

Council Meeting

PUBLIC BUSINESS AGENDA

A Council Meeting
will be held in the Council Chamber,
Torphin Crescent, Tokoroa
on Thursday 22 September 2022
Commencing at 9.30am

OUR VISION

“Healthy people thriving in a safe, vibrant and sustainable community.”

Attendees

Members	Mayor (Chairperson)	J Shattock
	Deputy Mayor (Deputy Chairperson)	B Machen
	Councillors	H Daine M Glucina A Jansen T Lee H Nelis A Ngāpō G Petley P Schulte S Wallace
	Tirau Community Board (Chairperson)	K Purdy
Staff	Chief Executive	S Law
	Interim Executive Manager (IEM) Corporate	M Booth
	Interim Executive Manager (IEM) Transformation	D Lascelles
	Interim Executive Manager (IEM) Operations	J Hassall
	Group Manager Assets	T Anderson
	Group Manager Regulatory	S Robinson
	Communications Manager	K Fabrie
	Executive Assistant to the Mayor (Minutes)	S Curren

Agenda Confirmed by:

S Law

Chief Executive

Blessing

The Mayor will lead the Council with a blessing.

*RECOMMENDATIONS contained in reports are NOT to be construed as COUNCIL DECISIONS.
Refer to Council minutes for RESOLUTIONS.*

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1. Apologies

2. Confirmation of Agenda

3. Leave of Absences

Cr Lee 9-16 October 2022

4. Conflicts of Interest

5. Public Forum

6. Introduction of New Staff

There were no new staff to be introduced

7. Confirmation of Minutes

7.1 Confirmation of Minutes - Public

Document Information

Report To:	Council
Meeting Date:	Thursday, 22 September 2022
Author:	J Shattock
Author Title:	Chairperson
Report Date:	Tuesday, 13 September 2022

Purpose

1. To present past minutes.
2. To receive the Tirau Community Board minutes.

Recommendation

3. That Council:
 - a) confirms the minutes of the public business of the Council meeting held on Thursday [as a true and accurate record.
 - b) receives the Action Sheet.
4. That Council:
 - a) receives the confirmed minutes of the Tirau Community Board meeting held on Tuesday 26 July 2022.

Attachments

Unconfirmed Council public minutes – 7 September 2022

Confirmed Tirau Community Board minutes – 26 July 2022

Council Meeting

PUBLIC BUSINESS MINUTES

A Council Meeting
will be held in the Council Chamber,
Torphin Crescent, Tokoroa
on Wednesday 7 September 2022
Commencing at 9.32 am

Attendees

Members	Mayor (Chairperson)	J Shattock
	Deputy Mayor (Deputy Chairperson)	B Machen
Councillors		H Daine
		M Glucina
		A Jansen
		T Lee
		H Nelis
		A Ngāpō
		P Schulte
	S Wallace	
	Tirau Community Board (Chairperson)	K Purdy
Staff	Chief Executive	S Law
	Interim Executive Manager (IEM) Corporate	M Booth
	Interim Executive Manager (IEM) Operations	J Hassall
	Group Manager Assets	T Anderson
	Communications Manager	K Fabrie
	Executive Assistant to the Mayor (Minutes)	S Curreen

Her Worship the Mayor lead the Council with a blessing.

1. **Apologies** (Council audio recording 01:28)

22/187 Resolved

Cr Lee / Cr Daine

That apology from Cr Petley is received and sustained.

Apology received from Her Worship to be excused from 12 noon today for approximately two hours due to a presentation commitment and asked that Cr Machen stand in as the Chairperson.

Apology received from Cr Glucina to be excused from 11.15 am to 12.15 pm

Apology received from Tirau Community Board Chairperson, Ms K Purdy requesting to be excused from 10.45 am to 12 noon.

Apology received from Cr Ngāpō to be excused from 12.55pm to 3pm.

All in favour / against

Vote: 9/0

Carried

2. Confirmation of Agenda (Council audio recording 03:07)

That the agenda, as circulated, be confirmed.

3. Leave of Absences (Council audio recording 03:11)

22/188 Resolved

Cr Daine / Cr Wallace

That leave of absence be granted for Cr Lee from 9-16 October.

All in favour / against

Vote: 9/0

Carried

4. Conflicts of Interest (Council audio recording 03:42)

There were no conflicts of interest declared.

5. Public Forum (Council audio recording 03:50)

Daniel Patterson

- Spoke on Timber Town sign project he is working on. He is working with the Business Case Manager, Mr Moss, and advised there will be no cost to Council.

Kim Egerton

- Informed Councillors that the Putaruru Post Office building are not shown in the Long-Term Plan 2021 - 2031 for Putaruru.

6. Introduction of New Staff (Council audio recording 17:38)

Chief Executive, Ms Law, introduced James Hassall - Interim Executive Manager, Operations

GM Assets, Mr Anderson, introduced Ben Senior - Project Manager and John Kerr - Programme Manager

7. Confirmation of Minutes

7.1 Confirmation of Minutes - Public (Council audio recording 27:03)

Matters of Fact

Cr Lee was omitted from the Attendees list which also requires changing the voting numbers to reflect this.

22/189 Resolved

Cr Nelis / Cr Ngāpō

1. That Council:

- confirms the minutes of the public business of the Council meeting held on Thursday 11 August 2022 as a true and accurate record with amendments.

All in favour / against

Vote: 9/0

Carried

Matters Arising

In the Building Rationalisation Report b) (vii) Tirau Community Board Chairperson, Ms Purdy, identified County Lane should read County Place.

8. Reports

8.1 Mayoral Report – 10 August to 25 August 2022 *(Council audio recording 32:50)*

The Report was taken as read.

22/190 Resolved

Her Worship / Cr Daine

1. That the Council:

- a) Receives Report No 2022-592885, Mayors Report – 10 August to 25 August 2022.

All in favour / against

Vote: 9/0

Carried

8.2 2022-23 Mayors Taskforce for Jobs Agreement *(Council audio recording 33:15)*

The Report was taken as read.

The Strategy and Engagement Manager, Ms Diamond, responded to questions raised by the Councillors.

22/191 Resolved

Cr Machen / Cr Nelis

1. That Council:

- a) receives Report 2022-593662, 2022-23 Mayors Taskforce for Jobs Agreement Report.
- b) notes the Agreement is for funding from 1 July 2022 through to 30 June 2023.
- c) notes that the Agreement with LGNZ Mayors Taskforce for Jobs has been signed by the Mayor and CEO, to have 50 outcomes and a budget of \$450,000.

All in favour / against

Vote: 9/0

Carried

8.3 Arapuni WWTP Funding Request *(Council audio recording 40:23)*

The Report was taken as read.

GM Assets, Mr Anderson, responded to questions raised by the Councillors.

22/192 Resolved

Cr Lee / Cr Nelis

1. That Council:

- a) receives Report 2022-596754, Arapuni WWTP Funding Request.
- b) approves \$1,200,000 be allocated from the Asset Replacement Reserve for the new secondary treatment plant at Arapuni.
- c) delegates the Chief Executive to enter into contracts for the supply and installation of the new plant.

All in favour / against

Vote: 9/0

Carried

8.4 Waste Management and Minimisation Plan 2022 Consultation *(Council audio recording 44:20)*

The Report was taken as read.

The Strategy and Engagement Manager, Ms Diamond, responded to questions raised by the Councillors.

22/193 Resolved

Cr Nelis / Jansen

1. That Council:
 - a) receives Report 2022-596513, Waste Management and Minimisation Plan 2022 Consultation.
 - b) approves the Waste Management and Minimisation Plan 2022 Consultation.
 - c) notes that consultation opens on Thursday 8 September, closes 5pm Monday 10 October 2022.

All in favour / against

Vote: 9/0

Carried

8.5 Long Term Plan Amendment Update *(Council audio recording 01:01:28)*

The Report was taken as read.

The Chief Executive, Ms Law, presented the report on behalf of the IEM Transformation, Ms Lascelles.

22/194 Resolved

Cr Lee / Cr Ngāpō

1. That Council:
 - a) receives Report 2022-598789, Long Term Plan Amendment Update.
 - b) delegates the Chief Executive to approve the Consultation Document and supporting documents for public consultation if required during the interregnum period.

All in favour / against

Vote: 9/0

Carried

Tirau Community Board Chairperson, Ms K Purdy, left the meeting at 10.45 am.

Presentation *(Council audio recording 01:12:38)*

Her Worship presented Mr Wolfe with a Certificate of Appreciation for his contribution to the Wood Turning fraternity in the South Waikato. Her Worship also thanked Mr Wolfe for his donation of a carved wall hanging and his contribution to Council of the lectern and front counter, the pole carving plus the numerous and beautifully carved bowls and wooden products.

Mr Wolfe responded by presenting to Council a beautiful wooden wall hanging.

The meeting adjourned at 10.53 am and reconvened at 11.23 am

Cr Glucina left at 11.15 am.

9. Members Information Requests *(Council audio recording 01:22:33)*

Cr Wallace submitted a service request, with photos, regarding grass growing within the Putaruru CBD particularly around Van Dykes. It has been three weeks and it is still quite visible. Cr Daine advise vegetation spraying will be undertaken shortly.

Cr Lee enquired if the fence between Pellikan Way and Dumfries Road is going to be blocked off or left open. Mr Anderson advised the two quotes received for the traffic calming exceeded the budget available and staff are looking for additional funding to complete the project. Staff will secure the fence with a chain and padlock and are looking at road safety options.

Cr Wallace requested an update on the Arapuni traffic calming measures. Mr Anderson replied information is being collected, once collated an analysis will be undertaken and shared with the Elected Members. There

is a speed review project for the district which will commence following the elections with a Workshop to discuss what is Council’s desire or strategy for speed through the district.

22/195 Resolved

Cr Lee / Cr Nelis

Her Worship moved to come out of Council Public Business.

All in favour / against

Vote: 8/0

Carried



JR Shattock
MAYOR

The Council Public Business meeting closed at 11.35 am.

Her Worship moved to go into Council Public Excluded Business.

10. Public Excluded - Resolution to Exclude the Public

Section 48, Local Government Official Information and Meetings Act 1987.

22/196 Resolved

Cr Lee / Cr Nelis

1. That the Council Public Excluded Business will commence at the conclusion of the Council Public Business.
2. That the public be excluded from the following parts of the proceedings of this meeting.

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

General subject of each matter to be considered	Reason for passing this resolution	Ground(s) Under Section 48(1) for the passing of the resolution
Council public excluded minutes 11 August 2022	Reason(s) for excluding the public are recorded in the public minutes of the meeting 11 August 2022.	The public conduct of this part of the meeting would be likely to result in the disclosure of information for which there is good reason for it being withheld. Section 48(1)(a)
Notice of Requirement – Putaruru Growth Cell 4	This report is CONFIDENTIAL in accordance with section 46A (8) and 46A (9) of the Local Government Official Information and Meetings Act 1987, being a report that the Chief	The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to

	<p><i>Executive of the South Waikato District Council reasonably expects will be discussed with the public excluded.</i></p> <p><i>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied –</i></p> <p><i>Section 48(1)(a); Section 7 (2)(c)(i)</i></p>	<p><i>provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source and is in the public interest that such information should continue to be supplied.</i></p>
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This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public.

Tirau Community Board Meeting

PUBLIC BUSINESS MINUTES

A Tirau Community Board Meeting
was held in the Tirau War Memorial Hall,
Main Road, Tirau
on Tuesday 26 July 2022
Commencing at 5.30pm

Attendees

Members	Chairperson	K Purdy
	Deputy Chairperson	C Brasell K Slater
	Council Representative	P Schulte
	Her Worship the Mayor	J Shattock
	Elected Members	H Nelis A Ngāpō

1. Apologies

T22/10 Resolved

C Brasell /P Schulte

That apologies from the Chief Executive, Ms Law, Sharon Burling-Claridge and Sandi Curreen are received and sustained.

2. Confirmation of Agenda

The Agenda is as circulated

3. Leave of Absence

There were no leaves of absence requested.

4. Conflicts of Interest

There were no conflicts of interest declared

5. Public Forum

There were no speakers at the Public Forum

6. Confirmation of Minutes

6.1 Confirmation of Minutes

Matters of Fact

No matters were raised.

T22/11 Resolved

C Brasell /K Slater

1. That the Tirau Community Board:
 - a) confirms the minutes of the public business of the Tirau Community Board held on Tuesday 14 June 2022 as a true and accurate record.
 - b) receives the Action Sheet.

Matters Arising

The D Shackles on the Tirau Domain Bridge have been checked and are fit for purpose.

7. Reports

7.1 Resource Management Report – 30 May 2022 to 18 July 2022

The Report was taken as read.

T22/12 Resolved

P Schulte / K Slater

1. That the Tirau Community Board:
 - a) receives Report No 2022-591562, Resource Management Report – 30 May 2022 to 18 July 2022.

7.2 Replacement of Chairs – Tirau War Memorial Hall

The Report was taken as read.

T22/13 Resolved

P Schulte / K Slater

1. That the Tirau Community Board:
 - a) Receives Report No 2022-591058, Replacement of Chairs – Tirau War Memorial Hall.
 - b) Approves the purchase of the chairs as quoted (quote attached).
 - c) Recommends that the chairs being replaced are retained and stored at the Tirau War Memorial Hall.

7.3 Tirau Community Board Discussion – July 2022

The Report was taken as read.

Discussion

3. TCB accepted the CCTV project was complex however they were looking forward to the completion of the project.
4. Pedestrian access on SH1 Bridge south of Tirau a big issue and TCB will speak with Waka Kotahi when they next present to council.
5. On next agenda

6. TCB asked when the footpath cleaning will commence as another elderly resident has slipped on the pavers. **ACTION**
7. Concerned with the staff response. Fully laden logging trucks using the carpark as a layover. Information from staff offered that the concrete is not strong enough for fully laden trucks and turning in the carpark is very tight. Suggestion of chains or bollards proposed to protect landscape and make the area safer at night. Photos have been taken and will be given to staff. **ACTION**
10. Excellent opening day at the Tirau Domain. Thank you to staff and everyone involved. Future usage of the Tirau Domain was discussed and ideas generated. Approach to River Access Committee for funding for future projects. **ACTION**

T22/14 Resolved

C Brasell / P Schulte

1. That the Tirau Community Board:
 - a) Receives Report No 2022-591564, Tirau Community Board Discussion – July 2022.
 - b) Proposes that Council consider all dogs must be on a leash at the Tirau Domain and erect signage to support the ruling.
 - c) Proposes that Council erect a promotional sign for the Tirau Domain.
 - d) Proposes that Council erect a sign stating no truck parking at the Tirau Domain.
 - e) Proposes that the River Access Committee is approached to meet to consider funding for the river access project.
 - f) Proposes that security measures ie: bollards or chain fence is erected for safety of the gardens and grass.
 - g) Proposes that the initial Lighting Up Tirau project be re-investigated, and a breakdown of that cost is supplied to the Chairperson.
 - h) That the next meeting of the Tirau Community Board is deferred until Wednesday 7th September 2022

8. Members Information Requests

Cr Nelis stated that the role of the DAG (Domain Action Group) has concluded and in its current form will cease to exist. Informal talks are happening to decide if a replacement group with a future focus will be established.

Ms Purdy informed members of the serious dog attack at the Tirau Domain. ~~and her concern for the safety of children hence her suggestion to restrict the dog exercise area.~~ **She did not want to restrict the dogs in the exercise area, she would like dogs on leashes to make it safer for the people at the Domain and the other dogs especially the smaller dogs.** **ACTION**

Ms Purdy requested the hours of operation of the Tirau Domain toilets and stated that one of the locks is faulty. **ACTION**

Mayor Shattock updated TCB on the recent Local Government Conference and the Future for Local Government project.

The next TCB meeting is the final for this term and will be held on Wednesday 6th September 2022 with a post meeting dinner planned.

The meeting closed at 6.35pm.

K Purdy
CHAIRPERSON

8. Reports

8.1 Mayoral Report – 1 September to 16 September 2022

Document Information

Report To:	Council
Meeting Date:	Thursday, 22 September 2022
Author:	J Shattock
Author Title:	Mayor
Report Date:	Friday, 16 September 2022

Purpose

1. To inform the Council of appointments and funding allocations undertaken during the month.

Recommendation

2. That Council:
 - a) receives Report No 2022-600430, Mayoral Report – 1 September to 16 September 2022.

Context

3. **Mayoral Appointments**
 - a) **Thursday, 1 September 2022**

Attended Reforms update – Mayors, Chairs and Chief Executives via Zoom
Flight from Hamilton
 - b) **Saturday, 3 September 2022**

Pride in Putaruru Business celebration
 - c) **Tuesday, 6 September 2022**

Attended meeting re Business breakfast
Attended BCM Update Meeting with Alan Moss
Attended Limitless Local: Exploring the Future for Local Government via Zoom
Attended Tirau Community Board meeting in Tirau
 - d) **Wednesday, 7 September 2022**

Attended training on new device
Chaired Council Meeting
Spoke at Catholic Women’s League Meeting on Three Waters
Catchup with the Chief Executive, Ms Law
 - e) **Thursday, 8 September 2022**

Met with Executive Assistants
Met with Pamela Peters, Bill Machen and Susan Law

Attended Grey Power Meet the Candidates
Met with Larry Sullivan and Brett McMullen – Mountain Bike Club
Attended Tokoroa High School Trust meeting

f) **Friday, 9 September 2022**

Attended blessing of soffits in Leith Place
Met with Lynne Campbell

g) **Saturday, 10 September 2022**

Attended Putaruru Volunteer Fire Brigade Honours Night 2022

h) **Monday, 12 September 2022**

Meeting with Chief Executive, Ms Law
Spoke to Te Waotu School

i) **Wednesday, 14 September 2022**

Met with Lynne Campbell at the Senior Citizens Hall
Met with Mrs Trickey
Catchup with the Chief Executive, Ms Law
Attended Celebrating Te Wiki o Te Reo Maori: Aotearoa Reorua – Bilingual Towns and Cities via Zoom

j) **Thursday, 15 September 2022**

Met with Ms Dianne Lovett
Attended Grey Power Candidates meeting at The Plaza
Attended Reforms update – Mayors, Chairs and Chief Executives via Zoom

k) **Friday, 16 September 2022**

Attended Timber Museum meeting

4. **Mayoral Fund**

Type 1 diabetic children Halloween Fundraiser	\$250.00
Te Wharekura O Te Kaokaoroa O Patetere - School Prizegiving	\$300.00
Forest View High School - School Prizegiving	\$300.00
Tokoroa High School - School Prizegiving	\$300.00
Putaruru College - School Prizegiving	\$300.00
Koha Raukawa – Blessing for Soffit (Leith Place)	\$150.00

8.2 Three Waters and Roothing Asset Valuations

Document Information

Report To:	Council
Meeting Date:	Thursday, 22 September 2022
Author:	Clayton Oldham
Author Title:	Infrastructure Strategy Manager
Group Manager Lead:	Debbie Lascelles
Report Date:	Friday, 9 September 2022

Purpose

1. To inform the Council on the Three Waters and Roothing asset valuations.
2. To recommend to the Council to approve the Three Waters and Roothing asset valuations.

Recommendation

3. That Council:
 - a) receives Report No 2022-591872, Three Waters and Roothing Asset Valuations.
 - b) approves the Three Waters and Roothing asset valuations.

Executive Summary

Background

4. The purpose of the valuation is to comply with statutory reporting requirements of the Local Government Act 2002 and its amendments. These compel South Waikato District Council (SWDC) to revalue its fixed assets as a public entity in accordance with generally accepted accounting practice (GAAP) which states that assets must be recorded at a true and fair value. We complete revaluations every 3 years on a rolling basis to ensure that carrying values do not differ materially from that which would be determined using fair value at reporting date. A desk top assessment is made of the assumed movement in the asset class value each year. If the assessed value of the assets has moved significantly then a revaluation is required.
5. The Three Waters asset valuation has been carried out on the 3 yearly basis. The Roothing asset class was assessed by Audit NZ as having significant movement in value and therefore an additional revaluation was required this year.

Discussion

A. Three Waters Valuation

6. An internal valuation of the Three Waters infrastructure assets was carried out by Staff.
7. A registered valuer, Beca Projects NZ Ltd (Beca), was engaged to carry out an external peer review of the valuation of the Three Waters infrastructure assets.

Scope

8. The scope of the work was to complete validations for data confidence purposes, assess sample data asset condition and to assess the values of the Three Waters asset class for financial reporting purposes.
9. Water supply assets include four water treatment plants, 11 reservoirs and 227km of pipeline. Wastewater assets include four wastewater treatment plants, 17 pump stations and 162km of pipeline. Stormwater assets include 100km of pipeline, concrete lined channels and open drains.

Method

10. As these assets are specialised the assets have been valued using the depreciated replacement cost methodology.
11. The replacement cost is assessed using a modern equivalent asset and applying optimisation and depreciation to adjust for age, conditions, performance and remaining useful life. This is often referred to as the optimised depreciated replacement cost approach (ODRC).

Cost Escalation

12. Beca were engaged to review the 2019 unit rates and cost escalations along with recent contract renewal costs to support the assessment of the 2022 replacement costs. SWDC reviewed and adopted the replacement costs provided by Beca.
13. Beca used Capital Goods Price Index (CGPI) rates to review replacement costs for plant assets. The replacement cost increase for plant assets ranged from 6% to 27%.
14. Line and point assets replacement costs were reviewed based on the CGPI rates, Beca's review of our recent construction rates and using their industry knowledge and experience. The replacement cost increase for point assets ranged from 12% to 17%.
15. Previously SWDC has used an individual replacement cost for each size of pipe and material type. This time, Beca recommended using global replacement cost for pipes used for the same activity within a range of pipe sizes. This is because plant and labour costs are essentially the same across various pipe sizes at a standard depth. The recommended approach has been adopted by SWDC. This approach ensures that replacement cost estimates are not undervalued in terms of installation and reinstatement costs.

Valuation Movement

16. The valuation has an effective date of 30 June 2022. Movements are aligned with increases in unit rates, the value of new, found or vested assets, asset transfers, values of renewal and the depreciation of the assets.
17. The value as at 30 June 2022 is summarised in Table A-1:

Table A-1 Summary of Three Waters Assets Value as at 30 June 2022

Asset Class	Optimised Replacement Cost (\$)	Optimised Depreciated Replacement Cost (\$)	Annual Depreciation (\$/year)
Water supply	89,523,275	33,078,338	56,444,937
Wastewater	124,966,744	51,789,473	73,177,270
Stormwater	83,241,810	39,875,957	43,377,774
Total	297,731,828	124,743,768	172,999,982

18. The movements in value since 2019 are summarised in Table A-2:

Table A-2 Valuation Movements

Three Waters	ORC (\$)	ODRC (\$)	AD (\$/year)
30 June 2022	297,731,828	124,743,768	297,731,828
30 June 2019	183,913,951	80,399,212	183,913,951
Movement \$	113,817,877	44,344,556	113,817,877
Movement %	61.9	55.2	61.9

Summary

19. As detailed in the cost escalation section, the majority of the replacement cost increase has occurred in the pipelines. The cost of replacing pipelines has increased to reflect increased installation and reinstatement costs. A similar increase in the cost of stormwater pipeline assets in the Roothing valuation was also noted.

B. Roothing Valuation

20. A valuation of Roothing asset class has been undertaken by Beca Projects NZ Ltd, a registered valuer.
21. The SWDC road network length as recorded in RAMM is approximately 650km long.
22. Table B-1 provides a breakdown of the SWDC network by pavement type and urban/rural environment as at 30 June 2022. The reported values are based on carriageway sections with a recorded asset owner of "Local Authority".

Table B-1 Road Network Statistics

Pavement Type	Urban (km)	Rural (km)	Total (km)
Structural Asphaltic Concrete	1.83	0.12	1.95
Thin Surfaced Flexible	111.97	383.35	495.32
Unsealed	0.47	153.08	153.55
Total	114.27	536.55	650.82

Scope

23. SWDC engaged Beca to conduct a valuation of roading infrastructure assets owned by Council as at 30 June 2022 from the following asset information, as listed in RAMM.
24. The assets include:
- Airfield
 - Bridges
 - Drainage
 - Footpaths
 - Railings
 - Signs
 - Streetlights
 - Lights
 - Brackets
 - Poles
 - SW Channel
 - Pavements
 - Sealed surface
 - Pavement

– Earthworks

25. Assets have been valued by Beca using the RAMM Asset Valuation Module (RAVM). This valuation has included a field validation of a sample of the asset inventory data.

Basis of Valuation

26. This valuation was completed by Beca in accordance with Public Benefit Entity Sector Accounting Standard 17 Property, Plant and Equipment (PBE IPSAS 17) where SWDC is deemed to be a “Public Benefit Entity” for the purposes of PBE IPSAS 17. SWDC is a public benefit entity and therefore the specialised roading assets are valued using a depreciated replacement cost basis as per PBE IPSAS 17.

Valuation summary

27. The overall summary of the 2022 valuation is shown in Table B-2 below

Table B-2 2022 Valuation summary

Asset Type	Component	Unit	Quantity	ORC	ODRC	ADR	Quantity
Airfield	Airfield	No.	1	\$ 1,578,177	\$ 1,306,210	\$ 8,429	1 No.
Bridge	Bridge (Culvert)	No.	14	\$ 2,348,309	\$ 696,098	\$ 28,231	14 No.
	Bridge (Deck)	No.	35	\$ 21,857,671	\$ 8,748,955	\$ 218,577	35 No.
	Bridge Total	No.	49	\$ 24,205,981	\$ 9,445,052	\$ 246,808	49 No.
Drainage	Drainage (Point)	No.	2,247	\$ 4,332,841	\$ 1,603,959	\$ 57,511	2,247 No.
	Drainage (Linear)	m	38,189	\$ 19,754,861	\$ 11,518,172	\$ 287,738	38,189m
	Drainage Total			\$ 24,087,702	\$ 13,122,131	\$ 345,249	
	Feature	No.	1	\$ 34,593	\$ 31,134	\$ 1,730	1 No.
Footpath	Footpath	m ²	251,279	\$ 34,907,329	\$ 13,875,745	\$ 506,956	251,279m ²
	Island	m ²	5,652	\$ 1,833,146	\$ 961,031	\$ 22,914	5,652m ²
Railing	Railing	m	5,255	\$ 2,292,033	\$ 996,163	\$ 55,674	5,255m
	Retaining Wall	m ²	82	\$ 402,877	\$ 387,897	\$ 6,715	82m ²
SW Channel	SW Channel	m	223,459	\$ 59,713,733	\$ 25,117,624	\$ 744,237	223,459m
Sign	Sign	No.	4,263	\$ 932,296	\$ 466,148	\$ 99,362	4,263 No.
Street Light	Street Light (Bracket)	No.	2,588	\$ 302,372	\$ 162,330	\$ 7,558	2,588 No.
	Street Light (Light)	No.	2,659	\$ 2,963,585	\$ 2,302,036	\$ 123,772	2,659 No.
	Street Light (Pole)	No.	2,553	\$ 4,293,767	\$ 2,297,847	\$ 114,890	2,553 No.
	Street Light Total	No.	7,800	\$ 7,559,724	\$ 4,762,213	\$ 246,220	7,800 No.
Treatment Length	Earthworks	m ²	4,944,858	\$ 203,069,210	\$ 203,069,210	\$ -	4,944,858m ²
	Pavement	m ²	3,677,629	\$ 83,998,323	\$ 44,891,521	\$ 1,080,715	3,677,629m ²
	Surface	m ²	3,536,580	\$ 30,095,167	\$ 13,438,413	\$ 2,048,919	3,536,580m ²
	Treatment Length Total	m ²	12,159,067	\$ 317,162,701	\$ 261,399,144	\$ 3,129,633	12,159,067m ²
Total				\$ 474,710,291	\$ 331,870,493	\$ 5,413,927	

Comparison with 2020 Valuation

28. Overall results between the 2020 and 2022 valuations are shown in Table B-3 below.

Table B-3 Comparison of 2022 and 2020 values

Roading	ORC (\$)	ODRC (\$)	AD (\$)
30 June 2022	474,710,291	331,870,493	5,413,927
30 June 2020	371,528,000	275,240,000	3,634,000
Movement \$	103,182,291	56,630,493	1,779,927
Movement %	27.8	20.6	49.0

29. The above table shows that, since the previous valuation carried out in 2020, there has been increases in optimised replacement costs (ORC), optimised depreciated replacement costs (ODRC) and annual depreciation (AD) of 28%, 21% and 49% respectively for the assets.

30. These increases are due to a combination of overall increases to replacement cost unit rates, assets added between 1 July 2020 and 30 June 2022, and the addition of some assets not included in the previous valuation.
31. Movements and factors at an asset class level are summarised as follows. All asset groups have increased in value.
32. Airfield - Increase in ORC, ODRC and ADR in line with the increase in replacement cost unit rate.
33. Bridge - Increase in ORC, ODRC and ADR due to an increase in assets quantity since the 2020 valuation and an increase in replacement cost unit rate.
34. Drainage - Significant increase in overall ORC, ODRC and ADR due to an increase in replacement cost unit rates based on the new maintenance contract. A decrease in remaining useful life for catchpits has resulted in the decrease in ODRC for point assets. This is potentially the result of data improvement works that have been carried out on this inventory table since the previous valuation.
35. Footpath - Moderate increase in ORC, ODRC and ADR due to an increase in assets quantity since the 2020 valuation and an increase in replacement cost unit rate.
36. Railing - Notable increase in ORC, ODRC and ADR due to an increase in assets quantity since the 2020 valuation and an increase in replacement cost unit rate.
37. Sign - Increase in ORC, ODRC and ADR due to an increase in assets quantity since the 2020 valuation and an increase in replacement cost unit rate.
38. Streetlight - Increase in ORC and ADR. Decrease in ODRC due to the quantity of assets added since the 2020 valuation being less than life cycle average resulting in an overall reduced remaining life for this asset class. The large increase in ADR is due to possible data improvement works on the streetlight pole assets.
39. SW Channel - Significant increase in ORC, ODRC and ADR due to the large increase in replacement cost unit rate based on the new maintenance contract.
40. Sealed Surface - Significant increase in ORC, ODRC and ADR due to the large increase in replacement cost unit rate based on the new maintenance contract.
41. Pavement - Increase in ORC, ODRC and ADR in line with the increase in replacement cost unit rate.
42. Earthworks - Increase in ORC and ODRC due to assets added between 1 July 2020 and 30 June 2022 and increase in replacement cost unit rate.

Discussion

43. The replacement cost increase has been significantly impacted by the increase in bitumen, a primary component of roads. Maintenance contracts for road surfacing and drainage have recently been renewed and have significant increases in unit rates.

Linkage to Strategic Plan Priorities

44. The valuations meet all our legal and statutory requirements.

References

South Waikato District Council – Three Waters Assets Valuation – 30th June 2022, by Clayton Oldham and Shivani Nayagar - ECM 589891.

Three Waters Assets Valuation – Peer Review by Beca Projects NZ Limited – ECM 599937

South Waikato District Council Roading Asset Valuation Report – Final, prepared for South Waikato District Council, prepared by Beca Projects NZ Limited, Report - ECM 591870, Results Spreadsheet ECM 591871.

9. Members Information Requests

10. Public Excluded - Resolution to Exclude the Public

Section 48, Local Government Official Information and Meetings Act 1987.

Recommendations

1. *That the Council Public Excluded Business will commence at the conclusion of the Council Public Business.*
2. *That the public be excluded from the following parts of the proceedings of this meeting.*

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

General subject of each matter to be considered	Reason for passing this resolution	Ground(s) Under Section 48(1) for the passing of the resolution
<i>Council public excluded minutes 7 September 2022</i>	<i>Reason(s) for excluding the public are recorded in the public minutes of the meeting 7 September 2022.</i>	<i>The public conduct of this part of the meeting would be likely to result in the disclosure of information for which there is good reason for it being withheld. Section 48(1)(a)</i>
<i>Stanley Park Development Options</i>	<i>This report is CONFIDENTIAL in accordance with section 46A (8) and 46A (9) of the Local Government Official Information and Meetings Act 1987, being a report that the Chief Executive of the South Waikato District Council reasonably expects will be discussed with the public excluded.</i> <i>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to enable the local authority holding the information to carry on, without prejudice or disadvantage, commercial activities – Section 48(1)(a); Section 7 (2)(h)</i>	<i>The public conduct of this part of the meeting would be likely to result in the disclosure of information for which there is good reason for it being withheld. Section 48(1)(a)</i>

<p><i>Heads of Agreement</i></p>	<p>This report is CONFIDENTIAL in accordance with section 46A (8) and 46A (9) of the Local Government Official Information and Meetings Act 1987, being a report that the Chief Executive of the South Waikato District Council reasonably expects will be discussed with the public excluded.</p> <p>The specific reasons for confidentiality are:</p> <p>Section 7(2)(b)(ii): to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>Section 7(2)(i): to enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	<p>The public conduct of this part of the meeting would be likely to result in the disclosure of information for which there is good reason for it being withheld. Section 48(1)(a)</p>
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This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public.

Council Outcomes

Growth - Activities and strategies that facilitate sustainable economic growth and lift community pride.

Resilience - A resilient district with good infrastructure, services, a sound financial position, rates affordability and a healthy environment that has the ability to anticipate, resist, respond to and recover from significant change or events.

Relationships - Strong relationships with Iwi and Māori, Pacific Peoples and community and business groups that can achieve growth and a resilient community.