

Notice of Meeting:

I hereby give notice that an ordinary Meeting of the Council will be held on:

Date: Wednesday 30 April 2025
Time: 9:30 am
Meeting Room: Council Chamber and Audio Visual Link
Venue: Municipal Building, Garden Place, Hamilton

Lance Vervoort
Chief Executive

Council *Kaunihera* OPEN AGENDA

Membership

Chairperson Mayor Paula Southgate
Heamana

Deputy Chairperson Deputy Mayor Angela O'Leary
Heamana Tuarua

Members	Cr Maxine van Oosten	Cr Geoff Taylor
	Cr Moko Tauariki	Cr Sarah Thomson
	Cr Ewan Wilson	Cr Emma Pike
	Cr Tim Macindoe	Cr Maria Huata
	Cr Louise Hutt	Cr Anna Casey-Cox
	Cr Andrew Bydder	Cr Kesh Naidoo-Rauf
	Vacancy	

Quorum: A majority of members (including vacancies)

Meeting Frequency: Monthly – or as required

Amy Viggers
Mana Whakahaere
Governance Lead

17 April 2025

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Purpose

The Council is responsible for:

1. Providing leadership to, and advocacy on behalf of, the people of Hamilton.
2. Ensuring that all functions and powers required of a local authority under legislation, and all decisions required by legislation to be made by local authority resolution, are carried out effectively and efficiently, either by the Council or through delegation.

Terms of Reference

1. To exercise those powers and responsibilities which cannot legally be delegated by Council¹:
 - a) The power to make a rate.
 - b) The power to make a bylaw.
 - c) The power to borrow money, or purchase or dispose of assets, other than in accordance with the Long Term Plan.
 - d) The power to adopt a Long Term Plan or Annual Plan, or Annual Report.
 - e) The power to appoint a Chief Executive.
 - f) The power to adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the Long Term Plan or developed for the purpose of the Council's Governance Statement.
 - g) The power to adopt a remuneration and employment policy.
 - h) The power to approve or change the District Plan, or any part of that Plan, in accordance with the Resource Management Act 1991.
 - i) The power to approve or amend the Council's Standing Orders.
 - j) The power to approve or amend the Code of Conduct for Elected Members.
 - k) The power to appoint and discharge members of committees.
 - l) The power to establish a joint committee with another local authority or other public body.
 - m) The power to make the final decision on a recommendation from the Parliamentary Ombudsman, where it is proposed that Council does not accept the recommendation.
 - n) The power to amend or replace the delegations in Council's *Delegations to Positions Policy*.
2. To exercise the following powers and responsibilities of Council, which the Council chooses to retain:
 - a) Resolutions required to be made by a local authority under the Local Electoral Act 2001, including the appointment of an electoral officer and reviewing representation arrangements.
 - b) Approval of any changes to Council's vision, and oversight of that vision by providing direction on strategic priorities and receiving regular reports on its overall achievement.
 - c) Approval of any changes to city boundaries under the Resource Management Act 1991.
 - d) Adoption of governance level strategies plans and policies which advance Council's vision and strategic goals.

¹ [Clause 32, Schedule 7, Local Government Act 2002](#)

- e) Approval of the Triennial Agreement.
- f) Approval of the local governance statement required under the Local Government Act 2002.
- g) Approval of a proposal to the Remuneration Authority for the remuneration of Elected Members.
- h) Approval of any changes to the nature and delegations of the Committees.
- i) Approval or otherwise of any proposal to establish, wind-up or dispose of any holding in, a CCO, CCTO or CO.
- j) Approval of city boundary changes, including in respect of Strategic Boundary Land Use Agreements.
- k) Approval of Activity Management Plans.
- l) Sister City relationships.

Oversight of Strategies, Plans and Reports:

- Long Term Plan
- Annual Plan
- Annual Report
- Shaping Hamilton Kirikiriroa Together
- Our Climate Future
- He Pou Manawa Ora

Oversight of Policies and Bylaws:

- *Corporate Hospitality and Entertainment Policy*
- *Delegations to officers specific to the Resource Management Act 1991*
- *Delegations to Positions Policy*
- *Elected Members Support Policy*
- *Significance and Engagement Policy*
- *Climate Change Policy*
- *Any Community Engagement Policies*

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1 Apologies – *Tono aroha*

2 Confirmation of Agenda – *Whakatau raarangi take*

The Council to confirm the agenda.

3 Declaration of Interest – *Tauaakii whaipanga*

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest they might have.

4 Public Forum – *Aatea koorero*

As per Hamilton City Council's Standing Orders, a period of up to 30 minutes has been set aside for a public forum. Each speaker during the public forum section of this meeting may speak for five minutes or longer at the discretion of the Mayor.

Please note that the public forum is to be confined to those items falling within the terms of the reference of this meeting.

Speakers will be put on a Public Forum speaking list on a first come first served basis in the Council Chamber prior to the start of the Meeting. A member of the Governance Team will be available to co-ordinate this. As many speakers as possible will be heard within the allocated time.

If you have any questions regarding Public Forum please contact Governance by telephoning 07 838 6699.

Council Report

Item 5

Committee: Council

Date: 30 April 2025

Author: Amy Viggers

Authoriser: Michelle Hawthorne

Position: Governance Lead

Position: Governance and Assurance
Manager

Report Name: Confirmation of the Council Open Minutes 20 March 2025

Report Status	<i>Open</i>
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Staff Recommendation - *Tuutohu-aa-kaimahi*

That the Council confirms the Open Minutes of the Council Meeting held on 20 March 2025 as a true and correct record.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Council Open Unconfirmed Minutes - 20 March 2025

Council Kaunihera OPEN MINUTES

Minutes of a meeting of the Council held in Council Chamber, Municipal Building, Garden Place, Hamilton on Thursday 20 March 2025 at 9:32am.

PRESENT

Chairperson	Mayor Paula Southgate
Heamana	
Deputy Chairperson	Deputy Mayor Angela O'Leary
Heamana Tuarua	
Members	Cr Maxine van Oosten Cr Moko Tauariki Cr Ewan Wilson Cr Tim Macindoe Cr Louise Hutt Cr Andrew Bydder Cr Geoff Taylor Cr Sarah Thomson Cr Emma Pike Cr Maria Huata Cr Anna Casey-Cox

In Attendance Peter Winder, Waters Consultant

The meeting was started with a karakia by the Council kaumatua Tame Pokaia.

1. Apologies – Tono aroha

Resolved: (Mayor Southgate/Cr Macindoe)
That the Council accepts the apologies for full absence from Cr Naidoo-Rauf.

2. Confirmation of Agenda – Whakatau raarangi take

Resolved: (Mayor Southgate/Deputy Mayor O'Leary)
That the Council confirms that agenda noting that:
a) the late report, Item C5 (Artificial Turf Funding Application) is accepted. This report was circulated under separate cover as a late report due to timing of application due dates. It was unable to be deferred to a future meeting due to time constraints: and
b) the order of the agenda will be flexible to accommodate availability.

3. Declarations of Interest – Tauaakii whaipaaanga

Cr Taylor declared an interest in Item 12 (42 Ward Street - Pullman Hotel - Streetscape, Parking Restrictions and Licence to Occupy). He noted that he would not take part in the discussion or vote on the matter.

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4. **Public Forum – AAtea koorero**
No members of the public were present to speak in the Public Forum.
5. **Confirmation of the Council Open Minutes 11 February 2025**
Resolved: (Mayor Southgate/Cr Wilson)
That the Council confirms the Open Minutes of the Council Meeting held on 11 February 2025 as a true and correct record.
6. **Confirmation of the Elected Member Open Briefing Notes 5 February 2025**
Resolved: (Mayor Southgate/Cr Wilson)
That the Council confirm the Open Notes of the Elected Member Briefing held on 5 February 2025 as a true and correct record.
7. **Confirmation of the Elected Member Open Briefing Notes 12 February 2025**
Resolved: (Cr Wilson/Cr van Oosten)
That the Council confirm the Open Notes of the Elected Member Briefing held on 12 February 2025 as a true and correct record.
8. **Confirmation of the Elected Member Open Briefing Notes 19 February 2025**
Resolved: (Cr Pike/Cr Macindoe)
That the Council confirm the Open Notes of the Elected Member Briefing held on 19 February 2025 as a true and correct record.
9. **Chair's report**
Mayor Southgate spoke to her report in particular the resignation of Councillor Donovan and proposed delegations and the upcoming visit to Chengdu Hamilton's Sister City Chengdu. She responded to questions from Elected Members concerning Local Government New Zealand Life Membership and Local Government New Zealand Annual Conference budget.
Resolved: (Mayor Southgate/Deputy Mayor O'Leary)
That the Council receives the report.
10. **Local Water Done Well: Paving the Wave Forward**
The General Manager Infrastructure and Assets and the Waters Consultant spoke to the report in particular Central Government deadlines. Staff responded to questions from Elected Members concerning criteria and process for assessment of candidates, Council's contributions to the work programme, timelines for the selection of the Establishment Board and transfer of debt.
Resolved: (Mayor Southgate/Deputy Mayor O'Leary)
That the Council:
 - a) receives the report;
 - b) notes that should the Council resolve to establish a joint waters organisation (a Council Controlled Organisation) in June 2025 (in line with Council's preferred model), significant work must take place between 1 July 2025 and 1 July 2026 to ensure the company is ready for operations;
 - c) notes that for work to progress in accordance with legislative requirements, an Establishment Board for the Council Controlled Organisation must be appointed as soon as possible after Hamilton City Council and Waikato District Council decisions;

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- d) approves the creation of an Establishment Board Appointments Panel to recruit the establishment board, noting that no approval is given to make Establishment Board appointment prior to both Hamilton City Council and Waikato District Council passing a resolution to establish a joint Council Controlled Organisation in June 2025;
- e) approves the appointment of the Mayor Southgate, Cr van Oosten, Chair of the Finance and Monitoring Committee, and Cr Wilson, Chair of the Economic Development Committee to form an Establishment Board Appointment Panel to begin to work to identify and recruit an Establishment Board (in line with (d) above);
- f) notes that Waikato District Council will also appoint three members to the Establishment Board Appointment Panel;
- g) invites, subject to Waikato District Council's decision on the same matter, Waikato Tainui to appoint three members to the Establishment Board Appointment Panel; and
- f) delegates authority to the Waters and Rates Working Group to approve a submission to Taumata Arowai on its Discussion document on proposed wastewater environmental performance standards.

Cr Bydder Dissenting.

11. Update on Consequential Amendment to the 2024-34 Long-Term Plan, 2025/26 Annual Plan, and Related Matters

The Corporate Planning and Advocacy Manager outlined the report, in particular the reason for the amendment of the Long-Term Plan, proposed changes to the rating policy to incorporate Local Water Done Well, and Fees and Charges.

Resolved: (Cr Wilson/Mayor Southgate)

That the Council:

- a) receives the report;
- b) approves the deferral of the consequential amendment to the 2024-34 Long-Term Plan to occur after 1 July 2025 and prior to 1 July 2026, should Council decide to transfer water services to an asset-owning Council Controlled Organisation from 1 July 2026;
- c) approves minor drafting updates to the supporting information for the Local Water Done Well consultation earlier approved at the 11 February 2025 Council meeting:
 - i. the Rating Policy (**Attachment 1**);
 - ii. the updated Funding Needs Analysis (**Attachment 2**); and
 - iii. the updated Revenue and Financing Policy (**Attachment 3**);
- d) approves for consultation the draft Statement of Proposal: Proposed 2025/26 Fees and Charges schedule (**Attachment 4**); and
- e) approves the proposed 2025/26 fees and charges relating to the provision of animal education and control (**Attachment 5**).

Cr Bydder Dissenting.

Prior to the discussion of the following item, Cr Taylor left the meeting as declared during Item 3 (Declarations of Interest). He was not present when the matter was voted on.

12. 42 Ward Street - Pullman Hotel - Streetscape, Parking Restrictions and Licence to Occupy

The Strategic Property Manager and Head of Transport spoke to the report noting the intention of the recommendation was to set the framework for the hotel. Staff responded to questions from Elected Members concerning accessibility for deliveries for nearby businesses and speed limit on street.

Resolved: (Mayor Southgate/Cr Wilson)

That the Council:

- a) receives the report;
- b) approves the 42 Ward Street Hotel Streetscape Proposal in general accordance with the plans included in **Attachment 1**, noting that staff will continue to work with the developer to finalise the construction materials, methodology and approvals necessary for completion of the work via the detailed design process;
- c) approves the following changes to parking restrictions on Ward Street, which will come into effect when the physical works are completed for the entrance to the proposed Pullman Hotel development:
 - i. rescind 12m 'Loading Zone – P10 – 8:00AM – 6:00PM Mon – Sun' outside 42 Ward Street (Centre Place);
 - ii. install 10m 'Motorcycle Parking – at all times' outside 42 Ward Street (Centre Place);
 - iii. install 20m 'Loading Zone - P5 – At All Times' outside 42 Ward Street (Centre Place) for Valet Parking;
 - iv. rescind 10m 'Motorcycle Only – At all times' outside 10 Worley Place (Centre Place);
 - v. install 15m 'Loading Zone – P10 – 8:00AM – 6:00PM Mon – Sun' outside 10 Worley Place (Centre Place).
- d) notes that costs associated with the streetscape improvements and parking restriction changes will be met by the developer;
- e) approves the Deed of Novation and Partial Surrender of Licence to Occupy between Hamilton City Council and Kiwi Property Holdings Limited and TEA Custodians (Silverfin) Limited for the area shown on **Attachment 2**;
- f) approves the new Licence to Occupy between Hamilton City Council, TEA Custodians (Silverfin) Limited, Mistry Centre Limited and Centre Place Limited Joint Venture for the area shown on **Attachment 2** in general accordance with the terms and conditions set out in the existing 2013 Licence to Occupy; and
- g) delegates authority to the Chief Executive to:
 - i. approve the final form and content of the Licence to Occupy; and
 - ii. sign all documents necessary to give effect to this decision.

13. Electoral Matters

The Governance and Assurance Manager took the report as read. Staff responded to questions from Elected Members concerning the options for the order of candidate names on voting documents.

Motion: (Mayor Southgate/Cr van Oosten)

That the Council:

- a) receives the report;
- b) approves the names of the Hamilton City Council candidates for the 2025 Local Authority Elections to be arranged on the voting documents in random order;
- c) determines that the vacancy, from Cr Mark Donovan's resignation is not filled;

- d) approves the changes to the Governance Structure:
 - i. appoints Cr Maria Huata to the position of Deputy Chair of the Economic Development Committee;
 - ii. appoints Cr Louise Hutt to the position of Chair of the Regulatory and Hearings Committee;
 - iii. appoints Cr Emma Pike to the position of Chair Traffic, Speed Limit and Road Closure Hearings Panel;
 - iv. appoints Cr Emma Pike to the position Chair Dog Control Hearings Panel;
 - v. appoints Cr Louise Hutt as a Member of the Strategic Risk and Assurance Committee
- e) requests staff seek a determination from the Remuneration Authority that enables the base remuneration amount of \$83,527 to be split equally between all Members and the amount that was originally allocated to the 'Regulatory and Hearings Chair' position in the determination 2024/25 to be split equally between all Members taking on additional responsibilities.

Amendment: (Deputy Mayor O'Leary/Cr Bydder)
That the Council:

- a) receives the report;
- b) approves the names of the Hamilton City Council candidates for the 2025 Local Authority Elections to be arranged on the voting documents in alphabetical order;
- c) determines that the vacancy, from Cr Mark Donovan's resignation is not filled;
- d) approves the changes to the Governance Structure:
 - i. appoints Cr Maria Huata to the position of Deputy Chair of the Economic Development Committee;
 - ii. appoints Cr Louise Hutt to the position of Chair of the Regulatory and Hearings Committee;
 - iii. appoints Cr Emma Pike to the position of Chair Traffic, Speed Limit and Road Closure Hearings Panel;
 - iv. appoints Cr Emma Pike to the position Chair Dog Control Hearings Panel;
 - v. appoints Cr Louise Hutt as a Member of the Strategic Risk and Assurance Committee
- e) requests staff seek a determination from the Remuneration Authority that enables the base remuneration amount of \$83,527 to be split equally between all Members and the amount that was originally allocated to the 'Regulatory and Hearings Chair' position in the determination 2024/25 to be split equally between all Members taking on additional responsibilities.

The Amendment was put.

Those for the Amendment:	Deputy Mayor O'Leary and Cr Huata.
Those against the Amendment:	Mayor Southgate, Councillors Hutt, Casey-Cox, van Oosten, Thomson, Tauariki, Bydder, Pike, Taylor, Wilson and Macindoe

The Amendment was declared LOST.

The Motion was then put and declared CARRIED.

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Resolved: (Mayor Southgate/Cr van Oosten)

That the Council:

- a) receives the report;
- b) approves the names of the Hamilton City Council candidates for the 2025 Local Authority Elections to be arranged on the voting documents in random order;
- c) determines that the vacancy, from Cr Mark Donovan's resignation is not filled;
- d) approves the changes to the Governance Structure:
 - i. appoints Cr Maria Huata to the position of Deputy Chair of the Economic Development Committee;
 - ii. appoints Cr Louise Hutt to the position of Chair of the Regulatory and Hearings Committee;
 - iii. appoints Cr Emma Pike to the position of Chair Traffic, Speed Limit and Road Closure Hearings Panel;
 - iv. appoints Cr Emma Pike to the position Chair Dog Control Hearings Panel;
 - v. appoints Cr Louise Hutt as a Member of the Strategic Risk and Assurance Committee
- e) requests staff seek a determination from the Remuneration Authority that enables the base remuneration amount of \$83,527 to be split equally between all Members and the amount that was originally allocated to the 'Regulatory and Hearings Chair' position in the determination 2024/25 to be split equally between all Members taking on additional responsibilities.

14. Recommendations from Open Committee Meetings

Resolved: (Cr Casey-Cox/Cr Hutt)

That the Council adopts:

- a) the Hamilton City Animal Nuisance Bylaw 2013 (amended 2025) (Attachment 1 of the staff report) in force from 31 March 2025;
- b) the Hamilton City Dog Control Bylaw 2015 (amended 2025) (Attachment 2 of the staff report) in force from 1 July 2025; and
- c) the Dog Control Policy (Attachment 3 of the staff report) effective from 1 July 2025.

Resolved: (Cr van Oosten/Cr Tauariki)

That the Council:

- a) approves the capital movement as identified in the 31 December Capital Portfolio Monitoring Report dated 27 February 2025;
- b) approves the forecast adjustments as set out in paragraph 52 of the staff report;
- c) notes the revised Financial Strategy position for Debt to Revenue, Net Debt and Balancing the Books as set out in paragraphs 53 to 55 of this staff report; and
- d) notes that there may be further adjustment in the preparation of the Annual Report.

15. Resolution to Exclude the Public

Section 48, Local Government Official Information and Meetings Act 1987

Resolved: (Mayor Southgate/Cr van Oosten)

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

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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 follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Confirmation of the Council Public Excluded Minutes 11 February 2025) Good reason to withhold) information exists under) Section 7 Local Government) Official Information and) Meetings Act 1987	Section 48(1)(a)
C2. Confirmation of the Elected Member Closed Briefing Notes 5 February 2025		
C3. Confirmation of the Elected Member Closed Briefing Notes 19 February 2025		
C4. Public excluded proposed 2025/26 fees and charges		
C5.		

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, as follows:

Item C1.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C2.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C3.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C4.	to avoid the unreasonably, likely prejudice to the commercial position of a person who supplied or is the subject of the information to enable Council to carry out commercial activities without disadvantage	Section 7 (2) (b) (ii) Section 7 (2) (h)
Item C5.	to enable Council to carry out commercial activities without disadvantage to enable Council to carry out negotiations	Section 7 (2) (h) Section 7 (2) (i)

The meeting moved into the public excluded session at 11.01am.

The meeting was declared closed at 11.27am.

Council Report

Item 6

Committee: Council

Date: 30 April 2025

Author: Stephanie Goss

Authoriser: Michelle Hawthorne

Position: Governance Advisor

Position: Governance and Assurance
Manager

Report Name: Confirmation of the Elected Member Open Briefing Notes 19 March
2025

Report Status	Open
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Staff Recommendation - *Tuutohu-aa-kaimahi*

That the Council confirms the Open Notes of the Elected Member Briefing held on 19 March 2025 as a true and correct record.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Elected Member Open Briefing Notes 19 March 2025

Elected Member Briefing Notes – 19 March 2025 – Open

Time and date:	9.30am, 19 March 2025
Venue:	Committee Room 1, Hamilton City Council
In Attendance for all of the below sessions:	Mayor Southgate, Cr Huata, Cr Casey-Cox, Cr van Oosten, Cr Macindoe, Cr Hutt, Cr Pike and Cr Thomson
In Attendance for part of the below sessions:	Deputy Mayor O’Leary, Cr Wilson, Maangai Jaydene and Maangai Olly
External Presenters:	Andrea McBeth – Representative from NZ Police Kate Cornegé – Representative from Tompkins Wake

Garden Place: Social Support for People Who are Unhoused; Activations; Safety and Enforcement

Staff explained the purpose of the session was to discuss initiatives for the unhoused in Garden Place, specifically the current frameworks, bylaws, safety and the activation in Garden Place.

Members asked questions in relation to the following matters:

- Funding;
- Expected population living in Garden Place in the next 10 years;
- Overnight housing / Night Shelter;
- Long term plans;
- Lockers;
- Antisocial behaviour;
- Activation opportunities;
- Alternative actions;
- Gaps in services provided currently;
- Availability of toilets in CBD;
- Public showers;
- Bylaw timeframe;
- Reprioritisation to enable an internal review; and
- Enforcement options.

Refresh of Age Friendly Plan

Staff explained the purpose of this session was to seek input on the refreshed Age Friendly Plan.

Members asked questions in relation to the following matters:

- Collaboration with agencies;
- Housing;
- Public toilets;
- Renewals;
- Loneliness;

- Retirement villages;
- Funding; and
- Population growth.

Long-Term Plan Amendment, Annual Plan & Related Matters

Staff explained the purpose of this session was to allow for Members to ask questions ahead of the report going to the Council meeting on the 20 March. Members asked questions in relation to the following matters:

- Timeframes;
- Fees and charges;
- Consultation;
- Inflation;
- Public notification of costs;
- Re-evaluation;
- External Factors; and
- Depreciation.

Council Report

Item 7

Committee: Council

Date: 30 April 2025

Author: Stephanie Goss

Authoriser: Michelle Hawthorne

Position: Governance Advisor

Position: Governance and Assurance
Manager

Report Name: Confirmation of the Elected Member Open Briefing Notes 26 March
2025

Report Status	Open
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Staff Recommendation - *Tuutohu-aa-kaimahi*

That the Council confirms the Open Notes of the Elected Member Briefing held on 26 March 2025 as a true and correct record.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Elected Member Open Briefing Notes 26 March 2025

Elected Member Briefing Notes – 26 March 2025 – Open

Time and date:	9.30am, 26 March 2025
Venue:	Committee Room 1, Hamilton City Council
In Attendance for all of the below session:	Deputy Mayor O’Leary, Cr Huata, Cr Casey-Cox, Cr van Oosten, Cr Hutt, Cr Pike, Cr Taylor and Cr Wilson
In Attendance for part of the below session:	Cr Macindoe, Cr Thomson and Maangai Jaydene
External Presenters:	Matt Leonard – Group Manager – Fire and Emergency George Jensen – Senior Risk Reduction Advisor – Fire and Emergency

Fire Emergency New Zealand Presentation on Risks / Pressures, etc.

External presenters explained the purpose of the session was to explain the resourcing, risks and pressures that Fire and Emergency was facing. Members asked questions in relation to the following matters:

- Building resources;
- New station houses including upgrades to houses;
- Economic benefits;
- How fatigue was managed;
- Staffing;
- Hamilton’s Growth;
- Public education + engagement;
- Building compliance;
- Cost recovery; and
- Risks.

Council Report

Item 8

Committee: Council

Date: 30 April 2025

Author: Stephanie Goss

Authoriser: Michelle Hawthorne

Position: Governance Advisor

Position: Governance and Assurance
Manager

Report Name: Confirmation of the Elected Member Open Briefing Notes 9 April 2025

Report Status	<i>Open</i>
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Staff Recommendation - *Tuutohu-aa-kaimahi*

That the Council confirms the Open Notes of the Elected Member Briefing held on 9 April 2025 as a true and correct record.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Elected Member Open Briefing Notes 9 April 2025

Elected Member Briefing Notes – 9 April 2025 – Open

Time and date:	9.30am, 9 April 2025
Venue:	Committee Room 1, Hamilton City Council
In Attendance for all of the below sessions:	Cr Casey-Cox, Cr van Oosten, Cr Macindoe, Cr Hutt, Cr Pike, Cr Taylor, Cr Thomson, Cr Wilson and Maangai Jaydene
In Attendance for part of the below sessions:	Cr Huata and Cr Naidoo-Rauf

Capital Works Programme

Staff explained the purpose of the session was provide Members with an opportunity to review the capital works programme and capital delivery related to the Long-Term Plan and Annual Plan.

Members asked questions in relation to the following matters:

- NZTA funding;
- Revenue;
- Savings;
- Programme delivery;
- Methodology;
- Variants; and
- Cost breakdown of particular programmes.

Unsubsidised Minor Transport Improvement Programme – Macroscopic Approval

Staff explained the purpose of the session was to seek direction on the projects reports for Grey Street Pedestrian Safety Improvement north of Wellington Street and Peachgrove Road – Southwell School Safety Improvements ahead of the next Transport Committee Meeting. Members asked questions in relation to the following matters:

- Signalised crossings;
- Phasing;
- Buses;
- Notice to businesses;
- Parking;
- Pedestrian traffic; and
- Safety concerns.

Staff Action: *Staff undertook to present at the next Infrastructure and Transport Committee Meeting the treatment options for the 2 sites, noting that it was the direction from Members that 'Option 2 Alternative Option' was the preferred option.*

Council Report

Item 9

Committee: Council

Date: 30 April 2025

Author: Amy Viggers

Authoriser: Amy Viggers

Position: Governance Lead

Position: Governance Lead

Report Name: Chair's report

Report Status	<i>Open</i>
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Recommendation - *Tuutohu*

That the Council

- a) receives the report;
- b) approves the costs for Mayor Paula Southgate and Cr Maria Huata, to attend the 2025 LGNZ Annual General Meeting and Conference, to be covered by the 'Conference by resolution budget', covering registration costs, flights, and accommodation; and
- c) notes that any other Elected Member that wishes to attend the conference can do so using their professional development fund.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Chair's Report



Chair's Report

There are few items on today's agenda, but all matters are of key interest to our community.

Of significant public interest is how Council can and will play a role in tackling antisocial behaviour in public places around Hamilton's CBD. We all acknowledge this is a complex issue to solve. Council has had some excellent discussions about a range of ideas, these included several bylaws and opportunities to strengthen partnerships with social agencies to better support the people who like to be called "streeties".

As requested at the Elected Member Information Session, I wrote to Minister Upston and a copy of the letter has been circulated to all elected members. The letter noted the need for support and resource for social and mental health services, to complement our focus on creating safer and more pleasant city spaces for all. At the time of writing this report no detailed reply has been received.

My thanks to staff who have been working hard to understand bylaw approaches that could be successful and how we can better link with our key social agencies to support a holistic approach to these challenging issues. Today, we will begin to make decisions that we can talk with the community about.

Last month I notified you about the 2025 Chengdu International Friendship Cities Cooperation and Development Conference from 15-18 April that Councillors Ewan and Maria are attending. In addition to promoting the economic and cultural strengths and opportunities of our city, at the Conference they will be part of a conversation about our very special 10th Year Anniversary with Chengdu. Discussion is currently underway as to how Hamilton and Chengdu will mark this significant milestone in our sister city relationship this year. More will be understood in due course. Thank you again to Ewan and Maria for your diplomatic representation on my behalf.

Meanwhile, earlier this year I was personally invited to Korea. This visit is fully funded by the Korea Foundation and strongly supported by the Korea Consular General. The Korea Foundation promotes mutual understanding and friendship between Korea and other nations. I have been selected for my experience in Local Government at various levels and will join distinguished leaders from other sectors in New Zealand. This is an exciting diplomatic and leadership opportunity for me and one I will use to share information about local government in New Zealand, with a focus on Metro sector issues. I will promote our city and the excellent economic, business, tourism and educational prospects we offer. My thanks and appreciation to Deputy Mayor Angela who will provide cover for mayoral matters during the time I am away (May 11-17).

Recommendation:

That the Council

- a) receives the [report](#);
- b) approves the costs for Mayor Paula Southgate and Cr Maria [Huata](#), to attend the 2025 LGNZ Annual General Meeting and Conference, to be covered by the 'Conference by resolution budget', covering registration costs, flights, and accommodation; and
- c) notes that any other Elected Member that wishes to attend the conference can do so using their professional development fund.

Paula Southgate

Mayor of Hamilton City

Council Report

Committee: Council **Date:** 30 April 2025
Author: Rebecca Whitehead **Authoriser:** Helen Paki
Position: Unit Director - Customer & Community Services **Position:** General Manager Customer and Community
Report Name: Bylaws Review Determination report

Report Status	<i>Open</i>
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Purpose - *Take*

1. To seek determination from the Council for approval to initiate the review of the following bylaws:
 - i. [Public Places Bylaw](#) (noting that the Public Places Bylaw is already under review);
 - ii. [Safety in Public Places Bylaw](#);
 - iii. [Alcohol Control Bylaw](#); and
 - iv. [Waste management and Minimisation Bylaw](#).

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Council:
 - a) receives the report;
 - b) determines (**Option A** of the staff report) that the following bylaws are the most appropriate mechanism for addressing issues relating to the management of antisocial behaviour in public spaces:
 - i. Safety in Public Places Bylaw 2020;
 - ii. Alcohol Control Bylaw 2015;
 - iii. Waste Management and Minimisation Bylaw 2019;
 - c) notes the Public Places Bylaw is the most appropriate mechanism for addressing issues relating to the management of antisocial behaviour in public spaces and is already under review; and
 - d) approves **option 1** the proposed timeframes outlined in the staff report, noting staff will begin the review of the above bylaws including the preparation of draft statements of proposal, in line with relevant legislation.

Executive Summary - *Whakaraapopototanga matua*

3. Following direction provided at the 3 April 2025 [Community and Natural Environment Committee meeting](#), staff are seeking approval to review the Safety in Public Places, Alcohol Control and Waste Minimisation and Public Places Bylaws (the Bylaws).

4. These Bylaws are reviewed every 10 years in accordance with Section 159 of the Local Government Act 2002.
5. Under Sections 155(1) and 160(1) of the Local Government Act (LGA) the Council is required to determine whether a bylaw is the most appropriate way of addressing a perceived problem.
6. To start the review, staff are seeking a determination from Council that the Bylaws remain the most appropriate way of addressing issues relating to antisocial behaviour in public places.
7. A full report with issues and options, proposed bylaw amendments and Statement of Proposals for community consultation will be brought back to the Council through the review process.
8. Staff recommend that **Option 1** – determine the bylaws are the most appropriate mechanism for management of antisocial behaviour in public places and **Option A** - full Review of the bylaws, be undertaken.
9. Staff consider the decision to commence the review of the bylaw has low significance and that the recommendations comply with Council's legal requirements.

Background - *Koorero whaimaarama*

10. Recent observations in the Central Business District (CBD)/Garden Place and other public spaces area have highlighted a range of concerning anti-social behaviours.
11. These activities have been linked in part to an increase in street presence, with service providers noting an influx of new individuals and families into the city.
12. There is a noted increase in this antisocial behaviour during summer months.
13. This trend is not unique to Hamilton; other cities across New Zealand are facing similar challenges, including increased anti-social behaviour, a rise in rough sleeping, stretched service organisations, a lack of accommodation for single adults, and growing demand on food banks.
14. Addressing antisocial behaviour and other social issues is inherently complex and requires a multifaceted, multi-agency approach.
15. The matter was raised as a staff action at the Strategic Growth and District Plan Committee meeting ([Minutes](#)), which led to a presentation at the 19 March 2025 Information session ([Presentation](#)), and the Community and Natural Environment Committee meeting as part of item 6 ([Chair's report](#) Page 13).
16. Bylaws are an effective tool that Council can use to help manage anti-social behaviour within the city's public spaces.

Discussion - *Matapaki*

17. Council has general and specific bylaw-making powers under the Local Government Act (LGA) to manage Garden Place. Section 145 of the LGA 2002 empowers the Council to make bylaws for one or more of the following purposes:
 - i. protecting the public from nuisance (s.145(a) LGA);
 - ii. protecting, promoting, and maintaining public health and safety (s.145(b) LGA); or
 - iii. minimising the potential for offensive behaviour in public places (s.145(c) LGA).
18. Council currently regulates activities in Garden Place and other public spaces through the Public Places Bylaw 2016, Safety in Public Places Bylaw 2020, and Alcohol Control Bylaw 2015.
19. Council regulates Waste Minimisation via the Waste Minimisation Act 2008, Local Government Act 2002, Health Act 1956, Litter Act 1979.

20. Individual bylaw considerations are as follows:

Safety in Public Places Bylaw Under section 145 (a) (c) LGA.	<p>This bylaw manages nuisance and offensive behaviour. A review of the bylaw would enable a consideration, and potential expansion, of the behaviours listed with specificity.</p> <p>A review of this bylaw has the greatest potential for direct, short-term impact on anti-social behaviours in public places.</p>
Alcohol Control Bylaw : Section 147 LGA	<p>The prohibition on alcohol consumption in Garden Place is currently covered by a permanent 24-hour alcohol ban under the Alcohol Control Bylaw.</p> <p>The Alcohol Control Bylaw is due for review in December 2025 and a review would improve currency of the Bylaw and could expand the provisions of the 24/7 alcohol ban to include other existing, and emerging, retail areas e.g. Rototuna retail precinct and Hamilton East.</p>
Waste Management and Minimisation Bylaw: Waste Minimisation Act 2008, Local Government Act 2002, Health Act 1956, Litter Act 1979	<p>The bylaw supports the management of litter and nuisance in public places.</p> <p>Auckland Council has included provisions on shopping trolleys in its bylaw and the Hamilton bylaw could be amended to include similar provisions.</p>
Public Places Bylaw: Under section 146(1)(b)(vi) LGA.	<p>This Bylaw sets rules to ensure protection and maintenance of public health and safety; and regulate trading and signs in public places, it supports Council to take relevant action if a nuisance does arise. Currently the bylaw lacks the specificity needed to address obstruction damage and misuse. A review of the bylaw would enable these considerations to be included.</p> <p>A determination for this bylaw was made in at the Community and Natural Environment Committee meeting of 22 February 2024 with reporting dates scheduled for 2026. Pre consultation has been undertaken and will need to be considered within the review meaning a limited scope review is not possible for this bylaw.</p> <p>The Bylaw supports and interrelates with the Trading in Public Places Policy.</p>

Options

21. Before work can commence on the bylaws a determination is required from the Council. The determination options are set out in the below table.

Option A (Staff Recommendation)	<p>Determines that the bylaws are the appropriate mechanism for addressing issues relating to the management of antisocial behaviour in public spaces.</p> <p>Staff will review the Bylaws as a programme of work which will allow Council to maximise the use of staff time and consultation costings. The timeline options are outlined next in the report for Members consideration.</p>
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Option B (<i>status Quo</i>)	Do not approve the review at this time.
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22. Based on Elected Members' earlier feedback it is staff's recommendation that the Council determine that the bylaws are the most appropriate mechanism, and then consider the below options for the reviews:

Option 1 (Staff Recommendation)	A full review of the Safety in Public Places, Public Places and Alcohol Control bylaws and a Limited Scope review of the Waste Minimisation Bylaw as a programme of work which will allow Council to maximise the use of staff time and consultation costings.
Option 2	Staff undertake a limited scope review of the bylaws

Option 1: Full Review

23. Option 1 is a full review of the Safety in Public Places, Public Places and Alcohol Control bylaws and a Limited Scope review of the Waste Minimisation Bylaw as a programme of work which will allow Council to maximise the use of staff time and consultation costings. A full review of the Waste Minimisation Bylaw will be completed in 2028 as scheduled.
24. This option would enable Council to complete a review of the bylaws, in line with other policy development and reviews, delivering effective and well considered amendments and outcomes across the suite of enforcement documentation.
25. The timing of delivery will be impacted by the triennium cycle due to the requirements for hearings and deliberations to be undertaken by the same elected council and engagement restrictions during the election period.
26. The Public Places and Safety in Public places Bylaw work (and Trading in Public Places Policy) will follow timeframes identified in the table below. The Alcohol Control bylaw and Waste Minimisation Bylaw reviews will be undertaken in 2026 to allow for these to be completed in line with other related initiatives (Local Alcohol Policy and Waste Minimisation Policy).
27. If the need for a new/ additional Bylaw is identified through the review process staff will identify this for consideration by Council.

Task	Timeframe
Engagement with key stakeholders and partners, to identify the issues and opportunities for improvements	May 2025
Drafting of the updated bylaws	June 2025
Reporting back to the Council with issues and options, draft bylaws, and Statements of Proposal for community consultation	August 2025
Public Consultation	November/ December 2025
Analysis of submissions	January 2026
Hearing following the public consultation submission period (as needed).	February 2026
Deliberations and Final approval of the bylaws will be sought from Council.	March/April 2026

Option 2- Limited Scope Review

28. Option 2 would mean that staff will undertake a limited scope review of the bylaws noting that the scope of the Public Places Bylaw review has already been set.

29. A limited scope review of the bylaws would reduce pre consultation requirements and would enable Council to have Bylaw enhancements in place for late summer 2025/2026, however the overall timeframe would not be significantly reduced.
30. As per option 1, the timing of delivery will be impacted by the triennium cycle.
31. If the need for a new/ additional bylaw is identified through the review process, staff will identify this for consideration by Council.

Task	Timeframe
Limited pre-engagement with key stakeholders and partners, to identify the issues and opportunities for improvements	May 2025
Drafting of the updated bylaw	May 2025
Reporting back to the Council with issues and options, draft bylaws, and Statements of Proposal for community consultation.	August 2025
Public Consultation	November/December 2025
Analysis of submissions	January 2026
Hearing following the public consultation submission period (as needed).	February 2025
Deliberations and Final approval of the bylaws will be sought from Council.	February/ March 2026

32. Neither option timeline would see reviews completed and adopted by the Council ahead of summer 2025/26, therefore staff recommend **Option 1** as this will deliver a robust review of bylaws in the most expedient way, while maximising use of staff time and consultation costs.
33. Staff will begin the review of the Bylaws and a full report with issues and options, a draft bylaw and Statement of Proposal for community consultation will be brought back to Council in July 2025

Financial Considerations - *Whaiwhakaaro Puutea*

34. Bylaw and Policy review is a regular operational activity accounted for in the Long-Term Plan. Aligning the reviews saves money through efficiencies in staff time and engagement costs.
35. Costs associated with Option 1 and Option A are expected to be:

Legal advice	\$17,500
Tompkins Wake Support – Draft Policies	\$7,000
Consultation	\$25,000
Staff hours	approximately 500 hours, to be confirmed after early engagement/scoping

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

36. Section 146(1)(b)(vi) of the LGA allows territorial authorities to make bylaws for managing, regulating against, or protecting from damage, misuse, or loss of land under their control, including reserves and recreation grounds.

Special considerations when reviewing Alcohol Control Bylaws

37. Alcohol control Bylaws must be created or reviewed in line with section 147 of the Local Government Act 2002.

38. Before making a bylaw that is intended to replace an expiring bylaw and is to the same effect (or to substantially the same effect) as the expiring bylaw, a territorial authority must be satisfied that the bylaw can be justified as a reasonable limitation on people's rights and freedoms; and a high level of crime or disorder (being crime or disorder caused or made worse by alcohol consumption in the area concerned) is likely to arise in the area to which the bylaw is intended to apply if the bylaw is not made; and the bylaw is appropriate and proportionate in the light of that likely crime or disorder.

Special considerations when reviewing Waste Minimisation Bylaws

39. The purpose of this Bylaw is to set controls and regulate waste in the city. The Bylaw supports the management and minimisation of waste, including supporting Council's Waste Management and Minimisation Plan, and regulating the deposit, removal, collection, transport, and processing of waste.
40. The controls set in the Bylaw support the service levels for the collection and disposal of rubbish and recycling in Hamilton. The current contract is for a ten-year term to 30 June 2030.
41. The Bylaw aligns with the Waste Management and Minimisation Plan 2024-2030. This plan is required to be reviewed every six years.
42. Staff confirm that the review of bylaws, complies with the Council's legal and policy requirements.

Climate Change Impact Statement

43. Staff have assessed this option against the Climate Change Policy for both emissions and climate change adaptation. Staff have determined no adaptation assessment or emissions assessment is required.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

44. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
45. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report as outlined below.
46. The recommendations set out in this report are consistent with that purpose.

Social

47. The review of the bylaws will consider how to ensure public spaces are safe and used in ways that positively contribute to the city's identity and people's enjoyment of public spaces.
48. Safe public spaces positively contribute to social wellbeing by providing spaces for people to gather for activities or social engagement and interaction

Economic

49. The review of the Bylaws will consider how public places can generate activity and vibrancy for Hamilton Kirikiriroa.
50. The review of the Bylaws will consider how the use of and trading in public places is regulated in a way that strengthens the existing function of public spaces and the local economy, considering existing businesses and community needs.
51. The review of the Bylaws will also consider how public places can promote a welcoming image of Hamilton Kirikiriroa to residents and to visitors, encouraging more people to visit and spend time in public spaces.

Environmental

52. The review of the Bylaws will consider the possible environmental impacts on public places and ensure that public places are kept clean and safe.

Cultural

53. The review of the Bylaw will include engagement with Mana Whenua and other cultural groups to understand any cultural issues.

Risks - *Tuuraru*

54. Bylaw and policy work requires due diligence and consideration; reduced timelines could lead to misaligned outcomes or inefficiencies within Councils enforcement policy documentation.
55. Reduced timelines could result in a missed opportunities to improve the bylaws beyond of a narrow scope. This could be seen as an inefficient use of resources.
56. Any feedback received during consultation needs to be considered and responded to, creating an unknown amount of work that is difficult to plan for. If the Bylaw reviews are brought forward staff may need to engage external support or stop or slow other programmed work.
57. The Waste Management and Minimisation Bylaw 2019 is due for review in 2028, staff have mapped out or work programme to incorporate our review of the Bylaw with the review of our service levels and kerbside rubbish and recycling contract (2030) and our Waste Management and Minimisation Plan 2024-2030. A full review of the Bylaw will still need to be taken in 2028 as part of our kerbside contract renewal and Waste Management and Minimisation Plan review. This could be seen as a duplication of work. Unbudgeted costs to enforce any new provisions around shopping trolleys.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

58. Given the statutory requirement to consult, staff have not considered the key considerations under the Significance and Engagement Policy to assess the significance of the matter(s) in this report.
59. Engagement with Council partners and interested community stakeholders will take place to support the drafting of the bylaws.
60. Wider community consultation on the drafts will follow later in the process, and a Draft Statement of Proposal and any proposed amendments to the bylaw will be brought to the Committee for approval.
61. There is a statutory requirement to consult as per legislation outlined below.
62. Section 156 of the LGA 2002 and Section 10 of the DCA 1996 provides direction on the level of public engagement required throughout the review process.

Attachments - *Ngaa taapirihanga*

There are no attachments for this report.

Council Report

Item 11

Committee: Council

Date: 30 April 2025

Author: Chris Allen

Authoriser: Andrew Parsons

Position: Executive Director
Commercial & Advisory

Position: General Manager
Infrastructure and Assets

Report Name: Independent Capital Project Reviews

Report Status	Open
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Purpose - *Take*

1. To inform the Council on the outcome of the independent scope and cost reviews of selected significant projects.

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Council:
 - a) receives the report;
 - b) notes that:
 - i. there is nothing arising from the independent scope and cost review that requires any changes to funding allocated for capital projects in Year 2 of the 2024-34 Long-Term Plan; and
 - ii. staff are refining the Capital Project Cost Estimation guidelines to improve consistency of cost estimating across the organisation incorporating relevant lessons from the independent scope and cost review.
 - c) requests the Chief Executive take the same fundamental approach to cost estimating capital projects for the 2027-37 Long-Term Plan, as undertaken for the 2024-34 Long-Term Plan refined in accordance with the Capital Project Cost Estimation guidelines alongside a review of market costs and conditions at the appropriate time; and
 - d) requests the Chief Executive to report back as part of developing the 2027-37 Long-Term Plan a new approach to capital portfolio financial monitoring based around defining, monitoring and reporting on P50 and P95 estimating.

Executive Summary - *Whakaraapopototanga matua*

3. In response to a concern over Council's capital cost estimating, an independent review of a selection of key capital projects was requested so it could feed into the 2025/26 Annual Plan and/or Long-Term Plan.
4. This review was carried out by Bond Construction Management (Bond CM), a company that specialises in independent cost estimating across all sectors. Bond CM was also asked to consider underlying drivers of the cost of capital projects and options to address these.

5. The review indicates that no changes are required for the 2025/26 Annual Plan capital project cost estimates, but it has highlighted some improvements that could be made to benefit the 2027-37 Long-Term Plan.
6. A number of these improvements were already being considered in a review of Council's Capital Project Cost Estimation guidelines and the review has been useful in highlighting opportunities for improvement.
7. The opportunities include:
 - i. clarifying the status and purpose of estimates and risk allowances in long-term plan and annual plan processes;
 - ii. refining project management processes; and
 - iii. earlier (and enhanced) project, programme and portfolio planning
8. Staff consider that there will be benefit in adopting a more structured approach to managing the capital portfolio through an increased use of establishing, monitoring and reporting P95 cost estimates for individual projects and/or some programmes (P95 cost estimates mean there is a 95% chance of the actual cost being lower, and a 5% chance of it being higher).
9. Staff recommend that these opportunities be implemented for the 2027-37 Long-Term Plan, using the same fundamental approach to cost estimating capital projects as undertaken for the 2024-34 Long-Term Plan but refined in accordance with enhanced planning, and greater consistency in estimating and risk reporting.
10. Significant disruption to delivery of the 2024/25 capital programmes including changes to NZ Transport Agency funding, water reform, and the diversion of resourcing to water reform and out of sequence growth proposals, is challenging delivery of the 2024-27 programmes. A revised programme based on realistic deliverability has been discussed with Elected Members at the 9 April 2025 Information Session and will be presented at the 2025/26 Annual Plan deliberations meeting on 29-30 May 2025.
11. Staff consider the matters in this report to have low significance, and that the recommendations comply with Council's legal requirements.

Background - Koorero whaimaarama

12. The Council resolved the following as part of developing the 2024-34 Long-Term Plan:

"...requests the following work relating to capital expenditure, concern over which was a clear theme of submissions, to feed into the 2025/26 Annual Plan and /or Long-Term Plan;

 - i. develop scope statements for our significant capital projects and undertake further independent scope and cost reviews on significant projects: and,*
 - ii. a review of capital spending, looking at the underlying drivers of the cost of capital projects and options to address these".*
13. An underlying concern driving this resolution was a perception that capital projects were being over scoped with correspondingly high-cost estimates. This perception was exacerbated by significant concerns being expressed at that time by the incoming government and members of our community about our transport programme of works (existing and proposed) which included raised safety platforms and in-lane bus stops which they regarded as unneeded scope causing projects to be unnecessarily costly.
14. Consideration of contract specifications and procurement methods that relate to matters such as the cost of temporary traffic management and overall management of projects are outside the scope of this independent review.

15. A review of the Long-Term Plan submissions looked at any themes relating to capital expenditure (**Attachment 1**). This review identified a broad range of opinions under the following themes:
 - i. don't waste money/cut pet projects/no nice to haves/keep to the basics;
 - ii. reduce spending on transport capital projects (with a focus on cycle lanes, speed humps and in-lane bus stops); and
 - iii. reduce capital spend.
16. There were also some submissions, fewer in number, requesting that Council maintain investment in transport capital projects.
17. Council addressed these submissions in finalising the 2024-34 Long-Term Plan by:
 - i. considering the capital programme on an individual project line-by-line basis; and
 - ii. making reductions in the transport capital programme over 10 years.
18. To address the ongoing concerns over transport scope, Council introduced a Transport Decision-Making Framework, which has been deployed for implementation of the 2024/25 transport programme.
19. An Elected Member session was held as part of the Risk and Assurance Workshop on 3 September 2024 and an update was provided to the 11 February 2025 Council meeting as part of the report on the 2025/26 Annual Plan Draft Budget.
20. At the September 2024 briefing, Elected Members agreed to independently review a list of significant capital projects. The selected projects were:

Project	Years (construction)	LTP Allocated Funding (million-unescalated)
Wastewater Bulk Storage – mid-section	2028-30	\$41.4
Ruakura Water Supply 21 ML Reservoir	2029-31	\$83.4
Ruakura Eastern Transport Corridor	2027-29	\$75.2*
Arthur Porter Drive Realignment	2032-34	\$15.7
Pukete Wastewater Treatment Plant	Continuous	\$409.9

* The funding in the Long-Term Plan did not intend to reflect the full cost of the project that is expected to be shared by other partners

21. The Pukete Wastewater Treatment Plant upgrade is a continuous programme of works to ensure that it caters for growth and retains compliance with existing resource consents. The upgrade programme has been determined through a comprehensive business case process based on the engineering needs of the plant and predictions about future resource consent requirements. Council accepted that scope and cost estimates have already been subject to independent cost reviews as part of the extensive business case process and that an additional review of costs was not warranted, particularly in the context of water reform.
22. As part of the ongoing waters reform there is some indication that treatment plant standards may change, and it would be better for any new waters entity to consider the ongoing programme of works for Pukete.
23. Since Council passed its resolutions to undertake the independent reviews, significant progress has been made on the potential establishment of a new water entity encompassing Hamilton City Council and Waikato District Council. If this proposal proceeds the responsibility for developing water and wastewater capital projects will be the responsibility of the new entity including considering the scope of the Pukete upgrade over 10 years to match the standards that will be applicable at that time.

24. The Council resolution also asked for a review of the underlying drivers of the cost of capital projects and options to address them. Previous updates to Council indicated the following drivers of capital cost:
 - i. land use planning and zoning;
 - ii. land access (including acquisition); and
 - iii. project definition matters
25. Bond CM, a company that specialises in independent cost reviews across all sectors, was engaged following the September 2024 briefing to undertake independent scope and cost reviews of the remaining four projects. They were also asked to comment on the Project Definition matters that form part of the cost drivers for capital projects.

Discussion - *Matapaki*

Cost Drivers of Capital Projects

26. Council was previously advised that land use planning and zoning were significant drivers of the cost of capital projects. This speaks to the need for the capital project, rather than delivery of the capital project, and is therefore outside the scope of this report.
27. Land access including acquisition is part of a capital project and is within the scope under consideration. The options to address land costs are to:
 - i. purchase the land early;
 - ii. optimise the amount of land required; and
 - iii. look for commercial opportunities to partner with others on land matters and to keep betterment and value capture in mind when negotiating land acquisition.
28. Council has recognised the benefit of early land acquisition and has included a strategic land acquisition fund of \$10m every year of the Long-Term Plan commencing 2025/26.
29. Project definition matters that are cost drivers for capital projects form part of the independent reviews and follow up discussion, particularly on Council's ongoing improvements to project delivery as part of the Future Fit programme. Options to manage the 'project definition' driver are discussed after the following summary of the independent project reviews.

Independent reviews of Projects

30. A copy of the Bond CM letter summarising the independent review of the four projects is attached (**Attachment 2**).
31. Bond CM was provided with access to relevant project staff, and project information comprising:
 - i. Long-Term Plan estimates – uninflated as at 1 July 2023 base date to be taken as the estimates to be reviewed;
 - ii. Long-Term Plan summary information (January 2024) used in the Long-Term Plan development and consultation processes to be taken as the Long-Term Plan scope for each project;
 - iii. supporting information that informed those 2023 estimates (e.g. waters masterplans, transport spreadsheet calcs); and
 - iv. subsequent information to inform understanding the evolution of costs, scope, risk, etc. since July 2023.

32. Bond CM was also provided with the Long-Term Plan preparation timeline, and an outline of the key statutory requirements relevant to budgeting and estimates.
33. None of the selected projects are scheduled for construction within the first three years of the Long-Term Plan. Staff concentrate efforts on estimates in Years 1-3 of the Long-Term Plan with Years 4-10 less refined. The immediate purpose of the construction estimates in subsequent years is to assess costs of planning and design phases, and support infrastructure scheduling and funding planning.
34. The overall conclusions from the Bond CM independent review included:
 - i. the estimate reviews have confirmed that Council's Long-Term Plan estimates are not unduly high; and
 - ii. for all four projects, the review estimates of expected costs are higher than the Long-Term Plan expected (uninflated) estimates. In most cases these sit within the expected uncertainty for the project stages (concept).
35. No changes are required for the 2025/26 Annual Plan capital project cost estimates. The review has highlighted some improvements that could be made to benefit the 2027-37 Long-Term Plan. Additional investigations and refined estimates for the reviewed projects and other projects in the Long-Term Plan are under way or will be completed as the projects progress towards implementation. As these become available in the next few years they will be incorporated in budgeting and programming.
36. Key review observations for each project are summarised below, with staff updates and comments in response. Following the review observations, there is an explanation of current Council processes and refinements under way.

Wastewater bulk storage – mid section – Long-Term Plan stage concept- construction Years 5 - 6

37. For the Wastewater bulk storage – mid section project, the review noted that:
 - i. the basis for the Long-Term Plan estimate appears sound, but optimistic, with appropriate (30%) contingencies;
 - ii. based on the post Long-Term Plan investigations, while the project appears to have a known scope and developing design, the ground retention did not appear to be as robust given the likely geotechnical conditions; and
 - iii. the cost impact on the major items was an increase of around \$5m (12% of Long-Term Plan estimated cost).
38. **Response:** At the time of the Long-Term Plan the Wastewater Bulk Storage - mid section project estimates were based on master planning. The project has subsequently been brought forward in response to property and consenting issues delaying the Hamilton East section project which was initially planned to be earlier. It is now in early investigation and consenting stage which includes consideration of geotechnical conditions, construction conditions and constraints such as dewatering. This is a good example of:
 - i. the importance of budgeting contingencies appropriate for the level of uncertainty at different estimate stages;
 - ii. how the Long-Term Plan programme can be reviewed and reprioritised to continue to deliver intended level of service outcomes at an activity level; and
 - iii. how investigation and design are often estimated as a percentage (typically 10%) of construction costs. The budget/scope consequences for a Year 3 Investigation from a \$5m increase in construction scheduled for Year 5-6 are therefore not significant.

Ruakura Water Supply Reservoir– Long Term Plan stage concept- construction Years 6-8

39. For the Ruakura Water Supply Reservoir project, the review noted that:
- i. the basis for the Long-Term Plan estimate appears sound, based on unit rates from historical reservoir costs/cubic metre of water, with appropriate (50%) contingencies;
 - ii. the higher contingency was appropriate to reflect uncertainties in relation to pump station requirements and volume required; and
 - iii. the cost impact was an increase of around \$3m (4% of Long-Term Plan estimated cost).
40. **Response:** At the time of the Long-Term Plan the Ruakura Water Supply Reservoir estimates were based on volumetric design requirements, with no design. This is a good example of:
- i. budgeting including contingencies that recognise the degree of uncertainty in project development.
 - ii. the importance of consistent definitions of scope and where uncertainty remains. In this case the increased volume (21mL to 24mL) was from an increase in demand catchment population higher than previously forecast and the pump requirements were not known and will be defined as part of the next phase.

Ruakura Eastern Transport Corridor – Long-Term Plan stage concept- construction Years 4 - 5

41. For the Ruakura Eastern Transport Corridor, the review noted that:
- i. there appears to be significant scope differences emerging between the Long-Term Plan estimate and the emerging design;
 - ii. the estimate rates and quantities were low, including preliminary and general costs and margins, and the contingency not reflective of scope and cost risks;
 - iii. there were significant uncertainties associated with ground conditions and pavement, higher than expected standards for the railway bridge;
 - iv. the uninflated expected costs are likely to be \$92m. The Long-Term Plan estimate is around \$20.5m lower (22% of Long-Term Plan estimated cost); and
 - v. the reviewers had reservations that Council's template approach to transport project estimates may not best represent the works.
42. **Response:** The review identified some concerns around the scope of the project, but Elected Members have already offset this risk by making the strategic decision to fund the design/business case work in the early years of the current Long-Term Plan. This means for the 2027-37 Long-Term Plan, as the construction begins Council will have fully completed the design and funding plan to inform the project estimate and how much each funding partner will contribute.
43. A further separate independent estimate review of the project (with additional scope introduced) has resulted in a project cost at \$187m (including land) which has been used for the business case. The amended scope includes approximately 0.6km of link road (the Webb Drive Extension), a longer railway bridge and a greater allowance for cost risk (as required by new NZ Transport Agency process).
44. Of the four projects, this project is closest to construction, with investigation under way and a detailed business case with NZ Transport Agency for approval of pre-implementation funding. This estimate review is also complicated by the Long-Term Plan budget being planned as the contributions by Council and the NZ Transport Agency, rather than the whole project cost.

45. This project highlights the challenges of defining scope where project scope and funding arrangements, are uncertain and commercially sensitive. This scale of change is where applications of estimate ranges or probabilities can be useful in communicating risk and uncertainty. For example:
- i. the Expected Estimate approach used in Council's Long-Term Plan preparation has a P50 probability (i.e. this means that as many projects will deliver over the capital estimate as will deliver under and historically over the past few years this has been the case);
 - ii. staff have progressively started reporting (where available) P95 (the Expected Estimate plus an extra allowance for Funding Risk Contingency). A P95 estimate represents the statistical 95th percentile value with a 95% level of confidence that the final project out-turn cost will not exceed this value;
 - iii. the Long-Term Plan was prepared before Council's decision in late 2024 to commit to 'four laning' the route from the start, and to include the Webb Drive Extension. In this case 'four laning' was known as a likely option and being investigated and planned for. This is the kind of change for which the Funding Risk Contingency might allow; and
 - iv. it is worth noting that estimates remain estimates throughout project development, ideally with increasing certainty, but that the consequences of change are most likely to be significant, in terms of Councils funding/budgeting, during the construction phase.
46. The review also questions whether Council's standardised basis for transport estimates is the best approach to represent the works and uncertainties, such as ground conditions and pavement design requirements. Council uses templates that call up different road types, lengths, dimensions, risks, etc. to provide an efficient and consistent basis for developing and updating estimates for more than 350 separate and different road sections. Staff recognise the reviewers' concerns, and this is discussed below in process improvements.

Arthur Porter Drive Realignment – Long-Term Plan stage concept- construction Years 9-10

47. For the Arthur Porter Drive Realignment project, the review noted that:
- i. the only information available was the Long-Term Plan estimate and infrastructure plans illustrating the road lengths;
 - ii. the estimate rates and quantities were low, including traffic management preliminary and general costs and margins;
 - iii. there were uncertainties associated with scope and stormwater;
 - iv. the cost impact was an increase of around \$3.3m (25% of Long-Term Plan estimated cost); and
 - v. the reviewers restated reservations about Council's template approach to transport project estimates that may not best represent the works.
48. **Response:** This project is scheduled at the far end of the Long-Term Plan with investigation funding proposed in Year 8. Scope, timing, costs and standards will change significantly, with staff focusing more effort in Years 1-3 projects. The comments and responses for the template approach are applicable to all transport projects and waters pipeline projects and are considered below.

Project Definition Cost Drivers for the Capital Programme

49. Bond CM was also asked to comment on the 'Project Definition' cost drivers as part of their review. The reviewers stated that the primary drivers for project cost increases include:
- i. changes in scope – often through combinations of:
 - a. imposed changes in standards – e.g. seismic resilience, climate change, environmental standards (e.g. National Environmental Standard for Freshwater);
 - b. level of service increases – instructed/requested by clients/governance/asset owners;
 - c. scope creep – design enhancements beyond minimum specified requirements;
 - d. inadequate design resulting in changes during construction (e.g. poor detailing, optimistic expectations for temporary works); and
 - e. operational requirements being elevated beyond needs.
 - ii. poor understanding and tolerances for risks:
 - a. insufficient early investigation to guide selection of cost-efficient options before it is too late to change;
 - b. insufficient investigation to inform realistic contingency expectations (e.g. contaminated land); and
 - c. contractors increasing allowances for risks within pricing as a result of insufficient information and / or greater risk transfer;
 - iii. market conditions affecting resources and pricing:
 - a. onerous specifications restricting competition (e.g. construction techniques, pavement specifications);
 - b. labour shortages, exchange rates, fuel prices increasing input costs; and
 - c. higher tender prices when there is a lot of work and less incentive for competitive pricing.
 - iv. higher compliance costs such as restrictive traffic management, site access, working hours, consent conditions, reporting, etc. affecting productivity and increasing contract overheads.
50. These cover many of the project cost drivers that Elected Members were advised of at the September 2024 briefing. These are being addressed by staff in current and planned process improvements. These include:
- i. scope definition;
 - ii. whole of life costing;
 - iii. project planning including procurement and delivery;
 - iv. external influences (escalation/market availability);
 - v. compliance; and project scope, cost and risk management. .
51. The reviewers did not address the wider capital programme cost drivers that trigger the need for projects, or make them more difficult or costly to implement, including:
- i. land use planning and zoning increasing demand for strategic services and connections; and
 - ii. access to land (including acquisition) for infrastructure and recreation reserves, including increased land costs reflecting new zoning, and new zoning increasing

Options

52. Council requested the review to feed into the 2025/26 Annual Plan and future Long-Term plans.
53. Staff believe the cost estimates for each project are appropriate for the stage each project is at, and that if any funding adjustments are required as each project develops and risks are more known and quantified, this can be included as part of the 2027-37 Long-Term Plan (or in the case of water infrastructure, the relevant Water Services Strategy).
54. The independent review has provided some useful insights that will allow better cost estimation and management that will be valuable for developing the next Long-Term Plan.
55. For the 2027-37 Long-Term Plan, staff propose to take the same fundamental approach to cost estimating capital projects as undertaken for the 2024-34 Long-Term Plan refined in accordance with process improvements and a review of market costs and conditions.
56. In addition, it is recommended that Council considers a new portfolio management approach based on P50 and P95 estimating.

Options to respond to the key Project Definition cost drivers for the capital programme

57. Options to address the costs of capital projects are suggested below in three main areas:
 - i. **Option Area 1:** clarifying the status and purposes of estimates and risk allowances in Long-Term Plan and Annual Plan processes.
 - ii. **Option Area 2:** refining project management practices, including estimating, procurement, risk and scope management, and consistency in reporting terminology for estimates and their risks; and
 - iii. **Option Area 3:** placing more emphasis on earlier (and enhanced) planning, estimation practices and investment considerations (prior to Long-Term Plan) to better enable more stable cost figures, based on the most cost-effective option and reducing the peaks in 'overs and unders' of delivery and enabling a steadier start for the design and construction phases.

Option Area 1: Long Term Plan and Annual Plan processes and the purpose of estimates

58. For long-term plans, the Local Government Act information requirements generally relate to groups of activities and not individual projects. Staff estimate project costs in accordance with their purpose, proximity of expenditure and statutory requirements (outlined in the information provided to Bond CM and attached to their review):
 - i. staff focus on Years 1 – 3, reflecting statutory requirements for Long-Term Plan information for groups of activities (e.g. water, wastewater, stormwater, transport, recreation) to be “detailed” in Years 1 to 3;
 - ii. information, including estimates, need only be in “outline”, again for groups of activities, for Years 4-10; and
 - iii. the 30-year infrastructure strategy extends consideration for activities in outline by 20 years in blocks of five years after the first 10 years.
59. For projects and programmes of projects, Council operates a process of progressive refinement to project initiation, planning, implementation and closure. Staff aim for continuous learning and process improvements. Council initiated a “Gateway” approach to project management following the PWC review of Capital Project Delivery in 2020. This has been improved as part of the Future Fit programme of works.

60. Figure 1 forms the basis for the staff approach to the lifecycle of a project including whether the activity is operational expenditure (Opex) or capital expenditure (Capex) that can be attributed to assets. There are project and portfolio controls in place to ensure project management processes are effective. It should be noted that the years in Figure 2 relate to time from inception leading up to the Long-Term Plan being adopted (gateway 1), rather than Years 1 – 3 of the Long-Term Plan. Gateways 2-5 demonstrate the process of delivery from strategic intent to operation.

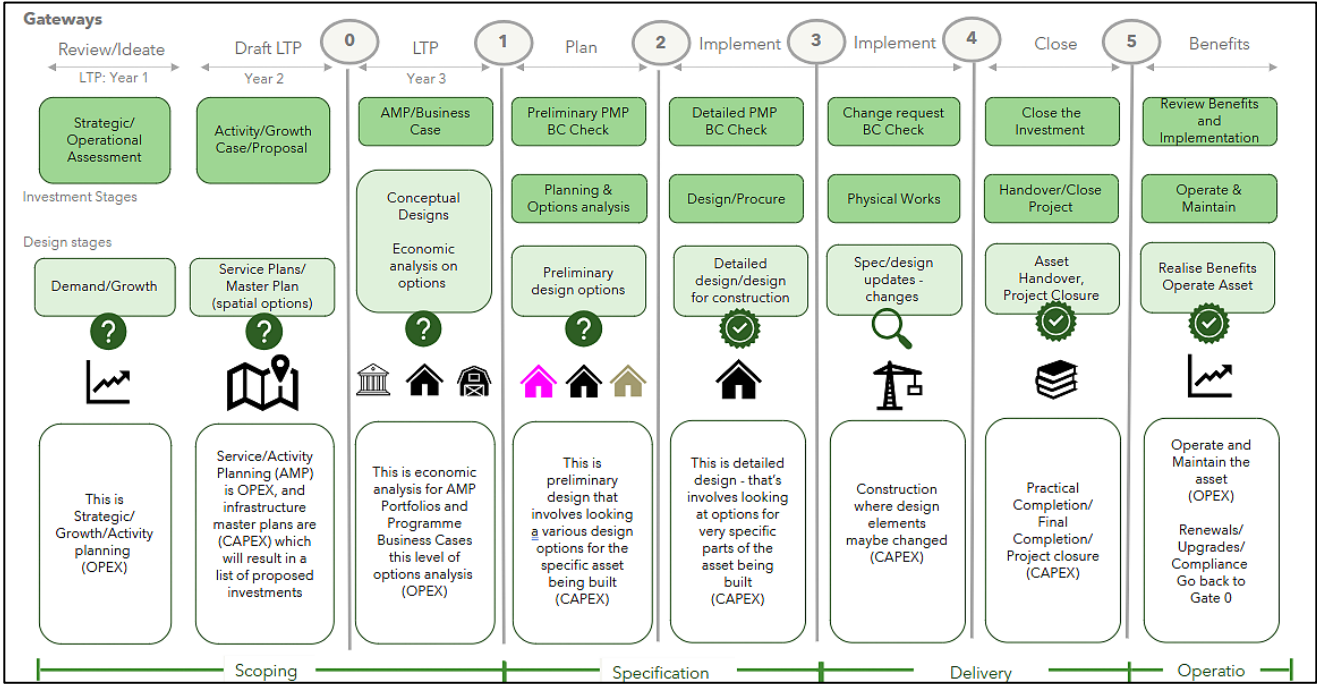


Figure 1: Council's capital investment lifecycle – stages and terminology.

61. From a long-term plan perspective, many of the projects considered in the deliberations have progressed in the lifecycle from previous long term plan investments. This makes it critical that Elected Members and staff involved in governance of the capital programme implementation have a common understanding of the project lifecycle, terminology and the implications for project stages, cost estimate communication and how the programme should best be managed to continue to deliver the desired outcomes within funding requirements.

62. Figure 2 sets out a basis for a common understanding.

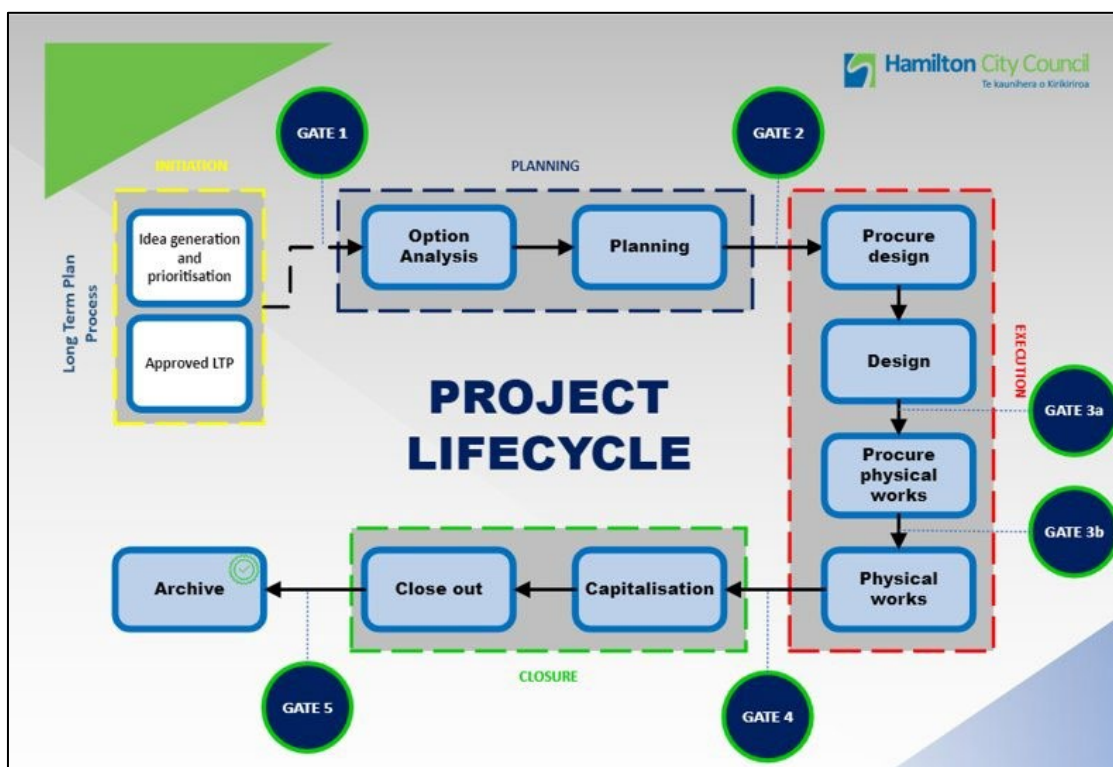


Figure 2: HCC Investment Lifecycle – estimate updates are required for each Gate review

63. The process of capital project cost estimation is an ongoing process where cost certainty improves through the design (generically conceptual design, preliminary design, detailed design), procurement and construction phases. Each phase has inherent uncertainties contained within them based upon the level of understanding of a range of factors including scope, risks, construction methodology, market conditions, and level of investigations undertaken.
64. It is standard practice to aim to provide a level of contingency that reflects the estimated accuracy of the cost estimation and that reduces as the scope and risks of the project are further defined and as the project progresses as shown in Figure 3.

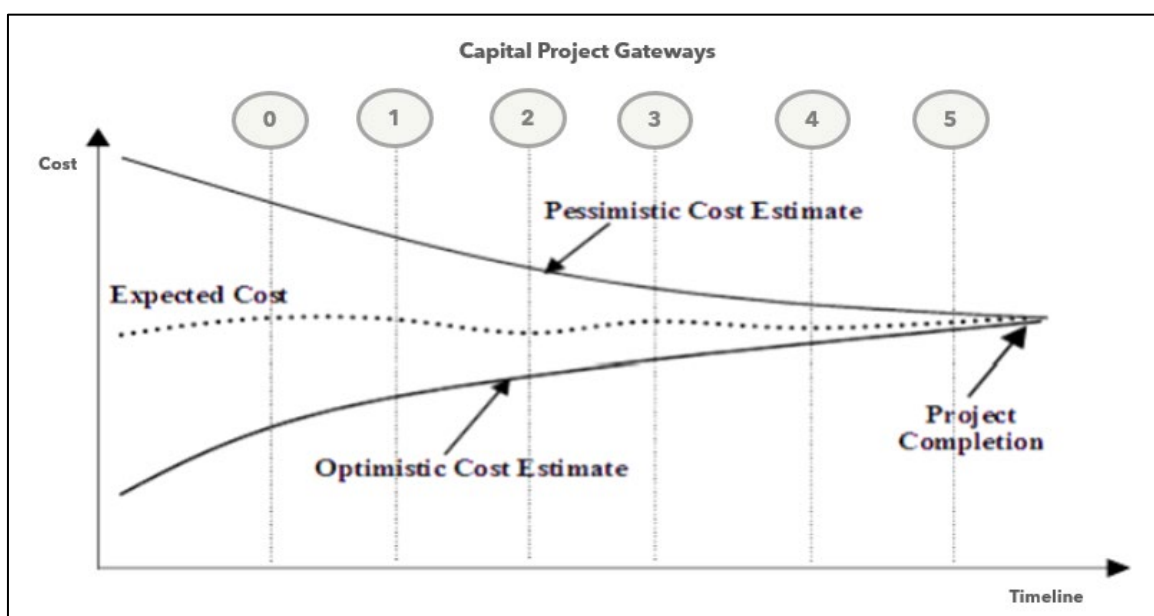


Figure 3: Illustrative timeline graph of cost certainty throughout the project phases.

65. For Hamilton City Council to deliver the Long-Term Plan outcomes from its extensive capital programme within the relevant time and budget constraints, it is essential that cost estimation is seen as an iterative process where project cost estimates are revised and updated as the project scope becomes more precise during the project life cycle and project risk assumptions are refined. A capital investment usually begins when there is very little known about the project and an initial estimate is required.
66. Many budgets in the Long-Term Plan are for programmes of work, rather than projects and a different approach is often taken. For example, an asset manager will establish a renewal programme from expected costs of many small component projects and would then be expected to optimise outcomes from a fixed programme fund over the Long-Term Plan unless it is adjusted by an annual plan or another Council decision.
67. Generally, Long-Term Plan budgets are based on P50 cost estimates as a balanced approach for budgeting which is seen as a realistic estimate that isn't overly optimistic or pessimistic. This includes a "**base cost**" and a "**probable risk cost**" contingency. P50 represents the median estimated cost. This means there is a 50% chance that the actual costs will be below this value, and a 50% chance that they will be above. This is referred to as the Expected Estimate ('base cost' plus 'probable risk cost').
68. P95 represents a more conservative estimate. There is a 95% chance that the actual costs will be below this value, with only a 5% chance of exceeding it (1 in 20 projects). A P95 estimate includes the "Expected P50 Estimate" plus an additional "**funding risk**" contingency.
69. Figure 4 is from the Auckland Transport Guide that shows this estimating approach across the lifecycle of a project (noting that Auckland Transport uses different phase terminology).

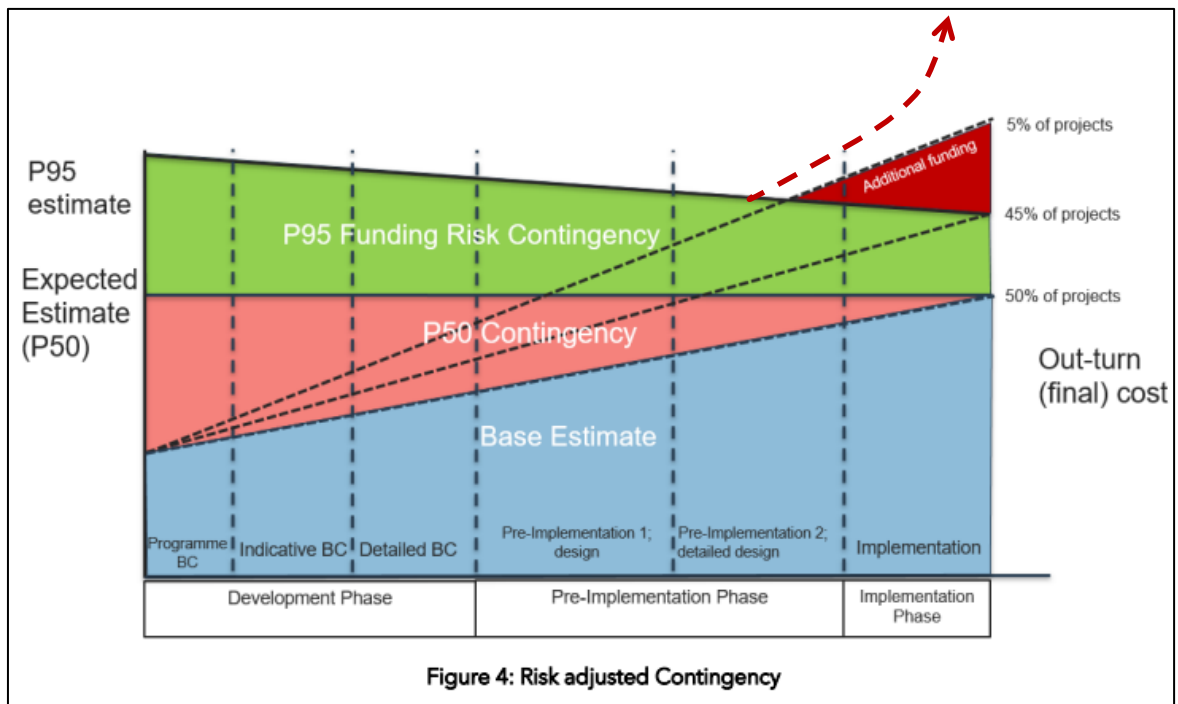


Figure 4: Risk Adjusted Contingency Across Project Lifecycle (Auckland Transport)

70. **Probable risk cost contingency** included in a P50 is to cover specific uncertainties that are identified during planning, design and construction. This contingency amount is funded and is managed by staff through specific project and portfolio governance arrangements.
71. **Funding risk contingency**, above the P50 Estimate, is to take account of defined but unmeasured uncertainties around the base estimate, and unknown uncertainties that are not understood, but from experience there is a likelihood of occurring.

72. Hamilton City Council has not previously adopted a consistent approach to developing P95 cost estimates and monitoring and reporting these. The recent Peacocke programme of works is an exception to this where P95 estimates were reported, but with an intent across the programme of projects to manage with the sum of the P50 estimates.
73. Bond CM recommends that Council adopts a more structured approach to P95 estimating and managing **funding risk contingency**. Generally, this should be managed by Elected Members through recommendations from the Executive Leadership Team via the Finance unit. While this new approach can be refined through development of the 2027-37 Long-Term Plan, it is likely that this funding risk contingency is covered by debt headroom, rather than a funding allocation, which will in part keep the incentive at all levels to manage the portfolio on an 'unders and overs' approach within the P50 based programme.

Option Area 2: Refining project management practices and estimate and risk reporting

74. There were a number of themes arising from the independent review that can be captured by being a lot clearer in defining expectations when projects are being estimated to inform funding allocations in long term planning. These align with a number of cost drivers that can be managed by being clearer in defining expectations when projects are being estimated to inform funding allocations in long term planning (e.g., scope definition, business cases, whole of life cost considerations, etc.).
75. Staff have been preparing for a shift to more P95 cost estimating, which will allow more structured management of the entire capital portfolio. The Capital Cost Estimation Guideline has recently been updated to define the appropriate terms and to give guidance to staff on how to prepare better estimates. In revising the Capital Cost Estimation Guideline a number of lessons from the independent review have already been incorporated. One initiative is a new scope definition template to record the scope of each project to align with the estimate provided.
76. The reviewer also questioned whether Council's standardised basis for transport estimates is the best approach to represent the works and uncertainties, such as ground conditions and pavement design requirements. This review comment could also be applicable to the other project types across Council's diverse portfolio.
77. Table 1 lists some of the key estimate methods applied at different stages. For Long-Term Plan estimates, staff commonly use:
 - i. for waters projects such as reservoirs or wastewater storage, where a demand volume is known and "typical" rates are available that can be factored up or down to suit the particular project a comparative estimates for waters projects.
 - ii. for transport projects and waters pipelines, unit rates estimates based on asset type and lengths.
78. These "template/spreadsheet" estimates were raised as a concern by Bond CM in its reviews because they may not best represent the works. There are elements within the templates that allow for site specific circumstances and risks. Staff consider the template approach to be suitable, but in response will review allowances for overheads, risks and the ranges of costs for ground conditions and pavement requirements. The template approach ensures consistency across the programme, important for development contributions, and the inputs can be reviewed to address the reviewer's concerns.

Method	Recommended Application	Cost Confidence
Comparative	At feasibility stage where the general outcome of a project is known, however the actual scope is not yet known. Where council (or another agency) has developed a comparative project in the past, and final actual costs are known, then a comparison can be made.	Rough Order Estimate - Low
Unit Rates	Where the scope of a project is better known, and the construction elements can be quantified. Council may own or have access to a unit rate database or some other source of unit rate information which can be applied. Additional factors for site specific conditions may need to be applied. The user shall have a good understanding of what is included or excluded from the unit rate.	Based on Historical Information – Low to Medium
Engineer's Estimate	Generally, can be developed from preliminary design onwards, and should consider all elements of a construction activity e.g. site establishment, environmental controls and commissioning. The engineer providing the estimate will need to have specific knowledge of the project scope and site conditions, including any specific consent conditions, enabling works requirements or service relocations. For additional confidence and to reduce the risk of political or confidence biases, independent or parallel estimates are used for larger projects.	Based on Historical Information – Low to Medium
Quantity Surveyor	Can be applied at any stage of the project. More commonly used for buildings.	Based on Recent Quote - Medium

Table 1. Cost estimating methods for construction works

Option Area 3: Earlier (and enhanced) Project, Programme and Portfolio Planning

79. Future Fit changes alongside the improved Capital Cost Estimation Guideline are a sound basis for continued improvement in project planning and phasing which are critical to effective capital delivery.
80. There are considerable efforts underway to deliver standardised and repeatable project, programme and portfolio practices, focussing on efficiency in governance, scalable and practical investment case practices, standardised planning and delivery. The observations and lessons within this report are wired into the framework to be applied where possible immediately and into the 2027-37 Long-Term Plan process.

81. The project lifecycle is being enhanced to include clear and practical delivery templates, providing clarity for the range of Council project practitioners to ensure quicker application of essential practices for effective planning and delivery. The lifecycle will also be enhanced to include a project classification calculator that guides staff on the level of documentation, cost/investment management requirements and governance required, supporting more scalable and refined delivery, whilst meeting organisational standards. The Project lifecycle is also being developed to enable more 'upfront' planning and where applicable ensuring that Long Term Plan entries are supported with better information to move to delivery phase faster.
82. Earlier (and enhanced) project, programme and portfolio planning provides opportunities to significantly influence key drivers for cost increases identified above. The most significant cost risks arise in implementation, particularly where there is insufficient investigation or late changes in scope. Early and enhanced project planning that recognises the benefits of early investigation and consistency of risk management and allocation means that a capital programme can be scheduled to smooth market conditions, provide time in procurement to optimise understanding and contract frameworks, and minimise avoidable compliance costs.
83. Avoiding late changes in scope or timing and providing earlier certainty in construction funding significantly reduces the risk of delays in project implementation, and consequential underspend or deferrals. This requires a high trust model, such as that provided by the government funding for Peacocke, which provided construction certainty at the start of design, subject to remaining consistent with the Detailed Business Case.
84. This enables the consultant and contractor market to:
 - i. resource appropriately for a properly investigated, reliable and consistent pipeline of work;
 - ii. have sufficient time to understand projects and influence procurement to provide opportunities to achieve construction efficiencies and cost savings;
 - iii. have confidence in consistent construction management surveillance and quality assurance to eliminate inappropriate pricing, and
 - iv. mobilise in time to make the most of construction seasons.

Financial Considerations - *Whaiwhakaaro Puutea*

85. The cost of the independent review of projects was \$45,000.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

86. Section 95 of the Local Government Act 2002 requires Council to adopt its 2025/26 Annual Plan before 30 June 2025. Prior to adoption, Council must consult according to the principles of consultation in section 82 of the Act, unless the Annual Plan does not include significant or material differences from the contents of the Long-Term Plan. Council has not consulted on the Annual Plan on the basis that it does not include significant or material differences from the contents of the Long-Term Plan. The significance and materiality assessment for the matters addressed in this report is provided in the Significance and Engagement section below.

Climate Change Impact Statement

87. Staff have assessed the recommendations against the Climate Change Policy requirements for both emissions and climate change adaptation. At this stage, no adaptation or emissions assessment is required, based on staff expertise and outputs from other programmes of work.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

88. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the four wellbeings').
89. The recommendations set out in this report are consistent with that purpose. The subject matter of this report has been evaluated in terms of the four wellbeings during the process of developing this report as outlined below.
90. The draft 2025/26 Annual Plan budget will be a continuation of the 2024-34 Long Term Plan direction, which gives effect to Council's five priorities. These priorities, which represent the five community outcomes that underpin the Long-Term Plan, are aimed at improving the wellbeing of Hamiltonians. All the activities we carry out contribute to the achievement of our community outcomes. If we achieve all the expectations that we have set for our service delivery, we will be making progress on achieving all five priorities.

Social

91. Social wellbeing is defined as the capacity of individuals, their families, whaanau, iwi, hapuu and a range of communities to set goals and achieve them.
92. Council services collectively contribute to social wellbeing. Annual plans provide details about our work programmes for the year and where our resources are being allocated. The 2025/26 Annual Plan will be consistent with the direction set out in the 2024-34 Long-Term Plan by maintaining agreed levels of service and keeping average rates increases consistent with what was forecast for Year Two in the Long-Term Plan.

Economic

93. Economic wellbeing is defined as the capacity of the economy to generate employment and wealth necessary for present and future financial security.
94. Council services are fundamental to economic wellbeing, especially the provision of infrastructure.

Environmental

95. Environmental wellbeing is defined as the capacity of the natural environment to support, in a sustainable way, the activities that constitute community life.

Cultural

96. Cultural wellbeing is defined as the capacity of communities to retain, interpret and express their shared beliefs, values, customs, behaviours, and identities.

Risks - *Tuuraru*

97. There are no new risks associated with the decisions required for this matter.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

98. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendation(s) in this report has/have a low level of significance.
99. Community views and preferences are already known to the Council through the Long-Term Plan engagement and submissions. The 2025/26 Annual Plan will include further community engagement.

100. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Review of the Long-Term Plan submissions

Attachment 2 - Bond Construction Management Independent Review

Capital expenditure

Report prepared by Piper Shields; Research and Insights Advisor; Partnerships, Communication and Maaori

Council's spending on capital projects was discussed during the 2024-34 Long-Term Plan (Long-Term Plan) process earlier this year. This report details the most common themes relating to capital expenditure in the Long-Term Plan consultation.

Individual responses

How we plan to manage our city's finances

We asked respondents for feedback on managing the city's finances, which included a proposed average rates increases of 19.9% (\$11 per week for a median-value residential property) in 2024/25, and 15.5% for the following four years (2025/26 to 2028/29).

The most common themes relating to capital expenditure were:

- Don't waste money/cut pet projects/no nice-to- haves (420 comments)
"For too long council has wasted money. The money spent on pet projects that most people don't want. Keep to the basics."
- Reduce spending on transport capital projects (348 comments)
"Stop spending on your crazy bike lanes and humps. Stop wasting money on changing bus stops."
- Capital spend* should be reduced (18 comments)
"Council also need to re-look at capital spend and try to strip out all improving level of service projects to reduce debt and any growth projects that are not required."

*Responses to this question which contained the word "cap" (i.e. capital costs, spending or projects) were extracted and analysed for any further insights. Note that most members of the community do not use jargon like "capital" - therefore, this count is not an exhaustive analysis of those discussing capital expenditure.

Services to reduce, remove or retain

We asked respondents what services they would suggest Council reduces or removes, as well as what services they would not want to see reduced or removed. We provided respondents with a list (and brief description) of Council's community services and back-office functions to inform their submissions.

739 respondents would like to see services related to capital expenditure reduced. The themes from these comments were:

- Reduce transport capital projects (660 comments)
"Wasteful spending on pet projects like cycle lanes, speed humps, in lane bus stops, none of which the community want."
- Reduce other capital spending (76 comments)
"Stop wasting money on projects like the Founders theatre- just sell it off it's an ugly eye sore."

- Reduce capital spending on parks and recreation (52 comments)
"Slow down on the building of playgrounds - there are plenty of amazing playgrounds already in the city, and new playgrounds need to be maintained which have a cost!"
- Reduce asset maintenance/management (35 comments)
"I think we should push pause on upgrading swimming pools and the proposed new pool in Rototuna. In fact, I think we should delay anything that is not essential for a year to maybe recalibrate the finances."

159 respondents would like to see services related to capital expenditure maintained. The themes from these comments were:

- Maintain investment in transport capital projects (86 comments)
"Want to maintain the impetus on cycleways (shared paths) - with capital works mainly focused on joining disparate connections (where cyclists have to re-join an active road lane) and more maintenance of existing cycleways"
- Maintain investment in asset maintenance/management (64 comments)
"Maintenance on existing building and structures. To many old council buildings that have fallen into disrepair or close to it."
- Maintain capital spending on parks and recreation (18 comments)
"Do not stop creating community spaces like parks and riverside "hang out" areas"

Any other comments relating to our plans for the next 10 years?

We invited respondents to leave any other comments relating to our plans for the next 10 years.

The most common themes relating to capital expenditure were:

- Don't waste money/cut pet projects/no nice-to-haves (475 comments)
"Stop wasting money - We will leave Hamilton and return to Auckland if we keep being used as cash cow to fund vanity projects."
- Reduce spending on transport capital projects (288 comments)
"Stop the wasteful spending at a time you are telling us you are under financial pressure. No speed humps in stupid areas??? No in lane bus stops??? No prioritizing cyclists over all other road users???"
- Supportive of transport capital projects/call for more traffic infrastructure (114 comments)
 - *"Council should keep funding public transport, cycling, walking, and micro-mobility improvements to the city as much as possible. This is critical to both the city's climate response and the wellbeing of its community members. I was disappointed to see so many of these projects unfunded in the new Long Term Plan."*
- Keep assets maintained/do not under-invest (99 comments)
 - *"Concentrate more money on maintaining and rejuvenate existing council buildings. A lot of these council buildings seem to be central so this might bring more people into the CBD if it was more attractive place to be."*
- Comment on Victoria St/Regional Theatre (26 comments)

- 20 were disapproving of the theatre
- 6 were supportive of the theatre

Across all questions

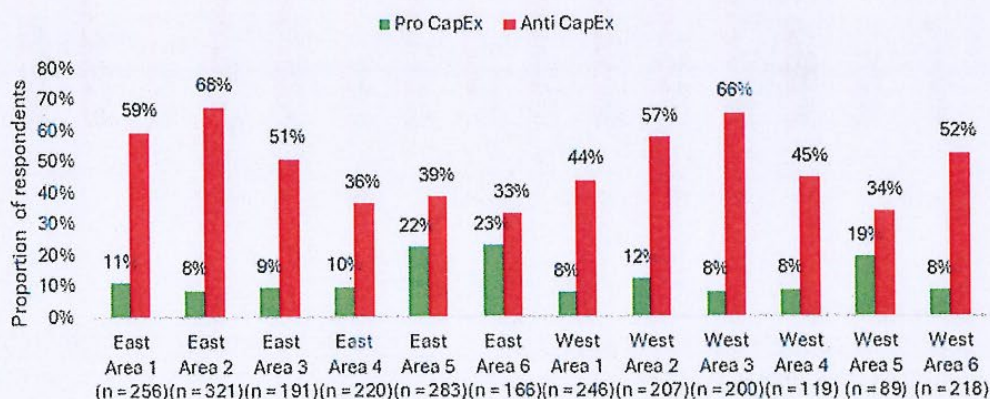
Across all questions, 1381 respondents expressed dissatisfaction or opposition to capital expenditure, costs or projects at least once in their submission. 332 respondents expressed support for capital expenditure, costs or projects. Having analysed the sentiments expressed in their submissions, respondents have been sorted into “pro CapEx” and “anti CapEx” buckets; that is to say, respondents who expressed support for CapEx at least once in their submission were labelled the former, and those who opposed CapEx at least once in their submission were labelled the latter. Using this sorting method, the demographics of the population in each category can be extracted, to identify any trends.

Location

Two in three respondents from East Area 2 (Callum Brae, Huntington, Rototuna, Rototuna North, St James) and West Area 3 (Aberdeen, Dinsdale, Temple View) opposed capital expenditure at least once in their submission.

Close to a quarter of respondents from East Area 6 (Hillcrest, Ruakura, Riverlea, Silverdale) were supportive of capital expenditure.

CapEx Sentiment by Community Profile Area



See table below for a list of suburbs in each community profile areas.

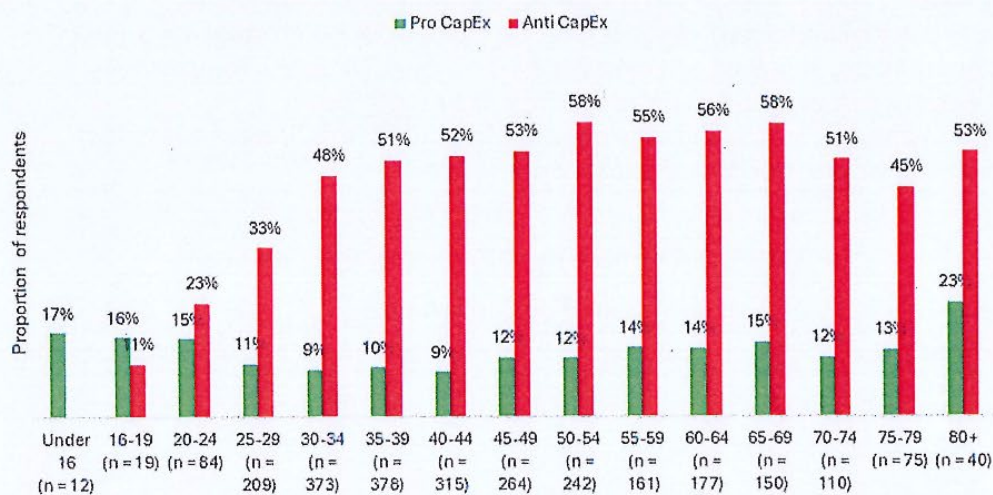
Community Profile Area	List of suburbs
East Area 1	Flagstaff
East Area 2	Callum Brae, Huntington, Rototuna, Rototuna North, St James
East Area 3	Chartwell, Chedworth, Harrowfield, Queenwood
East Area 4	Enderley, Fairfield, Fairview Downs
East Area 5	Claudlands, Hamilton East, Peachgrove

East Area 6	Hillcrest, Ruakura, Riverlea, Silverdale
West Area 1	Avalon, Beerescourt, Forest Lake, Pukete, St Andrews, Te Rapa
West Area 2	Crawshaw, Grandview Heights, Nawton, Rotokauri, Western Heights, Baverstock
West Area 3	Aberdeen, Dinsdale, Temple View
West Area 4	Frankton, Maeroa
West Area 5	Hamilton Central, Hamilton Lake, Whitiara
West Area 6	Bader, Deanwell, Fitzroy, Glenview, Melville, Peacocke

Age

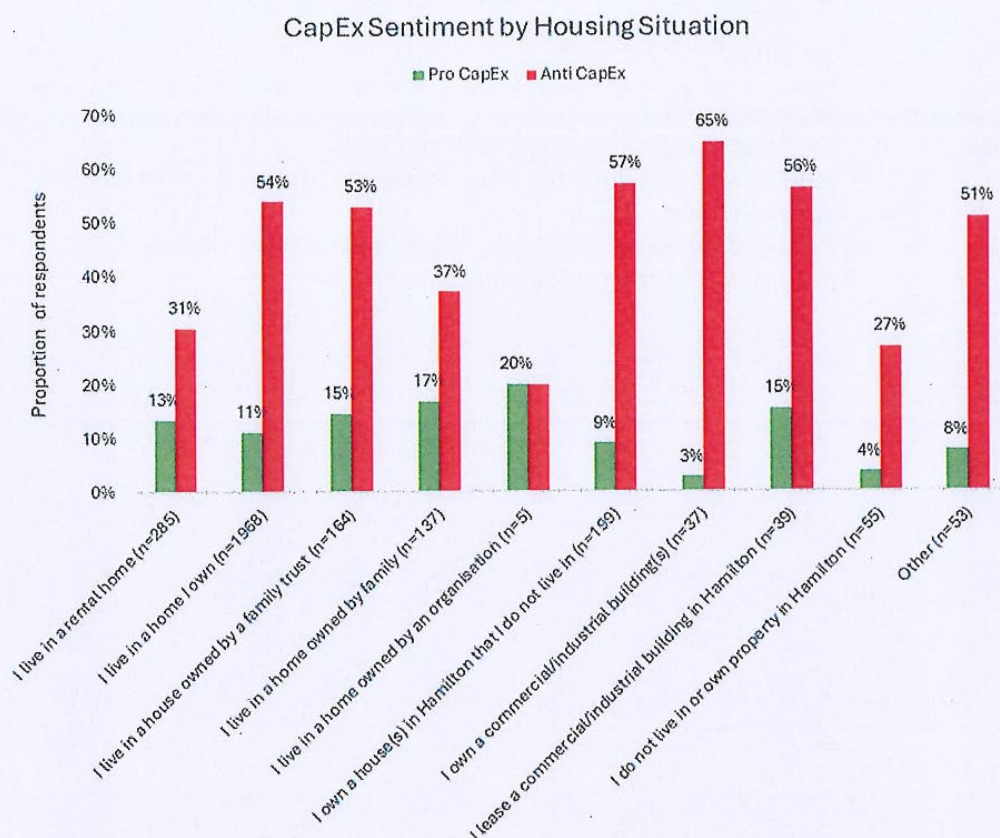
Opposition to capital expenditure increased with age, up until around 70 years old.

CapEx Sentiment by Age Group



Housing situation

Opposition to capital expenditure was greatest amongst those who owned commercial or industrial buildings in Hamilton.



Feedback from businesses, organisations, and groups

Opposed to capital expenditure

Across all 137 submissions from organisations, 11 organisations explicitly spoke negatively about capital expenditure. The themes from their submissions were:

- Council should reduce spend on transport capital projects (9 comments)
 - Arts for Health Community Trust
 - Fabrik
 - Goldsmith Gallery Jewellers
 - Habitat for Humanity Central
 - Melville Junior Rugby
 - Ngaa Uri o Maahanga Trust
 - NZCDI
 - Tristram Marine
 - Waikato Chamber of Commerce
- Capital expenditure should be reduced in general (2 comments)
 - Parents of Vision Impaired (NZ) Inc
 - Adare Company Ltd
- Believe current spending is wasteful/spent on 'vanity projects' (2 comments)

- NZCDI
- Da-Silva Builders Ltd

Supportive of capital expenditure

Three organisations showed support for capital expenditure:

- People, Cities and Nature program, University of Waikato – regarding NITC capital program
- Waikato Community Lands Trust - regarding their own funding
- Taitua Arboretum - regarding their own funding



15 December 2024

Chris Allen
Executive Director Commercial and Advisory
Hamilton City Council
Private Bag
HAMILTON

Via email: Chris.Allen@HCC.govt.nz

**Hamilton City Council LTCCP
Major Projects Review Report**

Dear Chris,

Background

Bond Construction Management (BCM) was engaged to:

- Review the basis of estimated costs of four major projects as prepared for the Hamilton City Council (HCC) 2024 – 2034 Long term Plan (LTP)
- Consider the review findings and comment on the adequacy of the approach to estimating and whether the project estimates are reasonable in comparison to projects elsewhere.
- Comment on the primary drivers for cost increases, and the adequacy of the contingencies within the LTP process.

We understand that this review has been triggered by LTP submissions and a Council resolution to look into the estimated costs of capital expenditure. Council *“requested the following work relating to capital expenditure, concern over which was a clear theme of submissions, to feed into the 2025/26 Annual Plan and/or Long-Term Plan Amendment:*

- develop scope statements for our significant capital projects and undertake further independent scope and cost reviews on significant projects; and*
- a review of capital spending, looking at the underlying drivers of the cost of capital projects and options to address these.”*

The context and timeline for the estimates and scopes relied on in the LTP processes was provided on behalf of HCC and is attached (Attachment 2).

Project Estimates

The projects that BondCM was asked to review were:

- Wastewater bulk storage – mid section
Masterplan Construction 2028/30 Estimate \$41.4million (uninflated)
- Ruakura Water supply 21ML Reservoir
Masterplan Construction 2029/31 Estimate \$83.4million (uninflated)
- Ruakura Eastern transport corridor
Structure Plan Construction 2027/29 Estimate \$71.5million (uninflated) plus land
- Arthur Porter Drive Realignment
Structure Plan Construction 2032-34 Estimate \$15.7million (uninflated)

Bond Construction Management Ltd

•• AOR Main Highway / Ellerslie / Auckland 1050 / New Zealand

BondCM staff met with HCC staff and consultants to gain an understanding of the projects and their status in terms of estimates. Each project estimate was then reviewed based on appropriate project costs from a range of other sources.

HCC Cost Estimate Requirements

HCC provided background to the statutory and other requirements for cost estimates (Refer Attachment 2). This includes:

- HCC has a draft cost estimating plan that is being implemented.
- For an LTP, the LGA2002 information requirements generally relate to groups of activities and not individual projects. Only LTP Years 1-3 need be “detailed”. Information for years 4 – 10 need only be in “outline”.
- The HCC Schedule of Assets for Development Contributions is mainly at a project level, although LGA2002 allows logical and appropriate grouping.
- HCC’s approach to significance (financial consequences) means that the accuracy of estimates is highly unlikely to be significant (would require unbudgeted costs over \$35million unexpected in the year of construction).
- Estimates for construction that takes place in subsequent years are highly unlikely to be significant because Annual Plans and future LTPs allow for resets.
- Reasonable estimates are accepted as essential for financial statements and do not undermine their reliability. There are no explicit requirements for methods or accuracy, but risk and uncertainty are key considerations.

This means that the timing of construction, especially if not within the first 3 years of the LTP, is a significant influence on expectations for the accuracy of a project estimate, but appropriate project contingencies that allow for uncertainties, especially scope at concept level, are critical.

LTP Estimates – General Comments

The cost estimate reviews for each project are attached (Attachment 1) and summarised below.

Estimates produced for the LTP process are, by necessity, often compiled ahead of any confirmed scope or design information being available. The scope will represent a snapshot in time based on what was known then. Project timelines are often fluid and move forward or back in time based on needs that become apparent post publication of the plan. Budgets can also be managed through movement of projects within the plan.

Ruakura Reservoir

Across the four projects reviewed in this report, there are a variety of those stages. The Ruakura Reservoir is the least developed of the projects in terms of design although the scope appears to be reasonably well established. The estimate for this project reflects that level of detail, being based on historical values for the volume of water stored.

Two areas of note in an estimate at this stage in a project are the level of understanding of the ancillary works required and the relevance of the pricing benchmarks being used. In our assessment we have considered the level of impact on price for both the ancillary works and the historical comparison of volumetric rates. This has resulted in an assessment of cost that is close (4% higher) to the estimate included in the LTP. We also note that the contingency value of 50% is acceptable in our opinion for the project to calculate the P50 value which the LTP requires.

Wastewater Storage

The Wastewater Storage facility was reviewed in terms of the major cost items, particularly the ground retention. While the project appears to have a known scope and developing design, the ground retention did not appear to be as robust given the likely geotechnical conditions. In this case the cost impact on the major items was in the order of \$5M when the percentage add-ons such as preliminary and general costs were applied.

Ruakura Eastern Corridor

Two specific projects were assessed in the Ruakura Eastern Corridor work. Our assessment was that these two projects could be underestimated in the LTP by around \$32M. The system of estimating the cost of the projects is well developed in a spreadsheet form using rates from other HCC projects. In our opinion this approach can have some drawbacks.

The rates used are only what is received in tenders, not those that reflect the actual cost of delivery. Preliminary and general costs for example are included at 4%. This is not representative of the level seen in other projects. This proforma method of estimating does give consistency but requires up dating regularly.

Arthur Porter Drive

The difference assessed between the LTP values and those assessed in this exercise was around \$3.3M. Many of the comments made above for Ruakura apply for these projects. This is due to the same estimating process being used for the LTP values.

Table 1 summarises the review findings for key considerations for cost estimates.

Table 1: Summary of Estimate Reviews (See Attachment 1 for details)

Key Consideration	Wastewater Bulk Storage – Mid Section	Ruakura Reservoir	Ruakura Eastern Transport Corridor	Arthur Porter Drive	Observations
LTP Inflated P50	\$50.8M	\$107.4M	\$97.3M	\$19.0M	Inflated estimates
LTP Expected P50	\$41.4M	\$83.4M	\$71.5M	\$13.1M	Uninflated estimates
BondCM Review	\$46.4M	\$86.4M	\$92M	\$16.4M	Based on updated info
Difference	\$5M (+12%)	\$3M (+4%)	\$20.5M (+22%)	\$3.3M (+25%)	All estimates are over the LTP. Ruakura significantly
Estimate type	Appropriate	Appropriate	Appropriate	Appropriate	All early stage
Evidence-base	Appropriate	Appropriate	Appropriate	Appropriate	All early stage
Scope/ objective	Adequate	Adequate	Concern (after LTP)	Appropriate	Scope definition not clear. Ruakura change concerns
Methodology	Adequate	Appropriate	Adequate	Adequate	Transport spreadsheet approach has drawbacks.
Pricing/ Rates	Adequate	Appropriate	Concern (after LTP)	Concern	Transport pricing appear low
Risks	Adequate	Adequate	Concern	Adequate	No project risk assessments
Contingency	Appropriate	Appropriate	Concern	Adequate	Transport contingency low
Overall	Adequate	Appropriate	Concern (After LTP)	Adequate	

There are shortfalls when the BondCM review P50 estimates are compared to the LTP P50 estimates. In most cases these would sit within the expected uncertainty for the project stage, but we note that they are all shortfalls.

The Ruakura shortfall is significant and merits further investigation. We understand that this is taking place as part of the Detailed Business Case.

Primary drivers for project cost increases

The NZTA Index for construction other than structures increased by approximately 18% in the last LTP period from Q2 2021 to Q2 2024. Cost increases continue.

The primary drivers for project cost increases include:

- Changes in scope – often through combinations of:
 - Imposed changes in standards – e.g. seismic resilience, climate change, environmental standards (e.g. NES Freshwater)
 - Level of service increases – instructed/requested by clients/governance/asset owners
 - Scope creep – design enhancements beyond minimum specified requirements
 - Inadequate design resulting in changes during construction (e.g. poor detailing, optimistic expectations for temporary works).
 - Operational requirements being elevated beyond needs.
- Poor understanding and tolerances for risks:
 - Insufficient early investigation to guide selection of cost-efficient options before it is too late to change
 - Insufficient investigation to inform realistic contingency expectations (e.g. contaminated land)
 - Contractors increasing allowances for risks within pricing as a result of insufficient information and / or greater risk transfer.
- Market conditions affecting resources and pricing:
 - Onerous specifications restricting competition (e.g. construction techniques, pavement specifications)
 - Labour shortages, exchange rates, fuel prices increasing input costs
 - Higher tender prices when there is a lot of work and less incentive for competitive pricing.
- Higher compliance costs such as restrictive traffic management, site access, working hours, consent conditions, reporting, etc. affecting productivity and increasing contract overheads.

Although challenging, careful selection of procurement strategies and procedures can ensure you get the best value for market conditions at the time. Appropriate constructability advice in the design phase can be a significant benefit. Allowing sufficient time for tendering, minimising constraints during construction, and being flexible in the construction period available can reduce the risk of unnecessarily high costs.

It is worth noting that construction costs are only part of project costs. Land, operational costs (e.g. pumping energy), maintenance and renewals are also significant influences. Sometimes higher up-front costs are the right answer to optimise whole of life costs. This is particularly applicable in pavement design, roads for future widening, and staged implementation of water and wastewater storage.



Council asset operators can often approach the construction of a new treatment or storage facility as an opportunity to achieve a level of service beyond what is required to deliver the service. As they will generally need to approve new facilities, this can result in costs increasing through scope or design growth. Careful management of this issue is needed in these cases.

Effective portfolio, project and risk management with the right skills and planning through the project lifecycle can deliver better value for money. We understand that HCC is implementing improvement processes. It would be desirable for these to include cost-estimate procedures, policies or guidelines that ensure estimates are prepared using an appropriate methodology for the project and stage, are risk-adjusted, evidence-based, reviewed and assured.

Risk identification, assessment and valuation is often carried out with an emphasis on the tools used (@Risk, ARM) to produce a quantitative risk assessment (QRA) for a project or programme. Our experience is that, while useful as management tools, these processes give a false sense of risk being managed. Careful analysis of the major project risks and their potential impact at a gross order level is as, if not more important, particularly early in the project lifecycle when contingency is assessed rather than risk being calculated.

Conclusion

This exercise has been carried out as a check on the values for the major projects that have been included in the LTP. It has been carried out in limited time and with limited information.

The estimate reviews have confirmed that HCC's LTP estimates are not unduly high.

There are shortfalls for all four projects when the BondCM review P50 estimates are compared to the LTP Expected (uninflated) estimates. In most cases these would sit within the expected uncertainty for the project stages (concept), but we note that they are all shortfalls.

Key take outs from this work are:

- Understanding scope is all important when assessing the cost of projects that have little or no development.
- Formulaic approaches to estimating can be misleading. If the scope is well developed, both rates and measures need to fully reflect the work required.
- In our opinion contingency assessments for the P50 values are generally appropriate for the status of the projects. This is particularly the case as they all sit within the wider LTP which has inherent ability to manage risk through timing and nature of future works.
- It is recommended that the projects where major differences were found should be further investigated. Of particular note is the Ruakura Eastern Corridor.
- For consistency and best practice, HCC should consider preparing or adopting cost-estimate procedures, policies or guidelines. We understand that HCC is underway with such a review.

Yours faithfully

Bond Construction Management Ltd

David Fehl
Director

Attachment 1: Estimate Reviews

Estimate Review: Wastewater Bulk Storage – Mid Section

Project	Stage/activities	Investigation	Design	Construction	10 year total
Wastewater bulk storage – mid section	Concept Master Plan	Year 3 2026/27	Year 4 2027/28	Years 5-6 2028/30	\$41.4million
LTP Estimate Summary		Comments			Assessment
Estimate type	Class 5 (AACE) Pre-concept – Programme Business Case (PBE)	Construction outside LTP Limited information Initial purpose is for design funding			Appropriate
Evidence-base	Wastewater Master Plan V4- Technical Report (WSP, Dec 23): Nominal location, no design, little Geotech, no depth data	Limited information Current – presume initial LTP assumptions based on draft.			Appropriate
Scope/objective	2031 3,900m ³ 2061 6.000m ³	Outside review scope.			Adequate
Methodology	Volumetric unit rates based on outturn costs				Appropriate
Pricing/ Rates	Master Plan V4	CCI updates to Version 1 Master Plan cost curves (Watercare/ Aecom) With on-costs Brownfield 100% rates adjusted for installation (50% greenfield, 140% central city) – plus contingency. Rates validated against			Appropriate
Risks	Strategic, not site-specific risk assessment. Nominal allowance for storage project.	Accuracy range declared: Low: -20%to -50% High: +30% to +100%			Adequate
Contingency	30%	30% base contingency Rates adjusted for complexity (above) Additional 5% Geotech risk for storage, 10% for market uncertainty, increased oncosts (from 15-22% to 35-42%)			Appropriate
BondCM Review	P50 Expected estimate	\$46.4million			
Difference	Bond CM Review - LTP Estimate (+ve = budget shortfall)	\$5million 12%			Adequate
Overall					Appropriate

Discussion

An assessment of cost for this storage facility has been established subsequent to the LTP estimate and prior to this review. The major cost elements of this subsequent estimate as represented by the summary Schedule of Prices were reviewed.



In our opinion the assumptions made previously for the construction of this tank in terms of methodology and temporary works appear to be optimistic given the geotechnical and groundwater conditions indicated. Of particular note is the use of CFA piles to the depth required. Accuracy in the deeper sections of the piles is likely to be an issue. A method using a secant pile wall or diaphragm wall may be more appropriate for this site.

The P&G and overheads are based on a percentage of the physical works. This is a normal assumption at this stage of the project development process. The percentages used are appropriate for the work proposed.

The previous estimate had an allowance of 30% for contingency to reach a P50 level. In our opinion this is an appropriate allowance for a P50 assessment given the level of detail available.

The budget price assessed for those portions of the works increased from \$12.5M in the previous estimate to \$15.5M. Once the uplifts for preliminary and general costs, offsite overhead and profit allowances and contingency are added, the difference is an additional \$5M.

Conclusion

The basis for the LTP estimate appears sound.

Based on the post-LTP investigations, while the project appears to have a known scope and developing design, the ground retention did not appear to be as robust given the likely geotechnical conditions. In this case the cost impact on the major items was in the order of \$5M when the percentage add-ons such as preliminary and general costs were applied.

Estimate Review: Ruakura Reservoir

Project	Stage/activities	Investigation	Design	Construction	10 year total
Ruakura Water Supply 21ML Reservoir	Concept Master Plan	Year 4 2027/28	Year 5 2028/29	Years 6-8 2029/31	\$83.4million
LTP Estimate Summary		Comments			Assessment
Estimate type	Pre-concept – Programme Business Case (PBE)	Design and construction outside current LTP 3 year detail period Limited information Initial purpose is for design funding			Appropriate
Evidence-base	Hamilton Water Supply Master Plan 4 Nominal location, no design, no Geotech, no pump station details	Limited information Current – post-2022.			Appropriate
Scope/objective	24ML in Master Plan 21ML in LTP description Pump station	21ML may be effective storage (actual requires 15% allowance for dead storage) so costing is on 24ML			Adequate
Methodology	Volumetric unit rates based on outturn costs. Assumptions declared. Excludes land, Geotech special conditions All reservoirs are assumed to include the reservoir structure, pipework, valves, chlorine dosing/monitoring, telemetry etc., and access road.	Unit rate is: \$1,200 per m3 of effective storage for Reservoirs >5ML and \$1,500 per m3 for reservoirs <5ML. Revision 4 of the Wellington Water Optimisation Unit Cost Data (dated March 2019)			Appropriate
Pricing/ Rates	P&G: 15% of Base Cost Contingency: 50% of Base Cost D&PD: 7% of Base Cost HCC Staff and Other Costs: 9%	Tested using bottom up comparison – appear reasonable across the whole estimate.			Appropriate
Risks	Not clear	Accuracy range declared: expected to be +/- 50% of the total cost.			Adequate
Contingency	50%				Appropriate
BondCM Review	P50 Expected estimate	\$86.4million			
Difference	Bond CM Review - LTP Estimate (+ve = budget shortfall)	\$3million 4%			Appropriate
Overall					Appropriate

Discussion

Budget pricing for the Ruakura Reservoir was compiled by Mott MacDonald for HCC. No specific details of the proposed reservoir were available, and it appears that their estimate was compiled on a \$/m3 tank capacity basis. At the time of the previous estimate, a tank capacity of 24ML was envisaged. The proposed capacity has subsequently been revised to allow a capacity of 21ML.



BondCM established a 'bottom up' approach to the estimate itemising structural elements, earthworks requirements, drainage requirements, pipework and pumps/valves etc, quantifying these then rating them to arrive at a nett cost. In order to make a direct comparison with the Mott MacDonald estimate, this BCM estimate was based on a 24ML reservoir (for comparison purposes) and then again on the same basis, for a 21ML reservoir structure.

Due to the variability of the potential requirements at a new/upgraded pump station, an estimate was based on a factored cost of a new pump station and is therefore a low certainty estimate of cost. The nett costs (on a \$/m3 basis) were then compared to recent projects that BondCM had been involved with.

Elements of the cost build up were assessed as being insufficient for the nature of the works. Of note were the preliminary and general costs and the project design and documentation costs.

Conclusion

When assessed across the whole estimate, the BondCM cost assessment was \$3M or around 4% higher than the current assessed cost in the LTP.

In our opinion the 50% P50 contingency allowance for this project is appropriate.

Estimate Review: Ruakura Eastern Transport Corridor

Project	Stage/activities	Investigation	Design	Construction	10 year total
Ruakura Eastern Transport Corridor	Start of Detailed Business Case Emerging Preliminary design	Year 1 2024/25	Year 2 2025/26	Years 4-5 2027/29	\$71.5million (excludes developer land contribution)
LTP Estimate Summary		Comments			Assessment
Estimate type	Pre-concept – Programme Business Case (PBE)	Construction outside LTP Initial purpose is for funding agreements			Appropriate
Evidence-base	HCC LTCCP spreadsheets Structure Plan	Limited information at LTP time			Appropriate
Scope/objective	4 lane major arterial (2.88km, bridge over ECMT, 1 major, 2 roundabouts, 2 signalised intersections)	Scope inconsistent between LTP spreadsheets and DBC emerging design and estimates			Concern (after LTP)
Methodology	HCC LTCCP spreadsheets: Typical rates and dimensions for road types, lengths, etc.	This approach can have some drawbacks. This method of estimating can tend to shoehorn a project into a price structure that may not best represent the works			Adequate
Pricing/ Rates	Typical rates based on HCC contract rates	Rates appear low. The rates used are only what is received in tenders, not those that reflect the actual cost of delivery. Preliminary and general costs for example are included at 4%. This is not representative of the level seen in other projects.			Concern (after LTP)
Risks	Post LTP risk register provided	Contingency does not reflect scope and cost risks, including railside works			Concern
Contingency	20%	Low – but may be offset by base rates including some contingency			Concern
BondCM Review	P50 Expected estimate	\$92million			
Difference	Bond CM Review - LTP Estimate (+ve = budget shortfall)	\$20.5million 22%			Concern
Overall					Concern (After LTP)

Discussion

Two projects in the corridor were assessed, LTCCP 7000.2 and LTCCP 7000.3. These were set out in the HCC estimate spreadsheets supplied.

General Estimate commentary (applies to both sections)

1. Earthworks volume appears to be calculated as a function of berm and carriageway width (it looks like 4% of width = depth). We can't comment on what actual volumes may be.



2. Cut to waste rates (presumably off site?) appear to allow for minimal cartage and no dumping fees.
3. We have made an allowance of 2% of direct works (excl TTM) for all environmental works
4. TTM at \$1,500/week is very low. This is more like a daily rate.
5. Where no details are shown we have allowed previous estimate eg item 14.1 Swale and wetlands.
6. P&G allowance at 4% is unrealistically low.
7. Topsoil rate allows for only respread of stripped topsoil – no import.
8. GI rate would appear to only allow for 2 layers of Geotextile. We have added a 300mm drainage blanket / improvement layer to this.

LTCCP 7000.2

Original Expected Estimate \$48.9M

Updated Estimate \$61.7M

Both contain 20% Contingency

Major Differences:

1. I&R, D&PD, MAQA and HCC costs – \$1.4M. Same Percentage basis but applied to a larger number.
2. Environmental Compliance - \$0.7M. No previous allowance.
3. Preliminary and General - \$7.8M. Previously 4% of Physical Works are allowed. Updated to 24%.
4. Other rate adjustments for various items (up and down)

Scope

Changes in scope between LTCCP 7000.2 estimate (initial basis) and later drawings (Ruakura ETC Full Concept Design Plan Set) have not been considered in this review to ensure that the comparison with the LTP estimate is valid.

LTCCP 7000.3

Original Expected Estimate \$22.6M

Updated Estimate \$30.3M

Both contain 20% Contingency

Major Differences:

1. I&R, D&PD, MAQA and HCC costs – \$0.8M.
Same Percentage basis but applied to a larger number.
2. Environmental Compliance - \$0.34M. No previous allowance.
3. Preliminary and General - \$3.6M. Previously 4% of Physical Works. Update to 24%.
4. Other rate adjustments for various items (up and down)

Engineers Estimate

Also provided was a document titled "Engineers Estimate – Ruakura Road Extension and Fifth Avenue Extension". We understand that this is a later document than the LTCCP 7000.2 and 7000.3 estimates.

This estimate total is \$79.92M including 20% contingency but excluding professional services fees. (ie: construction only)

Scope differences

From the schedule there appear to be some scope differences between this document and the LTCCP estimate.

Key differences are outlined below:

- P&G allowed at 25%
- Off site margin (\$6.2M)
- Imported fill (45,000m³ vs 0m³)
- Water supply – Included in Engineers estimate but not in LTCCP
- Structural AC pavements on top of stabilized subgrade/subbase
- TL5 concrete and other barriers
- Significant increases in Kerb and channel
- Utilities service trenches
- Bridge deck area increase (2520m² vs 770m²)

Conclusions

There appear to be significant scope differences emerging between the LTP estimate and the emerging design.

Below is a table summarising the estimates. The update refers to the assessment by BondCM.

Estimate	LTCCP	Update	Engineer's Estimate
7000.2	\$48.9M	\$61.7M	
7000.3	\$22.6M	\$30.3M	
Total	\$71.5M	\$92M	\$79.9M

The LTP estimate appears to be around 22% or \$20.5million lower than we consider the expected costs likely to be.

Estimate Review: Arthur Porter Drive

Project	Stage/activities	Investigation	Design	Construction	10 year total
Arthur Porter Drive Realignment.	Concept Structure Plan	Year 8 2031/32	Year 9 2032/33	Years 9-10 2032/34	\$15.7million
LTP Estimate Summary		Comments			Assessment
Estimate type	Pre-concept – Programme Business Case (PBE)	Design and construction outside LTP Initial purpose is for funding /DCs			Appropriate
Evidence-base	HCC LTCCP spreadsheets Structure Plan	Limited information at LTP time			Appropriate
Scope/objective	4 lane major arterial (0.3km) 2 lane collector road (0.42km)	Adequate			Appropriate
Methodology	HCC LTCCP spreadsheets: Typical rates and dimensions for road types, lengths, etc.	This approach can have some drawbacks. This method of estimating can tend to shoehorn a project into a price structure that may not best represent the works			Adequate
Pricing/ Rates	Typical rates based on HCC contract rates	Rates appear low. The rates used are only what is received in tenders, not those that reflect the actual cost of delivery. Preliminary and general costs for example are included at 4%. This is not representative of the level seen in other projects.			Concern
Risks	None	Contingency low for potential uncertainties			Adequate
Contingency	20%	Low – but may be offset by base rates including some contingency			Adequate
BondCM Review	P50 Expected estimate	\$16.4million			
Difference	Bond CM Review - LTP Estimate (+ve = budget shortfall)	\$3.3million 25%			Concern
Overall					Adequate

DiscussionGeneral Estimate commentary

1. Review of LTCCP estimate rates only as no further information provided.
2. Earthworks volume appear to be calculated as a function of berm and carriageway width (it looks like 4% of width = depth). We can't comment on what actual volumes may be.
3. Cut to waste rates (presumably off site?) appear to allow for minimal cartage and no dumping fees.
4. We have made an allowance of 2% of direct works (excl TTM) for all environmental works
5. TTM at \$1,500/week is very low. This is more like a daily rate.
6. Where no details are shown we have allowed previous estimate eg item 14.1 Swale and wetlands.
7. P&G allowance at 4% is unrealistically low.
8. Topsoil rate allows for only respread of stripped topsoil – no import.

9. GI rate would appear to only allow for 2 layers of Geotextile. We have added a 300mm drainage blanket / improvement layer to this.
10. Contingency – for the update contingency has been left at 20%, as per the LTCCP Estimate. Given the level of detail and number of unknowns in these projects consideration should be given to raising the contingency level. An amount of 35% may be more appropriate.

LTCCP 3101.2a

Original Expected Estimate \$5.95M Updated Estimate \$6.88M

Both estimates contain 20% Contingency

The major differences are:

1. I&R, D&PD, MAQA and HCC costs – \$0.332M. Same Percentage basis but applied to a larger number.
2. Environmental Compliance - \$0.06M. No previous allowance.
3. Preliminary and General - \$0.68M. 4% of Physical Works previously. Updated to 24%.
4. TTM allowance increased \$0.18M. Allowance of \$1,500/week insufficient
5. Other rate adjustments for various items (up and down)

LTCCP 3101.2

Original Expected Estimate \$5.40M

Updated Estimate \$6.85M

Both contain 20% Contingency

Major Differences:

1. I&R, D&PD, MAQA and HCC costs – \$0.3M. Same percentage basis but applied to a larger number.
2. Environmental Compliance - \$0.05M. No previous allowance.
3. Preliminary and General - \$0.5M. Previously 4% of Physical Works. Updated to 24%.
4. TTM allowance increased \$0.05M. Allowance of \$1,500/week insufficient
5. Other rate adjustments for various items (up and down)

LTCCP 3125.1

Original Expected Estimate \$1.70M

Updated Estimate \$2.63M

Both contain 20% Contingency

Major Differences:

1. I&R, D&PD, MAQA and HCC costs – \$0.23M. Same percentage basis but applied to a larger number.
2. Environmental Compliance - \$0.05M. No previous allowance.
3. Preliminary and General - \$0.24M. 4% of Physical Works previously. Updated to 24%.
4. TTM allowance increased \$0.05M. Allowance of \$1,500/week insufficient
5. Other rate adjustments for various items (up and down)

Conclusions

Scope differences

We are unable to comment on the scope as no information other than the LTCCP estimate spreadsheets has been provided.



Summary of Estimates

Below is a table summarizing the various estimates and updates

Estimate	LTCCP	Update
3101.2	\$5.4M	\$6.85M
3101.2a	\$5.95M	\$6.88M
3125.1	\$1.70M	\$2.63M
Total	\$13.05M	\$16.36M

The LTP estimate appears to be around 25% or \$3.3million lower than we consider the expected costs likely to be.

To: David Fehl, Bond CM

Copy:

From: Alasdair Gray

Date: 1 December 2024

Job Number: 14_565



Gray Matter

2 Alfred Street Hamilton 3214
97 Duke Street Cambridge 3434
Tel: 07 853 8997

SUBJECT: Hamilton City Council Long Term Plan significant projects review – background and context

1. PURPOSE

Hamilton City Council has engaged Bond CM to review the estimated costs of four major projects in the 2024-2034 Long Term Plan. The purpose of this memo is to provide a clear context and timeline for the estimates and scopes relied on in the LTP processes.

2. PROJECTS

The projects that are the subject of the review are summarised in Table 1 below, with stage and timing information. Activities within the three years before the next LTP are shaded green, comprising investigation and design activities.

Project	Stage/activities	Investigation	Design	Construction	10 year total
Wastewater bulk storage – mid section	Concept Master Plan	Year 3 2026/27	Year 4 2027/28	Years 5-6 2028/30	\$41.4million
Ruakura Water Supply 21ML Reservoir	Concept Master Plan	Year 4 2027/28	Year 5 2028/29	Years 6-8 2029/31	\$83.4million
Ruakura Eastern Transport Corridor	Detailed Business Case Preliminary design	Year 1 2024/25	Year 2 2025/26	Years 4-5 2027/29	\$75.2million (excludes developer land contribution)
Arthur Porter Drive Realignment.	Concept Structure Plan	Year 8 2031/32	Year 9 2032/33	Years 9-10 2032/34	\$15.7million

3. TIMELINE

The LTP timeline is shown as Appendix 1. LTP requirements are summarised in Appendix 4.

The base date for the estimates should be taken as 1/7/2023, the nominal start of HCC's internal LTP development process. Those uninflated estimates were presented as candidate projects for Council's Senior Leadership team to prioritise before elected member workshops in November 2023.

The selected projects were collated with standard inflation assumptions inflation applied to each of the estimates. The only projects with any expenditure in the current LTP are

4. INFORMATION PROVIDED

The information provided to Bond CM to inform the review comprises (list attached Appendix 2):

- The LTP estimates – uninflated as at 1 July 2023 base date. These should be taken as the estimates to be reviewed.
- The LTP summary information used on the LTP development and consultation processes (LTP Draft Consultation Document Portfolio 6, dated 24 January 2024, publicly available March 2024). The description of works in this document should be taken as the LTP scope for each project. The relevant pages are attached (Appendix 3)
- Supporting information that informed those estimates (e.g. waters masterplans, transport spreadsheet calcs)
- Subsequent information that may be useful in understanding the evolution of costs, scope, risk, etc. since July 2023.

Appendix 1: LTP Timeline Summary



From HCC web page

<https://hamilton.govt.nz/strategies-plans-and-projects/long-term-plan/>

Appendix 2: List of Documents provided

Project Name	Documents Provided	Doc Type	Summary	Commentary
Arthur Porter Drive	LTCCP 3101.2a	XLS	Spreadsheet linking road type, length, intersections, bridges, etc. to develop estimate.	Rates typically derived from recent HCC transport projects.
	LTCCP 3102.2 new collector	XLS	Spreadsheet linking road type, length, intersections, bridges, etc. to develop estimate.	Rates typically derived from recent HCC transport projects.
	LTCCP 3125.1 new collector	XLS	Spreadsheet linking road type, length, intersections, bridges, etc. to develop estimate.	Rates typically derived from recent HCC transport projects.
Eastern Mid WW Storage	20231201 2-WLASS.HX WWMP V4 Tech report FINAL DRAFT compiled	PDF	Wastewater Master Plan V4- Technical Report	Volumetric demand assessment based on modelling. Costs based on typical rates by volume. Nominal location – unconfirmed – no Geotech or depth data.
	Appendices Part III	PDF	Concept Design Drawings	
Ruakura Eastern Transport Corridor	ETC Concept Design Estimate - Ruakura Rd and 5th Ave Extension	PDF	BBO estimate more advanced than typical LTP	
	ETC Concept Design Estimate - Webb Drive Extension	PDF	BBO drawing set more advanced than typical LTP	
	Ruakura ETC Full Concept Design Plan Set	PDF	BBO drawing set more advanced than typical LTP	
	LTCCP 7000.2	XLS	Spreadsheet linking road type, length, intersections, bridges, etc. to develop estimate.	
	LTCCP 7000.3	XLS	Spreadsheet linking road type, length, intersections, bridges, etc. to develop estimate.	
	ETC risk register - high level	XLS		A comment on risk. Generally, for our LTP budgets we are using P50 estimates with a nominal contingency for the 'unknowns' but we don't 'price in the risk'. The entire capital portfolio is managed with an 'unders & overs' approach.

Project Name	Documents Provided	Doc Type	Summary	Commentary
Ruakura Reservoir	Ruakura Reservoir Stage 2 costings - Glenn Tinkering	XLS	High level Costings	
	Water Supply Master Plan 4 and DIA Programme Costing Details - 20240528	Word	Cost estimate assumptions used for Hamilton City Master Plan	Outlines approach to estimating - Mott MacDonald estimates are based upon Wellington Water (Revision 4 of the Wellington Water Optimisation Unit Cost Data dated March 2019).
	RE Ruakura Reservoir Stage 2 - Costing	Email	Costing and percentile info	
	RE Ruakura Reservoir Cost Break down	Email	Costing and LTP extract	

Appendix 3: Extracts from LTP Draft Consultation Document Portfolio 6 24 January 2024

Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
Upgrade Maeroa Water Supply Reservoir Pump Station	A green city	Outcome 3 - Resilience	\$200,200	\$400,400	\$0	\$0	\$600,600	<ul style="list-style-type: none"> Project to add a second pump and improve the pump building to meet today's minimum standards and improve resiliency of water supply network. Year 1 is to complete design, investigations, planning and procurement. Year 2 is construction. 	0	\$0
Ruskin Water Supply Reservoir No. 2	A green city	Outcome 3 - Resilience	\$0	\$0	\$0	\$35,000,000	\$35,000,000	<ul style="list-style-type: none"> Project is to construct a new reservoir in the Central City. Required to service growth and maintain levels of services and operational standards. Timing will be driven by demand and when it exceeds the capacity of Ruskin Water Supply Reservoir No. 1. Year 9 is to complete preparatory work and procurement with construction commencing in Year 10. 	0	\$0
Rukura Water Supply Reservoir No. 2	A green city	Outcome 3 - Resilience	\$0	\$0	\$0	\$83,400,000	\$83,400,000	<ul style="list-style-type: none"> Project to construct new filling mains and a new reservoir adjacent to Rukura No. 1 to service the Rukura growth cell and existing brownfield area including Enderley/Fairfield. Required to service growth and maintain levels of services and operational standards. Timing will be driven by demand and when capacity provided by Rukura Water Supply Reservoir No. 1 is exceeded. Year 4 and 5 is to complete design, investigations, planning, preparatory works, and procurement with construction commencing in Year 6. 	0	\$680,629
Water Supply Network Master Plan	A green city	Outcome 3 - Resilience	\$150,000	\$127,000	\$0	\$516,000	\$793,000	<ul style="list-style-type: none"> To continue developing a holistic plan for the water supply network which caters for growth and compliance in a sustainable and realistic manner while looking after and maintaining existing infrastructure. Essential to determine the investment needed to respond to changing growth projections, levels of service, and regulatory obligations. 	0	\$0
Water Treatment Plant Master Plan	A green city	Outcome 3 - Resilience	\$0	\$100,000	\$100,000	\$500,000	\$700,000	<ul style="list-style-type: none"> To continue developing a holistic plan for the treatment plant which caters for growth and compliance in a sustainable and realistic manner while looking after and maintaining existing infrastructure. 	0	\$0
Strategic Water Line	A green city	Outcome 3 - Resilience	\$1,000,000	\$0	\$0	\$0	\$1,000,000	<ul style="list-style-type: none"> This project includes installation of a 450mm Bulk pressure main as part of the Strategic water network in Peacocks Growth Cell forming part of the Hamilton South water demand zone. The main is part of the strategic supply distributing water to key parts of the demand zone via a new main along Peacocks Rd, Norrie Street and Bader Street area. These works were recommended for the 2021-31 LTP but were unfunded. 	0	\$0

City Wide Water Programme
Portfolio 6 24 January 2024

The purpose of this document is to inform 2024-34 Long Term Plan decision making focusing on:
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A fun city with lots to do • A green city

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Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2032/33	Total	Description and considerations	Assumed revenue (%)	Opex**
Wastewater Customer Connections	A green city	Outcome 3 - Resilience	\$110,000	\$109,808	\$109,808	\$769,230	\$1,098,845	<ul style="list-style-type: none"> Year 1 is to complete design, investigations, planning, preparatory works, and procurement with construction commencing in Year 2. Developer funded connections to the network, driven by growth. 	100	\$0
Wastewater Network Upgrade - Growth	A green city	Outcome 3 - Resilience	\$850,000	\$850,000	\$850,000	\$5,950,000	\$8,500,000	<ul style="list-style-type: none"> Funding to support network upgrading opportunities, including those associated with development, renewals, and in priority growth areas. 	0	\$0
Wastewater Network Master Plan	A green city	Outcome 3 - Resilience	\$146,410	\$146,410	\$439,230	\$1,610,510	\$2,342,560	<ul style="list-style-type: none"> To continue developing a holistic plan for the wastewater network which caters for growth and compliance in a sustainable and realistic manner while looking after and maintaining existing infrastructure. Essential to determine the investment needed to respond to changing growth projections, levels of service and regulatory obligations. 	0	\$0
Flynn Wastewater Pump Station Diversion	A green city	Outcome 3 - Resilience	\$0	\$198,000	\$1,892,000	\$19,000	\$2,109,000	<ul style="list-style-type: none"> Wastewater pump station and rising main diversion to resolve existing network performance issues and provide for future growth. 	0	\$30,000
Wastewater Bulk Storage - Eastern Interceptor Hillcrest (Stage 1)	A green city	Outcome 3 - Resilience	\$0	\$0	\$0	\$23,052,000	\$23,052,000	<ul style="list-style-type: none"> Project to construct underground wastewater storage facilities and pipelines and pump stations to connect to existing network. This project is to improve network performance under wet weather conditions, reduce network overflows, reduce risks of enforcement action, and improve system resiliency. Council does not have approval to discharge untreated wastewater to the environment. 	0	\$125,000
Wastewater Bulk Storage - Eastern Interceptor Mt. Section (Stage 1)	A green city	Outcome 3 - Resilience	\$0	\$0	\$5,714,000	\$35,709,000	\$41,423,000	<ul style="list-style-type: none"> Project to construct large underground wastewater storage facilities, pipelines and pump stations to connect to existing network. This project is to improve network performance under wet weather conditions, reduce network overflows, support regulatory compliance (including with Te Ture Whaimana), reduce risk of enforcement action, and improve system resiliency. Council does not have approval to discharge untreated wastewater to the environment, including from our network under wet weather flow conditions. Year 3 and 4 is to complete design, investigations, planning, preparatory works, and procurement with construction commencing in Year 5. 	0	\$175,000
Interceptor Upper Section (Stage 1)	A green city	Outcome 3 - Resilience	\$1,000,000	\$5,817,500	\$17,960,000	\$12,001,000	\$36,778,500	<ul style="list-style-type: none"> Project to construct large underground wastewater storage facilities, pipelines and pump stations to connect to existing network. 	0	\$2,100,000

City Wide Wastewater Engineering
Portfolio 6: 24 January 2024

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A future with our people • A green city

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2024-34 LONG-TERM PLAN - GREENFIELD EAST - RUAKURA - updated to include full 10-years of Three Waters funding

Portfolio 6 - 24 January 2024

The following programmes/projects have been identified for the 2024-34 Long-Term Plan (LTP).

Included in proposed budget
Not included in proposed budget - Recommended
Not included in proposed budget - Consider
Not included in proposed budget - Unfunded

Project	Priority	Climate Change Impact	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28	Fund	Description	Assumed (No)	Cost
Included in proposed budget										
Ruakura Eastern Transport Corridor New Build	A city that's easy to live in	-	\$2,000,400	\$0	\$0	\$73,218,500	\$75,218,900	Arterial transport connection from the intersection with Ruakura Silverdale Road up to and including the Fifth Avenue Extension. Funding is for an upsize contribution only to a two-lane corridor to achieve four lanes and multi-modal facilities.	51	\$380,000
Ruakura Road Transport Land Purchase	A city that's easy to live in	N/A	\$0	\$0	\$234,000	\$0	\$234,000	Purchase Transport land where the footpath has been widened.	0	\$0
Not included in proposed budget - Consider										
Ruakura Arterial upsize	A city that's easy to live in	-	\$0	\$0	\$0	\$9,884,900	\$9,884,900	Upgrades to the Ruakura Arterial network including 4-laning Pardo Boulevard and upsize Webb Drive.	0	\$232,000
Not included in proposed budget - Unfunded										
Ruakura Railway Hub	A city that's easy to live in	Outcome 1 - Emissions reduction	\$0	\$0	\$0	\$5,220,000	\$5,220,000	Development of a passenger railway hub at Ruakura in accordance with strategic planning.	0	\$0
Ruakura Water Upsize Programme	A green city	-	\$0	\$0	\$4,000,000	\$20,000,000	\$24,000,000	This is budget set aside to contribute to developed projects to ensure infrastructure built by developers is the most appropriate for the community now and into the future. These projects are all built by developers and the budget is only used when the developers are ready to build the infrastructure.	0	\$0

*Legend for Link to Our Climate Future

Outcome 1/2/3 - the project outcomes are aligned to and will help to deliver the stated outcome of Our Climate Future: Te Pee Tawhiti o Kirihiroa.

****** - There is not a clear alignment to the delivery of Our Climate Future: Te Pee Tawhiti o Kirihiroa, but through the scoping of the project there is opportunity for this to be considered.

N/A - The project doesn't have a link to implementing Our Climate Future: Te Pee Tawhiti o Kirihiroa.

**The total consequential operating costs from 2024/25 to 2033/34

Changes

1. Ruakura West Road project - removed
2. Ruakura Road Transport Land Purchase - moved to year 3

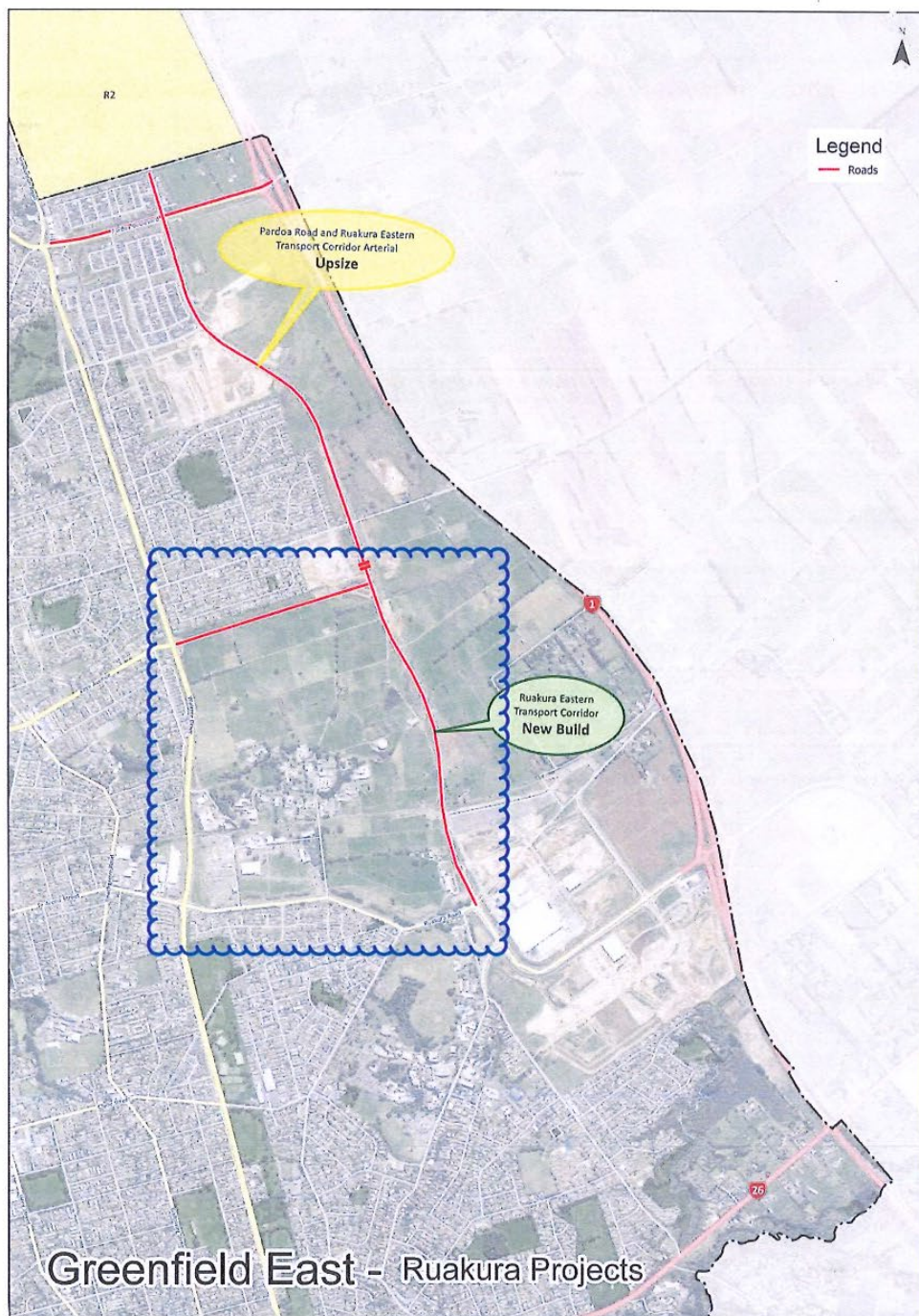
Portfolio 6

Added Waters projects years 3-10

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Greenfield East - Ruakura Programme
Portfolio 6 - 24 January 2024



**2024-34 LONG-TERM PLAN - GREENFIELD NORTH WEST - ROTOKAURI AND TE RAPA
PROGRAMME -- updated to include full 10-years of Three Waters funding**

Portfolio 6, 24 January 2024

The following programmes/projects have been identified for the 2024-34 Long-Term Plan (LTP).

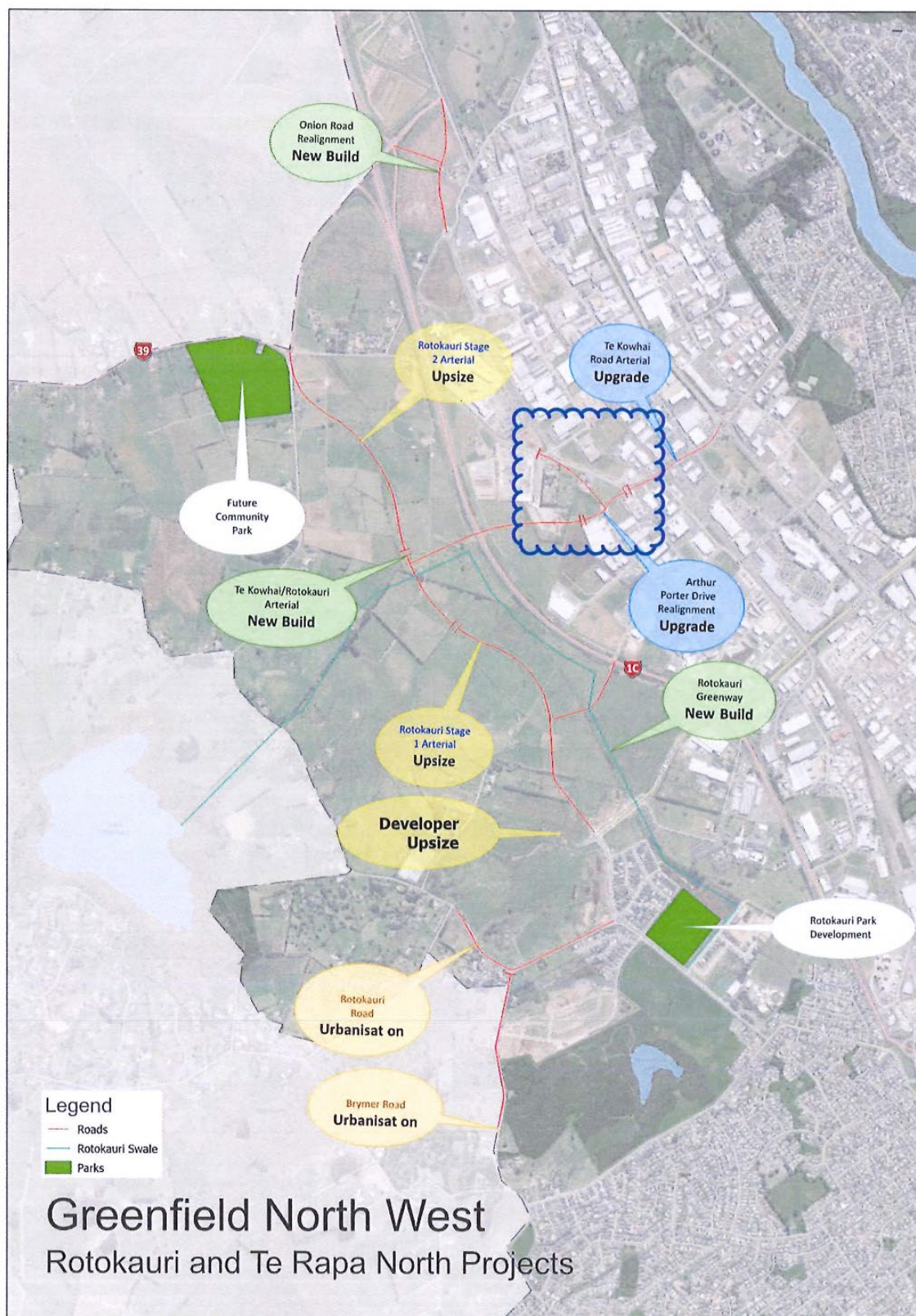
Included in proposed budget
Not included in proposed budget - Recommended
Not included in proposed budget - Consider
Not included in proposed budget - Unfunded

Project	Priority	Link to Our Climate Future*	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28 to 2033/34	Total	Description and considerations	Assumed revenue (%)	Opex**
Included in proposed budget										
Arthur Porter Drive Realignment	A city that's easy to live in	-	\$0	\$0	\$0	\$13,261,545	\$13,261,545	<ul style="list-style-type: none"> Original commitment required to complete transport arterial designation project. Budget of \$15m likely requirement for year 1 and 2 land acquisition responding to designation obligations. This has been removed to a Recommended project and will become a priority call on new Strategic Property budget. Budget for realignment work programmed to commence year 8. Part of Rotorua west-east arterial network required for employment zone. 	51	\$7,000
Arthur Porter Drive Realignment	A green city	-	\$0	\$0	\$0	\$2,422,500	\$2,422,500	<ul style="list-style-type: none"> Budget of \$15m likely requirement for year 1 and 2 land acquisition responding to designation obligations. This has been removed to a Recommended project and will become a priority call on new Strategic Property budget. Budget for realignment work programmed to commence year 8. Part of Rotorua west-east arterial network required for employment zone. 	0	\$0
Brymer Road Urbanisation	A city that's easy to live in	-	\$0	\$0	\$0	\$6,490,800	\$6,490,800	<ul style="list-style-type: none"> Budget for urbanisation of Brymer Road between the Zoo and Rotorua Road. Urbanisation means to upgrade to a safe standard which includes lighting, kerbing, footpaths etc. Development contributions have been collected and decisions on timing are required. 	0	\$20,000
Brymer Road Urbanisation	A green city	-	\$0	\$0	\$0	\$1,820,000	\$1,820,000	<ul style="list-style-type: none"> Budget for urbanisation of Brymer Road between the Zoo and Rotorua Road. Urbanisation means to upgrade to a safe standard which includes lighting, kerbing, footpaths etc. Development contributions have been collected and decisions on timing are required. 	0	\$0
Oxton Road Realignment	A city that's easy to live in	-	\$299,000	\$0	\$4,028,700	\$14,762,800	\$19,090,500	<ul style="list-style-type: none"> Following the designation of the new road, the project is to undertake detailed design and construction which will support the network connecting the Waikato Expressway to the Te Rapa North growth cell. 	0	\$121,000

Greenfield North West - Rotorua and Te Rapa Programmes
Portfolio 6, 24 January 2024

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A green city with jobs to do • A green city

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Appendix 4: Cost-estimate requirements – Statutory and other expectations

Summary

HCC does not have cost-estimate procedures, policies or guidelines, or specific requirements for accuracy.

Generally, HCC LTP budgets are based on P50 project estimates including a nominal contingency for uncertainty and an allowance for escalation as applicable. Funding risk for the entire capital portfolio is managed with an 'unders & overs' approach, and opportunities to adjust project timing at Annual Plans and subsequent LTPs if required.

The Local Government Act 2002 (LGA2002) sets out the accounting practice and information requirements for LTPs, Financial and Infrastructure Strategies, and Development Contributions.

HCC uses NZ Accounting Standards Board Public Benefit Entity (PBE) standards and policies. Reasonable estimates are accepted as essential for financial statements and do not undermine their reliability. There are no explicit requirements for methods or accuracy, but risk and uncertainty are key considerations.

For an LTP, the LGA2002 information requirements generally relate to groups of activities and not individual projects. Only LTP Years 1-3 need be "detailed". Information for years 4 – 10 need only be in "outline". The infrastructure Strategy extend consideration to 40 years in blocks of five years after the first 10 years. The HCC Schedule of Assets for Development Contributions is mainly at a project level, although LGA2002 allows logical and appropriate grouping.

HCC's approach to significance (financial consequences) means that the accuracy of estimates is only likely to be significant for unbudgeted costs over 0.5% (medium) or 1% (high) of the total of assets in the year of the decision/proposal (equivalent to over \$35million for medium significance and over \$70million for high significance, based on the approximately \$7billion of Non-Current Assets (Property, Plant and Equipment) in HCC's 2024-34 LTP.

Estimates for construction that takes place in subsequent years are highly unlikely to be significant. For the largest review project, Ruakura Water Supply Reservoir, at \$83.4million, that is equivalent to an unexpected increase in construction costs (within a single year) of over 80%. An increase of 80% could take place in some circumstances (mainly scope increase) but would be highly unlikely in the year of construction.

There will be changes in cost estimates for a range of reasons. With appropriate scope, risk and contingency management at a project level, these should balance out at a capital portfolio level. HCC has established processes for whole of life cost and scope management at portfolio, programme and project levels and continues to refine those.

Procedures and terminology

HCC does not have cost-estimate procedures, policies or guidelines, or specific requirements for accuracy.

NZTA-funded projects may use NZTA's Cost Estimation Manual (SM014) procedures. Programme Business Case Estimates (PBE) used to provide budgets for forward works programming would be relevant for LTP projects with limited scope information and refined as projects develop towards an Engineer's Estimate (Pre-Implementation Estimate 2 (NZTA)) prior to construction. The amount of risk would be expected to reduce during the project lifecycle as illustrated in Figure 1 below.

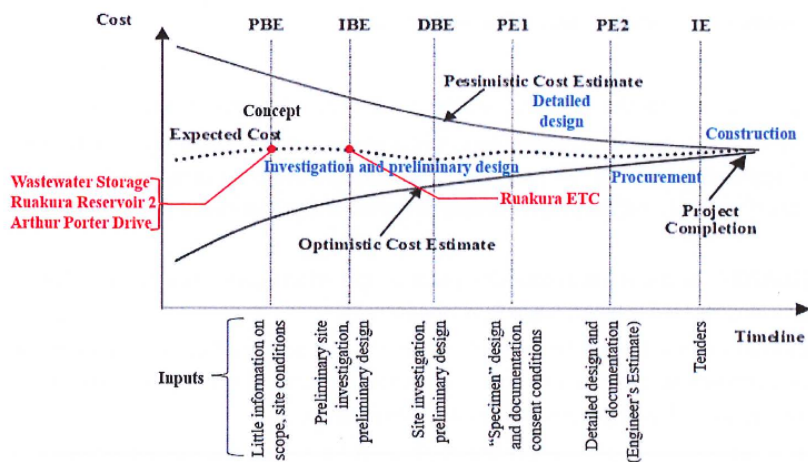


Figure 1: Estimate Lifecycle (NZTA SM014 Annotated)

Generally, HCC LTP budgets are based on P50 project estimates including a nominal contingency for uncertainty. A P50 (Expected Estimate (50th percentile)) is the base estimate (an assessment of the total sum of all of the elements for all known scope excluding contingencies and escalation) plus an allowance for contingency. This estimate represents the 50th Percentile Estimate as illustrated in Figure 2 below.

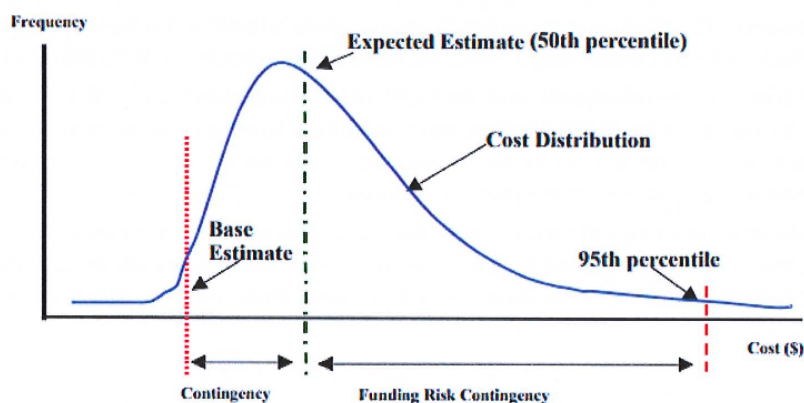


Figure 2: Illustration of Risk Terminology (NZTA SM014)

The Wastewater Master Planning references the Association for the Advancement of Cost Estimating (AACE) Cost Estimate Classification System – As Applied in Engineering Procurement and Construction for the Process Industry¹. The Master Plan V4 estimates are described as Class 5, with minimal project definition, used for concept screening, capacity factored methodology, large variation in accuracy ranges and least cost to prepare Refer Figure 3 below.

¹https://tools.water.nv.gov/Hearings/past/Spring%20-%20Cave%20-%20Dry%20Lake%20and%20Delamar%20Valleys%202011/Exhibits/SNWA%20Exhibits/SNWA_Exh_234_AACE%20Cost%20Estimate%20System%20As%20Applied%2018R-97.pdf

ESTIMATE CLASS	Primary Characteristic	Secondary Characteristic				Likely NZTA Equivalent
	LEVEL OF PROJECT DEFINITION Expressed as % of complete definition	END USAGE Typical purpose of estimate	METHODOLOGY Typical estimating method	EXPECTED ACCURACY RANGE Typical variation in low and high ranges [a]	PREPARATION EFFORT Typical degree of effort relative to least cost index of 1 [b]	
Class 5	0% to 2%	Concept Screening	Capacity Factored, Parametric Models, Judgment, or Analogy	L: -20% to -50% H: +30% to +100%	1	PBE
Class 4	1% to 15%	Study or Feasibility	Equipment Factored or Parametric Models	L: -15% to -30% H: +20% to +50%	2 to 4	IBE
Class 3	10% to 40%	Budget, Authorization, or Control	Semi-Detailed Unit Costs with Assembly Level Line Items	L: -10% to -20% H: +10% to +30%	3 to 10	DBE
Class 2	30% to 70%	Control or Bid/Tender	Detailed Unit Cost with Forced Detailed Take-Off	L: -5% to -15% H: +5% to +20%	4 to 20	PE1/2
Class 1	50% to 100%	Check Estimate or Bid/Tender	Detailed Unit Cost with Detailed Take-Off	L: -3% to -10% H: +3% to +15%	5 to 100	IE

Notes: [a] The state of process technology and availability of applicable reference cost data affect the range marked. The +/- value represents typical percentage variation of actual costs from the cost estimate after application of contingency (typically at a 50% level of confidence) for given scope.
 [b] If the range index value of "1" represents 0.005% of project costs, then an Index value of 100 represents 0.5%. Estimate preparation effort is highly dependent upon the size of the project and the quality of estimating data and tools.

Figure 3: Estimate Classes (AACE Cost Estimate System As Applied 18R-97) with NZTA likely equivalent added

Funding allocation is sought at the value of the Expected Estimate including escalation as applicable, for whatever stage the project/proposal is at.

Funding risk for the entire capital portfolio is managed with an 'unders & overs' approach, and opportunities to adjust project timing at Annual Plans and subsequent LTPs if required.

LTP information requirements

The Local Government Act 2002 (LGA2002) sets out the accounting practice and information requirements for LTPs, Infrastructure Strategies and Development Contributions, summarised in Tables 1, 2 and 3 below.

The LTP information requirements (refer Table 1) generally relate to groups of activities (water supply, sewerage and the treatment and disposal of sewage, stormwater drainage, flood protection and control works, the provision of roads and footpaths) not individual projects. Only Years 1-3 need be "detailed". Information for years 4 – 10 need only be in "outline". There is no explanation of "detail" or "outline".

The Infrastructure Strategy requirements (refer Table 2) do not significantly change the LTP information requirements but extend consideration to 40 years in blocks of five years after the first 10.

The Development Contributions requirements (refer Table 3) include a Schedule of Assets (LGA2002 S201) which sets out in detail information for each new asset or programme of works, including the estimated capital cost of each asset.

There is a requirement for a Significance and engagement policy with implications for engagement and decision-making for matters of high significance. HCC's Significance and engagement policy² sets combinations of key considerations to determine significance. For capital expenditure the key considerations include financial consequences unbudgeted expenditure in the year of the proposal/decision, with capital thresholds set as a proportion of the total assets at:

² <https://storage.googleapis.com/hccproduction-web-assets/public/Uploads/Documents/Policies/Significance-and-Engagement-Policy-13-Dec-2023.pdf>

- = High: >1% of total assets (e.g. \$40million unbudgeted building)
- = Medium: 0.5%-1% of total assets (e.g. \$25million unbudgeted building)
- = Low: <0.5% of total assets (e.g. \$1million unbudgeted building).

Other criteria include reversibility, consistency, public interest, and community impacts. Four “High” key considerations result in “High Significance”, five “Low” key considerations result in “Low Significance”, and other combinations are “Medium Significance”. HCC generally uses the LGA 2002 S83 Special Consultative Procedure for Annual Plans that “reset” budgets. Estimates for construction that takes place in subsequent years are highly unlikely to be significant.

There is an LTP requirement for tracking cost changes at an activity/service level, which would have implications for how project estimates are updated but does not give direction on the basis for estimates.

Generally accepted accounting practice

LGA2002 S111 requires information must be prepared in accordance with generally accepted accounting practice. HCC uses NZ Accounting Standards Board Public Benefit Entity (PBE) standards and policies. These state³ that:

- “38. The use of reasonable estimates is an essential part of the preparation of financial statements and does not undermine their reliability.
39. An estimate may need revision if changes occur in the circumstances on which the estimate was based or as a result of new information or more experience. By its nature, the revision of an estimate does not relate to prior periods and is not the correction of an error .
- Footnote: Information that is reliable is free from material error and bias, and can be depended on by users to faithfully represent that which it purports to represent or could reasonably be expected to represent.”

³ <https://www.xrb.govt.nz/dmsdocument/3181/> PBE IPSAS 3 Accounting Policies, Changes in Accounting Estimates And Errors: Paragraphs 38, 39

Table 1 LTP requirements and comments

Reference	Topic	Requirements relevant to estimates – (Selected extracts paraphrased - refer LGA 2002 for full text)	Comments on implications for project estimates
Section 93	Long-term Plan		
(6)	Purpose	Describe the activities of the local authorities Provide a basis for accountability to the community	Depends on Significance Policy below.
(7)	Information	Cover 10 years and include information in Schedule 10, Part 1	Stepped expectations for accuracy over 10 years
Schedule 10, Part 1	Information	Information to be included in long-term plans	No project-specific or estimate specific requirements.
Part 1 (2)	Groups of activities	Information requirements are generally in relation to each group of activities of the local authority (water supply, sewerage and the treatment and disposal of sewage, stormwater drainage, flood protection and control works, the provision of roads and footpaths). = in detail in relation to each of the first 3 financial years covered by the plan; and = in outline in relation to each of the subsequent financial years.	In relation to “groups of activities”, not projects. Only Years 1-3 need be “detailed” Information for years 4 – 10 need only be in “outline” – no definition. Also see Infrastructure Strategy comments below.
Part 1 (3)	Capital expenditure for groups of activities	A statement of the amount of capital expenditure that the authority has budgeted to meet additional demand for an activity; improve the level of service; and replace existing assets.	Not at a project level. HCC LTP 2024/25 groups capital projects at a growth cell level (e.g. Ruakura, Rotokauri)
Part 1 (4)	Statement of service provision	The Statement of service provision must specify the reason for any material change to the cost of a service	Implications in terms of understanding where the costs originated in order to track changes.
Part 1 (9)	Financial strategy and infrastructure strategy	A long-term plan must include a local authority’s financial strategy to facilitate prudent financial management and infrastructure strategy to address infrastructure issues/options. S29 (Financial Statements) are also relevant in allowing comparisons	Similar requirements – see Table 2 below
Part 1 (11)	Significance and Engagement Policy	A long-term plan must contain a summary (or other description) of the local authority’s significance and engagement policy	Key points – unbudgeted, and, in the financial year, of the proposal/decision. Needs to be unbudgeted, and a change at the levels indicated in that year.
	HCC Significance and Engagement Policy ⁴	Financial consequences - unbudgeted capital costs (% of total assets) greater than 1%, e.g. \$40M (high) 0.5%, e.g. \$25M (medium) <0.5%, e.g. \$1M (low) in the financial year of the proposal decision.	HCC typically uses the LGA Special Consultative Procedure (LGA S83) for Annual Plans after the LTP so estimates for work in subsequent years are highly unlikely to be significant.
Part 1 (17)	Significant forecasting assumptions.	A long-term plan must clearly identify— = significant forecasting assumptions and risks = where significant forecasting assumptions involve a high level of uncertainty, the fact of that uncertainty; and an estimate of the potential effects of that uncertainty on the financial estimates provided.	In relation to “groups of activities”, not projects. Only Years 1-3 need be “detailed” Information for years 4 – 10 need only be in “outline” – no definition. Also see Infrastructure Strategy comments below. Note HCC Significance and Engagement Policy above.

⁴ <https://storage.googleapis.com/hccproduction-web-assets/public/Uploads/Documents/Policies/Significance-and-Engagement-Policy-13-Dec-2023.pdf>

Reference	Topic	Requirements relevant to estimates – (Selected extracts paraphrased - refer LGA 2002 for full text)	Comments on implications for project estimates
HCC 2024-34 LTP	Significant Forecasting Assumptions – Capital Expenditure	<p>“Capital expenditure forecasts</p> <p>The capital programme budgets have been developed using a base estimate plus a nominal contingency. This approach is consistent with previous long-term plans, and results in budget provisions which assume a risk management approach to actual costs.</p> <p>The confidence levels in capital and consequential operational cost estimates vary for different projects based on the level of investigations that have been undertaken to date. Capital cost estimates for three waters and transport infrastructure are based on P50 cost estimates (the estimate of costs such that there is a 50 per cent probability of the project being delivered within that cost estimate). This approach is consistent with previous long-term plans and is appropriate for programmes of works which allow an ‘overs and unders’ approach to cost management. Consequential operational costs are based on the best available information at the time of budget setting. As project investigations are progressed, consequential operational costs may be impacted.</p> <p>The assumption has a medium level of uncertainty. The risk is capital expenditure could be more or less than predicted which could impact on our revenue, expenditure, debt and levels of service.”</p>	

Table 2 Infrastructure strategy and Funding and Finance Strategy requirements and comments

Reference	Topic	Requirements relevant to estimates – (Selected extracts paraphrased - refer LGA 2002 for full text)	Comments on implications for project estimates
Section 101A	Financial Strategy	Requires financial strategy for LTP period	Purpose includes prudent financial management – requires reliable estimates
(3)	Include statements	Requires expected capital expenditure on network infrastructure	
Section 101B	Infrastructure Strategy	Requires an infrastructure strategy for a period of at least 30 financial years.	HCC adopts the Infrastructure Strategy as part of its LTP
(4)	Outline most likely asset management scenario	Outline most likely asset management scenario and show indicative estimates of the projected capital and operating expenditure in each of the first 10 years and in each subsequent period of 5 years. Identify key decisions, their timing and costs, and include assumptions and an assessment of uncertainty.	Indicative estimates of expenditure. Not required on a project by project basis. HCC LTP budgets based on P50 project estimates with a nominal contingency for uncertainty. Funding risk for the entire capital portfolio is managed with an ‘unders & overs’ approach.
111	Funding and Financial Policies	Also applies to LTP and DCs. Information must be prepared in accordance with generally accepted accounting practice.	HCC uses NZ Accounting Standards Board Public Benefit Entity (PBE) standards and policies.
PBE Standards	Estimates and characteristic of reliability	<p><i>“The use of reasonable estimates is an essential part of the preparation of financial statements and does not undermine their reliability.”</i></p> <p><i>“information that is reliable is free from material error and bias, and can be depended on by users to faithfully represent that which it purports to represent or could reasonably be expected to represent.”</i></p> <p>Also requires declaration of key assumptions.</p>	
HCC 2024-34 LTP	Note 1: Statement of accounting policies	<p>Judgements and estimations</p> <p>The preparation of prospective financial statements using PBE standards requires the use of judgements, estimates and assumptions. Where material, information on the main assumptions is provided in the relevant accounting policy.</p> <p>The estimates and assumptions are based on historical experience as well as other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates.</p> <p>The estimates and assumptions are reviewed on an ongoing basis and adjustments are made where necessary.</p>	

Table 3 Development contribution requirements and comments

Reference	Topic	Requirements relevant to estimates – (Selected extracts paraphrased - refer LGA 2002 for full text)	Comments on implications for project estimates
Section 201A	Schedule of Assets	Policy must include a schedule listing each asset, or programme of works	HCC generally lists projects – e.g. road segments.
(1)	List information	Must include estimated capital cost	This is only part where estimates by project appears to be required (subject to 2)
(2)	Can be grouped	Assets can be grouped	Can be by programme. HCC generally lists projects – e.g. road segments.

Council Report

Committee: Council **Date:** 30 April 2025

Author: Robyn Denton **Authoriser:** Andrew Parsons

Position: Network and Systems Operations Manager **Position:** General Manager Infrastructure and Assets

Report Name: Wairere Drive Speed Limit Change - Deliberations and Adoption Report

Report Status	<i>Open</i>
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Purpose - *Take*

1. To inform the Council on the submissions received and heard at the 2 April 2025 Traffic, Speed Limits and Road Closure Hearings Panel resulting from consultation on the Statement of Proposal for lowering the speed limit on a section of Wairere Drive.
2. To seek approval from the Council for the speed limit change on Wairere Drive between Arthur Porter Drive and Pukete Road from 80km/h to 60km/h.

Staff Recommendation - *Tuutohu-aa-kaimahi*

3. That the Council:
 - a) receives the report;
 - b) notes the feedback from public submissions received as a result of the consultation procedure including the hearing held at the 2 April 2025 Traffic, Speed Limits and Road Closure Hearings Panel, completed in accordance with Section 82 of the Local Government Act 2002 and the Speed Limits Rule 2024 on the proposal to lower the speed limit on a section of Wairere Drive between Arthur Porter Drive and Pukete Road from 80km/h to 60km/h;
 - c) approves that the speed limit on a section of Wairere Drive between Arthur Porter Drive and Pukete Road is lowered from 80km/h to 60km/h;
 - d) notes that Council must submit the 'Alternative Method Proposal' to the New Zealand Transport Agency Director (using the template document) for approval before changing the speed limit; and
 - e) notes that the new speed limit will come into effect in conjunction with the construction of traffic signals at Karewa Place intersection on Wairere Drive, which will be completed by Foodstuffs.

Executive Summary - *Whakaraapopototanga matua*

4. Following a request from Foodstuffs North Island Limited in July 2018 and following full public consultation, the [16 December 2021](#) Council meeting resolved to approve a speed limit reduction from 80km/h to 60km/h for the section of Wairere Drive between Arthur Porter Drive and Pukete Road.
5. The speed limit reduction is a resource consent requirement for the development of a Pak n Save supermarket in Eagle Way, Te Rapa to enable installation of traffic signals at the intersection of Wairere Drive and Karewa Place. The traffic signals are also a requirement of the resource consent conditions determined by Independent Commissioners.
6. The Minister of Transport signed off the Land Transport Rule: Setting of Speed Limits 2024 (Speed Limits Rule 2024) on 28 September 2024, the rule was notified in the Gazette on 30 September 2024 and came into force on 30 October 2024.
7. Any speed limits set under previous versions of the Speed Limits Rule, but not implemented, ceased to have effect on 30 October 2024, as per clause 10.7 of the Speed Limits Rule 2024. This means that generally Road Controlling Authorities (RCAs) will need to complete the new processes under the new Rule to set new speed limits.
8. It was determined that the Council should work through 'an alternative method proposal' for this speed limit change.
9. Approval to undertake consultation was given at the 3 December 2024 Council meeting.
10. A [Consultation document](#) for the proposed Wairere Drive Speed Limit Reduction was used as the basis for the communications and engagement undertaken.
11. Public consultation occurred between 24 January 2025 and 7 March 2025, which received 1107 submissions, 64% of the submitters agreed with Council's proposal to lower the speed limit on a portion of Wairere Drive (**Option One**). A copy of the Insights report is included as **Attachment 1** of this report.
12. Seven submitters presented to the [2 April 2025](#) Traffic, Speed Limits and Road Closure Hearings Panel (Traffic Panel) meeting.
13. The key issues raised in the submissions **supporting** (64%) the proposal to lower the speed limit on a section of Wairere Drive were:
 - i. reducing the speed limit would be safer and reduce accidents;
 - ii. reducing the speed limit would make little difference as cars rarely go above 60km/h anyway; and
 - iii. reducing the speed limit would have flow on benefits such as traffic flow and driver behaviour.
14. The key issues raised in the submissions against (36%) the proposal to lower the speed limit on a section of Wairere Drive were:
 - i. the current speed is appropriate for the road, area, and use;
 - ii. reducing the speed to 60km/h would make traffic congestion much worse; and
 - iii. there is already speed and traffic issues along this stretch of road without an additional reduction to the speed limit.
15. Staff were requested by members of the Traffic Panel to provide additional information on matters that related to both the speed reduction proposal length, the ability to coordinate the phasing of traffic signals and the process, costs and risks associated with revisiting the resource consent approval.

16. Staff recommend the approval of the proposal to lower the speed limit on a section of Wairere Drive between Arthur Porter Drive and Pukete Road from 80km/h to 60km/h to meet the conditions of the resource consent issued to Pak n Save (Foodstuffs).
17. The recommendation is made on the basis that:
 - i. the existing mean operating speeds on Wairere Drive for the section of road between Arthur Porter Drive and Pukete Road is 62km/h and between Te Rapa Road and Pukete Road is 68km/h;
 - ii. any reduction in travel speeds will have a positive impact on the outcome of any crash that occurs in this area; and
 - iii. the change in speed limit is not expected to have any significant impact on the traffic flows in this area noting that it is an area of high growth and traffic volumes are continuing to grow as a result of development both inside the Te Rapa North, Rotokauri North and adjacent areas within Waikato District Council.
18. Once the Council has approved the speed limit change it must submit the 'Alternative Method Proposal' to the New Zealand Transport Agency Director (using the template document) for approval before changing the speed limit.
19. Foodstuffs has agreed to fund the signage and road marking to indicate and reinforce the new speed limit alongside the installation of the traffic signals at the intersection of Wairere Drive and Karewa Place.
20. Given the statutory requirement to consult, staff have not considered the key considerations under the Significance and Engagement Policy to assess the significance of the recommendations in this report.
21. Staff consider that the recommendations comply with Council's legal and policy requirements and the Land Transport Rule: Setting of Speed Limits 2024 clause 3.8 and section 82 of the Local Government Act 2002.

Background - *Koorero whaimaarama*

22. In July 2018 Hamilton City Council received an application for a resource consent for the construction and operation of a new 'Pak n Save' supermarket in Te Rapa from Foodstuffs North Island Limited (the Developer). The proposed development included a supermarket with a drive-through fuel facility, at-grade car parking and all other associated enabling works.
23. In October 2019 a resource consent hearing was held for the development. The consent process considered the traffic impacts associated with the development on the surrounding road network and as a result, transport related conditions were included in the consent. These conditions were required by Independent Commissioners who heard and decided on this resource consent.
24. The proposed changes and improvements to the surrounding transport network required by the resource consent conditions are:
 - i. installation of a left slip lane off Te Rapa Road into the Pak n Save site;
 - ii. installation of a roundabout at the intersection of Eagle Way and Karewa Place; and
 - iii. partial signalisation of Karewa Place and Wairere Drive to accommodate a right turn into Karewa Place off Wairere Drive.
25. While the majority of the consent conditions will be completed by the Developer, the change for the speed limit on Wairere Drive between Te Rapa Road and Pukete Road required completion by Hamilton City Council as the Road Controlling Authority (RCA). The relevant conditions from the resource consent are set out below:

48. Prior to the start of construction of the supermarket, but without limiting the prior carrying out of Enabling Works, the proposal to reduce the speed limit on Wairere Drive between the Pukete Road and Te Rapa Road intersections to a maximum of 60km/hr shall be confirmed by Hamilton City Council in accordance with the Hamilton City Speed Limit Bylaw. For the purposes of this condition, "Enabling Works" means preparatory works on and adjacent to the site, including:
- The demolition of any existing structures on the site;
 - Earthworks;
 - Pre-loading if needed;
 - The installation of drainage infrastructure;
 - The installation of services (including water supply, waste water, sewerage, communications, power supply and gas supply);
 - Works on the road network; and
 - Any associated ground works.
49. Prior to the operation of the supermarket the posted speed limit on Wairere Drive between the Pukete Road and Te Rapa Road intersections shall be a maximum of 60km/hr.

26. There were a series of reports presented to Council and the Infrastructure Operations Committee to work through the approval process for the speed limit change. These are set out in Table 1:

Table 1: Approval process for the speed limit change to a section of Wairere Drive

Date	Committee	Link	Purpose
19 November 2020	Infrastructure and Operations Committee (Public Excluded)	N/A	Seek approval to consult on speed limit change. Decision deferred to Council meeting
8 December 2020	Council (Public Excluded)	N/A	Seek approval to consult on speed limit change. Decision made to decline the speed limit proposal
10 June 2021	Council (Public Excluded)	N/A	Reconsidered 8 December 2020 decision.
17 August 2021	Infrastructure Operations Committee (Public Excluded)	N/A	Approved consultation on speed limit change be undertaken and approved the Statement of Proposal document
4 November 2021	Hearings and Engagement Committee	here	Hearings for verbal submissions and consideration of written submissions ahead of Deliberation and Approval process
7 December 2021	Infrastructure Operations Committee	here	Deliberation and approval recommendation to Council
16 December 2021	Council	here	Approval of 60km/h speed limit

27. With the decision made to approve the speed limit change in conjunction with the installation of the traffic signals at the intersection of Wairere Drive and Karewa Place, Foodstuffs were able to start the process of working through the various consent requirements to enable the development start and to be completed.

28. The [5 March 2024](#) Infrastructure and Transport Committee considered and approved the macroscopic design of the intersection of Wairere Drive and Karewa Place including a raised safety platform on Wairere Drive for east bound vehicles which were part of the consent conditions.
29. Staff continued to work with Foodstuffs and had intended to commence the construction of the intersection in January 2025. This timing was identified as the traffic volumes in this area is the lowest at this time and would therefore cause the least disruption.
30. On 13 June 2024 The Minister of Transport released [the draft Land Transport Rule: Setting of Speed Limits Rule 2024](#) (Speed Limits Rule 2024) with submissions due by 11 July 2024.
31. A report to the [4 July 2024](#) Council meeting outlined the proposed changes in the in the draft Speed Limits Rule 2024 and the specific implications to Hamilton City. It was identified at this time that the speed limit change on Wairere Drive associated with the Foodstuffs development would have to be changed back.
32. A staff submission on the draft Speed Limits Rule was developed and can be found [here](#).
33. Staff engaged with Foodstuffs at this time and made them aware of the potential for the speed limit on Wairere Drive to be affected by the requirements of the draft Speed Limits Rule 2024.
34. The Minister of Transport signed off the Land Transport Rule: Setting of Speed Limits 2024 on 28 September 2024, the rule was notified in the Gazette on 30 September 2024 and came into force on 30 October 2024.
35. Based on the guidance provided, staff have determined (and had confirmation by the Agency) because the speed limit was not yet implemented, then the speed limit change on Wairere Drive is not able to be implemented.
36. The Agency has advised that in order to reduce the speed limit, we are best to work through 'an alternative method proposal' in accordance with section 2.6 of the Speed Limits Rule 2024 for this site.
37. To complete the 'alternative method proposal' Council is required to:
 - i. meet the consultation requirements in clause 3.8 of the Speed Limits Rule 2024;
 - ii. include in the consultation documents the cost benefit disclosure statement for each proposed speed limit and an explanation of how we considered the road safety aspects of the Government Policy Statement on land transport;
 - iii. publish a summary of submissions after consultation closes, explaining how we took submissions into account.
38. The [3 December 2024](#) Council meeting considered a request to repeat the consultation process due the impact of the Speed Limits Rule 2024 and resolved the following:

That the Council:

a) receives the report;

b) notes that Foodstuffs North Island Limited need to have the speed limit on a section of Wairere Drive lowered to 60km per hour in order meet the consent requirements associated with the proposed development of a Pak n Save supermarket in Te Rapa;

c) notes that due to the changes in legislation resulting from the Land Transport Rule: Setting of Speed Limits 2024, the previous Council approval (16 December 2021) for the speed limit on Wairere Drive to be lowered to 60km per hour for the section between Arthur Porter Drive and Pukete Road has ceased to have effect on 30 October 2024 because it had not yet been implemented;

d) notes that New Zealand Transport Agency have recommended that the Council prepare an 'alternative method proposal' and reconsult the proposed speed limit change including the cost benefit disclosure statement before seeking approval of the speed limit change from the Director; approves Option A (outlined in the staff report) – Staff undertake formal consultation on the proposed Wairere Drive Speed Limit Reduction;

e) approves the Draft Consultation Document (Attachment 1 of the staff report) for the proposed Wairere Drive Speed Limit Reduction for public consultation in January and February 2025 subject to any minor amendments and feedback at this meeting; and

f) notes that verbal submissions will be heard at a meeting of the Traffic, Speed Limit and Road Closure Panel in early April 2025 with recommendations from the panel being provided to the 1 May 2025 Council meeting for deliberations and approval.

39. Once the steps above have been completed, then Hamilton City Council must submit the alternative method proposal to the Director (using the template document) for approval before making the speed limit changes.

Submissions

40. During the period of public consultation between 27 January and 7 March 2025, Council received a total of 1107 responses through 'Have Your Say.' 64% of the submissions were supportive of the proposed speed reduction, and 36% opposed the speed reduction.
41. The key themes received from those in **support of the proposed speed limit reduction** on Wairere Drive were:
- i. Believe that the Pak n Save should go ahead for its economic and community benefits;
 - ii. Believe that reducing the speed would make travel along this route safer; and
 - iii. Believe that the reduction would result in little to no difference in terms of speed travelled.
42. The key themes received from those who **wanted to retain the current speed limit** were:
- i. Think a lower speed limit would cause increased congestion and longer travel times;
 - ii. Believe the change to the speed limit is unnecessary and the current speed limit is appropriate for the road type/use;
 - iii. Believe there are alternative solutions (such as road infrastructure and signage, changing the consent or finding another location for the supermarket); and
 - iv. Disagree with the proposal to add an additional set of traffic lights.
43. It should be noted that the partial signalisation of the Wairere Drive/Karewa Place and associated raised safety platform on Wairere Drive (east bound only) fell within the ambit of the resource consent process and was determined within that process. The partial signalisation and its effect on Karewa Place, Wairere Drive, or the network more broadly is therefore not relevant to decision-making on the speed limit.
44. Results of the consultation are summarised in the 'Wairere Drive Speed Limit Reduction: Insights Report' which is included as **Attachment 2**.

Hearings

45. 27 respondents indicated that they wished to provide a verbal presentation to the [2 April 2025](#) Traffic, Speed Limit and Road Closure Hearings Panel but only seven attended and presented.
46. Based on the presentations and discussions, Members requested the following matters be addressed in the Deliberations and Adoption report to the Council meeting:

- i. Why the scope of the proposed speed limit change is greater than that required for by the resource consent;
- ii. Opportunities for managing traffic light phasing on Wairere Drive to reduce congestion following the introduction of the additional signals at Karewa Drive ; and
- iii. The process, costs and risks associated with revisiting the resource consent requirements regarding regard to the speed limit change.

Discussion - *Matapaki*

47. Information on the requests made at the Traffic, Speed Limit and Road Closure Hearings Panel is included below.

Scope of Speed Limit Change

48. The Land Transport Rule: Setting Speed Limits 2024 (Speed Limits Rule) requires a minimum length of at least 500m for a 60km/h speed limit and 800m for an 80km/h speed limit.
49. The Speed Limits Rule also requires the location at which a speed limit changes being at or close to a point of obvious change in the roadside development of the road environment. Intersections are generally considered appropriate locations for speed limit changes to occur.
50. While the resource consent conditions only require the speed limit to be lowered for the section of Wairere Drive between Te Rapa Road and Pukete Road, this is only 410m and so a longer length of road needs to be considered to meet the requirements under the Speed Limits Rule.
51. Just lowering the short section required under the resource consent conditions would also result in a short section (850m) of 80km/h being left to the west – between Arthur Porter Drive and Te Rapa Road.
52. While this length meets the requirements for the minimum length specified in the Speed Limits Rule, it would result in the speed limit along Wairere Drive changing frequently over a short distance.
53. It was therefore proposed by staff that the length of Wairere Drive between Arthur Porter Drive and Pukete Road be considered for lowering to 60km/h to enable the proposed speed limit to meet the requirements of both the resource consent conditions **and** the Speed Limits Rule. It also addresses the requirements of being a point of obvious change as required under the Speed Limits Rule.
54. The proposed speed limit regime on Wairere Drive and its continuation onto Te Wetini Drive is shown in Figure 1:

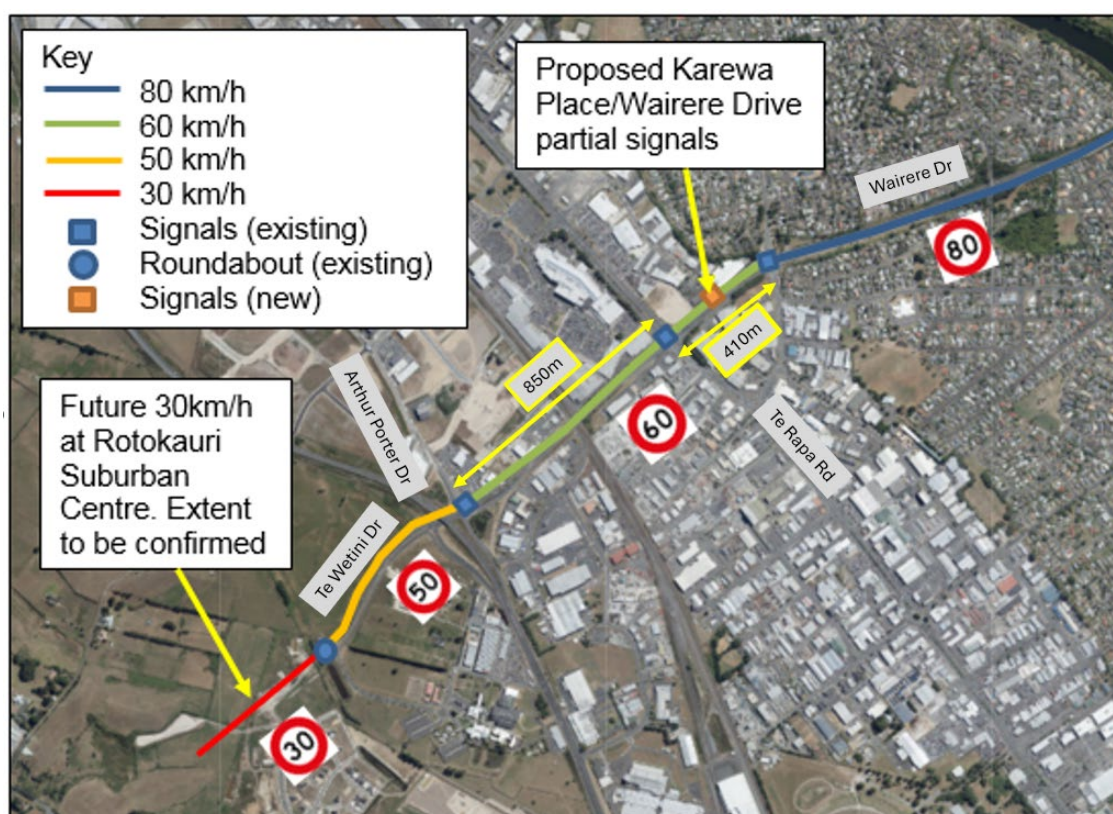


Figure 1: Proposed length for 60km/h speed limit on Wairere Drive

Traffic Signal Phasing

55. The existing traffic flows in the general area of Wairere Drive and Te Rapa Road are very high and continuing to grow as development occurs in the north Te Rapa area.
56. The 2024 traffic counts indicate the following traffic volumes:
 - i. Te Rapa Road in the vicinity of Wairere Drive 25,000 average daily traffic;
 - ii. Wairere Drive – Te Rapa Road to Pukete Road – 31,500 average daily traffic;
 - iii. Wairere Drive – Te Rapa Road to Arthur Porter Drive – 22,800 average daily traffic; and
 - iv. Pukete Road - Te Rapa Road and Wairere Drive – 17,000 average daily traffic
57. Regular reviews of the phasing programmes that run the traffic signals are undertaken to ensure that the traffic flows are optimised – noting that this is a balancing exercise of sharing the time available at each intersection between the competing demands.
58. The traffic signal operations are monitored by staff on weekdays between 7am and 6.30pm and we have various tools in place to identify where the traffic flows are different to that which is considered 'normal'. While some assistance can be provided via manual override of the traffic signals system, locations such as this which have high levels of demand will generally have congestion and delays for extended periods of the day and these cannot be addressed with traffic signal phasing.
59. There are other locations within the city with three signalised intersections within a short distance including:
 - i. Anglesea Street (Bryce Street to Garden Place car park building) has 3x sites across 240m (50km/h);
 - ii. Mill Street (Tristram Street to Ulster Street) has 3x sites across 370m (50km/h);

- iii. Tristram Street (London to Ward) 3x sites across 370m (50km/h);
 - iv. Ruakura Road (Peachgrove to Wairere) has mid-block ped signals so it's technically 3x in 380m length (50km/h); and
 - v. Normandy Avenue (Cobham to Bader) has 3x sites across 510m (mix of 60 & 80km/h).
60. Additional capacity e.g. road widening to create additional lanes, is the only alternative available to improve traffic congestion in a location such as this, and this is not considered to be warranted or affordable.

Review of the Resource Consent Requirements

61. The current consent conditions were established in October 2019 by Independent Commissioners acting under delegated authority from Council as part of granting Foodstuffs a resource consent for the development of a Pak N Save supermarket with associated fuel facilities in Te Rapa with primary access off Karewa Place and Eagle Way.
62. A key issue in the resource consent process was the mitigation of traffic impacts on the surrounding road network. The development of the consent conditions was the subject of considerable discussion and negotiation by five transportation engineers:
- i. 2 representing Hamilton City Council;
 - ii. 1 representing Countdown;
 - iii. 1 representing The Base; and
 - iv. 1 representing Foodstuffs (the applicant)
63. The conditions require the installation of a left slip lane off Te Rapa Rd into the supermarket site, installation of a roundabout at the intersection of Eagle Way and Karewa Place, and the partial signalisation of Karewa Place and Wairere Drive to accommodate a right turn into Karewa Place from Wairere Drive including provision of a raised safety platform on Wairere Drive for east bound traffic.
64. The consent conditions also included a condition precedent in relation to the reduction of speed on Wairere Drive to 60km/h. The five transportation engineers agreed that this reduction was required as a safety requirement of the partial signalisation of Karewa Place and Wairere Drive.
65. The Independent Commissioners did not have jurisdiction to reduce the speed limit on Wairere Drive as that is a Local Government Act (LGA) and Land Transport Act (LTA) matter, not an Resource Management Act (RMA) matter. The Independent Commissioners would have been acting beyond their powers if they had decided that the speed limit was going to be reduced. For that reason, they made the speed limit reduction a condition precedent of the consent, meaning that Foodstuffs cannot give effect to the consent until a decision is made to reduce the speed limit.
66. The final conditions were agreed to by Foodstuffs.
67. There could be an argument that this has created a legitimate expectation on Foodstuffs' part, not that Council will reduce the speed limit, but that Council will conduct a full decision-making process to make a fully-informed decision as to whether to reduce the speed limit.
68. Section 127 of the Resource Management Act (RMA) provides an avenue for applicant to apply for a change or cancellation of a condition of consent. A change or cancellation of a consent condition application must be lodged by the applicant (Foodstuffs).
69. Foodstuffs have already indicated that they will not lodge an application for a change to the consent requirements (section 127 request) and Council does not have the power to apply for a change or cancellation under Section 127.

70. An application under s127 is a discretionary activity under the Operative District Plan and is processed in the same way as a new resource consent application.
71. As part of processing an application, the consent authority (Hamilton City Council) must, in determining if there are any adversely affected parties, consider every person who made a submission on the original application and may be affected by the change or cancellation.
72. Given the importance of the condition precedent in mitigating the adverse effects of the activity on the transport network, any application by Foodstuffs to change or cancel that condition would need to be accompanied by an alternative transport solution. In any event, given the circumstances and the potential adverse effects, any application would present a significant risk that public notification would be required.
73. The costs to Foodstuffs associated with a change or cancellation of the consent condition would include, but not limited, to:
 - i. Engaging suitable qualified experts – planning, engineering, transport engineers, legal
 - ii. Preparation of the s127 application, including an Assessment of Environmental Effects (AEE) and technical transport assessments;
 - iii. Depending on the notification decision, costs associated with a public hearing including costs of Independent Commissioners;
 - iv. All actual and reasonable costs associated with the processing of the application; and
 - v. Any resulting cost on appeal to the Environment Court.
74. The risks for Foodstuffs associated with a s127 application include, but limited, to:
 - i. There would be a significant delay to the completion of the project noting that until the speed limit decision is made, there is no work able to be progressed for this development. Based on the previous process this could be in the order of 12-18 months;
 - ii. An extension of the lapse period of the consent has already been granted to 18 November 2027. Depending on the complexity and potential notification associated with a change application the consent could risk lapsing again and a further application for extension could be required;
 - iii. In order to remove the requirement for the speed limit change, there would need to be evidence provided that there has been a change to the transport network such that the speed limit change is no longer applicable, or there are alternative measures that can be used instead to mitigate the original concerns;
 - iv. A signification risk that public notification would be required and the potential of a number of affected persons;
 - v. Any decision is subject to appeal to the Environment Court by the applicant and/or submitters.
75. The original resource consent hearing process and development of the consent conditions by the five transportation engineers representing the four key parties involved a very robust process to determine the consent conditions necessary to mitigate the potential adverse transportation effects of the proposal in the immediate locality and beyond.
76. Foodstuffs have already indicated that they will not lodge an application for a change to the consent requirements (section 127 request).
77. Section 128 of the RMA provides an opportunity for a consent authority (Council) to review consent conditions to address specific adverse effects that may arise during the exercise of the consent. A review condition is contained in the consent, however given that the consent has

not yet been exercised, it is considered there are no reasonable grounds to initiate a review of the existing conditions under Section 128.

78. In addition, it would only be appropriate for Council to carry out a review if it was satisfied that the traffic situation in respect of the consent had changed sufficiently as to justify a review. There is no indication that that is the case.
79. It is therefore recommended that the speed limit change process that is currently underway be completed to enable compliance with the current resource consent requirements.

Next Steps

80. Staff recommend that approval is given for the proposal to lower the speed limit on a section of Wairere Drive.
81. The recommendation is made on the basis that:
 - i. the existing mean operating speeds on Wairere Drive for the section of road between Arthur Porter Drive and Pukete Road is 62km/h and between Te Rapa Road and Pukete Road is 68km/h;
 - ii. any reduction in travel speeds will have a positive impact on the outcome of any crash that occurs in this area;
 - iii. the change in speed limit is not expected to have any significant impact on the traffic flows in this area noting that it is an area of high growth and traffic volumes are continuing to grow as a result of development both inside the Te Rapa North, Rotokauri North and adjacent areas within Waikato District Council; and
 - iv. There is general support for the change in speed limit to enable the Pak n Save development to proceed.
82. Following approval of the change in speed limit then Hamilton City Council must submit the alternative method proposal to the Director (using the template document) for approval before making the speed limit changes.
83. The proposed date for the new speed limit to come into effect will be determined by the timing of the installation of the traffic signals at Karewa Drive intersection by Foodstuffs.

Financial Considerations - *Whaiwhakaaro Puutea*

84. Indicative costs for the various activities required to implement the speed limit change and indication of who will meet these costs:

Table 2: Financial Considerations

Activity	Indicative Cost	Who will meet these costs
SOP preparation, results analysis	\$8,000	Hamilton City Council
Consultation and engagement	\$10,000	Hamilton City Council
Staff time for managing process, report writing, legal advice and presentation	\$5,000	Hamilton City Council
Signage and roadmarking for new speed limit on Wairere Drive	\$4,000	Foodstuffs
Traffic signals at Karewa Place on Wairere Drive	To be determined through design	Foodstuffs

85. Funding for the Hamilton City costs will be from the Transport Operational budgets for Speed Limit Changes already approved in the 2024-34 Long-Term Plan.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

86. Staff confirm that staff recommendations comply with the Council's legal and policy requirements including the requirements of the Land Transport Rule: Setting of Speed Limits 2024.

Climate Change Impact Statement

87. Staff have assessed this option against the Climate Change Policy for both emissions and climate change adaptation. Staff have determined no adaptation or emissions assessment is required and it is not possible to complete a technical assessment for emissions reduction for this project.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

88. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
89. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report as outlined below.
90. The recommendations set out in this report are consistent with that purpose.

Social

91. Lower speed limits on Wairere Drive will provide safety benefits for those travelling along the section between Arthur Porter Drive and Pukete Road, along with those trying to cross at the intersections.
92. The safety improvements would benefit those driving along with people walking or biking and trying to access the nearby retail facilities.
93. If the speed limit reduction proceeds this will help enable the completion of the new supermarket which will provide additional choice for people shopping in the area.

Economic

94. Economic wellbeing is defined as the capacity of the economy to generate employment and wealth necessary for present and future financial security.
95. If the speed limit reduction proceeds this will help enable the completion of the new supermarket which will provide additional employment in the Te Rapa area.
96. The new supermarket will not only give Hamiltonians in the north-west more choice about where they buy their groceries, it will also create around 150 new jobs in the city. It will benefit the Hamilton economy by increasing construction spending and creating jobs in the short-term, and adding to the social and economic well-being of our community in the long-term.
97. It's expected the supermarket will cater to an area where around 80,000 people live, and bring in customers from as far as Ngaaruawaahia, Rototuna, Rotokauri, Te Rapa and north of Forest Lake. Rotokauri North-West is a key growth area in Hamilton, with 16,000 new residents expected in Rotokauri and 4,000 in Te Rapa North in the coming decades.

Environmental

98. Environmental wellbeing is defined as the capacity of the natural environment to support, in a sustainable way, the activities that constitute community life.
99. There are no known environmental considerations associated with this matter.

Cultural

100. Cultural wellbeing is defined as the capacity of communities to retain, interpret and express their shared beliefs, values, customs, behaviours, and identities.
101. Early engagement and full consultation was completed with Te Haa o te Whenua o Kirikirioa (THaWK) and Ngaati Wairere for the consultation undertaken for the proposed speed limit change in 2021 and then the subsequent Speed Management Plan in 2023. There are no known cultural considerations associated with this matter.

Risks - *Tuuraru*

102. If the staff recommendation in this report were not accepted and a decision was made not to proceed with the proposed decision-making process, the supermarket development would not be able to proceed as the resource consent conditions would not be achieved. Foodstuffs have previously clearly signalled its intention to take judicial review proceedings if this were not to proceed.
103. There is a risk of public and stakeholder concern and dissatisfaction that the Council has already consulted on this matter and was not seen to respond to the feedback previously received as a result of the consultation completed for the proposal to lower the speed limit on Wairere Drive between Arthur Porter Drive and Pukete Road.
104. There is a potential risk that Council will again not be seen to respond to the feedback received in response to this round of consultation and this time the costs for the consultation will be met by Council.
105. There are no known legal or policy risks associated with the decisions required for this matter in this report.
106. The risk associated with not approving the recommendations in this report is that the Foodstuffs development of a Pak n Save supermarket in Te Rapa will not be able to be progressed.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

107. Given the statutory requirement to consult, staff have not considered the key considerations under the Significance and Engagement Policy to assess the significance of recommendations in this report.
108. Community views and preferences are already known to the Council through the consultation undertaken for the proposed speed limit change in 2021 and then the subsequent Speed Management Plan in 2023.
109. There is a statutory requirement to consult as per legislation outlined below:
 - i. Speed Limits Rule 2024: Section 3.8 Consultation Requirements; and
 - ii. Local Government Act 2002: Section 82 Consultation requirements.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Consultation Results Insights Report



Wairere Drive Speed Limit Reduction

Insights Report - March 2025



Item 12

Attachment 1

Summary

The aim of this consultation was to seek community feedback on reducing the speed limit on Wairere Drive, between the intersection of Arthur Porter Drive and Pukete Road, from 80km/h to 60km/h.

- Engagement from 24 January - 7 March 2025
- We heard from 1101 individuals
- We heard from 6 groups, businesses or organisations
- Feedback was mostly captured through an online survey
- We used print and social media, digital billboards and Antenno to reach the community. Local businesses and key stakeholders were also contacted.

Background

- Foodstuffs North Island Limited has been given resource consent to develop a PAK'nSAVE supermarket on the corner of Te Rapa Road and Eagle Way.
- As a condition of the consent, Foodstuffs must install traffic signals at the intersection of Wairere Drive and Karewa Place to allow for a right turn into (but not out of) Karewa Place from Wairere Drive.
- For these changes to happen, the speed limit on a section of Wairere Drive (between Te Rapa Road and Pukete Road) must be permanently reduced from 80km/h to 60km/h, and to meet the Land Transport Rule: Setting of Speed Limits 2024 Council proposed extending the speed limit reduction further west to meet a minimum length set by the rule.
- If the speed limit is not reduced, the supermarket cannot be developed under its current resource consent.
- Council previously consulted the community on this speed limit reduction in 2021 however due to changes made by Central Government we're required to complete the consultation process again to meet new requirements.

14 March 2025

Wairere Drive Speed Limit Reduction

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Processing the feedback

- Any emails or hardcopies were entered into our online survey tool
- Duplicate responses were combined when name and email matched
- Any attachments were manually checked
- Data was split into two categories: individuals and groups, organisations and businesses
- Counts and percentages were calculated using Microsoft Excel
- Initial theming of comments was conducted using Microsoft CoPilot. Every 10th response was then manually coded, cross-referenced and themes were updated, as necessary.
- Using AI tools such as CoPilot allows for quicker reporting times.

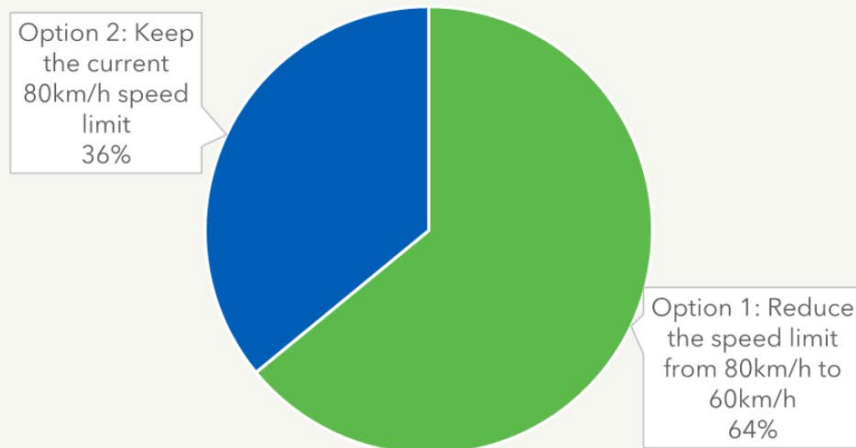
14 March 2025

Wairere Drive Speed Limit Reduction

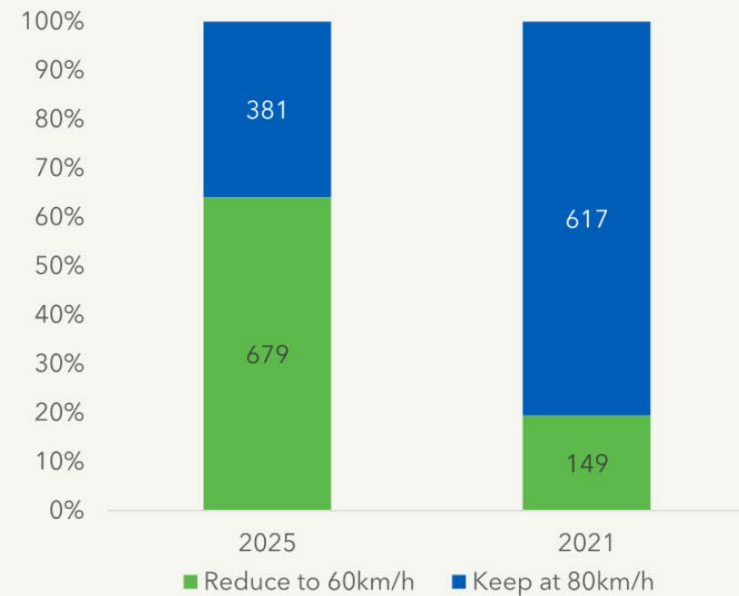
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What does the community say?

Which option do you prefer?



Preference comparison between consultations



14 March 2025

Wairere Drive Speed Limit Reduction

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Item 12

Attachment 1

Key themes from Option 1 supporters

Option 1: Reduce the speed limit from 80km/h to 60km/h and allow the PAKn'SAVE supermarket to be developed under the current resource consent.

Respondents supported the proposal because they:

- Believe that the Pak'nSave should go ahead for its economic and community benefits
- Believe that reducing the speed would make travel along this route safer
- Believe that the reduction would result in little to no difference in terms of speed travelled

Key themes from Option 2 supporters

Option 2: Keep the current 80km/h speed limit, do not make any changes and prevent the PAK'nSAVE supermarket from being developed under the current resource consent.

Respondents wanted to keep the current speed limit because they:

- Think a lower speed limit would cause increased congestion and longer travel times
- Believe the change to the speed limit is unnecessary and the current speed limit is appropriate for the road type/use
- Believe there are alternative solutions (such as road infrastructure and signage, changing the consent or finding another location for the supermarket)
- Disagree with the proposal to add an additional set of traffic lights

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Wairere Drive Speed Limit Reduction

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Key themes

Suggested changes from those who supported reducing the speed limit:

- Have clear signage and road marking
- Ensure there is a lot of communication regarding the speed change
- Use traffic calming measures to reinforce new speed limit
- Ensure those using alternative transport modes are catered for through better footpaths, safer crossing points, dedicated cycle lanes and adequate provisions of bus stops/connections.

Key findings

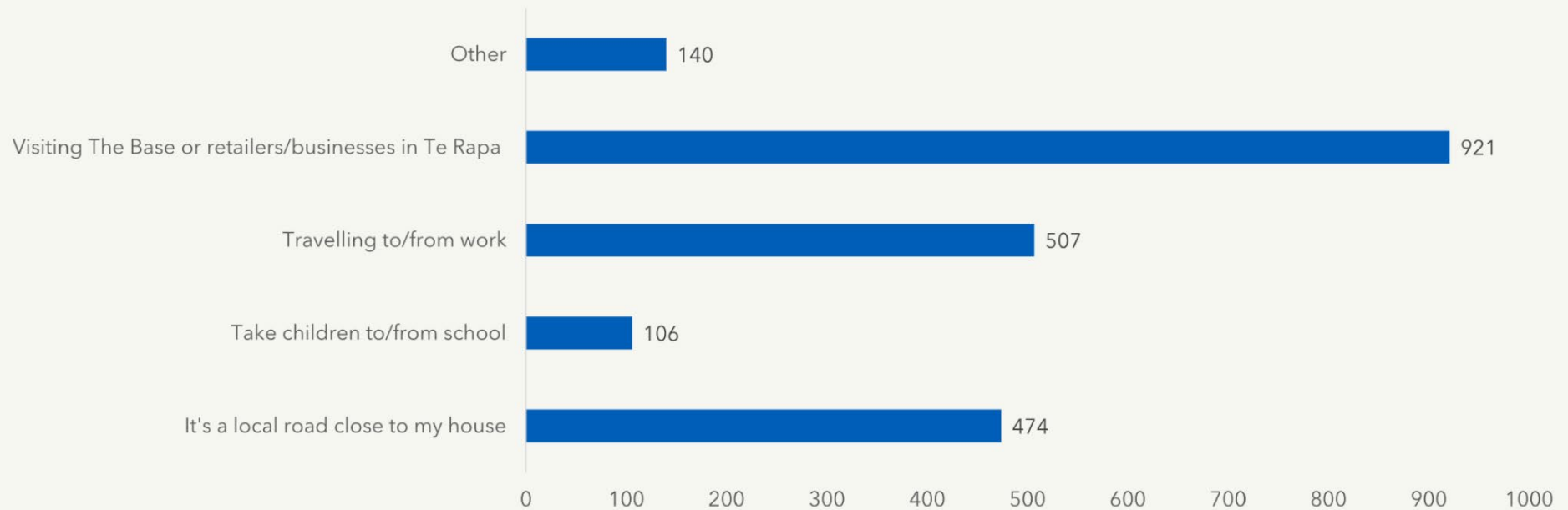
- More people were supportive of reducing the speed limit from 80km/h to 60km/h
- When Council consulted the community in 2021, majority of respondents wanted to keep the current speed limit of 80km/h showing us the community has become more receptive to the proposed change over the last few years
- In the present consultation, people saw benefits in reducing the speed for traffic and for enabling the Pak'n'Save
- Respondents indicate communicating the change through various ways is one of the most important elements.

Wairere Drive Speed Limit Reduction

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About the respondents

What do you use Wairere Drive for?



Note. Respondents could select multiple uses of Wairere Drive.

14 March 2025

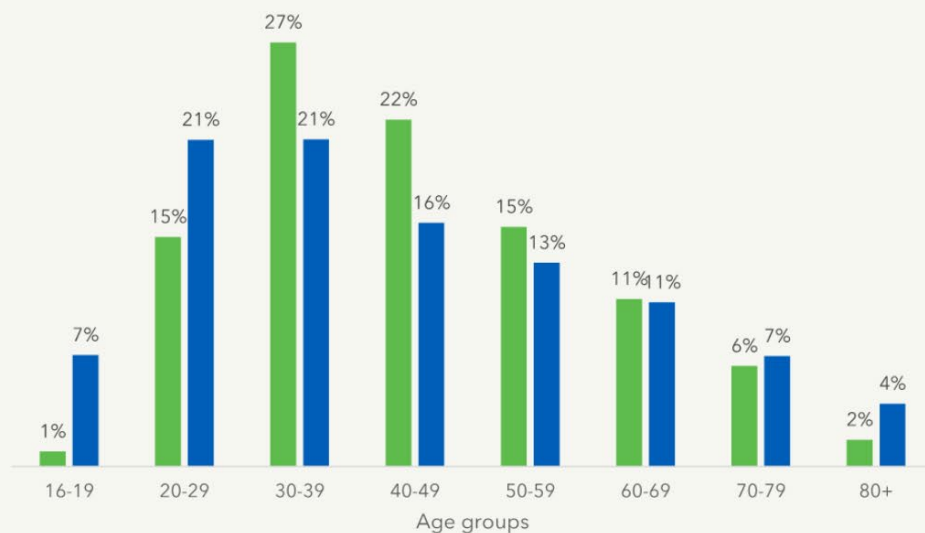
Wairere Drive Speed Limit Reduction

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About the respondents

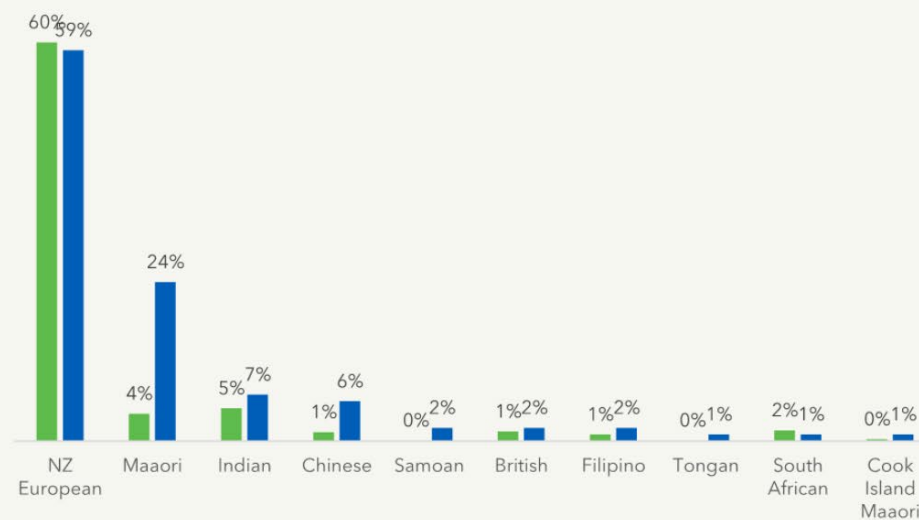
Age comparison

■ Proportion of respondents ■ Proportion of population



Ethnicity comparison

■ Proportion of respondents ■ Proportion of population

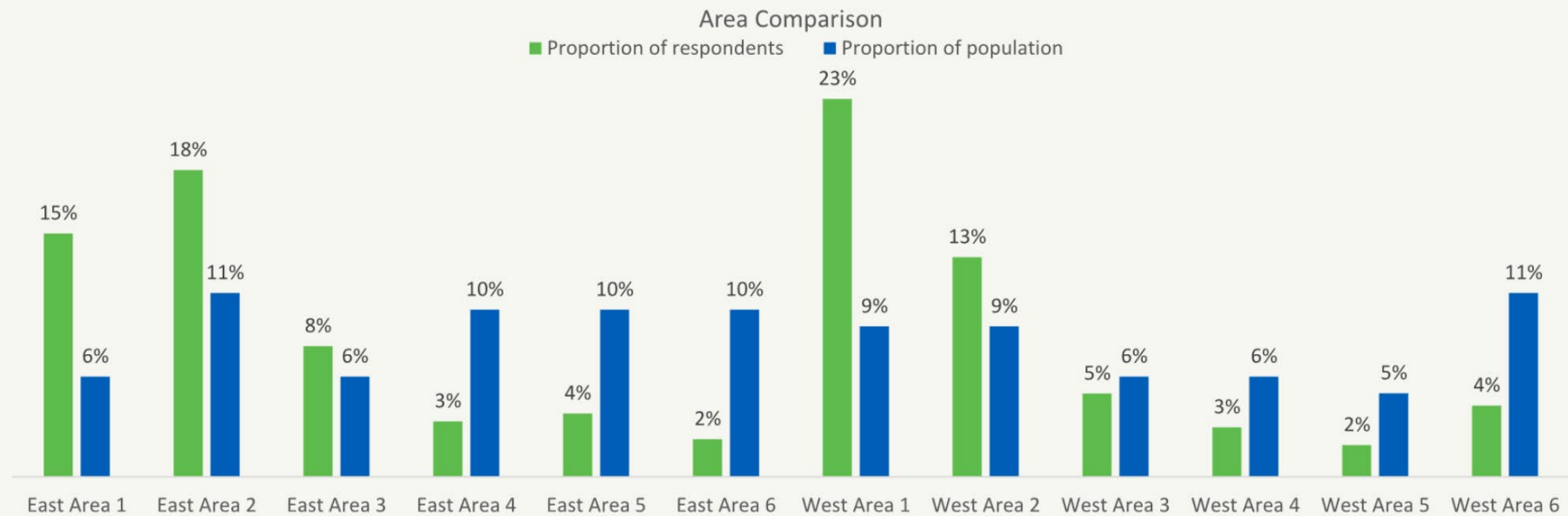


14 March 2025

Wairere Drive Speed Limit Reduction

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About the respondents



East Area 1	Flagstaff	West Area 1	Avalon, Beerescourt, Forest Lake, Pukete, St Andrews, Te Rapa
East Area 2	Callum Brae, Huntington, Rototuna, Rototuna North	West Area 2	Crawshaw, Grandview Heights, Nawton, Rotokauri, Western Heights
East Area 3	Chartwell, Chedworth, Harrowfield, Queenwood	West Area 3	Aberdeen, Dinsdale, Temple view
East Area 4	Enderley, Fairfield, Fairview Downs	West Area 4	Frankton, Maeroa, Swarbrick
East Area 5	Claudeland, Hamilton East, Peachgrove	West Area 5	Hamilton Central, Hamilton Lake, Hospital, Whitiara
East Area 6	Hillcrest, Ruakura, Riverlea, Silverdale	West Area 6	Bader, Deanwell, Fitzroy, Glenview, Melville, Peacocke

About the respondents

Choice by location

■ Option 1: Reduce the speed limit ■ Option 2: Keep the current speed limit



East Area 1	Flagstaff	West Area 1	Avalon, Beerescourt, Forest Lake, Pukete, St Andrews, Te Rapa
East Area 2	Callum Brae, Huntington, Rototuna, Rototuna North	West Area 2	Crawshaw, Grandview Heights, Nawton, Rotokauri, Western Heights
East Area 3	Chartwell, Chedworth, Harrowfield, Queenwood	West Area 3	Aberdeen, Dinsdale, Temple view
East Area 4	Enderley, Fairfield, Fairview Downs	West Area 4	Frankton, Maeroa, Swarbrick
East Area 5	Claudelands, Hamilton East, Peachgrove	West Area 5	Hamilton Central, Hamilton Lake, Hospital, Whitiara
East Area 6	Hillcrest, Ruakura, Riverlea, Silverdale	West Area 6	Bader, Deanwell, Fitzroy, Glenview, Melville, Peacocke

14 March 2025

Wairere Drive Speed Limit Reduction

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Key findings about the community

- Visiting the Base or other retailers/businesses in Te Rapa was the most common reason for travelling along Wairere Drive (reported by 84% of respondents)
- A higher proportion of respondents lived in the northern suburbs in West Area 1 (St Andrews, Pukete, Te Rapa) and East Areas 1 and 2 (Flagstaff and Rototuna).
- Respondents in the local areas were slightly more likely to support reducing the speed limit from 80km/h to 60km/h than those living in other suburbs.

Responses from groups, organisations and businesses

- We heard from 6 groups, organisations or businesses: NZ Automobile Association (Waikato), Rowe Advanced Materials, Transplan Ltd, HMA Group, Grey Power Hamilton and Ride Your Trike NZ
- Four groups were supportive of lowering the speed limit from 80km/h to 60km/h shown in green
- Two were supportive of retaining the current speed limit of 80km/h shown in blue

14 March 2025

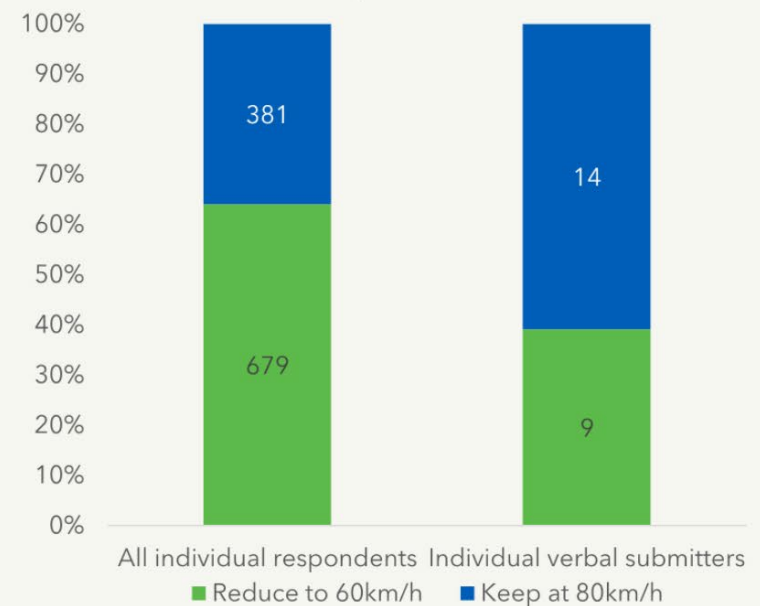
Wairere Drive Speed Limit Reduction

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Verbal submitters

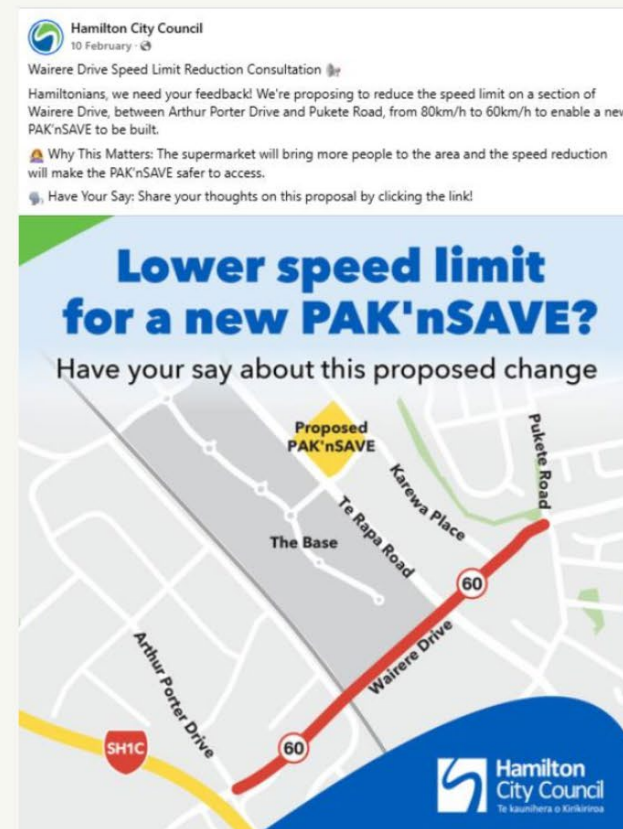
- 27 people indicated they would like to speak directly to Councillors
- 25 of these were individuals, two were not
- Individual verbal submitters were more likely to support keeping the speed limit at 80km/h
- Of the two representatives from groups, one was supportive of reducing the speed limit and one was not
- Two of the verbal submitters did not choose either option but comments suggest they also support keeping the speed limit at 80km/h

Preference comparison between those submitting in person and all respondents



Themes from social media

- We received 241 comments on the Facebook post and 7 on LinkedIn
- The most common themes were:
 - Support keeping the speed at 80km/h ($n=62$, compared to $n=24$ in favour of lowering it)
 - Concerns regarding traffic congestion and flow ($n=25$)
 - Critiquing Council's consultation and decision-making ($n=23$)
 - Wanting the resource consent changed so the Pak'nSave can go ahead without the reduction in speed ($n=22$)



14 March 2025

Wairere Drive Speed Limit Reduction

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What's next?

Findings will be presented at the Traffic, Speed Limit and Road Closure Hearings Panel on 2 April 2025 where a recommendation will be made for approval at the 30 April 2025 Council meeting.

A formal application will then be made to NZ Transport Agency for approval of the proposed speed limit change.

Council Report

Item 13

Committee: Council

Date: 30 April 2025

Author: Carmen Fortin

Authoriser: Blair Bowcott

Position: Policy Advisor

Position: General Manager Strategy,
Growth and Planning

Report Name: Submissions to Neighbouring Councils' Annual Plan or Long-Term Plans

Report Status	Open
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Purpose - *Take*

1. To seek the Council's approval of the draft submission to the Waikato Regional Council 2025/26 draft Annual Plan and the draft letter in response to the draft Waikato District Council 2025-2034 Long-Term Plan, and to delegate authority to the Waters and Rates Working Group to approve a submission to the Waipā District Council 2025-2034 Long-Term Plan.

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Council:
 - a) receives the report;
 - b) approves the draft submission to the Waikato Regional Council 2025/26 draft Annual Plan (**Attachment 1**);
 - c) approves the draft letter from Mayor Paula Southgate, on behalf of Council, to be sent to Mayor Jacqui Church in response to the Waikato District Council 2025-2034 draft Long-Term Plan (**Attachment 2**);
 - d) delegates authority to the Chief Executive to approve the final submission referred to in b) and the final letter referred to in c), ensuring that any changes requested at this meeting are captured;
 - e) delegates authority to the Waters and Rates Working Group to approve a submission to the Waipā District Council 2025-34 draft Long-Term Plan;
 - f) nominates representatives to speak at the hearings in support of each of the submissions/letter of support.

Executive Summary - *Whakaraapopototanga matua*

3. This year Waikato Regional Council must publish an Annual Plan in the usual way, while Waikato District Council and Waipā District Council must publish Long-Term Plans having deferred these, and completed "enhanced" Annual Plans, last year.
4. Staff have reviewed Waikato Regional Council's Annual Plan Consultation Document and provided a draft submission for Council's approval (see **Attachment 1**).

5. Staff have reviewed Waikato District Council's Long-Term Plan Consultation Document and have drafted a letter for Mayor Southgate to send to Mayor Jacqui Church, focusing on the proposal to form a joint waters company (CCO) with Hamilton City Council (see **Attachment 2**).
6. At the time of writing this report, Waipā District Council had not published a Long-Term Plan Consultation Document, and it is not yet known when consultation will take place. Given that the main topic of interest to Hamilton City Council is likely to be Waipā's response to Local Water Done Well, staff recommend that approval of a submission to Waipā District Council is delegated to the Waters and Rates Working Group.
7. Staff consider the matters in this report have low significance and that the recommendations comply with the Council's legal requirements.

Background - *Koorero whaimaarama*

8. Hamilton City Council is often asked to provide submissions to neighbouring councils on topics that may affect Hamiltonians.
9. The consultation on the [Waikato Regional Council's 2025/26 draft Annual Plan](#) runs from 1 - 30 April 2025. Waikato Regional Council staff have written to Hamilton City Council encouraging feedback and have provided a two-day extension until 2 May 2025 should further work be required on the submission following this Council meeting.
10. Waikato District Council and Waipā District Council decided to undertake "enhanced" Annual Plans last year, meaning that their Long-Term Plans need to be completed this year, covering nine years rather than the normal ten.
11. The consultation for [Waikato District Council's 2025-34 draft Long-Term Plan](#) runs from 11 April - 11 May 2025. Waikato District Council staff have written to Hamilton City Council encouraging feedback.
12. At the time of writing, Waipā District Council has not yet announced the consultation dates for its 2025-34 Long-Term Plan.

Discussion - *Matapaki*

Waikato Regional Council 2025/26 Annual Plan

13. The Consultation Document includes four proposals:
 - i. a simplified region-wide approach to public transport rating;
 - ii. a new river and catchment management programme for the Wharekawa Coast (Kaiaua);
 - iii. changes to fees and charges; and
 - iv. a new rates remission policy for the primary industry compliance rate.
14. The public transport rating proposal is the issue of most direct interest to Council, and therefore the focus of the draft submission (**Attachment 1**).
15. The Waikato Regional Council is proposing a simplified, region-wide approach to public transport rating. Its preferred option (Option 1) would mean that every property in Hamilton would pay the same amount (\$278.88 per property per year) for the sake of simplicity, and to provide a consistent approach across the region.
16. The consultation document notes that *"The proposal does not impact the total amount of rates collected across the region for public transport. So, while it may result in some households paying slightly more, others should pay slightly less. The only change is to how we collect the part of public transport funding that comes from rates"*.

17. The draft submission supports this approach as it appears to be the most fair, equitable and efficient means of rating Hamilton properties for the provision of public transport services in the city.
18. Waikato Regional Council representatives will be supporting Hamilton City Council staff to present information around public transport at the Council's 13 May 2025 Infrastructure and Transport Committee meeting.

Waikato District Council

19. Waikato District Council's 2025-34 Long Term Plan Consultation Document focuses on two major matters – waters (pages 23-27 of the Consultation Document) and roading (pages 28-31). Other issues include:
 - i. community halls;
 - ii. waste (rubbish and recycling);
 - iii. Waste Minimisation Plan;
 - iv. Development Contributions;
 - v. fees and charges; and
 - vi. Waikato Regional Council public transportation rating.
20. The main topic of relevance in this consultation to Hamilton City Council is the proposal to form a joint waters company (Council Controlled Organisation) with Hamilton City Council. On that basis, staff recommend that rather than submitting in the usual manner, Mayor Southgate send a letter to Mayor Jacqui Church supporting this position, while also commenting on the positive relationship that the two councils enjoy. A draft of that letter is attached (**Attachment 2**).

Waipā District Council Long-Term Plan

21. Waipā District Council's Consultation Document had not been published at the time of writing this report. It is not yet known when consultation will take place. The Long-Term Plan must be finalised by 30 June 2025.
22. The main topic of interest to Hamilton City Council is likely to be Waipā's response to Local Water Done Well. Staff therefore recommend that delegation to approve a submission be given to the Waters and Rates Working Group. If the Consultation Document has been published by then, the Group can consider this at its next meeting on 5 May 2025.

Financial Considerations - *Whaiwhakaaro Puutea*

23. This is a regular operating activity funded through the Long-Term Plan. There is no change in funding for Hamilton City Council operation through the various Long-Term Plans and Annual Plan processes.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

24. Staff confirm that the matters discussed in this report complies with the Council's legal and policy requirements.

Climate Change Impact Statement

25. Staff have assessed this option against the Climate Change Policy for both emissions and climate change adaptation. Staff have determined no adaptation or emissions assessment is required.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

26. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the four wellbeings').
27. The subject matter of this report has been evaluated in terms of the four wellbeings during the process of developing this report as outlined below.
28. The subject matter of this report has been evaluated in terms of the four wellbeings during the process of developing this report.
29. The recommendations set out in this report are consistent with that purpose.

Risks - *Tuuraru*

30. There are no known risks associated with the decisions required for this matter.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

31. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendation(s) in this report has/have a low level of significance.
32. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Draft submission to the Waikato Regional Council 2025/26 draft Annual Plan

Attachment 2 - Draft letter in response to the Waikato District Council 2025 - 34 Draft Long-Term Plan

Hamilton City Council – Draft 1 Submission

Waikato Regional Council 2025/26 Annual Plan Consultation

Waikato Regional Council

2 May 2025

Improving the Wellbeing of Hamiltonians

Hamilton City Council is focused on improving the wellbeing of Hamiltonians through delivering to our five priorities of shaping:

- A city that's easy to live in
- A city where our people thrive
- A central city where our people love to be
- A fun city with lots to do
- A green city

The topic of this Council submission is aligned with all of Hamilton City Council's five priorities.

Council Approval and Reference

This submission was approved by Hamilton City Council at its meeting held on 30 April 2025.

Submission # 797

Key Messages and Recommendations

1. **Proposed Change to the Public Transport Rate**
2. We acknowledge the Government's directive to increase public transport farebox recovery, but are cognisant that there is a fine balance required to ensure any future price increases don't subsequently result in people changing their current use of public transport to using private transport options.
3. We support the Waikato Regional Council's preference in its consultation document for **Option 1**, noting that every property in Hamilton City would pay the same rate, i.e. \$278.88 per property per year.
4. **Option 1** appears to be the most fair, equitable and efficient means of rating Hamilton properties for the provision of public transport services in the city.
5. **Business and Community Liaison**
6. We encourage resourcing a business and community liaison lead role that would work directly with organisations, businesses, schools, community groups, and retirement villages to facilitate greater use of existing public transport services.

Introduction

7. Hamilton City Council welcomes the opportunity to make a submission to the **Waikato Regional Council 2025/26 Annual Plan Consultation**.
8. This submission primarily focuses on the issue of the Waikato Regional Council's proposed changes to the public transport rate.
9. We note that Waikato Regional Council representatives will be supporting Hamilton City Council staff to present information around public transport at the Council's 13 May 2025 Infrastructure and Transport Committee meeting.
10. We would also like to take this opportunity to acknowledge the collaborative work being undertaken between Hamilton City Council and Waikato Regional Council on public transport planning. This partnership approach is bringing the following benefits to the city:
 - **Integrated Planning:** Working together is ensuring that public transport strategies align with broader regional growth plans, such as the Hamilton-Waikato Metro Spatial Plan. This is helping create a cohesive transport network that will support urban development and connectivity.
 - **Efficient Resource Use:** By pooling the expertise in the public transport field, both councils are optimising funding and infrastructure opportunities, reducing duplication of work, and delivering cost-effective solutions that are helping make public transport a more realistic transport choice for many more Hamiltonians.
 - **Improved Accessibility:** Joint efforts are enhancing access to jobs, education, healthcare, and recreational activities.
 - **Sustainability Goals:** Collaborative planning is helping to make public transport more accessible to more Hamiltonians, enabling them to make environmentally friendly transport choices, thereby contributing to reduced carbon emissions.
 - **Community-Centric Solutions:** Engaging with a cross-section of stakeholder groups in Hamilton is ensuring public transport services reflect the diverse needs and aspirations of the city.

- **Enhanced Connectivity:** Coordinated efforts are improving interregional connections, such as the Te Huia rail service linking Waikato and Auckland.
11. This partnership approach is helping foster a more inclusive, accessible, and sustainable transport system for Hamilton and the wider Waikato Region.
 12. In line with our 7 May 2024 submission to the Waikato Regional Council's 2024–2034 Draft Long Term Plan ([refer here](#)), we encourage consideration of resourcing a business and community liaison lead role that would work directly with organisations, businesses, schools, community groups, and retirement villages to facilitate greater use of existing public transport services.

Proposed Changes to the Public Transport Rate

13. We acknowledge the Government's directive to increase public transport farebox recovery, but are cognisant that there is a fine balance required to ensure any future price increases don't subsequently result in people changing their current use of public transport to using private transport options.
14. We support the Waikato Regional Council's preference for **Option 1** (page 6) that is outlined in its consultation document, noting the following:
 - **Impact on levels of services:** No impact
 - **Total cost to ratepayers:** 2025/26: \$23.2 million. No change to the current total costs, but the way we collect funds will change, and the cost may change for individual households.
 - **Impact on rates:** Within the described rating categories, every property pays the same. For Hamilton City, this would amount to \$278.88 per property per year.
 - **Impact on debt:** Nil.
15. We also note that the consultation document (page 7) states that *"The proposal does not impact the total amount of rates collected across the region for public transport. So, while it may result in some households paying slightly more, others should pay slightly less. The only change is to how we collect the part of public transport funding that comes from rates"*.
16. **Option 1** appears to be the most fair, equitable and efficient means of rating Hamilton properties for the provision of public transport services in the city.

Further Information and Hearings

17. Should the Waikato Regional Council require clarification of the submission from Hamilton City Council, or additional information, please contact **Glenn Bunting** (Urban Integration Principal, Transport – Plan, Strategy and Programming) on **021 962 829**, or email Glenn.Bunting@hcc.govt.nz in the first instance.
18. Hamilton City Council representatives **do wish to speak at the hearings** scheduled for 19-22 May 2025 in support of Council's submission to the **Waikato Regional Council 2025/26 Annual Plan Consultation**.
19. We also welcome the opportunity to have ongoing discussions around the key areas of this submission with the Waikato Regional Council.

Yours faithfully

Lance Vervoort
CHIEF EXECUTIVE

FURTHER INFORMATION

Hamilton City Council
Garden Place, Private Bag 3010, Hamilton

-  /hamiltoncitycouncil
-  @hamiltoncitycouncil
-  07 838 6699

hamilton.govt.nz

Waikato District Council

[address block]

30 April 2025

Tēnā koe Mayor Jacqui and Waikato District Councillors

Submission on Long Term Plan, including the Proposal to Form a Joint Waters Company with Hamilton City Council

I am pleased to write on behalf of Hamilton City Council, in support of your Long-Term Plan, including the proposal to form a joint waters company (a CCO) with Hamilton City Council.

Councils need to deliver water differently

Our country needs huge investment in waters infrastructure. Successive governments have recognised this.

All councils have been directed by the government to consider how they can more cost-effectively, provide waters services in the future. There is little 'choice' involved.

Councils are being strongly encouraged to join with neighbours to create scale and drive efficiencies so that, over time, cost increases to ratepayers are minimised. This proposal does exactly that.

Together, our Councils have done a huge amount of analysis on the options. Our proposal – supported unanimously by all Hamilton City councillors – is to form a joint waters company, a CCO, with Waikato District Council.

The CCO would build, maintain and operate three waters infrastructure, based on expectations from the council shareholders. Stormwater services and assets would remain the responsibility of each council but would be provided by the CCO.

The benefits are clear. The CCO will:

1. **Be more strategic in terms of investment in water.** A larger company is far better able to maximise scale and the benefit of streamlined and bundled procurement and integrated planning. Together, we will be a much stronger entity.
2. **Have more debt headroom.** That means we can borrow the money we need to build infrastructure and spread it more fairly over generations, given that water infrastructure is a multi-generational asset. This is fairer on today's ratepayers.
3. **Be better able to support growth.** A joint waters company will make it easier and more cost-effective to work and invest in critical waters infrastructure, across council boundaries. This will have city and regional benefits and will allow us to meet the government's growth obligations faster and more cost-effectively.
4. **Be more affordable for ratepayers over the long term.** There is a much greater ability to smooth costs over a longer period of time (rather than costs being borne unfairly by today's ratepayers).
5. **Be more transparent and accessible for customers.** End-use customers will have a dedicated and specialised water company to liaise with around water issues (rather than dealing with a

council which has multiple responsibilities). That is something developers, in particular, may welcome.

6. **Be better for specialist waters staff.** Our workforce is in high demand and ageing. A larger organisation that specialises in water will offer water specialists better career opportunities and more peer support, and ensure ongoing access to the critical water expertise our community needs.
7. **Be more resilient, including in natural disasters.** The company would operate independently, free of political cycles and decision-making. It would be solely focused on delivering water infrastructure services across boundaries, irrespective of political agendas, or the local government framework councils must currently work within.
8. **Be better for the Waikato River.** This option allows both councils to work together to protect 150km of the river, something we know is vitally important to both organisations.
9. **Be better able to respond to third parties.** The CCO will deal directly with government agencies and work closely with regional bodies to meet regional and national objectives.

Hamilton City Council is also consulting with our communities on this option. We will be deliberating and making decisions on 29 and 30 May 2025, immediately following your decisions.

While we cannot pre-determine our Council's outcome, I would like to relay the strong support around the Council table for progressing with the preferred option.

We have also heard through engagements in the community that there is considerable support from our community for this option as well.

Other issues

The partnership between Hamilton City Council and Waikato District Council has gone from strength to strength. Through Future Proof, strategic infrastructure projects such as the Metro Spatial Plan Rapid Transport work, the Southern Wastewater Treatment Plant, the Pukete Wastewater Treatment Plant, and other wastewater upgrades have been agreed. We encourage Waikato District Council to continue progress sub-regional priorities, noting that they can only be delivered in partnership.

As outlined in your Long Term Plan, local government continues to face significant funding challenges, along with a substantial volume of legislative change impacting the sector. Hamilton City Council seeks to continue to work closely with neighbouring councils on opportunities for shared services that may provide cost savings for ratepayers.

Working across jurisdictional boundaries is becoming even more important with additional urban development enabled through Fast Track and other government policy settings. This makes working together on integrated planning (be it transport, community infrastructure or other services) vital to achieve quality outcomes for our future growing communities.

I would be pleased to speak to this letter at your verbal submissions meeting.

We wish you well with your decisions.

Council Report

Committee: Council

Date: 30 April 2025

Author: Keryn Phillips

Authoriser: Michelle Hawthorne

Position: Governance Advisor

Position: Governance and Assurance
Manager

Report Name: Recommendations to Council from Open Committee Meetings

Report Status	<i>Open</i>
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Purpose - *Take*

1. To seek the Council's approval of the recommendations from:
 - i. the Economic Development Committee meeting 27 March 2025 ([Agenda, Minutes](#))
 - ii. the Strategic Growth and District Plan Committee meeting 8 April 2025 concerning District Plan Update - April 2025 ([Agenda, Minutes](#))
 - iii. the Finance and Monitoring Committee meeting of 29 April 2025 ([Agenda, Minutes](#))

Recommendation from the Economic Development Committee meeting of 27 March 2025

That the Council approves the draft Event Sponsorship Policy.

Recommendation from the Strategic Growth and District Plan Committee meeting of 8 April 2025

That the Council approves Plan Change 5 – Peacocke Structure Plan to be operative as of 9 May 2025, in accordance with clause 20 of Schedule 1 of the Resource Management Act 1991.

Recommendation from the Finance and Monitoring Committee meeting of 29 April 2025

That the Council:

- i. approves the capital movement as identified in the 28 February Capital Portfolio Monitoring Report dated 29 April 2025;
- ii. approves the forecast adjustments as set out in paragraph 55 of the staff report; and
- iii. notes the revised Financial Strategy position for Debt to Revenue, Net Debt and Balancing the Books as set out in paragraphs 56 to 58 of this staff report.

Attachments - *Ngaa taapirihanga*

There are no attachments for this report.

Resolution to Exclude the Public

Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

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 follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Confirmation of the Council Public Excluded Minutes 20 March 2025) Good reason to withhold) information exists under) Section 7 Local Government) Official Information and) Meetings Act 1987	Section 48(1)(a)
C2. Confirmation of the Elected Member Closed Briefing Notes 19 March 2025		
C3. Confirmation of the Elected Member Closed Briefing Notes 9 April 2025		
C4. Hamilton District Licensing Committee Matters		
C5. Recommendations from Public Excluded Committee Meetings		

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, as follows:

Item C1.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C2.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C3.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C4.	to protect the privacy of natural persons to maintain legal professional privilege	Section 7 (2) (a) Section 7 (2) (g)
Item C5.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)