management accounting than working so much with the auditors.

Colin King said this would be in the upcoming local government policy release and he personally favoured a common sense approach. He said this was a common message he received from the five council areas he represents and he would feed this back to the Minister of Local Government.

8. *Funding assistance for aesthetic and recreational costs for enhancement measures arising from the Canterbury Water Management Strategy and other such schemes where the wider public is clearly the beneficiary.*

Colin King noted that taxpayer money had been put aside for Lake Ellesmere clean-up costs, as an environmental example of this issue. He said he was a strong believer that kayakers, fishers and other recreational users need to contribute funding, as do those wanting to store and use water for economic reasons. He said the taxpayer contribution to the Lake Ellesmere work may present a precedent but he said winning the overall argument would be difficult in terms of sharing the costs between all users.

Cr Little commented that there was a national benefit from environmental improvements and other work associated with water projects and Colin King agreed that the cost of using water should be to make water quality better, but the greatest challenge is convincing city people to pay their share towards this goal.

9. *The continuing incremental legislation and regulation which is having a huge cost and anti-competitive impact on ratepayers and individuals.*

Colin King said this was a valid concern and although he saw the merit in many imposed requirements for health and safety of farmers and their workers, there is a place for education and personal responsibility. He said the Government would not be living to its principles in adding additional costs to ratepayers as it preferred to get government down lower from 34% of GDP to a 30% target. He said he was willing to work with local government to achieve this principle.

Cr R Black said that many requirements on farmers are nonsensical. He said he was concerned that rural communities will simply say it is too hard and choose not to comply with the growing amount of regulation.

10. Funding for after-hours health care in rural general practice.

Cr Davison said that rural medical services were still fragile and facing many problems regarding continued quality medical services. He said there needs to be a voice for rural communities to be heard regarding medical services and this goes to the core of keeping people in rural communities. Cr Davison said there was a central government role where there is market failure and the Government should work smarter to get and retain medical professionals in rural areas. Colin King acknowledged that this was an important matter and committed to continuing dialogue to seek a solution.

Colin King thanked the Committee for the opportunity to attend and discuss the matters raised. He said he saw value in this forum being a regular occurrence to keep the relationship developing and communications open and effective for the benefit of the Hurunui district.

5. ENVIRONMENTAL

5.1 District Plan Review Update

The Senior Policy Planner provided a report advising that a strategy for the District Plan review was adopted by the Strategy and Policy Committee at its meeting on 12 May 2011. The strategy identified a number of scoping projects required in order to gather relevant and necessary information. This will ensure that the proposed District Plan will be up to date and address relevant matters in order to give effect to national and regional policy direction, as well as aspirations of the Hurunui community. Some projects have been completed, while others are still being progressed.

The Senior Policy Planner advised that a gap analysis was being done against external documents like the Natural Resources Regional Plan that sets regulatory and non-regulatory guidelines and there would be a watching brief on the National Policy Statement on Biodiversity with respect to possible impacts.

With respect to the Issues survey, the Senior Policy Planner advised that the Council had received 157 responses so far. The Policy Planner gave a brief summary of the issues highlighted and said some trends were developing. Respondents like the rural landscape, peace and quiet and small friendly communities but do not like the lack of facilities, rural subdivision and degraded river beds. Some respondents said they did not know what the Council was doing to protect heritage and biodiversity.

Cr Little congratulated officers on making good progress with this significant work.

THAT THE INFORMATION BE RECEIVED.

Little/Harré

CARRIED

5.2 Proposed Plan Change 23 – Urban Subdivision and Independent Senior Living Units - Update

The Senior Policy Planner provided a report advising an appeal from Four Seas Trust was lodged with the Environment Court against a decision of the Hurunui District Council on Proposed Plan Change 23 to the Hurunui District Plan. The Council advised the Environment Court that it is willing to enter into mediation with the appellant and any s274 parties. Mediation had been delayed at the request of the appellant until the outcome of the subdivision application for 3 Farmer Street, Gore Bay is known. The Senior Policy Planner advised that the Council had asked for withdrawal of the appeal and was awaiting response from the appellants. She said she hoped this would be resolved with no need for mediation.

THAT THE INFORMATION BE RECEIVED.

McKendry/R Black

CARRIED

Presentation on Sister Cities Proposal

Eugene Feng, Economic Relations Manager – Asia, Canterbury Development Corporation and Professor Bill Willmott gave a presentation on a proposal for Hurunui District Council to develop a Sister City relationship with Honghu City in China. The presenters tabled background information relating to the proposal.

The Committee gave consideration to the proposal later in the meeting but the detail is recorded below.

Cr Malthus summarised the presentation and details of the proposal, noting that the funding required was \$7,500 per year.

Cr Davison noted that there were similar relationships with Selwyn District and Christchurch City Councils and he would like to know how they view their relationship and what work was involved.

Cr Harré commented that China is one of the fastest growing international markets and has big potential in terms of promotion of the Hurunui area. He said that Asia is very focused in terms of relationships and people connections and the Hurunui has a significant link through Rewi Alley. Cr R Black agreed and said it was a potentially huge market but you need to spend time on building relationships before contracts get signed, however once established the partners are very loyal.

Cr Daly said that there was great potential in sharing farming knowledge and expertise and he noted that already there is good trade in seeds between local people and China.

THAT THE COMMITTEE ENDORSES PROGRESSING THE PROPOSAL FURTHER BY INVESTIGATING WITH SELWYN DISTRICT COUNCIL AND CHRISTCHURCH CITY COUNCIL REGARDING THEIR EXPERIENCE AND PERCEPTIONS OF THEIR SISTER CITIES RELATIONSHIPS.

THAT FOLLOWING INVESTIGATIONS THE PROPOSAL BE DISCUSSED FURTHER AT THE UPCOMING BUDGET WORKSHOPS.

Malthus/Harré

CARRIED

Presentation from NCCR on Waste and the Long Term Plan (LTP)

Rex McKenzie and Lisa Carmichael, representing North Canterbury Community Resources (NCCR) gave a presentation on the above topic. The submitters made the following requests:

- The LTP should refer to the waste hierarchy as noted in the draft Waste Management and Minimisation Plan.
- Minimise waste, retain working towards zero waste and follow the NCCR example of working with local businesses regarding moving from high diversion to landfill to close to zero waste.
- Waste tonnages should be made available on the Council website so the public have the information.
- Education – the Council should commit budget funding to waste education and spend it on an effective programme.
- Ownership of wet waste, the Council does not own material going to the landfill and if it does not own it then it cannot control it. The Council should take ownership.
- NCCR provide employment and a social service which is a great example of the social and cultural benefits that waste management is offering the district.
- Environmental benefits of waste need addressing as there are positive environmental benefits to the community,

The presenters tabled a detailed summary of goals and recommendations for what NCCR would like to see in the Long Term Plan. Cr R Black asked what extra costs to Council there would be if it implemented the list of goals. Rex McKenzie said there would be costs for composting and shifting the transfer station but mostly it would be cost-neutral.

Cr Malthus thanked the presenters and acknowledged their contribution. The presenters said that NCCR like to be leaders in the district regarding waste and are trying to drive waste minimisation from the community perspective.

6. ENGINEERING MATTERS

6.1 Temporary Road Closure of Ram Paddock Road Sprint

The Asset Engineer Roading reported that the Autosport Club had applied for a temporary closure of Ram Paddock Road from Laidmore Road intersection to the MacDonald Downs Road intersection from 9.00am to 6.00pm on Sunday 20 November 2011 to hold the Ram Paddock Road Sprint. Due to another event being held on Ram Paddock Road on Sunday 20 November 2011, the Autosport Club have changed the date of their event to Sunday 27 November 2011.

Cr Harré noted that this was the same event as last year and there were no problems so he was happy to move the recommendation.

THAT APPROVAL BE GIVEN SUBJECT TO CONDITIONS ATTACHED TO THE CLOSURE OF RAM Paddock ROAD FROM THE LAIDMORE ROAD INTERSECTION TO THE MACDONALD DOWNS ROAD INTERSECTION FROM 9.00AM TO 6.00PM ON SUNDAY 27 NOVEMBER 2011 TO HOLD THE RAM Paddock ROAD SPRINT.

Harré/Daly

CARRIED

6.2 Compliance with Drinking Water Standards

The Manager Roding and Utilities provided a report that included a summary of the impacts and considerations of the Drinking Water Standards for New Zealand (DWSNZ) upon the Hurunui District Council in terms of affordability, financial prudence, democratic local decision making, meeting all practical steps and legislative compliance.

The estimated cost to fully comply (Protozoal compliance) with DWSNZ is \$13,988,000 capital expenditure (CAPEX) and \$483,800 per annum operational expenditure (OPEX), of which the majority finance will need to be staggered from 2017/2018 until 2019/2020. The Net Present Value of these staggered expenditures is \$18,146,677 CAPEX for full compliance, as dictated through the Council's Public Health Risk Management Plans, allowing for a maximum three years after legislative approval date by the Ministry of Health, to comply fully with DWSNZ. However, the full cost of E-Coli compliance with MIOX chlorination plants for all drinking water schemes, that either have current permanent boil water notices or have exhibited e-coli test failures in the past, is \$500,000 CAPEX and \$36,000 per annum OPEX, which would fulfil Council's obligations to meet the community outcomes for providing safe, secure and affordable drinking water to all our consumers.

The Manager Roding and Utilities provided a whiteboard analysis of the costs for protozoal and E-Coli compliance and a breakdown of the costs over time per ratepayer in the district.

The Manager Financial Services noted the costs and expressed concern regarding the spread of costs, commenting that it would be very high if funded by targeted rates for individual communities. Cr Harré asked if the Council can start generating the required funds now in anticipation of capital work later, to spread the cost impact. The Manager Financial Services said this can be done but was very dependent on variables over the period, like fluctuating interest rates for example.

Cr Malthus suggested approaching the CDHB and saying the Council would install miox plants initially to reach compliance regarding E-Coli and then focus on full compliance over an 18 year period.

The meeting adjourned for afternoon tea at 3.20pm and reconvened at 3.33pm. Cr M Black left the meeting during the afternoon tea break.

The Manager Roding and Utilities said the Council needs to agree a response to the question of what it is doing to meet protozoal compliance.

Cr Malthus suggested that from 2012 the Council fund the miox requirements but start funding for long-term protozoal compliance as well. The Manager Financial Services commented that the local water committees would probably be supportive of installing miox plants but it makes sense to start building up funds for full compliance.

The Manager Roding and Utilities noted that as the work of the Canterbury Water Management Strategy and Hurunui-Waiapu Zone Committee progresses and the proposals for water storage eventuate, there could be opportunities to benefit local communities to reach compliance but this was yet to be determined.

THAT IN ORDER TO MEET DRINKING WATER STANDARDS THE COUNCIL MOVE TOWARDS A FUNDING MODEL THAT ALLOWS FOR PROVISION OF MIOX PLANTS TO MEET THE E-COLI REQUIREMENTS AND THAT CONCURRENTLY THE COUNCIL FUND FOR LONG-TERM FULL COMPLIANCE WITH DRINKING WATER STANDARDS IN 18 YEARS.

THAT THE FUNDING MODEL BE BASED ON GENERAL RATES RATHER THAN TARGETED RATES.

Malthus/Harré

CARRIED

Late Report

6.3 Temporary Road Closure of Hawkswood Road

The Asset Engineer Roading reported that the Rallies & Trials Enthusiasts Club (NZ) had applied for a temporary closure of a section of Hawkswood Road, starting 0.6km up from the intersection with State Highway 1 (southern end) and finishing 0.9km from the intersection with State Highway 1 (northern end), between 9.00am and 6.00pm on Saturday 19 November 2011 and Sunday 20 November 2011, for the running of a Hill Climb Event.

THAT APPROVAL BE GIVEN (SUBJECT TO ANY OBJECTIONS BEING RECEIVED AND CONDITIONS ATTACHED) TO THE CLOSURE OF A 300 METRE SECTION OF HAWKSWOOD ROAD, BETWEEN 9.00AM AND 6.00PM ON SATURDAY 19TH NOVEMBER AND SUNDAY 20TH NOVEMBER 2011 FOR THE RUNNING OF A HILL CLIMB EVENT.

Daly/Little

CARRIED

Urgent Business

- Cr R Black – Glenmark community funding grant

Cr R Black referred the Committee to an earlier Council decision (25 August 2011) regarding the spending of the \$50,000 grant given to the Glenmark community for its opposition to the Hurunui wind farm. He said it was his understanding that he would simply be a co-signatory on a separate bank account for the grant funds, to protect Council and the community. He noted that he had received a letter from the Chief Executive Officer advising him that as the Council had appointed Cr R Black to the role of being part of the decision making on how the money was to be spent, then he had a potential conflict of interest.

Cr R Black said this was not his understanding of the intention of the Council resolution and that he was not involved in selecting experts, but there to ensure the grant money was spent appropriately.

Cr Harré said his recollection of the debate was that there was some concern the grant money could be misspent and it was therefore agreed that Cr R Black would be involved to look after the interests of the Council, not to be part of the decision making.

Cr R Black was advised to seek to have the wording of the previous Council resolution amended to accurately reflect the intentions of the Council.

Cr Little asked that it be noted that he took no part in the discussion on this matter.

- Cr Daly noted that road grading work was underway in the Cheviot area and he conveyed his appreciation to the local roading contractors for doing a good job.

Cr Little left the meeting at 4.44pm.

7. PUBLIC EXCLUDED SESSION

THE GENERAL SUBJECT OF THE MATTERS TO BE CONSIDERED WHILE THE PUBLIC IS EXCLUDED, THE REASON FOR PASSING THIS RESOLUTION IN RELATION TO THE MATTERS 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:

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Grounds for the passing of this resolution
Item 8 Public Excluded Minutes of the 13 October 2011 Meeting	The minutes contain information withheld to enable the local authority to carry on, without prejudice or disadvantage, negotiations.	Section 48(1)(a)(i) & Section 7(2)(i)
Item 9 Request for Rates Relief	The report contains information withheld to protect the privacy of natural persons.	Section 48(1)(a)(i) & Section 7(2)(a)
Item 10 Request for Rates Relief	The report contains information withheld to protect the privacy of natural persons.	Section 48(1)(a)(i) & Section 7(2)(a)

McKendry/Daly

CARRIED

THAT THE MEETING RESUME IN OPEN SESSION AND THAT THE MATTERS DISCUSSED IN PUBLIC EXCLUDED SESSION REMAIN CONFIDENTIAL.

Harré/M Black

CARRIED

The meeting closed at 4.53pm.

Confirmed: _____ Date: _____

Chairperson

MEETING

HURUNUI DISTRICT COUNCIL

1 December 2011

Strategy and Policy Committee Action Sheet

No.	Date	Matters to be actioned	Item No. Recorded in Minutes	Action By	Action
1	15-Sep-11	Councillors requested that a policy be developed regarding the implications of Council capital expenditure on Council reserves that have commercial leases on them.	Matters Arising	MASP	

**KNOWN STRATEGY AND POLICY COMMITTEE FORWARD PROGRAMME
(EXCLUDING PUBLIC EXCLUDED)**

Meeting Date	Report/Other	Responsibility
2012		
	Summary of Outcomes of Issues Survey for District Plan Review	MES
	Road naming and numbering policy review.	MES
	Code of Conduct Policy Review	MCCS

Acronym Key:

CEO – Chief Executive Officer

MASP – Manager Amenities & Special Projects

MCCS – Manager Community & Corporate Services

MES – Manager Environmental Services

MFS – Manager Financial Services

MRU – Manager Roading & Utilities

CS – Council Secretary

SWM – Solid Waste Manager



HURUNUI

District Council

Meeting Date:

1 December 2011

REPORT TO: Strategy and Policy Committee

SUBJECT: Long Term Plan Steering Group Recommendations

REPORT BY: Manager Community and Corporate Services

A handwritten signature in black ink, which appears to read "Aud Monde". The signature is fluid and cursive.

Signature:

Author

Audrey van der Monde

Manager

Summary Report

The Long Term Plan Steering Group last met on Wednesday 16 November 2011. The topics covered at this meeting included the review of the Finance and Revenue Policy, the Internal Financing Policy and the inflation adjustments to use for the LTP.

Recommendation

THAT THE INFORMATION IS RECEIVED.

THAT THE COMMITTEE ACCEPTS THE STEERING GROUP'S RECOMMENDATIONS.

BACKGROUND

The Long Term Plan (LTP) Steering Group met on Wednesday 16 November. All members were present except Councillor Davison who had sent in his apology prior to the meeting. The agenda items discussed were:

1. Revenue and Financing policy review
2. Internal Financing policy review
3. Inflation Adjustments

Revenue and Financing Policy

The Revenue and Financing Policy sets out all of the Council's services and who pays for them. The policy is a requirement of the Local Government Act and Council's must include the following information into the policy:

1. the community outcomes to which the service primarily contributes
2. the distribution of benefits between the District as a whole, any identifiable part of the District, and individuals
3. the period in or over which those benefits are expected to occur
4. the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the service
5. the costs and benefits, including consequences for transparency and accountability, of funding the service distinctly from other services

The policy was last reviewed in 2008 for the Hurunui Long Term Community Plan 2009 – 2019 and was out of date in part. The Steering Group has made draft changes to the policy to better reflect the Council's direction regarding current funding mechanisms, the new community outcomes for 2012, new activities not included in the current policy (youth, community and biodiversity), and the possible discontinuation of the tourism activity.

The revised policy will be circulated closer to the meeting date. At the time of writing this report, the revisions from the Steering Group had not been completed.

1. Steering Group's Recommendation to the Committee:

THAT THE COMMITTEE ENDORSES THE RECOMMENDED CHANGES TO THE REVENUE AND FINANCING POLICY.

Internal Financing Policy

The working group reviewed the Internal Financing Policy and agreed that it is still relevant. Apart from some minor formatting changes, the policy remains the same.

See appendix 1.

2. Steering Group's Recommendation to the Committee:

THE COMMITTEE AGREES WITH THE STEERING GROUP'S RECOMMENDATION TO RETAIN THE CURRENT INTERNAL FINANCING POLICY.

Inflation Adjustments

A report was presented on the targeted tourism rate policy review. The Steering Group agreed to invite the consultant who prepared the report to come to the 10 November Strategy and Policy Committee meeting, and discuss his recommendations to the entire Committee. Therefore, the Steering Group deliberately decided not to go forward with a recommendation, appreciating that there would be wider interest from other Councillors and the Hurunui Tourism Board members. The report has been separately circulated to all Councillors and Tourism Board members.

3. Steering Group's Recommendation to the Committee:

THE COMMITTEE ENDORSES THE STEERING GROUPS RECOMMENDATION TO USE THE BERL INFLATION FORECASTS FOR THE LONG TERM PLAN.

OPTIONS CONSIDERED

Do Nothing

The Committee is not required to consider or make any decisions on this report. Alternatively, the Committee could make its decision on the completed draft LTP prior to consultation. This is not a recommended option. The advantage of considering the work of the Steering Group is that the Committee keeps up to date with where the draft LTP is at, and the Council has the ability to influence and direct the Steering Group to ensure the draft LTP is reflective of its direction.

1st Option – Endorse the Steering Groups Recommendations

The proposals are recommended to keep the draft LTP on track and in line with the Council's direction.

POLICY AND PLAN CONSIDERATIONS

The Council is required to review its LTP every three years and therefore, this report is consistent with the Council's policy and plans.

SIGNIFICANCE

The recommendations are not deemed significant. The final draft LTP is a significant matter and the Council is required to undertake the special consultative procedure prior to finalising the LTP.

MĀORI IMPLICATIONS

Maori will be consulted with about the contents of the LTP.

FINANCIAL CONSIDERATIONS

The matter is provided for in the approved annual plan and is within budget.

CONCLUSION

After considering all issues, options and the known views of those affected, as well as giving consideration to the level of significance and the legal and financial implications, the conclusion of this report is that the Council endorses the recommendations of the Steering Group.

COMMUNITY OUTCOME(S)

A desirable place to live, work and play

WELLNESS OUTCOMES

Social wellbeing – a healthy, safe place to live, with strong community spirit, involvement and opportunity for all.

APPENDICES

1. Internal Financing Policy.

APPENDIX 1

Internal Financing Policy

Introduction

The Council has had an informal policy with regards to internal borrowing, which has allowed communities of benefit to draw down internal loans to fund Capital Expenditure. This has been necessary due to the Council's decision not to fund depreciation and collect funds to pay for the Capital Expenditure in the future.

The internal financing policy applies to those cost centres that are funded by a targeted rating source or there is a requirement to hold funds in a special reserve. The applicable cost centres are as follows:

- Ward Amenities
- Rural Fire Control
- Animal Control
- Household Refuse Collection
- Water Supplies
- Sewerage Schemes
- Stormwater and Drainage Schemes
- Medical Centres
- Foreshore Protection Schemes
- Special Funds including Development Contribution Funds
- Hanmer Springs Thermal Reserve

Capital Statements

For each applicable cost centre, a capital statement has been established. The statement records movements of a capital nature (both expenditure and income) for that cost centre.

Capital Expenditure is generally any fixed assets purchased specifically for that activity.

Capital Income can include the following:

- Funds transferred from reserves to fund Capital Expenditure for that activity.
- Development contributions received specifically for a particular capital project for that activity.
- The portion of any targeted rate that has been set to repay the principal.

Any surplus (or deficit) recorded from the operating income and expenditure of that activity, can be used to repay a portion of the principal.

The Capital Statement for that activity may show that the cost centre has funds on hand or is in debt. This is monitored by the Financial Services Manager on a regular basis.

- If the cost centre is in debt, then it will be charged interest as well as needing to proactively pay off the debt.
- If the cost centre is in funds, then it receives interest.

Interest Component

To ensure consistency throughout the Council, the interest rates have been set as follows:

- Interest rate on Capital Balances in debt: the activity is charged interest at 100 basis points (1%) above the interest rate that Council is charged for any external debt.
- Interest rate on Capital Balances in funds: the activity is rated interest at the interest rate that the Council receives on its call accounts.

Debt Repayment

Communities are encouraged to clear debt by setting the rates at a level to repay a portion of the debt on an annual basis.

It is Council policy that debt should be repaid over 20 years (or such a term the Council deems appropriate in particular circumstances) and as a result, communities are required to fund at least 5% of the opening balance of their loan as repayments and set the rates accordingly.

Hanmer Springs Thermal Reserve

The Hanmer Springs Thermal Reserve is an exception to the Internal Financing Policy. As any development that the Hanmer Springs Thermal Reserve undertakes is of a commercial nature, there is an increased level of risk involved. As such, the interest rate charged for any debt drawn down by the Thermal Reserve attracts an interest rate of 250 basis points (2.5%) above the interest rate that Council is charged for any external debt.

It is intended that any debt funding provided to the Hanmer Springs Thermal Reserve crystallises with the Thermal Reserve not required to actively repay debt unless required to by Council. This will result in the Council holding both a debt investment as well as an equity investment in the Thermal Reserve.

Use of Interest

All interest derived from internal financing is accumulated by the Council's treasury function. Costs associated with treasury, such as any external interest, external advice, and Council overheads, are paid from the interest derived with the overall surplus from the treasury function used actively to offset the District Rate requirement.



HURUNUI
District Council

Meeting Date:

1 December 2011

REPORT TO: Strategy & Policy Committee

SUBJECT: Roading Report

REPORT BY: Roading Team Leader

Handwritten signature of Brian McManus in black ink.

Signature: Author
Brian McManus

Handwritten signature of David Edge in black ink.

Manager
David Edge

Summary Report

The report includes an operational and financial review of the road maintenance contracts, works contracts, minor improvement projects, bridge renewal and structure component replacement works and resealing of the district roads contract up to the end of October 2011. This update also includes Council staff changes to the roading department.

Recommendation

THAT THE INFORMATION BE RECEIVED.

BACKGROUND

Summary of contents:

- Staff Change – Roading Engineer Maintenance and Operations
- Reseal of District Roads (contract 09/24)
- Bridge Structure Component Replacements and Bridge Renewals (contract 10/30)
- (H108) Woods Bridge, Woods Rd – underpinning works (Contract 10/08)
- Lighting (contract 09/20)
- Road Marking (contract 08/20)
- Network Assessment (contract 10/09)
- Utilities Access Act 2010 and the draft National Code of Practice for Utilities Access to the Transport Corridors
- Minor Improvements (2011/2012)
- Pavement Treatment Programme 2011/2012
- Preventative maintenance works at Lulu's Creek on the Inland Road (Contract no. 10/05); Phase II: further works identified through the NZTA Technical Audit 2011.
- NZTA Technical Audit (May 2011)
- Mt Cass Road – Agreement with Canterbury Waste Services (CWS)
- Ceased Road Maintenance Contracts (Contract nos. 05/28; 08/23 and 06/25)
- Road Maintenance Contracts for Hurunui North 10/42 and Hurunui South 10/43)
- Finances (Local Roads):

Staff Change: Roothing Engineer - Maintenance and Operations

Team Leader: Brian McManus
 Start date: Late December 2011

Due to the recent resignation of our Roothing Operations Engineer, namely John Kerse, the Roothing Team has sort out and engaged the services of a suitably qualified replacement, namely Matt Dowdall. We believe we have identified and engaged a candidate with a can-do attitude and highly skilled customer service attributes. He possesses relevant tertiary qualification's and has a broad rooding and utilities experience within the local government environment (he is fully conversant with NZTA funding requirements and procedures).

Officer's comments: - *"We look forward to welcoming Matt into the team and expect that he will make a valuable contribution towards the on-going development of the Roothing Department"*.

Reseal of District Roads (Contract 09/24)

Project leader: Brian McManus
 Project engineer: John Kerse/ Matt Dowdall
 Contractor: Blacktop Construction Ltd
 Start date: Early November 2010
 Completion date: 15 March 2012 (Year 3) with potential + 1 + 1
 HDC budget: \$1,026,000
 Contract value: \$1,026,000

Blacktop Construction Ltd commenced this season's works on the 2nd of November. They are on programme to complete 70% of this season's works by the end of November and the remaining resealing works by mid-December. Having the works completed by Christmas is desirable as it allows the reseal to 'settle down' during the warm summer months and if any initial issues arise with the treatment they can be rectified before the end of the season.

Officer's comments: - *"It's the department's opinion that Blacktop Construction Ltd have performed well in this contract and we look forward to finalising terms with them regarding the extension of the contract for another 1 or possibly 2 more seasons. Discussions with Blacktop to date have been positive and opportunities exist for the Council to save significant amounts of monies (more for less; as the contractor has indicated that he will keep the same rates with applicable contractually agreed escalations), if terms can be agreed. Any extension arrangements will require agreement from our financing partner, NZTA. Discussions with NZTA for a contract extension will start on the 7th December 2011 with David Scarlet (HDC's finding manager with NZTA"*.

Bridge Structure Component Replacements and Bridge Renewals (contract 10/30)

Project engineer: Brian McManus
 Consultant: Opus International Consultants
 Contractor: Calcon Ltd.
 Completion date: End of June 2012
 Total HDC budget: \$808,268 (inclusive of consultancy fees and sundries)
 Calcon contract value: \$595,000
 Total expenditure to date: \$502,570.05 (84.5%)

Calcon have completed works to the following bridges.

(* bridge deck replacements)

• Woodbank (Rogerson) Bridge	Woodbank Road	- Completed
• Lyndon 3 Bridge*	Lyndon Road	- Completed
• Humpback Bridge	Gore Bay Road	- Completed
• Gore Bay 1 Bridge*	Cathedral Road	- Completed
• Cheviot Hills Bridge	Cheviot Domain Road	- Completed
• MacMillan No. 1 Bridge	MacMillan Road	- Completed
• Thompsons Bridge*	Glenmark Drive	- Completed
• Williams Bridge	Glenmark Drive	- Completed
• Coops Bridge*	Parkview Road	
• Forresters Bridge	Mt Alexander Road	- Completed
• Pawseys Bridge*	Virginia Road	
• Tommys Creek Bridge*	Heathstock Road	- Completed
• Black Hut	Lake Sumner Road	- Completed
• Gola Peaks Bridge*	Virginia Road	- Completed
• Seawards Bridge	Lake Sumner Road	- Completed
• Jamiesons Bridge*	Megowans Road	- Completed
• Manuka Creek Bridge*	Fraser Road	- Completed
• Okuku Pass Bridge	Okuku Pass Road	
• Culvert 2354.00/4170	Inland Kaikoura Road	- Completed

Officer's comments: - *"These works are almost complete and are below budget, with mitigated use of contingencies through alliance partnering relationships and regular open discussions for early remedy/amendment. Due to the highly competitive prices obtained from the Contractor, initial works proposed for Pawsey's Bridge (Virginia Road) have been revised and up-graded. Subject to Calcon's re-pricing of these works and consequent agreement by the department, Pawsey's Bridge will now undergo a complete deck replacement, as opposed to simply repairing the current decking timbers (as was originally proposed to mitigate costs)".*

(H108) Woods Bridge, Woods Rd – underpinning works (Contract 10/08)

Project engineer: Brian McManus
 Consultant: Opus International Consultants
 Contractor: Blakely Construction
 Completion date: end of June 2011 (Practical completion achieved)
 Contract Value: \$37,000
 Expenditure to date: \$28,193 (76.2%)

(H108) Woods Bridge suffered central pier scour damage as a result of the storm events in August 2008 and was tendered out separately for identified bridge repairs. Works were due to be completed 2009/2010, but high rainfall through May 2010 resulted in access to the river bed to be considered too unsafe and the works were subsequently deferred to 2010/2011. Opus was engaged to design the necessary remedial works for this bridge early in 2009 and have continued to assess the bridge for ongoing safety of road users (posted limits). Works were retendered and secured by Blakely Construction Ltd. Works were practically completed in May 2011, and awarded a Practical Completion Certificate after Opus's final works completion inspection.

Officer's comments: - *"Opus's works completion inspection found that some of the welding carried out by the welding subcontractor to Blakely's, did not meet specification. It is Opus's opinion that although the works are generally of a good to high quality, several welds will have to be addressed before full sign off (Defects Liability Certificate) can be considered. These defects works have been delayed due to the current high water levels, but in no way do they compromise the loading capacity (full Class 1) or safety of the bridge."*

Lighting (contract 09/20)

Project engineer: John Whyte
 Contractor: Mainpower
 Completion date: June 2014
 Contract value: \$119,588
 Expenditure to date: \$67,866.76 (56.7%)

Officer's comments: - *"A programme of replacement for the remaining Mercury Vapour Lights is ongoing till the end of June 2015. Ten Lights have been replaced this financial year to date"*.

Road Marking (contract 08/20)

Project engineer: John Whyte
 Contractor: SprayMarks
 Completion date: June 2011
 Contract Value: \$288,672.75
 Expenditure to date: \$310,904.00 (107.7%)

Officer's comments: - *"The contract is a 3 year (+1 +)1 completion was June 2011 and the contract has been rollover for another year by by quality of works produced to date and the mutual agreement of both parties (+1). The +1yr road marking contract for 2011/2012 is to be completed" in March/April 2012 with an estimated cost of \$130,000"*.

Network Assessment

Project engineer: John Whyte

Officer's comments: - *"New contract to be released to tender"*.

National Code of Practice for Utility Operators' Access to Transport Corridors

Project engineer: John Whyte

Officer's comments: - *"This was approved by the Minister for Infrastructure on the 10 November 2011 and it will take effect from 1 January 2012. HDC has already put in place most of the computer and operational systems, as well as policy, in conjunction with Waimakariri District Council (cross-boundary efficiencies), to meet this expectation. This is a potential opportunity for shared services into the future."*

Minor Improvements (2011/2012)

Project engineer: John Kerse/Matt Dowdall
 Contractor: Downer
 Completion date: End of June 2012
 Contract value: \$445,242.00
 Expenditure to date: \$0.00 (0%)

The funding allocation for Minor Improvements for 2011/2012 is \$445,242.00 (NZTA approved), with \$75,000 already committed to School Active Warning Signs (SAWS). (Broomfield School has requested a \$15,000.00 financial contribution towards the physical works to improve/construct their car park in Onepunga Road, in lieu of the SAWS funding. Other works identified to date include a 40m traction seal on The Mound Road and some road realignment works to Woodbank Road, Hanmer (phase II).

Officer's comments: - *"A complete list will be provided to the S&P Committee for endorsement at the next meeting, which in turn will be presented to the Road Safety Coordination Committee"*.

Pavement Treatment Programme 2011/2012

Project engineer: John Kerse/Matt Dowdall
 Contract: Hurunui North and Hurunui South Areas
 Contractor: Downer
 Completion date(s): End of June 2012
 Contract value: \$701,756.00
 Expenditure to date: \$45,000.00 (6.4%)

Sections selected to date for the AWPT programme in 2011/2012 include for Princes Street (Waikari), Harwarden-Hurunui Road (Hawarden), Waikari Valley Road (Waikari).

Officer's comments: - *"The AWPT to Princes Street has commenced on the 14th of November. These works, which also include 113m of kerb & channel and subsequent footpath reconstruction, are due to be completed before this Christmas (2011)"*.

Preventative maintenance works at Lulu's Creek on the Inland Road (Contract no. 10/05); Phase II: further works identified through the NZTA Technical Audit 2011.

Project engineer: Brian McManus
 Contractor: Ferguson Brothers
 Completion date: End of March 2012
 Note: Special Purpose Road
 Contract value: \$TBA
 Expenditure to date: \$0.00

Scour protection works were identified through the preventative maintenance programme with NZTA (phase I) and on review, extra monies were provide to HDC to lift the height of the final road and provide scour protection rip-rap along the low-side embankments (phase II). This will provide a higher level of flood-damage prevention to this section of the Inland Road, thus ensuring minimum disruption to flow of traffic and accessibility through adverse weather events (mitigated road closures and road damage). The NZTA Technical Audit 2011 assessed this project in terms of safety and decided that more works were required through 2011/2012 (SPR – no cost impact to HDC)

Officer's comments: *"Feedback received from the NZTA Technical Audit suggested that further work is required to improve the safety aspects of a tight bend within the works. Additional rock protection and subsoil drainage work has been proposed to remove the deep swale on the outside of the bend. This was suggested by the Roding Team at the initial design stage, but was thought at the time (by NZTA) to be not cost effective (affordable). The roading team will submit a priced scope of works to NZTA for approval by LTP on-line. This has no effect on Council's budget as this section of road is 100% funded by NZTA (SPR)".*

NZTA Technical Audit (May 2011)

HDC has received a positive and highly commending draft report from NZTA, with the following recommendations:

The audit committee asked that the following received improved attention:-

- Cleanliness of road marking signs
- Fading sign replacement programme required
- Spray weeds in roadside drains
- Electric fences for stock grazing are too close to the road edge
- Some debris noted at the bridge bearings
- Consider painting all timber bridge rails for improved visibility and safety
- More focus to the removal and control of wilding tress on the road side
- Consideration of numbering system to all culvert stock
- More general maintenance financial investment required into the SPR section of the Inland Road for improved maintenance and road user outcomes
- More financial investment from NZTA into Lulu's Creek on the Inland Road for improved safety outcomes (SPR)
- More financial investment from NZTA into Whale Back slip on the Inland Road for improved drainage to upper slip region (SPR)

Mt Cass Road – Agreement with Transwaste Canterbury Ltd (TCL)

Further to a meeting held on Tuesday 15th of November, 2011 between David Edge, Brian McManus and Martin Pinkham of Canterbury Waste Services, a new proposal has been put forward for assessment and consideration.

TCL will be prepared to undertake all the maintenance of the first 5.2km of Mt Cass Road from 1 July 2012, subject to there being a formal agreement between HDC and TCL that addresses the following matters:

- 1 That HDC remains the Road Controlling Authority, but that TCL maintains the road and has all rights to the road.
- 2 That HDC would specify a minimum level of service for the life of Mt cass Road (plus 5 years thereafter).
- 3 That HDC will provide approval, for the life of the agreement, for any lawful activity undertaken on Mt Cass Rd; for example HPMV permits and RUC claims.

In accordance with Condition 22 of RC0200069 this agreement would be for the life of the landfill, plus 5 years after closure.

TCL suggest that the agreement would need to be drafted by Chapman Tripp and reviewed by Buddle Finlay.

In return for such an agreement Transwaste requests:

- 1 That HDC actively advocates and progresses the obtaining of available funding from NZTA for upgrading of the road to HPMV standard prior to 30 June 2012.
- 2 That HDC makes a 'significant' contribution to the resealing of the first 2.2km of Mt Cass Road prior to 30 June 2012. This was constructed with a Grade 5 over Grade 3 first coat seal.

The Roothing department is currently reviewing the merits of this proposal and will forward a recommendation to council once all aspects have been fully investigated and understood.

We have approved a temporary permit (to the end of December 2011) for the road to carry extra-heavy vehicle traffic from the SH1 to the landfill site entrance, with CWS to carry out all maintenance requirements for this section of Mt Cass Road, at their full cost, till final resolution can be achieved.

Ceased Road Maintenance Contracts (Contract nos. 05/28; 08/23 and 06/25)

Engineers Representative:	John Kerse	
Contractor(s):	Fulton Hogan	(Amuri area)
	Fulton Hogan	(Cheviot area)
	Downer	(Hurunui South area)
Completion date(s):	Amuri area	end of September 2011
	Cheviot area	end of September 2011
	Hurunui South area	end of September 2011

All three Contracts have now expired and have been formally terminated. Numerous defects have been picked up by the Engineers Representative, as well as by both Contractors. This information was incorporated into a defects list which has been completed by the outgoing Contractor (Fulton Hogan) prior to payment of their final claim.

Outstanding defects (not included in lump sum rates) have also been picked up the Engineers Representative in the Hurunui South Area and Downers have made a commitment to address these items as a priority.

Road Maintenance Contracts for Hurunui North 10/42 and Hurunui South 10/43)

Service Manager:	Brian McManus
SM Representative:	Matt Dowdall
Contractor:	Downer
Contract Commencement:	03 October 2011
Completion date:	End of September 2014 (with a further +1+1 approval)
Note:	NEC 3 Type Contract
Contract value:	\$12,600,000

Service Manager's Comments: -

"Downers have commenced their duties in both contract areas as of the 3rd of October, 2011". The first 6 weeks of the contract have achieved a steady, although somewhat slow, pace as both the Department and the Contractor come to terms with the new scope of works and the contract type (NEC 3; as opposed to NZS:3910).

Positives achieved have been the increased presence of the Contractor at Council and Committee meetings, as well as the Amberley A & P show, the capturing and programming of smaller local projects through community feedback and drive-overs with Councillors, the commencement of the AWPT and ancillary works on Princes St, Waikari and the relocation of Downers Contract Manager (Leighton Roberts) to our Amberley office, where communications have noticeably increased and improved.

Also, we are currently developing a 3 monthly forward works grading programme that we intend to introduce into the 3 monthly Roading Report to Strategy & Policy Committee. It is hoped this will keep the Councillors more informed with respect to the grading cycles in their respective areas and allow them to give informed responses to any grading programme queries that they may receive from their constituents

Negative outcomes to date have included the slow response by the Contractor and their sub-contractor (namely GSL) to address seasonal grass growing conditions with particular reference to mowing requirements through the contract documents. The Contractor has been formally notified by a NCR (Non-conformance Report) and monies have been withheld (\$5,000.00) from their first claim. Importantly, the contractor has agreed that the level of service provided wasn't acceptable and has taken steps to ensure corrective action and that the situation isn't repeated. Issues regarding grading outcomes have started to raise their head and this is currently being resolved with the contractor for revised approach"

Finances (Local Roads):

Note: Due to the timing of the report to agenda, the financials are up to the end of October 2011.

- Maintenance and Operations of Local Roads
 - Actual costs to end October 2011: \$878,792
 - NZTA budget 2011/2012 (NLTP): \$2,720,513

Assessed against NLTP: 32.3% expenditure vs. 33.3% of the time

This category includes for sealed pavement maintenance, unsealed pavement maintenance, routine drainage maintenance, structures maintenance, environmental maintenance, traffic services maintenance, level crossing warning devices, network and asset management (professional services and monitoring/auditing) and emergency works.

- Renewal of Roads (local roads)
 - Actual costs to end October 2011: \$623,674
 - NZTA budget 2011/2012 (NLTP): \$3,426,623

Assessed against NLTP: 18.2% expenditure vs. 33.3% of the time

This category includes for unsealed road metalling, sealed road resurfacing, drainage renewals, pavement rehabilitation treatment (AWPT), structure component replacement, traffic services renewals and associated improvements.

- Capital Improvements (local roads)
 - Actual costs to end October 2011: \$0.00
 - NZTA budget (NLTP): \$445,242

Assessed against HDC Budget: 0% expenditure vs. 33.3% of the time

This category includes for preventative maintenance, bridge renewals, road construction, seal extensions and minor (safety) improvements.

- Summary totals (local roads)
 - Actual costs to end October 2011: \$1,502,466
 - NZTA budget 2011/2012 (NLTP): \$6,592,378

Assessed against NLTP: 22.8% expenditure vs. 33.3% of the time