



I hereby give notice that an ordinary meeting of the Strategy and Finance Committee will be held on:

Date: Thursday, 9 May 2013
Time: 10.00am
Meeting Room: Reception Lounge Level 2
Venue: Auckland Town Hall
301-305 Queen Street
Auckland

Strategy and Finance Committee

OPEN AGENDA

MEMBERSHIP

Chairperson	Cr Penny Webster	
Deputy Chairperson	Cr Des Morrison	
Councillors	Cr Anae Arthur Anae	Cr Richard Northey, ONZM
	Cr Cameron Brewer	Cr Calum Penrose
	Mayor Len Brown, JP	Cr Dick Quax
	Cr Dr Cathy Casey	Cr Noelene Raffills, JP
	Cr Sandra Coney, QSO	Cr Sharon Stewart, QSM
	Cr Alf Filipaina	Mr David Taipari
	Cr Hon Chris Fletcher, QSO	Mr John Tamihere
	Cr Michael Goudie	Cr Sir John Walker, KNZM, CBE
	Cr Ann Hartley, JP	Cr Wayne Walker
	Deputy Mayor Penny Hulse	Cr George Wood, CNZM
	Cr Mike Lee	

(Quorum 11 members)

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Democracy Advisor

3 May 2013

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TERMS OF REFERENCE

The Strategy and Finance Committee will have responsibility for:

- Planning and Financial Management, exercising the Council's responsibilities and making recommendations to the Governing Body where required under Part 6 (except subpart 2) of the Local Government Act 2002;
- Discussing Independent Maori Statutory Board agreements with the Independent Maori Statutory Board and making recommendations to the Governing Body;
- Discussing local board agreements with the local boards and making recommendations to the Governing Body on the adoption of the agreements as part of the annual plan;
- Delegation of powers to subcommittee(s);
- Dealing with Council's Governing Body responsibilities for rates collection;
- Ensuring local board input to the Long Term Plan and financial policies;
- Approving the write off of outstanding accounts (excluding rates) and wholly or partly remit fees and charges up to \$500,000; and
- Acquisition and disposal of property assets.

For the avoidance of doubt, these delegations confirm the existing delegation (contained in the Chief Executives Delegation Register) to staff relating to the above terms of reference under the enactments mentioned below but limits those delegations by requiring them to be exercised as directed by the committee.

Relevant legislation includes but is not limited to:

Local Government Act 2002;
Local Government (Rating) Act 2002; and
Local Government (Auckland Council) Act 2009.

ITEM	TABLE OF CONTENTS	PAGE
1	Apologies	5
2	Declaration of Interest	5
3	Confirmation of Minutes	5
4	Petitions	5
5	Public Input	5
6	Local Board Input	5
7	Extraordinary Business	5
8	Notices of Motion	6
9	Annual Plan 2013/2014 - overview	7
10	Annual Plan 2013/2014 - process update	11
11	Annual Plan 2013/2014 - Independent Māori Statutory Board (IMSB) priorities	21
12	Annual Plan 2013/2014 - Local board budget update	29
13	Annual Plan 2013/2014 - Local board advocacy	
	The report was unavailable at the time the agenda went to print and will be circulated in an addendum agenda.	
14	Revenue and financing policy (including fees and charges)	43
15	Annual Plan 2013/2014 - Mayoral Proposal	79
16	Annual Plan 2013/2014 - Budget update	81
17	Vodafone (TelstraClear Pacific) Events Centre - outcomes from public consultation on stage two development funding proposal	247
18	Non-domestic wastewater tariff	259
19	Rates related policies	359
20	Proposed amendments to the Statement of Investment Policy and Objectives for the Diversified Financial Assets Portfolio	371
21	Consideration of Extraordinary Items	
PUBLIC EXCLUDED		
22	Procedural Motion to Exclude the Public	381
C1	Data Centre Consolidation	381

1 Apologies

At the close of the agenda no apologies had been received.

2 Declaration of Interest

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

3 Confirmation of Minutes

That the Strategy and Finance Committee

- a) confirm the minutes of its meeting held on Thursday, 2 May 2013, as a true and correct record.

4 Petitions

At the close of the agenda no requests for petitions had been received.

5 Public Input

Standing Order 3.21 provides for Public Input. Applications to speak must be made to the Committee Secretary, in writing, no later than **two (2)** working days prior to the meeting and must include the subject matter. The meeting Chairperson has the discretion to decline any application that does not meet the requirements of Standing Orders. A maximum of **thirty (30) minutes** is allocated to the period for public input with **five (5)** minutes speaking time for each speaker.

At the close of the agenda no requests for public input had been received.

6 Local Board Input

Standing Order 3.22 provides for Local Board Input. The Chairperson (or nominee of that Chairperson) is entitled to speak for up to **five (5)** minutes during this time. The Chairperson of the Local Board (or nominee of that Chairperson) shall wherever practical, give **two (2)** days notice of their wish to speak. The meeting Chairperson has the discretion to decline any application that does not meet the requirements of Standing Orders.

This right is in addition to the right under Standing Order 3.9.14 to speak to matters on the agenda.

At the close of the agenda no requests for local board input had been received.

7 Extraordinary Business

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“An item that is not on the agenda for a meeting may be dealt with at that meeting if-

- (a) The local authority by resolution so decides; and
- (b) The presiding member explains at the meeting, at a time when it is open to the public,-

- (i) The reason why the item is not on the agenda; and
- (ii) The reason why the discussion of the item cannot be delayed until a subsequent meeting.”

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“Where an item is not on the agenda for a meeting,-

- (a) That item may be discussed at that meeting if-
 - (i) That item is a minor matter relating to the general business of the local authority; and
 - (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
- (b) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.”

8 Notices of Motion

At the close of the agenda no requests for notices of motion had been received.

Annual Plan 2013/2014 - overview

File No.: CP2013/07809

Purpose

1. To provide a high-level overview of the key consultation topics for the Annual Plan 2013/2014, an update on the budget movements and to list budget requests.

Executive Summary

Summary of public consultation

2. The Governing Body adopted the draft Annual Plan 2013/2014, including draft local board agreements on 19 December 2012. As the annual plan largely represents year two of the LTP 2012-2022, council consulted primarily on those areas where it is proposing changes:
 - reduction in specific services (mowing of berms and free music downloads at libraries)
 - rates (reducing the rate increase to 2.9%)
 - fees (cost recovery changes and fee standardisation of animal management and environmental health licensing fees and other fee changes)
 - additional funding in specific areas (volcanic cones, parks volunteering, Arataki café, WWI commemorations, regional events, unitary plan and overseas trade missions)
 - proposed changes to the rates remission and postponement policy including Māori Freehold land
 - the proposal for council to use the net proceeds from a land sale (estimated between \$20-30 million) to contribute to the Manukau Pacific Community Trust for stage two development of the Vodafone Events Centre

Analysis of submission responses to these items is covered separately in other reports attached to this agenda.

Updated high-level budget situation

3. Since the draft annual plan was adopted, officers have reviewed and updated group budgets to better reflect the true cost of delivering the activities included in the draft plan. This work has identified \$7.8 million of capacity to reduce rates or fund new requests, and resulted in a slightly lower closing debt projection for 2013/2014 of \$6.6 billion. This capacity is the result of interest savings (\$3.8 million), increased dividends from the port and airport (\$3.2 million) and additional efficiency savings that council officers have identifying over and above the significant savings targets included in the LTP (\$800,000).

Investment proposals and other budget requests

4. A range of new requests for budget changes that will require additional rates increases in the final annual plan have been put forward including:
 - investment proposals from the organisation and CCOs
 - investment proposals prepared in response to local board advocacy issues
 - budget requests from public submissions
 - feedback from the Independent Maori Statutory Board
 - budget changes proposed by councillors.
5. For some of these budget requests, such as those relating to liquor licensing and bylaw implementation, the council may have few choices other than agreeing to at least partially fund the request.

Agreeing final budget and policy changes

6. The purpose of the 9 May Strategy and Finance Committee meeting is to agree on final policy and budget changes. If council agree to budget requests with a total rates impact of more than \$7.8 million in 2013/2014, then the final rates increase will be higher than the 2.9 per cent proposed increase. Conversely, if the council agrees to less than \$7.8 million of budget requests then the final rates increase requirement may be lower.
7. As it is the mayor's role to lead the budget process, officers have not made any recommendations on budget changes. The mayor will table his proposal either at or before the 9 May Strategy and Finance Committee meeting.

Next steps

8. After agreeing on final budget and policy changes, officers will prepare the final Annual Plan 2013/2014 documents, including the final local board agreements to the 27 June Governing Body meeting. Additionally a rates resolution will be prepared at this meeting, for adoption.
9. With respect to fees relating to animal and environmental health management licences, the recommendation by Strategy and Finance Committee will be considered by the Governing Body immediately following this meeting.

Recommendation/s

That the Strategy and Finance Committee:

- a) note the report and the decisions that are required to be made at this meeting.

Consideration

Local Board Views

10. Throughout the development of the draft Annual Plan 2013/2014, local boards have been engaged through workshops with staff in the preparation of policies and the local activities section, over which they have decision-making responsibility. A panel of local board members and selected councillors heard submissions to the draft Annual Plan 2013/2014 related to local matters including their respective draft local board agreements.
11. Local Boards met with the Strategy and Finance Committee to discuss the key issues for finalising their local board agreements, feedback on region-wide priorities and policies and advocacy issues for the Governing Body and CCOs.

Māori Impact Statement

12. Many of the budget changes that formed part of the Mayor's proposal on the draft Annual Plan 2013/2014 specifically identified and described any direct impact on Māori outcomes or initiatives. The Independent Māori Statutory Board was also part of the process of early input into the Mayor's proposal for this annual plan.
13. The consultation process on the draft Annual Plan 2013/2014 was inclusive of Māori. 21 versions of the summary document including submission forms were translated into Te Reo Māori, and translators were available for submissions received in and/or submitters wishing to speak at the hearing in Te Reo Māori. Mana whenua and mataawaka were encouraged to submit on the draft plan. Views on the major themes from Mana whenua and mataawaka submitters are covered in the relevant reports.

General

14. The changes in the draft Annual Plan 2013/2014 were assessed against the significance policy. In most cases the proposed change was considered either not material or not a significant change. However, regarding the proposal to support the stage-two development of the Vodafone Events Centre, the conclusion was that it is an amendment to the LTP 2012-2022 and met the “significant change to a significant activity” test. Audit NZ provided an opinion on the proposal and this was included in the draft document.

Implementation Issues

15. The legislative timeframe to adopt the Annual Plan 2013/2014 is tight and the new governance structure has created challenges for preparation of the plan. Officers note that if final decisions around budget and policy changes are not made at the meeting on 9 May, it will put the delivery of the final documents and budgets to Governing Body on 27 June at risk of failing to meet statutory requirements for adoption of the annual plan by 1 July.

Attachments

There are no attachments for this report.

Signatories

Authors	Steven Ross - Senior Local Board Advisor Ross Tucker - Team Leader Capital Planning
Authorisers	Matthew Walker - Manager Financial Plan Policy and Budgeting Andrew McKenzie - Chief Finance Officer

Annual Plan 2013/2014 - process update

File No.: CP2013/07910

Purpose

1. To provide information on matters affecting the Annual Plan 2013/2014 and to outline the process for adopting the Annual Plan 2013/2014.

Executive Summary

2. Auckland Council received 3950 submissions covering around 26,000 submission points on the draft Annual Plan 2013/2014. 496 submitters wished to be heard, of which 130 were scheduled to be heard at the governing body level. The hearings phase of the draft Annual Plan 2013/2014 took place between 19 March and 10 April. There were 22 local hearings and three days of regional hearings.
3. The topic that generated the greatest number of responses (2500 responses) related to the proposal for Council to contribute through net proceeds of a land sale to the Vodafone (previously TelstraClear Pacific) Centre Stage 2 development. Analysis on submission responses to the key consultation topics is provided in the relevant papers that are part of this agenda.
4. There were a number of submissions on topics that were not specifically consulted on such as fluoridation, genetically modified organisms (GMOs) and the proposed SkyPath initiative. Analysis on these topics is covered in Attachment A.
5. Between 24 April and 1 May workshops were held with local boards to discuss the key issues for finalising their local board agreements, feedback on region-wide priorities and policies and advocacy issues for the council and CCOs. On 2 May, the Strategy and Finance Committee met with all substantial Council Controlled organisations (CCOs) to discuss 2013/2014 budgets, investment proposals and local board advocacy areas.
6. After agreeing on final budget and policy changes, officers will prepare the final Annual Plan 2013/2014 documents, including the final local board agreements for the 27 June Governing Body meeting. Additionally a rates resolution will be prepared for adoption at this meeting.

Recommendation/s

That the Strategy and Finance Committee:

- a) note the submissions received on other regional matters not specifically consulted on and raised through the submissions to the draft Annual Plan 2013/2014.

Discussion

Summary of public consultation

7. The Governing Body adopted the draft Annual Plan 2013/2014, including draft local board agreements on 19 December 2012. An eight page booklet summarising the main consultation regional and relevant local board topics and submission questions was distributed across Auckland in the week beginning 21 January and included on the council's website. A three volume document containing more information was also made available to interested parties and on the website.

8. The public consultation period for the draft Annual Plan 2013/2014 was between 24 January and 25 February inclusive. In support of the draft Annual Plan 2013/2014, local boards organised a number engagement events that varied between information sessions and the more traditional presentation at monthly local board meetings.
9. Auckland Council received 3950 submissions covering around 26,000 submission points on the draft Annual Plan 2013/2014. This is significantly higher than for the Annual Plan 2011/2012, where approximately 1800 submissions were received.
10. 496 submitters (13 per cent) wished to be heard, of which, 130 were scheduled to be heard at the governing body level. The hearings phase on the draft Annual Plan 2013/2014 from 19 March through 10 April. There were 22 local hearings and 3 days of regional hearings. The regional hearings consisted of:
 - a ½ day forum covering mooring fees, food premises licensing fees, fluoridation and genetically modified organisms
 - a ½ day public meeting style hearing on council's contribution to the Vodafone Events Centre stage 2 development and
 - two days of traditional hearings.
11. The topic that generated the greatest number of responses (2500 responses) related to the proposal for Council to contribute through net proceeds of a land sale to the Vodafone (previously TelstraClear Pacific) Centre Stage 2 development. The question on the proposed rate increase of 2.9 per cent also received close to 1700 responses. Analysis on submission responses to the key consultation topics is provided in the relevant papers that are part of this agenda.
12. There were a number of submissions received on topics that were not specifically consulted on. The *Summary of public submissions on the draft Annual Plan 2013/2014 – regional overview* report to the 8 April Annual Plan Hearings identified key submission themes including:
 - Harbour Bridge/SkyPath
 - Financial Strategy – Expenditure
 - Fluoridation
 - Public Transport
 - Roads
 - Regional Governance and Democracy
 - Environmental Strategy and Policy
 - Spatial, Strategic and Infrastructure Planning
 - Economic Strategy and Initiatives
 - Key Transport Projects (e.g. CRL, AMETI)
13. Analysis on these topics is covered in Attachment A of this report.

Deliberation of budgets

14. Between 24 April and 1 May workshops were held with local boards to discuss the key issues for finalising their local board agreements, feedback on region-wide priorities and policies and advocacy issues for the council and CCOs. Local board views were informed by submissions on local activities, the local board budget prioritisation workshops and deliberations along with additional information provided by officers.

15. On 2 May, members of the Strategy and Finance Committee met with all substantial council controlled organisations (CCOs) to discuss and deliberate on:
- the 2013/2014 budget including any changes from the draft budget, key issues and risks, and investment proposals
 - any issues raised through the Annual Plan submission and hearings process
 - local board advocacy areas that involve CCOs.

Next steps

16. After agreeing on final budget and policy changes, officers will prepare the final Annual Plan 2013/2014 documents, including the final local board agreements for the 27 June Governing Body meeting. Additionally a rates resolution will be prepared for adoption at this meeting.
17. With respect to fees relating to animal and environmental health management licences, the recommendation by Strategy and Finance Committee will be considered by the Governing Body immediately following this meeting.

Consideration

Local Board Views

18. Local boards have had access to all submissions and the opportunity to formally advocate on any regional issues with the Strategy and Finance Committee between 24 and 30 April. Local Board views for key consultation themes have been covered in the individual reports.

Māori Impact Statement

19. Many of the budget changes that formed part of the Mayor's proposal on the draft Annual Plan 2013/2014 specifically identified and described any direct impact on Māori outcomes or initiatives. The Independent Māori Statutory Board was also part of the process of early input into the Mayor's proposal for this annual plan.
20. The consultation process on the draft Annual Plan 2013/2014 was inclusive of Māori. Mana whenua and mataawaka were encouraged to submit on the draft plan. 21 versions of the summary document including submission forms were translated into Te Reo Māori, and translators were available for submissions received in and/ or submitters wishing to speak at the hearing in Te Reo Māori.

General

21. Some of the budget decisions in this report may be significant under the council's significance policy. Officers consider that any such decisions would be within the scope of the consultation on the draft annual plan and that this decision-making would comply with the relevant provisions of the Local Government Act 2002.

Implementation Issues

22. Decisions will need to be made on the annual plan budgets on 9 May 2013 in order for officers to prepare financial statements, co-ordinate the sign-off of the 21 local board agreements and prepare the annual plan document for final adoption by the Governing Body on 27 June and meet the statutory deadline.

Attachments

No.	Title	Page
A	Analysis on other key regional themes submitted	15

Signatories

Authors	Steven Ross - Senior Local Board Advisor Ross Tucker - Team Leader Capital Planning
Authorisers	Matthew Walker - Manager Financial Plan Policy and Budgeting Andrew McKenzie - Chief Finance Officer

Analysis on other key regional themes submitted

1. 3950 submissions were received on the draft Annual Plan 2013/2014. Around 26,000 total submission points were extracted from the 3950 submissions. Analysis on the submissions covering the main consultation topics are considered in other reports to this agenda. The *Summary of public submissions on the draft Annual Plan 2013/2014 – regional overview* report to the 8 April Annual Plan Hearings identified key submission themes not specifically consulted on. These include:
 - Harbour Bridge/SkyPath
 - Financial Strategy – Expenditure
 - Fluoridation
 - Public Transport
 - Roads
 - Regional Governance and Democracy
 - Environmental Strategy and Policy
 - Spatial, Strategic and Infrastructure Planning
 - Economic Strategy and Initiatives
 - Key Transport Projects (e.g. CRL, AMETI)

Fluoridation

2. Council received 134 submissions objecting to fluoride being added to Auckland's domestic water supply.
3. The Ministry of Health recommends that the fluoride content for drinking water in New Zealand be in the range of 0.7–1.0 mg/L. The maximum acceptable value (MAV) of fluoride in drinking water is 1.5 mg/L. Fluoride is added to water by Watercare at a concentration of less than one part per million, in accordance with drinking water standards set by the Ministry of Health. Watercare monitors fluoride levels on a continuous basis and steps are in place to ensure the maximum level is not breached.
4. Fluoride has traditionally been added to Auckland's treated water supplies at the request of the legacy councils, following public referenda. Currently, Onehunga and Huia Village are the only Auckland metropolitan areas where fluoride is not added. Pukekohe is the only non-metropolitan area to have fluoride added into the water supply.
5. Rodney Local Board does not support the fluoridation of all town water supplies and would prefer to maintain the status quo in the Rodney Local Board area.

Harbour Bridge/SkyPath

6. Council received 164 submissions on the proposed Harbour Bridge/Sky Path cycle path project. Almost all submitters were in support of the project, with many wishing for the project to be included in the Annual Plan 2013/2014.
7. An investment proposal and supporting report on council's proposed involvement in this project for 2013/2014 are included as attachments to the *Annual Plan 2013/2014 budget update* report, which is part of this agenda.

Financial Strategy – Expenditure

8. Council received 146 submissions on expenditure matters outside of the submission questions. Most submitters in this area supported a reduction in expenditure or reducing borrowings. Many comments related to Council spending within its means, cutting back on the big projects and focussing on core services.
9. Analysis of this topic is covered in the *Annual Plan 2013/2014 budget update* report, which is part of this agenda.

Public Transport

10. Council received 69 submissions on public transport matters, with approximately two-thirds of submitters supporting investment in public transport initiatives and a small number of submitters requesting reduced expenditure in this area.
11. In general terms priorities that improve transport options and circulation at a regional and local context are supported by mana whenua and mataawaka submitters. One submitter notes that the Northern gateway and streetscape enhancements at Te Hana identified in the 2012/2013 local board priorities (not carried out) be reinstated into the Annual Plan 2013/2014. Furthermore, that the Auckland Council public access road to Te Hana Cultural centre and other community facilities be tar sealed as a matter of priority to realise Northern Gateway concepts.
12. The proposed operating budget for Public Transport for 2013/2014 is \$510 million, funded by NZTA, rates and other revenue. This is an increase from \$464 million in 2012/2013. The proposed capital expenditure budget for Public Transport for 2013/2014 is \$404 million. This is an increase from \$259 million in 2012/2013. Key priorities for Public Transport in 2013/2014 are:
 - Delivering the first stage of public bus, rail and ferry service network redesign, consultation and upgrade by providing a simpler connected network with more frequent services
 - Implementing new performance based service contracts across public transport services following enactment of the Land Transport Management Bill
 - Delivering integrated ticketing (AIFS) for public transport
 - Implementing an integrated fares solution for public transport
 - Developing and implementing an enhanced customer experience and upgraded public transport infrastructure and facilities.
 - Continuing electrification of the rail network and associated infrastructure in preparation for first electric train service in the first half of 2014
 - Progressing the City Rail Link investigation and business case
13. Transport has the greatest share of local board advocacy areas. There is strong local board support greater investment in walking and cycling networks, as well as support for increased safety on these networks. While there is a strong focus on the development and delivery of local roading projects, there is also broad alignment on the importance of public transport and connectivity with the rest of the city and integrated transport planning. A number of local boards are advocating for greater investment in public transport infrastructure. Local boards are also advocating for improvements to the public transport services provided in their area, especially in the more rural parts of Auckland.

Roads

14. Council received 66 submissions on road transport matters, covering issues such as general and specific requests for improved road and footpath infrastructure, seal extensions and matters concerning road verges. Only three submitters requested reduced expenditure in roads and footpaths.
15. The proposed operating budget for roads and footpaths in 2013/2014 is \$419 million funded by NZTA, rates and other revenue. This is an increase from \$408 million in 2012/2013. The proposed capital expenditure budget for roads and footpaths in 2013/2014 is \$446 million. This is an increase from \$443 million in 2012/13. Key priorities for roads and footpaths for 2013/14 are:
 - Awarding new physical works contracts for renewals and maintenance by sections to achieve efficiency and cost saving.
 - Investigating and designing road safety improvements focussed on identified high risk roads and intersections, road users (cyclists, pedestrians, motorcyclists) and safety around schools.
 - Continuing with the Dominion Road corridor upgrade
 - Northern Strategic Growth Area (NORSGA): Finalising notices of requirement for land purchases for Northside Drive East and Hobsonville Rd, acquiring some property at Westgate and Hobsonville, and completing new roads in the new Westgate town centre
 - Albany Highway: starting physical construction.
16. Local boards have advocated for a number of roading initiatives. These are covered in the *Local board advocacy 2013/2014* report.

Regional Governance and Democracy

17. Council received 65 submissions on regional governance and democracy matters. 21 submitters had raised concerns with expenditure levels since amalgamation and 11 submitters were generally not content with the recent local government reforms establishing the Auckland Council.
18. Mana whenua and mataawaka submitters requested improved meaningful relationships (resourced where relevant) and involvement in local board decision-making processes. Furthermore, more local board recognition to the services marae provide to the community is sought.

Environmental Strategy and Initiatives

19. Council received 61 submissions on environmental strategy and initiatives. 27 submitters were either requesting consideration of genetically modified organisms (GMOs) or protecting our GE status. 14 submitters either supported or want Council to do more around environment protection.
20. Council staff are currently developing a number of policy and planning options in relation to the matter of GMOs. These options will be informed by relevant feedback received from the draft Unitary Plan process (which contains a GMO related issue and objective), local board feedback and engagement with Mana whenua. The Council will then decide a policy/planning direction for the notified version of the Unitary Plan. The submission responses have been forwarded to the Unitary Plan team for consideration.

21. Submissions by mana whenua and mataawaka highlighted the importance of environmental protection and sustainable management of resources for Mana whenua as kaitiaki. Generally, initiatives identified in the annual plan and local board priorities were supported. Most notably the additional funding proposed for the open space networks. Submitters doubted that the extra funding would support world heritage status coined as an aspiration in other council documents.
22. While submitters supported identified projects pertaining to the built and natural environment, a consistent theme across submissions identified the strengthening of Māori involvement and values in natural and built and natural environment activity areas and the projects that cascade from these activities. Themes and issues commonly raised across submissions included:
 - the restoration and protection of waterways and harbours, including improvements to water quality and day lighting of streams
 - provide/advocate/resource for the expression of kaitiakitanga and associated values in the built and natural environment
 - waahi tapu protection
 - improved stormwater and wastewater management to reduce effects on waterways including riparian planting and stream day lighting
 - co management and co governance of natural resources and sufficient funding to enable this
 - increase investment in the open space network
 - protection, restoration, and enhancement of the natural environment
 - ensure mana whenua are involved in any major works that will damage areas significant to Māori. This will allow options to avoid remedy or mitigate damage.

Spatial, Strategic and Infrastructure Planning

23. Council received 46 submissions on city planning matters. Most of the responses relate to the draft Unitary Plan and height restrictions, which is currently out for consultation. The submission responses have been forwarded to the Unitary Plan team for consideration.

Economic Strategy and Initiatives

24. Council received 39 submissions on economic strategy or related initiatives, with general support for economic development drawing the largest number of responses.
25. Initiatives related to social and economic wellbeing in the Annual Plan are generally supported by mana whenua and mataawaka, with a strong leaning towards the development of projects/programmes that will enhance the wellbeing of children/rangatahi.
26. Local boards seek that ATEED provide better support for local economic development and ensure more local economic benefits are gained from regional activities.

Transport Key Projects (e.g. CRL, AMETI)

27. Council received 37 submissions on key transport initiatives. The CRL project drew the biggest comment, with approximately equal number of submitters supporting and not supporting the project.
28. The focus for Auckland Transport next year on the CRL project is on progressing detailed design for the route, progressing the Notice of Requirement - Hearings of submissions and some property acquisition. The expected cost in 2013/2014 is \$178 million.

29. The AMETI budget for 2013/2014 is \$85 million, which is designed to cover the completion of existing projects at Panmure and the continuation of the planning and consenting process and purchase of land for the bus lane from Panmure to Pakuranga.

Annual Plan 2013/2014 - Independent Māori Statutory Board (IMSB) priorities

File No.: CP2013/09224

Purpose

1. To update the committee on progress towards the specific priority areas identified in the Annual Plan 2013/2014 as the council's commitment to Māori.

Executive Summary

2. This report updates the committee on progress with identifying opportunities to enhance contributions to Māori outcomes in six specific priority areas identified in the Annual Plan 2013/2014 as the council's commitment to Māori.
3. Information on the wider range of expenditure contributions by council departments and CCO's to Māori outcomes in the Annual Plan 2013/2014 is not presented in this report. It is however subject of a separate report to the Accountability and Performance Committee meeting scheduled for 15 May 2013, and follows from a resolution of the committee in May 2012, to receive an update on improvements made to the council's planning, budgeting and reporting processes to capture better how activities, programmes or projects contribute to Māori outcomes.
4. The Independent Māori Statutory Board (IMSB) considers that progress made by council departments and CCO's to scope and reallocate resources to the six priority areas in the Annual Plan 2013/2014 has been variable, and recommends that an additional \$70,000 be allocated to Auckland Tourism Events and Economic Development (ATEED) to ensure there is adequate funding for scoping a signature Māori event.

Recommendation/s

That the Strategy and Finance Committee:

- a) note progress to date on the six priority project areas as the council's commitment to Māori (Attachment A).
- b) note that the request by the IMSB for an additional \$70,000 to be allocated to ATEED in the Annual Plan 2013/2014 for a Māori signature event will be considered alongside all other budget requests when considering the *Annual Plan 2013/2014 budget update report*, which is part of this agenda.
- c) agree for officers to report back on progress on all six priority project areas to the committee prior to the commencement of the draft Annual Plan 2014/2015 process later this year.

Discussion

Strategic context for council's commitment to Māori

5. The Auckland Plan was adopted by the council in March 2012, and is the 30-year strategy to make Auckland the world's most liveable city. The Auckland Plan will have a major impact on Aucklanders lives over the next 30 years. The two plans especially critical to implementing the Auckland Plan over the first 10 years of its life are:
 - the Unitary Plan, which details how we design, develop and grow the city. The draft Auckland Unitary Plan is currently out for public consultation; and
 - the Long-term Plan (LTP), which prioritises the funding to deliver the plan on a staged basis. The governing body adopted the LTP 2012/2022 in June 2012

6. The Annual Plan 2013/2014 represents year two of the LTP 2012/2022 and outlines what the council plans to do, how much it costs and how activities are funded in the 12 months to 30 June 2014.
7. Included in the Annual Plan 2013/2014 are six priority project areas as the council's commitment to Māori:
 - Major event – a Māori event
 - Transport, walking and cycling infrastructure – Te Reo signage/narrative, Māori design and public artworks
 - Southern Initiative – investigate Māori interests
 - Unitary Plan – funding of mana whenua engagement, use of iwi management plans, sites of significance and other Māori provisions
 - Tāmaki Transformation project – affordable housing, marae and associated education and cultural facilities
 - Stormwater investment – incorporate Mataranga Māori
8. Progress against each of these priorities is detailed in Attachment A.
9. Information on the wider range of expenditure contributions by council departments and CCOs to Māori outcomes in the Annual Plan 2013/2014 is not presented in this report. It is the subject of a separate report to the Accountability and Performance Committee meeting scheduled for 15 May 2013, and follows from a resolution of the committee in May 2012, to receive an update on improvements made to the council's planning, budgeting and reporting processes to capture better how activities, programmes or projects contribute to Māori outcomes.

Consideration

Local Board Views

10. Local boards were not involved in the preparation of this report.

Maori Impact Statement

11. The Independent Māori Statutory Board (IMSB) was consulted for this report. The board supports budget provision being made by council departments and CCOs leading the six priority areas in the Annual Plan 2013/2014, to enhance their contributions to Māori outcomes. The board considers that progress made by council to scope and reallocate resources to these priority areas has been variable both in responding to the Strategy and Finance Committee resolution and as part of the budget refresh process undertaken during February-March 2013.
12. Relevant stormwater projects have been identified but specific budget allocations in other priority areas have yet to be identified. The board is aware that the Tāmaki Transformation Project and the Southern Initiative are at an early stage in their planning, and therefore specific project based contributions to Māori outcomes have yet to be identified and budgeted for in the annual plan. Similarly, Auckland Transport's wayfinding strategy is in development, and funding for Māori engagement on the Unitary Plan is not expected to be confirmed until the end of May 2013.
13. Therefore IMSB recommends that additional resources be provided to ATEED to progress feasibility work on a Māori signature event to be held within the next three years. The board recommends an additional \$70,000 be allocated to ATEED in the Annual Plan 2013/2014 to ensure there is adequate funding for this work. The board also seeks that a progress report on all the six priority areas contributions to Māori outcomes be brought to the Strategy and Finance Committee prior to the commencement of the draft Annual Plan 2014/2015 process later this year.

General

14. There are no budget decisions in this report and therefore adoption of the recommendations would be within the scope of the consultation on the draft annual plan and that this decision-making would comply with the relevant provisions of the Local Government Act 2002.

Implementation Issues

15. The request by the IMSB for an additional \$70,000 to be allocated to ATEED in the Annual Plan 2013/2014 for a Māori signature event will be considered alongside all other budget requests when considering the Annual Plan 2013/2014 budget update report, which is part of this agenda.
16. In August-September 2013 the relevant departments and CCO's responsible for the six priority areas will be expected to provide financial and non-financial information on progress to date, for the Strategy and Finance Committee to consider in time for commencing the draft Annual Plan 2014/2015 process.

Attachments

No.	Title	Page
A	Attachment A - Comments on IMSB priorities	25

Signatories

Authors	Steven Ross - Senior Local Board Advisor
Authorisers	Grant Taylor - Governance Director Andrew McKenzie - Chief Finance Officer

'Draft Annual plan 2013/2014' priority areas for identifying contributions to Māori Outcomes:

Priority area	Department / CCO	Summary of relevant activities provided for in the Annual Plan 2013/14
<p>Event – explore a Māori event</p>	<p>ATEED/Community Development, Arts and culture dept. (CDAC)</p>	<p>ATEED –</p> <ul style="list-style-type: none"> - ATEED's draft Statement of Intent for 2013/2014 refers to delivering the Major Events Strategy, including an action to work with Auckland Council to develop a signature Māori event for Auckland Council - Investigation of Māori event opportunities will be incorporated within the major event fund allocated by Auckland Council towards the delivery of the Major Events Strategy <p>CDAC</p> <ul style="list-style-type: none"> - Portfolio review of events calendar to identify gaps in events that meet Māori outcomes - CDAC Event Unit oversees the new event investigation and development budget and Regional Events Fund \$200,000 in 2013/2014 <p>The following departments are expected to work together with CDAC and ATEED on the implementation plan for the Events Policy/Major Events Strategy and to explore a signature Māori event:</p> <p>Te Waka Angamua –</p> <ul style="list-style-type: none"> - Also undertaking investigations for IronMāori and Whaia Te Oranga event (Māori wellbeing event) at the Viaduct for April 2014 and for holding Te Matatani (kapahaka) Festival in Auckland <p>Community Policy and Planning –</p> <ul style="list-style-type: none"> - Lead role in developing the Events Policy - Includes portfolio review of events calendar and identification of more Māori and youth events

Priority area	Department / CCO	Summary of relevant activities provided for in the Annual Plan 2013/14
<p>Tamaki Transformatio Programme - opportunities for affordable housing, Marae and associated education and cultural facilities</p>	<p>City Transformation and Local Planning dept.) and Tamaki Redevelopment Company (TRC)</p>	<p>The TRC is in its formative stages and still developing its draft Business Case and Strategic Framework. It has identified potential to contribute to Māori outcomes in the following areas:</p> <ul style="list-style-type: none"> • investment • heritage • employment • skill development • urban design • housing/accommodation • environment/Kaitiakitanga • community development • governance/representation • engagement with mana whenua and mataawaka <p>TRC has taken steps to collaborate with mana whenua on early projects of mutual interest, and is expected to hold a workshop with the Independent Māori Statutory Board (IMSB) on the company's draft Strategic Framework before June 2013.</p>
<p>The Southern Initiative (TSI) – scope a project to address Māori interests</p>	<p>TSI</p>	<p>TSI is currently setting up its operation which has included a stocktake of seven project workstreams. Expected to incorporate Māori outcomes in the prioritised action plans for each workstream, which are due by the end of 2013. There is mana whenua representation on the project steering group, and mataawaka representation is currently being considered. Te Reo training has commenced for key staff. The branding framework will include Te Reo Māori.</p> <p>An internship programme focused on work placements is being developed in partnership with MIT and it is envisaged this will apply to the wider Council family. This project aligns with the IMSB strategic priority, Internships for Rangatahi.</p>

Priority area	Department / CCO	Summary of relevant activities provided for in the Annual Plan 2013/14
<p>Transport walking and cycling infrastructure – Te Reo signage/narrative, Māori design and public artworks</p>	<p>Auckland Transport (AT)</p>	<p>No budget has been identified specifically to deliver Te Reo signage or Māori art in cycle and walking projects in 2013/2014.</p> <p>A number of projects in the portfolio are still in investigation stages and consultation is still required, including iwi consultation. A wayfinding signage strategy is also currently being developed (led by the AT design studio), for public transport and walking and cycling facilities, which will include consideration of Te Reo signage.</p>
<p>Stormwater -incorporate Matauranga Māori.</p>	<p>Infrastructure and Environmental Services</p>	<p>Several stormwater projects have been identified which will make a direct contribution to Māori Outcomes in 2013/2014:</p> <p><u>Contribution for Tamaki Transformation project</u></p> <p>Budget to support this project will be in the order of \$100,000 for the development of the Catchment Management Plan [CMP], the design of some of the stormwater treatment devices to be installed in the catchment, and some funding for the restoration of the Omaru Creek which runs through the Glen Innes area.</p> <p><u>Key Stream Restoration and Daylighting Projects:</u></p> <ul style="list-style-type: none"> • La Rosa Daylighting project [\$800,000 in total] <p>Whilst the physical stream daylighting construction works for this project are being undertaken in 2012/13 the signage/artworks elements of the project will be installed in the 2013/2014 year. They are now incorporating a matauranga Māori component through te reo signage and Māori urban design principles. The works are located in the La Rosa Gardens Reserve, Green Bay and the project will restore 180 metres of the Avondale and Parahiku streams to a more natural profile. Urban development has resulted in the streams being directed through long sections of concrete pipes (culverting) and this project will replace the pipes with planted stream banks.</p>

Attachment A **Item 11**

Priority area	Department / CCO	Summary of relevant activities provided for in the Annual Plan 2013/14
		<ul style="list-style-type: none"> ● Te Auauanga [Oakley Creek] Restoration <p>Budgeting \$300,000 for design/consenting works for the restoration and improvement works to be undertaken in the Underwood and Walmesley Reserves section of the works in Mt Roskill. This includes the removal of existing concrete channeling and the reinstatement of the stream and planted stream banks. The total project budget is \$20 million.</p> <ul style="list-style-type: none"> ● Portland Road Daylighting/Wetland <p>Budgeting \$100,000 for the design/consenting work for the daylighting of the stream and restoration work of the wetlands which adjoin Hobson Bay. There has been consultation with Ngati Whatua o Orakei on this project. The total budget allocation for the works is \$1.5 million.</p>
<p>Unitary Plan - funding of mana whenua engagement, use of iwi management plans, sites of significance and other Māori provisions</p>	<p>Regional and Local Planning</p>	<p>Engagement with mana whenua is being scoped as part of the next phase of the unitary plan programme (submission phase). A governance hui is being held with mana whenua groups on 16 May 2013, to discuss the engagement process and inform the plan for the submissions stage due to be finalised by the end of May. Work to develop provisions in the plan relating to Māori is continuing and a draft programme is to be workshopped with the IMSB secretariat in the last week of April. This programme will be refined on the basis of feedback received on the draft Plan provisions that are presently being engaged on (eg. requests to schedule new sites of significance).</p> <p>Other teams in council also have ongoing work programmes and funding to address waahi tapu. The draft Auckland Unitary Plan includes policies to ensure that resource management processes and decisions take into account iwi management plans.</p>

Annual Plan 2013/2014 - Local board budget update

File No.: CP2013/08184

Purpose

1. This report provides an update on local board budgets for 2013/2014 and seeks decisions from the Strategy & Finance Committee on budget issues raised by local boards during their April deliberation meetings in order to finalise budgets for the Annual Plan 2013/2014.

Executive Summary

2. During April each local board has reviewed its budget for 2013/2014 and outer years and considered what, if any, changes are required in order to finalise budgets for the Annual Plan 2013/2014. All local boards held business meetings between 3 and 18 April, where they were asked to approve a balanced budget for 2013/2014 and outer years that reflects the allocation of decision-making.
3. All local boards have agreed a balanced budget, however, seven local boards have requested that efficiency savings applied to discretionary local board projects are reinstated to their budgets and a decision is sought from this Committee on the issue. A small number of other issues have been raised, which are set out in Table Two along with a response from officers.
4. Two local boards (Mangere-Otahuhu and Otara-Papatoetoe) have recommended that the governing body adopts for inclusion in the Annual Plan 2013/2014 a targeted rate on residential properties in the two local board areas, for the purpose of fully subsidising entry to swimming pools for persons 17 years and over. These recommendations are covered in a separate report on today's agenda.
5. The Devonport-Takapuna Local Board has proposed a budget change in relation to the Takapuna City Transformation project, where the decision actually sits with the governing body. This proposed change is supported by officers and approval is sought from the governing body.
6. At their April meetings, local boards also confirmed a set of advocacy areas and provided feedback on regional policies and proposals being considered as part of the annual plan. These areas are also covered in separate reports on today's agenda.
7. Following final budget decisions made today, local board financial statements will be updated and provided to local boards for approval at their June business meetings, when local boards will resolve on their final local board agreement. The final agreements, along with a capital projects list and set of advocacy areas for each local board, form part of the final annual plan to be adopted by the governing body on 27 June 2013.

Recommendation/s

That the Strategy and Finance Committee:

a) note:

- i) All local boards have reviewed their budgets and approved a balanced budget for 2013/2014 and outer years, however seven local boards are requesting that efficiency savings now applied to specific local discretionary projects are reinstated
- ii) Efficiency savings were previously included in local board budgets as central cost allocations and have now been applied to specific budget lines across relevant local and regional budget lines to support management and delivery of the savings targets

- iii) Officers support the reinstatement of efficiency savings in cases where it is confirmed that budget lines have been incorrectly coded as staff, contractor or consultancy costs, but do not support the reinstatement of efficiency savings where the local projects will be delivered through staff, contractors or consultants
 - iv) Any reinstatement of efficiency savings reductions to local board budgets will need to be made up in other areas
 - v) Efficiency reductions will be reinstated across all local board budgets in cases where it is confirmed that budget lines have been incorrectly coded as contractor or consultancy costs
- b) agree:
- i) Efficiency reductions to local board budgets are not reinstated where the local projects will be delivered through staff, contractors or consultants
 - ii) The budget adjustment set out in Table Two, which are currently reflected in local board budgets but require approval from the governing body.

Discussion

8. Following public consultation, each local board has reviewed its budget for 2013/2014 and outer years and considered what, if any, changes are required in order to finalise these budgets for the annual plan. All local boards held business meetings between 3 and 18 April, where they were asked to approve a balanced budget that reflects the allocation of decision-making.
9. Local boards were also asked to update and confirm their advocacy areas and invited to provide feedback on regional proposals or policies being considered as part of the draft annual plan.
10. This report provides an update on local board budgets, including feedback from local boards on budget related matters and officer recommendations in order to finalise local board budgets for the annual plan. It also provides an update on the next steps to finalise local board agreements and other content for the Annual Plan 2013/2014. Local board advocacy and local board feedback on regional policies and proposals are covered in separate reports on today's agenda.

Local board budgets – Status update and issues raised by local boards

11. Local board budgets were updated in February as part of the budget refresh to improve the strategic alignment and accuracy of budgets and deliver better value for money. Adjustments were based on factors such as performance year to date, strategic priorities and forecast changes in the operating environment. The key areas of impact on local board budgets included significant improvements to the accuracy of property operating budgets and library staff and running costs, which were reforecast to better reflect the cost to deliver existing service levels. Capital expenditure programmes were also updated to ensure that budgets reflect expected actual delivery.
12. At their April business meetings, local boards were asked to review their updated budgets (within parameters provided) and approve a balanced budget for 2013/2014 and outer years that reflects the allocation of decision-making.
13. All local boards have developed a balanced budget for 2013/2014 and outer years; however seven local boards have requested that efficiency savings applied to discretionary local board projects are reinstated to their budgets and a decision is sought from this Committee on the issue. An update on key decisions made by local boards and issues raised is provided below.

Efficiency savings for staff, contractor and consultant budgets

14. A \$54 million efficiency saving target was included in the LTP across both local and regional budgets. For local board budgets, the efficiency savings were included as part of the central cost allocations applied to all local boards. As part of developing the annual plan, actual efficiency savings have now been identified and in some cases these savings are now reflected within direct costs in local board budgets. This approach requires departments to now deliver current and planned services and initiatives within a reduced budget, supporting the actual delivery of organisational efficiency savings required.
15. As part of the efficiency savings, all staff and contractor budgets have been reduced by 1% and all consultant budgets have been reduced by 5%. At their April business meetings, seven local boards (Howick, Franklin, Upper Harbour, Devonport-Takapuna, Kaipatiki, Hibiscus & Bays and Waitemata) have made resolutions asking that the reductions applied to some local discretionary projects are reinstated. The rationale provided to support the requests includes:
 - in some cases the budgets are also used to fund meetings and support community engagement activity
 - some initiatives are still in a development phase and not yet fully defined
 - some budgets support delivery of events and operational funding grants
 - the reductions are not consistent with advice provided by the Mayor that local board envelopes would not be reduced.
16. The specific budget lines identified and the reduction the boards would like reinstated are set out in Attachment B and a summary is provided below.

Table One: Efficiency savings local boards have requested are reinstated

Local board	2013/2014 (\$)
Devonport Takapuna	3,042
Kaipatiki	14,620
Upper Harbour	8,166
Hibiscus and Bays	18,516
Franklin	2,583
Howick	14,205
Waitemata	not specified
Total	61,132

Officer response

17. Officers support the reinstatement of efficiency savings in cases where budget lines have not been coded correctly and should not have been identified as staff, contractor or consultant budget lines. Some of the budget lines raised by the local boards fall into this category and largely reflect situations where budget lines should have been coded to grants, and not contractors (approximately \$9,500 of the savings above). These efficiency savings reductions will be reinstated across all local board budgets (to ensure an equitable approach across all boards) prior to finalising budgets for Annual Plan 2013/2014. In addition, the issue raised by the Franklin Local Board has been clarified and resolved.

18. In other cases (where the initiatives identified by local boards will be delivered by staff, contractors or consultants – for example, the development of local plans), officers do not support the reinstatement of the efficiency saving reductions for the following reasons:
- efficiency savings require the same services to be delivered for less – there is no reduction to service levels and departments are required to deliver the local board initiatives to the same standard at lower cost through more efficient use of resources and improved negotiation of contracts
 - the efficiency savings were included in local board LTP budgets (within central cost allocations) so there has been no net impact on total local board budgets as a result of moving the savings to specific budget lines.
19. To ensure equity, a consistent approach is required across all local board budgets. Any decisions to reinstate efficiency savings for particular types of initiatives would need to be applied across all local board budgets and the savings would then need to be found from other areas.

Other issues raised

20. A small number of other issues have been raised, which are set out in Table Two below along with a response from officers. A summary of all local board budget related resolutions requiring an officer response is set out in Attachment A.

Table Two: Other issues raised

Issue raised	Local board	Officer response
Library revenue too high	Hibiscus & Bays; Rodney	Officers from the Library and Finance departments will meet with the local board portfolio holders to provide analysis of budget movements and discuss the local library revenue included in budgets.
Change in accounting treatment for horticultural renewals	Franklin; Howick	Parks, Sport and Recreation officers have provided assurance that delivery of the local board horticultural renewals programmes will not be impacted by the accounting treatment.
Treatment of council lease revenue	Devonport-Takapuna	Work is underway to agree principles for the financial treatment of Auckland Council leases. Once approved, the lease portfolio will be reviewed and adjustments made to ensure a consistent approach across the portfolio. Finance officers support the local board view that the activity is the key driver for determining whether lease revenue should be tagged as local or regional.
Correction of errors	Devonport-Takapuna; Kaipatiki; Great Barrier; Waitemata	A small number of errors have been identified and will be corrected in time for the final annual plan.

Local targeted rates proposed

21. Two local boards (Mangere-Otahuhu and Otara-Papatoetoe) have recommended that the governing body adopts for inclusion in the Annual Plan 2013/2014 a targeted rate on residential properties in the two local board areas, for the purpose of fully subsidising entry to swimming pools for persons 17 years and over. These recommendations are covered in a separate report to this Committee titled 'Rates related policies'.

Decisions included in budgets where the local board is not the decision-maker

22. The Devonport-Takapuna Local Board has included a proposed change in their budget to a capital project where the decision actually sits with the governing body. Officers support the adjustments and recommend that the Strategy & Finance Committee approve the proposed change set out in Table C below.

Table Three: Local board proposed changes requiring governing body approval

Local board	Proposed change requiring governing body approval
Devonport-Takapuna	It is proposed that savings from the Hurstmere Green project of \$104,700 in FY14 and \$52,350 in FY15 are consolidated with the adjacent Takapuna Centre - Hurstmere Rd revitalisation project and that the funding is deferred to years FY17 and FY18. These projects are part of the overall Takapuna City Transformation project.

Further work on local board budgets underway

23. Further improvement work is also underway that will impact local board budgets, including:
- Reviewing the treatment of Auckland Council leases – a report will be provided to the Strategy & Finance Committee in June agreeing principles for the treatment of Auckland Council leases. The portfolio will then be reviewed and adjustments recommended to ensure consistency in approach.
 - Organisation realignments – budget adjustments to reflect the Community Development Arts and Culture department restructure will be included within local board central cost allocations in final annual plan budgets and will better show the delivery cost of activities for local boards. The Leisure Facilities and Recreation areas are also undergoing realignment and adjustments will be made once the impact on local and regional budgets is confirmed.
 - Local board property renewals budgets – A prioritisation process is underway to support the development of a three-year rolling programme that aims to ensure that the level of service provided by each Council facility aligns to asset management plans. The programme will be provided to local boards for their consideration and feedback before being finalised
 - Local board funding policy review – Engagement with local boards and the political working party for first phase of the review is complete. The next phase will assess options and further engagement will be undertaken.
24. This work will not be complete in time for inclusion in the Annual Plan 2013/2014.

Next steps to finalise local board budgets

25. Following budget decisions made today, local board budgets will be updated to:
- allow for any decisions made by this Committee that impact local board budgets, including successful local board advocacy or regional decisions that flow through to local board budgets
 - make any outstanding budget adjustments required, e.g. budget adjustments agreed on 4 April to ensure budgets reflect decision making responsibilities, correction of errors identified and any adjustments outstanding from the budget refresh
 - incorporate central costs (depreciation, interest, staff costs and corporate overheads). These central costs will alter as the annual plan is finalised. Changes in central costs have no impact on a local board's level of discretionary funding.
26. Decisions made today will be communicated to local boards following this meeting. The final 2013/2014 financial statements will be available to local boards on 5 June, to support their updated local board agreements.

27. Local boards will meet to adopt their final local board agreement at their meetings between 10-20 June. The final agreements, along with a capital projects list and set of advocacy areas for each local board, form part of the final annual plan to be adopted by the governing body on 27 June.

Consideration

Local Board Views

28. All local boards met in April to review and agree a balanced budget for 2013/2014 and outer years. All budget related resolutions made by local boards at these meetings have been considered and those requiring an officer response are set out in Attachment A. The key issue raised by local boards in relation to their 2013/2014 budgets is the application of organisational efficiency savings for staff, contractors and consultants to local discretionary projects.

Maori Impact Statement

29. Many local board decisions are of importance to Maori and building relationships between local boards and relevant iwi is an on-going focus. Local boards are mindful of the impact on Maori and Maori outcomes when making budget decisions. Proposed changes to local board budgets were consulted using the special consultative procedure as part of the draft Annual Plan 2013/2014.

Implementation Issues

30. The next steps for finalising local board budgets are summarised above.

Attachments

No.	Title	Page
A	Attachment A: Local board budget related resolutions for officer response	35
B	Attachment B: Efficiency savings identified by local boards for reinstatement	41

Signatories

Authors	Tanya Stocks - Local Board Budget Process
Authorisers	Matthew Walker - Manager Financial Plan Policy and Budgeting Karen Lyons - Manager Local Board Services Andrew McKenzie - Chief Finance Officer

Attachment A: Local board budget related resolutions for officer response

Local board	Budget related resolutions for response	Officer response
Puketapapa	<p>That the Puketapapa Local Board:</p> <p>i) agrees a balanced budget for 2013/2014 and outer years for the Annual Plan 2013/2014 that reflect the allocation of decision, subject to the following changes:</p> <ul style="list-style-type: none"> - change of “local events contestable funding” to “local events funding” - an increase in the Parks Renewals budget to reflect money to be transferred into the Puketapapa Local Board budget for sandcarpeting at War Memorial Park; and - adjustment to the timing of the Fearon Park Harold Long linkage improvements budget line. 	<p>Officers confirm that these changes will be included in time for the final Annual Plan 2013/2014.</p>
Devonport-Takapuna	<p>That the Devonport-Takapuna Local Board:</p> <p>a) agrees a balanced budget for 2013/2014 and outer years for the Annual Plan 2013/2014 that reflect the allocation of decision-making.</p> <p>b) That any errors identified and those that have been applied to Local Board discretionary grants and Local Board initiatives/ operational projects in error through the application of efficiency savings, be corrected by officers without affecting the balanced position of the Devonport Takapuna local Board budget.</p> <p>c) Asks that all community and commercial lease revenues where these leases are in reserves or parks in the Local Board area, and the associated costs for these activities, are included in the Local Board budget, regardless as to whether they are community or commercial leases.</p> <p>d) Approves the budget as provided, subject to all of the changes requested in part b) and part c) of this resolution being identified in a change log and included in the final budget.</p>	<p>Officers will reinstate efficiency savings adjustments in May, where departments confirm that the budget lines were incorrectly coded as staff, contractors or consultants.</p> <p>Errors supported by advice from departments will be corrected for the final annual plan 2013/2014.</p> <p>Work is underway to agree principles for the financial treatment of Auckland Council leases. Once approved by the Strategy & Finance Committee, the lease portfolio will be reviewed and adjustments made to ensure a consistent approach across the portfolio. Finance supports the local board view that the activity is the key driver for determining whether lease revenue should be tagged as local or regional.</p>
Upper Harbour	<p>That any systemic errors identified and reductions that have been applied to Local Board discretionary grants and Local Board initiatives/projects in error through application of efficiency savings, be corrected by officers without affecting the balanced position of Upper Harbour Local Board budget.</p>	<p>Officers will reinstate efficiency savings adjustments in May, where departments confirm that the budget lines were incorrectly coded as contractors or consultants.</p>

		<p>Errors supported by advice from departments will be corrected for the final annual plan 2013/2014.</p>
<p>Hibiscus and Bays</p>	<p>In accordance with the delegation in a) above the Hibiscus and Bays Local Board:</p> <p>c) Requests that the Governing Body supports the reversal of unapproved savings made across the Local Board budget resulting in a consequential reduction to the budget envelope contrary to advice received, which has created a consequential overspend in the 2013/2014 and outer years.</p> <p>(i) Notes that the following discretionary budget line items have been identified for efficiency savings in the Local Board budget change log and requests that these are returned to the Local Board's budget with the correct allocation:</p> <p>Local Events Discretionary Fund \$1,615 Mairangi Bay Arts Centre \$108 Centrestage Operational Funding \$1,980 Community Arts Programmes \$10,031 Environmental Management Programmes \$3,099 Implement Long Bay Structure Plan \$206 Promote School Opportunity Programme \$103 Community Co-ordinator (Hibiscus Coast) \$1,374</p> <p>Total \$18,516</p> <p>d) Requests that the Governing Body review and amend all local board's Libraries Revenue to reflect the decision in the FY 2012/2013 Annual Plan to reallocate the Libraries Collections and Penalties budgets to sit regionally rather than locally and that the adverse impact of this decision can not be absorbed across the operational activities in the Local Board budget.</p> <p>e) Urgently requests the preparation of an Investment Proposal by Recreation Services for consideration by the Governing Body to address the expected reduced revenue for the Stanmore Bay Leisure Centre for the FY 2013/2014 and the outer years of the Long-term Plan 2012-2022, in response to the current and outer year revenue budgets being significantly impacted on by the operation of a private pool operator (the Northern Arena). The</p>	<p>Officers will reinstate efficiency savings adjustments in May, where departments confirm that the budget lines were incorrectly coded as contractors or consultants.</p> <p>Officers from the Library and Finance departments will meet with the Hibiscus & Bays Local Board portfolio holder to provide some analysis of budget movements and discuss the local library revenue included in the budget.</p> <p>Officers will develop an investment proposal to support the expected reduced revenue for the Stanmore Bay Leisure Centre, however given the timing of the request, the proposal will not be ready in time for decision-making by the Strategy & Finance Committee on 9 May.</p>

	<p>corresponding revenue targets and contribution to operational budgets needs to take account of available revenue data, the significant and sustained revenue impact and be adjusted accordingly to meet realistic and achievable revenue levels in the Local Board budget for 2013/2014 and outer years.</p>	
Orakei	<p>c) That the Orakei Local Board approves in principle a balanced budget (as attached) for 2013/2014 (and outer years) for the Annual Plan 2013/2014, noting that final approval cannot be given until the full financial statements (budget) including overhead allocations, depreciation and interest is provided in June 2013.</p>	<p>Full financial statements will be provided in June prior to the local board adopting its local board agreement for 2013/2014.</p>
Waitemata	<p>That the Waitemata Local Board:</p> <p>i) approves the balanced budget for 2013/2014 and outer years for the Annual Plan 2013/2014 that reflect the allocation of decision-making (Attachments 5.1) subject to the following changes:</p> <ul style="list-style-type: none"> - the re-instatement of the FY14 –FY22 \$15,000 pa Youth Needs Assessment budget. - The Governing Body Strategy and Finance Committee approved FY14-FY22 \$150,000 pa revenue reduction for Artstation. <p>d) That the Waitemata Local Board instructs officers, and if an elected member decision is required advocates to the Governing Body to reinstate any efficiency savings that have impacted any of the Board’s discretionary budgets, which the Board considers to be budget cuts not efficiency savings.</p>	<p>Officers confirm Youth Needs Assessment budget will be re-instated and that the revenue reduction for Artstation will be applied from FY14.</p> <p>Officers will reinstate efficiency savings adjustments in May, where departments confirm that the budget lines were incorrectly coded as staff, contractors or consultants.</p>
Great Barrier	<p>vi) requests that Auckland Council Property urgently provide a detailed budget breakdown and justification for the proposed annual budget of \$197,495 to maintain the islands small number of long drop toilets noting that in the absence of this it cannot support this large a budget</p> <p>vii) notes that Auckland Council’s Finance Department has confirmed that the proposed deferral of part of the Okiwi airfield sealing budget to 2014/15 was an error as this project has been confirmed for delivery by Auckland Transport in 2013/14, and as such the full capex budget of \$1.8m has been reinstated into 2013/14 and no consequential costs of this change will be included in the Board’s budget</p>	<p>Officers will prepare a response for the local board on toilet maintenance budgets.</p> <p>Officers confirm that the correct timing for Okiwi airfield sealing will be included for the Annual plan 2013/2014.</p>

Kaipatiki	g) Any systemic errors identified will be rectified by the Financial Planning department with no impact on the Kaipatiki Local Board's balanced budget; for example, the omission of the 15 Chartwell Ave property costs.	Errors supported by advice from departments will be corrected for the final annual plan 2013/2014.
Waiheke	Delegates to the Chair of the Waiheke Local Board sign off of the final balanced budget for 2013/2014 and outer years for the Annual Plan 2013/2014 that reflect the allocation of decision-making, ensuring that it takes into account the implications of deferring the CAPEX budget identified in resolution c) in Item 7 above i.e. "defers the balance remaining in the CAPEX line item 'Management of public facilities and public areas' to the 2013/14 financial year as a contribution towards the development of a public toilet on Anzac Reserve."	To be considered following completion of the FY13 year as part of year end budget processes.
Mangere-Otahuhu	That the Māngere-Ōtāhuhu Local Board: i) recommends that the governing body adopts for inclusion in the Annual Plan 2013/2014 a targeted rate set as a uniform charge per separately used or inhabited part of a property, on residential properties in the Māngere-Ōtāhuhu Local Board area, for the purpose of fully subsidising entry to swimming pools for persons 17 years and over. ii) notes that the rate is estimated to be \$13.64 including GST based on current cost estimates and the number of separately used or inhabited parts of a residential property in the Mangere-Otahuhu Local Board area.	Refer to separate 9 May report titled "Rates related policies"
Rodney	ii) Requests that the Governing Body review and amend all local board's Libraries Revenue to reflect the decision in the FY 2012/2103 Annual Plan to reallocate the Collections and Penalties budgets to sit Regionally rather than Locally.	Officers from the Library and Finance departments will meet with the Rodney Local Board portfolio holder to provide some analysis of budget movements and discuss the local library revenue included in the budget.
Otarā-Papatoetoe	That the Ōtara-Papatoetoe Local Board: i) recommends that the governing body adopts for inclusion in the Annual Plan 2013/2014 a targeted rate set as a uniform charge per separately used or inhabited part of a property, on residential properties in the Otara-Papatoetoe Local Board area, for the purpose of fully subsidising entry to swimming pools for persons 17 years and over.	Refer to separate 9 May report titled "Rates related policies"

	<p>ii) notes the rate is estimated to be \$31.16 including GST based on current cost estimates and the number of separately used or inhabited parts of a residential property in the Otara-Papatoetoe Local Board area.”</p>	
Howick	<p>j) Notes that the following discretionary budget line items have been identified for efficiency savings in attachment D and requests that these are returned to the board’s budget with the correct allocation:</p> <p>Operational expenditure:</p> <ul style="list-style-type: none"> · Heritage plan(-2,583) · Howick Tourism plan (-517) · Portfolio support & engagement (-10,330) · Howick Village preliminary masterplan (-517) · Half Moon Bay preliminary masterplan (-258) <p>k) Notes that Capital expenditure for local parks horticultural renewals have been reclassified as operational expenditure. The Board requests that these be incorporated into the local parks operational expenditure budgets to ensure the fund of Volcano to the Sea and other restoration projects.</p>	<p>Officers will reinstate efficiency savings adjustments in May, where departments confirm that the budget lines were incorrectly coded as staff, contractors or consultants.</p> <p>Parks, Sport and Recreation officers have confirmed that the Howick Local Board’s horticultural renewals programme will not be impacted by the change in accounting treatment.</p>
Franklin	<p>d) That the reduction of \$2,583 in the Local Board discretionary budget should be reinstated.</p> <p>e) That the Franklin Local Board notes the capital expenditure for local parks, local street environment and town centres horticultural renewals have been reclassified as operational expenditure. The Board requests that these be reinstated into the Franklin Local Board operational expenditure budgets for 2013/2014 onwards.</p>	<p>Officers will reinstate efficiency savings adjustments in May, where departments confirm that the budget lines were incorrectly coded as contractors or consultants.</p> <p>Parks, Sport and Recreation officers have confirmed that the Franklin Local Board’s horticultural renewals programme will not be impacted by the change in accounting treatment.</p>
Henderson-Massey	<p>a) Adopts the attached Henderson Massey Local Board Revised Budget Model (Attachment C) for 2013/2014 and outer years for the Annual Plan 2013/14 provided the capital funding for the Glendene Community Hub, Westharbour Community Hub and Westharbour Community Centre is correctly included in the version of the budget which will appear in the Auckland Council Annual Plan 2013/14.</p>	<p>Officers have investigated the budgets for these projects and confirm they are correct.</p>

Attachment B: Efficiency savings identified by local boards for reinstatement		
Local board and initiative	2013/2014 (\$)	Officer recommendation
Devonport Takapuna		
Sunnynook community centre	780	Reinstate*
Devonport community house	943	Reinstate*
Takapuna community facilities trust	483	Reinstate*
Devonport peninsular trust	483	Reinstate*
Volunteers - local parks	353	
Total	3,042	
Kaipatiki		
Environment/ education centre Kaipatiki	1,033	
Bayview community centre	337	Reinstate*
Glenfield community centre	877	Reinstate*
Highbury community house	346	Reinstate*
Birkdale Beachhaven community project	658	Reinstate*
Birkenhead Northcote community co-ordinator	595	Reinstate*
Glenfield community co-ordinator	483	Reinstate*
Kaipatiki community project	346	Reinstate*
Annual festival of creativity	103	
Chinese and Korean New Year	72	
Local events contestable fund	155	Reinstate*
Volunteers - local parks	514	
Track network plan	207	
Te Onewa Stokes Point development plan	2,583	
Northcote Road sports precinct plan	62	
Employment/economic development action plan	3,357	
Wairau Valley - Strategic Plan	1,033	
Wairau Valley - Glenfield economic development initiatives	1,033	
Wairau Valley - Glenfield economic development initiatives	826	
Total	14,620	
Upper Harbour		
Herald Island Community Trust Wharf Gran	31	Reinstate*
Community facility scoping	4,132	
Meadowood community house	493	Reinstate*
Albany Coco	483	Reinstate*
Christmas Events	35	
Violence Free Waitakere - Fathering Week	7	
Violence Free Waitakere Toddlers Day Out	36	

Guy Fawkes	36	
Local Events - West	54	
Local events contestable fund	107	Reinstate*
Volunteers - local parks	428	
Heritage foreshore project	1,291	
Upper Harbour tidal flows	1,033	
Total	8,166	
Hibiscus and Bays		
Local Events Discretionary Fund	1,615	
Mairangi Bay Arts Centre	108	Not an efficiency saving
Centrestage Operational Funding	1,980	Not an efficiency saving
Community Arts Programmes	10,031	
Environmental Management Programmes	3,099	
Implement Long Bay Structure Plan	206	
Promote School Opportunity Programme	103	Reinstate*
Community Co-ordinator (Hibiscus Coast)	1,374	Reinstate*
Total	18,516	
Franklin		
Local board discretionary budget	2,583	Resolved with LB - no issue
Howick		
Heritage plan	2,583	
Howick Tourism plan	517	
Portfolio support & engagement	10,330	
Howick Village preliminary masterplan	517	
Half Moon Bay preliminary masterplan	258	
Total	14,205	
Efficiency savings indentified by local boards for reinstatement	61,132	
* Savings officers recommend are reinstated due to GL code error or resolved with the local board	12,260	
Other efficiency savings - officers do not support reinstatement	48,872	

Note: Correction of GL code errors would be applied across all local boards, not just those identified above

Note: Reductions identified above are the specific issues identified by local boards.

Note: In some cases, reductions reflect move to grants and therefore no inflation adjustment.

Revenue and financing policy (including fees and charges)

File No.: CP2013/06410

Purpose

1. This report considers the submissions and the local boards' feedback received on the proposed amendments to the Revenue and financing policy (including changes to fees) consulted on alongside the draft Annual Plan 2013/2014, and advises on the adoption of the policy changes.

Executive Summary

2. Support for the proposed changes to fees came from 73 per cent of the 1,517 submitters who responded to the survey question. 446 of these submitters made specific comments on one or more of the fee proposals. Common themes were concerns with affordability and that the proposed fees were too high relative to the services received.

Food premises licensing fees

3. The council proposed to integrate its seven former food premises licensing regimes and fee structures. The new fee structure would transition from the present cost recovery level of 63 per cent to 90 per cent over five years, increasing revenue to the council by \$330,000 in 2013/2014 and \$2 million in 2017/2018 to cover the cost of these services. 40 of the 66 submitters who commented specifically on the proposal opposed it. A cost recovery level of 90 per cent from fees aligns the cost of providing the services with the beneficiaries and those who cause the costs.

Animal management fees and charges

4. The council proposed to increase dog fees over a two year period to bring the level of cost recovery for animal management services from the current 51 per cent to the target of 60 per cent. This will raise an extra \$800,000 in 2013/2014 and a further \$600,000 in 2014/2015 to cover the cost of these services. It was also proposed to extend late payment fees to all dog owners and to introduce a graduated impoundment fee structure.
5. Of the 289 submitters who commented specifically on the proposal, 234 opposed it. Common themes were that fees were too low as dog owners should pay the full cost, and that more of the costs should be shifted to irresponsible and/or unregistered dog owners.
6. The proposed animal management fees recover the full cost of dog registration and a portion of the other animal related costs from dog owners. This ensures that dog owners fund the proportion of costs they cause and the wider public also pay a share of the costs. Council officers use every interaction they have with dogs to check that every dog is registered and all fees are paid.

Dog fee issues raised by the Regulatory and Bylaws Committee

7. Responding to the resolutions by the Regulatory and Bylaws Committees on 2 April officers have investigated the viability of allowing for payment of dog fees by instalments and part payment of dog fees in the case of hardship. Officers recommend no changes to the current payment regime because of practical constraints and that the cost of administering an instalment scheme would be too high in light of the fee amounts involved. The reduction of dog registration fees in the case of hardship is already being practised across the region.

Mooring permit fees

8. The council consulted on the proposal to harmonise its mooring permit fees leading to changes to fees in the former Rodney area. The proposal will increase revenue by \$125,000 in 2013/2014. A number of submitters opposed the increases on grounds of perceived inequality of service level. The level of service will be uniform across all mooring areas in the region in 2013/2014.

Other fees

9. The council also consulted on proposals to harmonise hairdresser licensing fees and amend
 - the swimming pool fencing inspection fees
 - the solid waste bylaw fees
 - the gate charge for green waste at Waitakere Transfer Station
 - the bach and camping fees in regional parks.
10. Fees which are not changed by local boards and were not specifically consulted on alongside the draft annual plan will increase by the council rate of inflation.
11. The Mangere-Otahuhu and the Otara-Papatoetoe Local Board have resolved to provide free swimming pool entry to adults funded through a local activity targeted rate (see *Rates related policies* on the same agenda). If that recommendation is adopted then the relevant part of the Revenue and financing policy will be amended.
Adoption of regulatory fee schedules
12. The full schedule of regulatory fees and charges for 2013/2014 will be adopted as part of the final Annual Plan 2013/2014. The dog registration fees and the environmental health and licensing fees for 2013/2014 need to be adopted earlier to allow sufficient time for implementation.

Mayoral Summary and Recommendations

The LTP addressed most of our important funding and financial issues. However, there were a couple of key funding policy issues that were deferred to the current annual plan process as further work needed to be completed – these were animal management fees and food premises licensing fees. Rationalisation of mooring fees, hairdresser licensing fees and some minor changes to other fees were also consulted on as part of the draft annual plan.

The officers' summary of feedback does not highlight any major issues and I am recommending that the fee structures as included in the draft annual plan be confirmed.

That the Strategy and Finance Committee recommend to the governing body that:

- a) it adopt the user charges funding target for food premises licensing (90 per cent of gross operating expenditure) and the corresponding amendments to the Revenue and financing policy consulted on alongside the draft Annual Plan 2013/2014
- b) it adopt the 2013/2014 fees and charges for environmental health and licensing (Attachment A) and animal management (Attachment B) at the governing body meeting scheduled to follow this meeting
- c) it adopt the following changes to fees and charges as included in the draft Annual Plan 2013/2014
 - i. changes to harbourmaster fees and charges (including mooring permit fees)
 - ii. changes to building control fees and charges
 - iii. changes to resource management fees and charges
 - iv. changes to solid waste bylaw fees and charges
 - v. green waste gate charge for the Waitakere Refuse Transfer Station
 - vi. bach and camping fees for the council's regional parks
- d) it delegate to the Chair of the Strategy and Finance Committee and the Chief Finance Officer authority to make such other minor editorial amendments to the above schedules of fees and charges as are deemed necessary to provide clarity
- e) the Revenue and financing policy be amended to provide for the use of local activity targeted rates to fund the local recreation initiatives and facilities activity.

Discussion

Background

13. The council adopted a Revenue and financing policy in June 2012 as part of the Long-term Plan 2012-2022 (LTP). The Revenue and financing policy sets out how the council funds the costs of its services. In particular, it sets out the operating expenditure funding mix (e.g. the target split between rates and user charges) for each activity undertaken by the council.
14. The draft Annual Plan 2013/2014 contains year two of the LTP for the Revenue and financing policy. The core issues involved in the Revenue and financing policy were consulted on as part of the development of the LTP. Alongside its draft Annual Plan 2013/2014 the council consulted the public on a number of changes to its fees and charges, some of which are expected to alter the funding mix specified in the Revenue and financing policy.

Overview of submissions

15. 1,859 submitters provided feedback on the proposed fee changes. Of these, 1,517 submitters responded to the survey question which sought feedback on the proposed fee changes in general. 1,112 (73 per cent) of the survey question respondents supported the proposals in general, 251 (17 per cent) opposed the proposals in general and 154 (10 per cent) partially agreed/disagreed with the changes.
16. In addition, 446 submitters provided specific comments on one or more of the proposed fee changes. The table below summarises the views of these submitters. Note that while the number of submitters who disagreed with a specific fee proposal generally exceeded the number of submitters who agreed with that proposal, as noted above there was an overwhelming support (73% for and 17% against) for the fee increases proposed alongside the draft annual plan in general. This is due to the majority of submitters who agreed with the fee changes in general did not specifically comment on any of the individual fee proposals. Note also that a number of submitters disagreed with the proposed changes did so because they believed the proposed fees were too low (see the right most column in the table below).

Fee category	Agree	Partial	Disagree *	Total	Disagree (too low)
Food premises	20	6	40	66	3
Animal management	44	11	234	289	43
Hairdressers	22	2	25	49	0
Mooring permit	34	0	62	96	0
Pool fencing inspection	21	6	47	74	4
Solid waste bylaw ¹	3	0	2	5	0
WTK transfer station	12	0	50	62	0
Bach & camping	21	4	35	60	0

* Numbers in this column include those submitters who thought the proposed fees were too low.

17. The sections below discuss the specific feedback received and officers' advice on each of the fee proposals.

¹ The numbers for submissions commenting on solid waste bylaw fees differ from those reported in *Summary of public submissions on the draft Annual Plan 2013/2014 – regional overview* on the 8 April Annual Plan Hearings Forum agenda. This is due to a number miscoding being corrected since the production of that report.

Food premises licensing fees

18. The council proposed to introduce a standardised grading system and move to a regionally consistent fee structure over five years with 90 per cent of the cost of providing the service met by licence fees. This is expected to increase revenue by \$330,000 in 2013/2014 and \$2 million by 2017/2018 (at the end of the transition period).²
19. The council also proposed to adopt a grade scale of A, B, D, and E as defined in the table below. Compliance with the food standards will be assessed based on the general level of compliance rather than in terms of the numbers of faults found.

Grade	Definition
A	High level of compliance
B	Satisfactory level of compliance
D	Not achieving a satisfactory level of compliance and/or have repeated faults from a previous inspection
E	Serious deficiencies in the level of compliance

20. Premises with a Gold A in Auckland and an A grade in Waitākere will be awarded a standard A grade under the new system. Waitākere B grade holders are likely to shift towards the new A grade.
21. The risk of each food premise would be assessed on a scale of high, medium and low. This reflects food borne illness risk factors primarily associated with food preparation and processing methods. The council will use a combined grading and risk rating to determine the frequency of inspection and level of charges.

The council will move from the fees set in the former council areas to the new fees in five approximately equal steps. Each former council fee will be translated to its appropriate comparative fee under the new grading system.

Submissions

22. 66 submitters specifically commented on the proposal:

Opinion	No. of submissions
Agree	20
Partial	6
Disagree	40
Total	66

23. A number of the submitters who disagreed or partially disagreed with the proposal provided specific reasons for their disagreement or partial disagreement. The main ones are shown in the table below.

Theme/comment	No. of submissions
The proposed fees would be unaffordable	16
The proposed fees are too high compared to the level of service received by the licensees	7
The proposed fees are too low. Business owners should pay the full cost	3
It is unfair to have regionally standardised fees when there is regional variation in turnover and profitability caused by variances in foot traffic, transport costs, rental prices etc	1
The Great Barrier Island should be halved as most of the businesses on the island operated for only six months per year	1

² All revenue changes quoted in this report refer to changes relative to the status quo (as opposed to budgeted revenue in year 2012/2013). The status quo includes an inflation adjustment to the budgeted revenue of the previous year.

Local boards' comments

Both Franklin and Rodney referred to the need to recognise the variation between rural and central areas in setting the licensing fees. Both Rodney and Hibiscus and Bays requested extending the transition period from the proposed five years to ten years. Hibiscus and Bays also suggested further consultation be undertaken with affected business owners on fee structure options.

Conclusion

24. A cost recovery level of 90 per cent from fees and charges aligns the cost of providing the licensing administration and inspection services with the beneficiaries and those who cause the costs, the food premise licensees. Food premises require inspection to ensure compliance with food safety standards and to protect consumers and should therefore bear the costs of inspection. They benefit from the confidence their licence gives to customers who also benefit from the reduction in the risk of contracting food borne illnesses. Customers pay licensees for this in the cost of their purchases. As the customer undertakes the greatest risk of contracting food borne illnesses, most of the beneficiaries are captured in the transaction between customer and licensee. As a result there isn't a case for ratepayers to fund a greater proportion of the benefits.
25. The remaining 10 per cent of costs covers investigating food premise complaints initiated by members of the public. These costs are deemed to benefit the wider community as they play an important role in maintaining the integrity of the regulatory system and often do not result in any fault being found. They therefore cannot be funded by charges on the premises and should be funded from rates.
26. The proposed fees were derived based on the actual costs to council in inspecting the premises and administering registration services. This includes overhead costs such as IT, human resources management, insurance, and customer service centres. The costs incurred are the same regardless of the location, turnover or profitability of the food premises.
27. To mitigate the impact of the change on businesses and alleviate the potential affordability concern, the fee increases will be phased over a five-year period. This means some of the costs will continue to be subsidised by rates until the target cost recovery rate is achieved. A 10-year transition would increase the subsidy further.
28. The proposed fee structure allows for a "pro-rata" payment, i.e. if the operator can demonstrate that the premises is only open part of the year, it will only be charged for the period it is open.
29. Officers recommend that the integrated food premises grading system and the associated 2013/2014 fees and charges proposed alongside the draft Annual Plan 2013/2014 (Part 1 of Attachment A) be adopted. Officers also recommend that the council adopt the target cost recovery rate of 90 per cent for the food premises licensing service, to be implemented over the next five years. Accordingly, the target recovery rate for environmental health and licensing activity (which includes food premises licensing) specified in the Revenue and financing policy will be revised to 45 per cent (subject to finalisation of the budget) from the current 50 per cent.³
30. The estimated fees for 2014/2015 through to 2017/2018 included in the draft annual plan were for indicative purposes only. The actual fees for each year will be set based on the actual budget and as part of the annual planning process for that given year. At this stage officers are not expecting material changes to the budget of this service for the remainder of the transition period.

³ The council resolved at the Strategy and Finance Committee meeting on 23 May 2012 to maintain the existing fee structures for food premises licensing and a number of other bylaw licensing services, and apply only an inflation adjustment to the relevant fees for 2012/2013. This resulted in an actual cost recovery rate of 38 per cent for the environmental health and licensing activity (of which food premises licensing forms part) in 2012/2013. The council however also resolved at the same meeting to set the long-term user charges funding target for food premises and those other bylaw licensing services at 100 per cent. The current user charges funding target of 50 per cent for the environmental health and licensing activity included in the Revenue and financing policy was set based on 100 per cent cost recovery for food premises licensing.

Animal management fees and charge

31. The council consulted on the proposal to maintain the cost recovery target set in the Revenue and financing policy (60 per cent from fees and 40 per cent from rates). It was also proposed that the move from the current 51 per cent cost recovery rate to the 60 per cent target be implemented over a two-year period, with 56 per cent cost recovery in 2013/2014 and 60 per cent cost recovery in 2014/2015. This will increase revenue by approximately \$800,000 in 2013/2014 with a further \$600,000 in 2014/2015.
32. The council also proposed some changes to the fee structure:
- extending late payment fees to all dog registration fees including those payable by superannuitants with a community services card and working farm dogs
 - removing the RDOL discount for late payment
 - introduction of a graduated impoundment fee structure.

Submissions

33. 289 submissions specifically commented on the proposal:

Opinion	No. of submissions
Agree	44
Partial	11
Disagree	234
Total	289

34. A number of the submitters who disagreed or partially disagreed with the proposal provided specific reasons for their disagreement or partial disagreement. The main ones are displayed in the table below.

Theme/comment	No. of submissions
The proposed fees are too low. Dog owners should pay the full cost	43
The proposed fees are unfair for responsible dog owners. The council should seek to shift more of the costs to irresponsible and/or unregistered dog owners by taking more proactive measures against them	36
The proposed fees would be unaffordable	29
The proposed fees are too high compared to the level of service received by dog owners	20
Setting higher fees discourages compliance and reduces the incentive to register	12
Ratepayers should contribute more as the wider public also benefits from the service	5

35. In addition, there were 47 submitters who suggested that cats should also be registered with the council. These submitters referred to the nuisance created by cats and the potential registration fee revenue that could be generated to offset the cost borne by dog owners.

Local boards' comments

Franklin supported the proposed sharing of cost between dog owners and ratepayers in dealing with miscreant dogs. It also requested officers to investigate opportunity to identify efficiencies through animal management contracts and increased penalties. Orakei, on the other hand, opposed the proposed dog registration fees.

Conclusion

36. The council undertakes a range of activities to ensure public safety and respond to issues related to dog control due to the actions (or inaction) of their owners. Registered dog owners drive some of the cost of providing dog control services, in particular the cost of administering the licensing and registration system. They should fund the provision of that service.

37. The council's impoundment service, enforcement activity and its response to call outs provide benefits to the public and dog owners by ensuring the management of barking dogs, dangerous dogs and stray dogs. This has a public safety and animal welfare function. While some of the costs of these services can be funded by charges to the owners of the responsible dogs it is often difficult to fully recover the charges. Funding these services from a mix of fees and rates is considered reasonable. Education services, including Responsible Dog Owner Licence (RDOL) inspections and school programmes, have both dog owner and public benefits and are also to be funded from a mix of fees and rates.
38. The proposal recovers the full cost of dog registration and a portion of other animal (primarily dogs) related costs from dog owners. This ensures that dog owners fund the proportion of costs they cause and the wider public also pay for a fair share of the costs which cannot be easily recovered from the exacerbators (owners whose dogs are causing nuisance to the community).
39. Part of the registration fees collected are used to educate and advise dog owners, children and the general public through publications, school visits, council's website and dog obedience classes. While not always visible at the time of registration, this work contributes significantly to ensuring Auckland's dog population is managed with the community in mind.
40. To minimise the impact of the proposed change and alleviate any affordability concern, the council proposed to phase the move to the target cost recovery rate over two years. The proposed fee structure also rewards responsible dog owners through a number of discounts. These discounts are based on a range of factors such as having the dog de-sexed or owning a responsible dog owners licence.
41. On the other hand, council officers actively follow up on all previously registered dogs not renewed. They also use every interaction they have with dogs in their daily work (including carrying out street by street door knocking) to check that every dog is registered. Year to date 98% of registrations for dogs previously registered have been renewed. The proposed fees include a three-tier impoundment fee structure designed to deter dog owners from repeated infringement of the Dog Control Act or using the council's animal shelter to home their dogs instead of using privately owned kennel facilities. These measures ensure that all dog owners contribute to the funding of the council's animal management service.
42. The fees were set based on the actual cost to the council in delivering the service. Even under the target recovery rate, ratepayers still fund 40 per cent of the total cost.
43. Officers recommend that the changes to animal management fees for 2013/2014 included in the draft Annual Plan 2013/2014 (Attachment B) be adopted.
44. The estimated fees for 2014/2015 included in the draft annual plan were for indicative purposes only. The actual fees will be set based on the actual budget and as part of the annual plan process for 2014/2015. At this stage officers are not expecting material changes to the animal management budget for 2014/2015.
45. The council is required by the Dog Control Act 1996 to register all dogs. There is no such legislation relating to cats. Even if cats were to be registered, any revenue generated would need to be used to cover the cost associated with cat management rather than to subsidise dog related services.

Dog fee issues raised by the Regulatory and Bylaws Committee

46. Following on the resolutions by the Regulatory and Bylaws Committee on 2 April, officers have investigated the viability of allowing for:
 - payment over a period of time (for example via an instalment scheme) of dog registration fees and impoundment related fees
 - part payment of dog registration fees for hardship.

47. Officers recommend no changes to the current regime, for reasons set out in the paragraphs below.
48. Introducing an instalment scheme for dog fees would have significant impact on the relevant accounting and information systems. The cost associated with administering the scheme would be too high in light of the fee amounts involved (\$87 for example to register a de-sexed dog and \$70 for impoundment on first offence). The imminent move to NewCore (a council-wide programme to consolidate applications and systems) and the associated freeze on upgrades to current systems, would also make the receipt and monitoring of instalments difficult to implement.
49. The Dog Control Act 1996 requires the council to issue a label or disc to the dog owner for the registration year upon receipt of the completed application form and the registration fee. Legal advice has suggested that once the label or disc is issued, the dog is deemed registered for the year. This would make it difficult to recover any outstanding fee amount should the owner obtain registration via the first instalment but fail to pay the balance, as the council would not be able to issue infringement notice on grounds of non-registration.
50. There is also an inherent risk of lost revenue, particularly from unpaid impoundment fees if payment by instalments is allowed. The overall cost to those who pay on time would need to be increased to cover the potential loss of revenue and the interest cost associated with the instalment scheme.
51. The need to reduce fees in the case of financial hardship is addressed within the current regime. Section 39(3) of the Dog Control Act 1996 allows the council to “remit, reduce, or refund the dog control fee or part of the fee ... by reason of the financial circumstances of the owner ...” This discretion is already being exercised by officers across the region.

Moorings permit fees

52. The council proposes to set a single region-wide fee for swing moorings at \$215.50 and a single region-wide fee for pile moorings at \$790.50. This will recover 100 per cent of the cost of the service. The proposal will increase revenue by \$125,000 in 2013/2014.

Submissions

53. The council received 96 submissions on mooring fees:

Opinion	No. of submissions
Agree	34
Disagree	62
Total	96

54. A number of submitters who disagreed provided their reason(s). The main reasons are summarised below:

Opinion	No. of submissions
Boat is a necessary item for remote island residents so the council should not charge a fee for its parking near the residents' home	8
The rationale behind fee alignment is flawed as service level varies across region	8
The proposed fees would be unaffordable	4
Some council costs are not exclusively caused by mooring users and should be recovered from other parties (e.g. ratepayers, illegal users of moorings)	4
The change is too much	3
Fees should have regard to specific conditions (e.g. tidal) or the location of the mooring as the costs tend to vary by locations and conditions	2

Local boards' comments

Hibiscus and Bays suggested using the fee structure to create better efficiency of mooring space by encouraging the use of pile moorings. It also supported the provision of the mooring service on a cost recovery basis. Rodney, on the other hand, opposed the proposed fee increases citing lower levels of service in rural areas.

Conclusion

55. The mooring fees are levied to recover the cost of services associated with the administration of mooring management areas. These include a range of customer services such as 24/7 emergency and salvage services, responding to mooring owner enquiries and complaints, providing technical advice, and maintaining the integrity and safety of the mooring management areas and associated assets. Although some costs are not exclusively caused by mooring users, the vast majority of costs are. Emergency moorings are always made available to mooring permit holders.
56. The cost of administering a mooring is the same regardless of location or tidal conditions. The level of service will be uniform across all mooring areas in the region in 2013/2014. To achieve this, additional emergency moorings are being installed in the former Rodney district which will be put into service by 1 July 2013.
57. The council recognises that access to mooring space is important to residents in remote islands. The fees are set to only recover costs.
58. The proposed increase in swing mooring fees for the former Rodney district is equivalent to an increase of \$1.80 per week. The proposed fee is generally consistent with neighbouring councils.
59. The proposed increase in pile mooring fee for the former Rodney district is equivalent to an increase of \$7.35 per week. The proposed fee is generally below that charged by commercial operators.
60. Officers recommend that the harbourmaster fees and charges (including mooring permit fees) proposed alongside the draft Annual Plan 2013/2014 be adopted.

Hairdresser licensing fees

61. The council proposed to introduce a uniform annual licensing fee of \$207 (GST inclusive) from 1 July 2013. The proposal has no revenue impact as the cost recovery rate remains at 100 per cent.

Submissions

62. 49 submissions specifically commented on the proposal:

Opinion	No. of submissions
Agree	22
Partial	2
Disagree	25
Total	49

63. The majority of those disagreed or partially disagreed did not give any reason. Those who did provide a reason made the following observations.

Theme/comment	No. of submissions
The proposed fee would be unaffordable	5
The proposed fee is too high compared to the level of service received by licensees; council needs to be more efficient	4
Applying a uniform charge does not give consideration to variations in business condition and location	2

Local boards' comments

Franklin recommended a tiered fee structure to reflect the variances in business condition due to remoteness. Orakei, on the other hand, opposed the proposal.

Conclusion

64. The council is responsible for administering the Health (Hairdresser) Regulations in the Auckland region via an annual inspection regime. Hairdressers drive the need for this service given their operation requires the provision of the licensing regime to ensure health and safety standards are met. Hairdressers are the primary beneficiary as receipt of the licence allows them to operate.
65. Ultimately, the users of hairdressers benefit from the licensing regime and pay for this through the cost of the services. As the benefits from the service are captured by hairdressers, the full cost of inspections and administration should be met from licensing fees.
66. The proposed regionalisation of fees will result in fee increases in two former council areas and decreases in five former council areas. For the Orakei local board area which is part of the former Auckland City, the increase is 2.5 per cent.
67. Officers recommend that a uniform annual hairdresser licensing fee of \$207 (GST inclusive) as proposed alongside the draft Annual Plan 2013/2014 be adopted.

Swimming pool fencing inspection fees

68. The council currently does not charge a fee for the first inspection. Subsequent inspections cost \$250 each. The council proposed to introduce a \$75 charge for the first inspection, and reduce the charge for subsequent inspections to \$125 each. This will recover 50 per cent of the services costs. The proposal will increase revenue to council by approximately \$160,000 in 2013/2014.

Submissions

69. 74 submissions specifically commented on the proposal.

Opinion	No. of submissions
Agree	21
Partial	6
Disagree	47
Total	74

70. A number of submitters who disagreed or partially disagreed with the proposal provided their reasons for disagreement. Below is a summary of the main views.

Theme/comment	No. of submissions
The proposed fees are too high for a relatively simple inspection	6
The responsibility resides with the pool owner and council should not get involved	5
The proposed fees are too low – pool owners can afford to pay the full cost without ratepayer subsidisation	4
When water in public places is not fenced, the requirement to fence private pools does not make sense	2
Higher charges discourage compliance	2

Local boards' comments

Rodney considered the initial charge unnecessary and excessive on the basis that the liability for compliance rests with the property owner.

Conclusion

71. The fencing of swimming pools is governed by the Fencing of Swimming Pools Act 1987 (FSPA) which requires that (subject to some exemptions) the pool, or some or all of the immediate pool area including all of the pool, is fenced by a fence that complies with the requirements of the building code in force under the Building Act 2004. The FSPA also requires every territorial authority to take all reasonable steps to ensure that the act is complied with within its district.
72. Swimming pool fencing is inspected on a 3 yearly cycle. The fee covers the inspector's time carrying out the inspection, travel time to the address, and the administration required to schedule the inspection and maintain the pool records. The proposed inspection fee structure has been set lower than an inspection required for a building consent (\$130 per inspection) to ensure that the cost is not a disincentive for compliance by pool owners.
73. The cost of monitoring and inspecting swimming pools is not fully recovered through the inspection charges, as it is acknowledged that there is a public safety benefit to the community from the council undertaking the activity. The public benefit element is funded by rates.
74. Officers recommend that the swimming pool fencing inspection fees proposed alongside the draft Annual Plan 2013/2014 be adopted.

Solid waste bylaw fees

75. The Auckland Council adopted the Solid Waste Bylaw 2012 in October 2012 which replaced the legacy bylaws put in place by the former councils. The new bylaw requires all waste collectors and donation collection point operators to be licensed by the council from 31 October 2013. It also requires the council to authorise and monitor the collection of diverted material from a public place. The council consulted on the proposal to
- extend the existing fee structure to cover the additional licensing and authorization requirement set out in the new bylaw
 - increase the share of cost paid for by operators from 20 per cent to 100 per cent over two years.
76. The proposal is projected to increase revenue by \$115,000 in 2013/2014. This will be partly offset by the increase in operating expenditure resulting from the implementation of the new bylaw.

Submissions

77. Five submissions specifically commented on the solid waste bylaw fees.

Opinion	No. of submissions
Agree	3
Disagree	2
Total	5

78. Of the two submissions opposed to the proposal, one questioned the benefit operators received from being licensed by the council, and the other called for abolishment of the licensing regime without stating any particular reason.

Conclusion

79. Waste collectors and collection point operators use council owned land (the public berm) for the collection of waste, recyclables or donated materials. The council is legally obliged to ensure all public land is kept safe and amenity is maintained. This is achieved through a licensing system which involves licence processing and active auditing and monitoring. The council is also responsible for managing complaints relating to the collection of waste or other materials in public places. The proposed fee structure aligns the costs of providing the above services with parties which cause the costs.
80. Officers recommend that the changes to solid waste bylaw fees and charges proposed alongside the draft Annual Plan 2013/2014 be adopted.

Waitakere Transfer Station gate charge

81. The draft annual plan proposed to increase the Waitakere Transfer Station gate charge from \$87.80 to \$95 per tonne for green waste. This will increase revenue by \$36,000 in 2013/2014.

Submissions

82. 62 submitters specifically commented on the proposal:

Opinion	No. of submissions
Agree	12
Disagree	50
Total	62

83. The majority of the submissions did not state any particular reason for the disagreement. 17 submissions stated that the fee increase would lead to more illegal dumping and this negative impact does not justify the fee increase. Another submission claimed that the proposed fee would be unaffordable.

Conclusion

84. Since the current charges were set in June 2012, there has been an increase in both the transportation and processing cost of green waste. This will need to be covered by an increase to the charge. The proposed charge is generally consistent or below other transfer stations.

85. With regard to illegal dumping, the council has implemented a number of monitoring and enforcement measures to control such activity. It has resulted in a reduced level of illegal dumping and a substantial reduction in cost to the ratepayer during the past two years. Fees for green waste are also significantly lower than those for general waste, to encourage the segregation and sustainable management of the material.
86. Officers recommend that the full cost of this service be recovered by increasing the fee to the level proposed in the draft annual plan.

Bach and camping fees

87. The draft annual plan proposed to increase bach fees by 10 per cent during peak period and 5 per cent off peak. Vehicle-based camping fees were proposed to increase by \$1 per night per adult. This will increase revenue by approximately \$60,000 in 2013/2014.

Submissions

88. 60 submissions commented specifically on bach and camping fees:

Opinion	No. of submissions
Agree	21
Partial	4
Disagree	35
Total	60

Four of the submitters opposed to the proposal argued that the fees would be unaffordable. Others generally provided no specific reason for their disagreement.

Local boards' comments

Franklin supported the proposed increase in bach fees. Rodney, on the other hand, opposed the proposal.

Conclusion

89. A number of the council's regional parks provide bach and camping accommodation to the public. This is an operation that competes with the private sector. The current prices of these council owned facilities are generally lower than market rates for similar accommodation in similar locations. The proposed fees would still be at the lower end of the market rates.
90. Officers recommend that the bach and camping accommodation fees proposed in the draft Annual Plan 2013/2014 be adopted.

Early adoption of animal management fees and environmental health fees

91. The full schedule of regulatory fees and charges for 2013/2014, including the amended regulatory charges discussed in this report and the other regulatory fees and charges which are to increase by the council rate of inflation, will need to be adopted by the governing body as part of the annual plan.
92. The registrations of approximately 100,000 dogs and 4,900 premises licensed with the council will expire on or before 30 June. The registrations of a further 1,000 premises will expire on 31 July. The fees and charges for animal management and environmental health and licensing for 2013/2014 will need to be adopted earlier than the adoption of the full annual plan to allow sufficient time for data testing and the printing and mailing of renewal notices before those registrations expire.
93. Officers recommend that the environmental health and licensing fees and animal management fees, included in Attachment A and B respectively, be adopted at the governing body meeting scheduled to follow this meeting.

Other changes to fees and charges

94. Local boards may change fees and charges for local activities where they are not set by the governing body on a region-wide basis, provided that
- the revenue impact of the changes is managed within the board's budget
 - the changes do not result in material departure from the user charges funding targets set out in the Revenue and financing policy.
95. The Mangere-Otahuhu Local Board and the Orata-Papatoetoe Local Board consulted on options for subsidising adult entry to swimming pools through a local activity targeted rate to be applied within the relevant board area. Both boards have resolved to provide free swimming pool entry to adults within the respective board area and fund this through the targeted rate. The funding policy for local recreation initiatives and facilities as set out in the Revenue and financing policy will be amended to provide for the use of the targeted rate.
96. Fees and charges which are not changed by local boards and were not specifically consulted on alongside the draft annual plan will increase by the council rate of inflation, as provided for in the Revenue and financing policy. For 2013/2014, the inflation rate to be applied to fees and charges is 2.5 per cent. This is based on the Auckland cost adjustor projections prepared for Auckland Council by Business and Economic Research Limited (BERL) in October 2012. 2.5 per cent is the average increase. Due to practical constraints, some fees may change by more or less than 2.5 per cent, and in some cases may remain the same.

Consideration

Local Board views

97. Where local boards have provided feedback by way of resolution, this has been incorporated in the corresponding section of this report.

Maori Impact Statement

98. No information is available that allows officers to establish the specific impact of the recommendations in this report on Maori. The proposed changes in certain fees may impact on the affordability of the relevant services for Maori, who have been consulted via the draft annual plan. Given the nature of the potential impact, this is considered appropriate.

Significance of decisions

99. The Local Government Act 2002 requires the use of the special consultative procedure by the council to change its regulatory fees and charges. This was undertaken alongside the draft Annual Plan 2013/2014.

Implementation Issues

100. There are no issues associated with the implementation of the recommendations in this report.

Attachments

No.	Title	Page
A	Environmental health and licensing fees and charges for 2013/2014	57
B	Animal management fees and charges for 2013/2014	77

Signatories

Authors	Eric Wen - Modeller User Charges
Authorisers	Andrew McKenzie - Chief Finance Officer

Environmental health and licensing fees and charges for 2013/2014

1. Food premises licensing

Annual licensing fees for food premises are being standardised across the region. The standardisation of fees will be implemented over a five year period (1 July 2013 ~ 30 June 2018). The fees to be applied in 2013/2014 under the transition plan for each of the former council areas are shown in the right most column of each of the tables below.

For new premises and existing premises being transferred to new owners, the fees displayed under the heading of “Fee from 1 July 2013 with no transition” in each table will apply from 1 July 2013. These are fees that would deliver the target cost recovery rate without transition.

Premises that have a registered Voluntary Implementation Programme – Food Control Plan with council will be charged an annual fee based on the risk rating of the food premises (determined by Council) and using the Grade A category to determine the fee.

Auckland City Council

Current fee category	New fee category (indicative) ¹	Fee from 1 July 2013 with no transition ² (incl. GST) (\$)	Fee from 1 July 2013 under 5-year transition (incl. GST) (\$)
Small high – risk A grade	Grade A, High risk	• 1,014	• 860
Small high – risk B grade	Grade B, High risk	• 1,194	• 1,092
Small high – risk D grade	Grade D, High risk	• 1,373	• 1,323
Small high – risk E grade	Grade E, High risk	• 1,731	• 1,649
Large high – risk A grade	Grade A, High risk	• 1,014	• 1,014
Large high – risk B grade	Grade B, High risk	• 1,194	• 1,194
Large high – risk D grade	Grade D, High risk	• 1,373	• 1,373
Large high – risk E grade	Grade E, High risk	• 1,731	• 1,731
Small medium – risk A grade	Grade A, Medium risk	• 525	• 525
Small medium – risk B grade	Grade B, Medium risk	• 883	• 749
Small medium – risk D grade	Grade D, Medium risk	• 1,098	• 920
Small medium – risk E grade	Grade E, Medium risk	• 1,385	• 1,151
Large medium – risk A grade	Grade A, Medium risk	• 525	• 525
Large medium – risk B grade	Grade B, Medium risk	• 883	• 883
Large medium – risk D grade	Grade D, Medium risk	• 1,098	• 1,098
Large medium – risk E grade	Grade E, Medium risk	• 1,385	• 1,385
Small low – risk A grade	Grade A, Low risk	• 394	• 308
Small low – risk B grade	Grade B, Low risk	• 448	• 382
Small low – risk D grade	Grade D, Low risk	• 609	• 479
Small low – risk E grade	Grade E, Low risk	• 824	• 610

Current fee category	New fee category (indicative) ¹	Fee from 1 July 2013 with no transition ² (incl. GST) (\$)	Fee from 1 July 2013 under 5-year transition (incl. GST) (\$)
Large low – risk A grade	Grade A, Low risk	• 394	• 394
Large low – risk B grade	Grade B, Low risk	• 448	• 448
Large low – risk D grade	Grade D, Low risk	• 609	• 609
Large low – risk E grade	Grade E, Low risk	• 824	• 822
Re-grading and re-inspections	Re-grading	• 571	• 571
New premises fee	New premises fee	• 239 ³	•

Notes:

1. This provides an indication of the new fee category the existing fees are likely to be transferred to under the new, standardised grading system. The actual fee category that specific premises will be classed under from 1 July 2013 may vary from this table. As a result, the fees displayed in the table may not necessarily reflect the actual fees to be charged on specific premises under a given existing category. The actual risk and performance grade of specific premises will be determined by the council.
2. The fees shown in this column are those that would deliver the target recovery rate of 90 per cent in 2013/2014. For new premises and existing premises being transferred to new owners, the fees displayed in this column will apply from 1 July 2013, i.e. there will be no transition. For other premises, the fees displayed in the right most column apply from 1 July 2013.
3. This is a one-off charge applied to new premises, in addition to the annual fees charged against risk and performance grade. The transition plan does not apply to this fee.

Franklin District Council

Current fee category ¹	New fee category (indicative) ²	Fee from 1 July 2013 with no transition ³ (incl. GST) (\$)	Fee from 1 July 2013 under 5-year transition (incl. GST) (\$)
Administration fee	Grade A, High risk	• 1,014	• 467
Inspection fee - per inspection	Grade B, High risk	• 1,194	• 503
	Grade D, High risk	• 1,373	• 539
	Grade E, High risk	• 1,731	• 610
	Grade A, Medium risk	• 525	• 369
	Grade B, Medium risk	• 883	• 441
	Grade D, Medium risk	• 1,098	• 484
	Grade E, Medium risk	• 1,385	• 541
	Grade A, Low risk	• 394	• 343
	Grade B, Low risk	• 448	• 354
	Grade D, Low risk	• 609	• 386
Grade E, Low risk	• 824	• 429	
Regrading	Re-grading	• 571	• 296
New premises fee	New premises fee	• 239 ⁴	•

Notes:

1. Fees currently applied in the former Franklin District Council area are based on number of inspections plus an administrative charge.

2. This provides an indication of the new fee category the existing fees are likely to be transferred to under the new, standardised grading system. The actual fee category that specific premises will be classed under from 1 July 2013 may vary from this table. As a result, the fees displayed in the table may not necessarily reflect the actual fees to be charged on specific premises under a given existing category. The actual risk and performance grade of specific premises will be determined by the council.
3. The fees shown in this column are those that would deliver the target recovery rate of 90 per cent in 2013/2014. For new premises and existing premises being transferred to new owners, the fees displayed in this column will apply from 1 July 2013, i.e. there will be no transition. For other premises, the fees displayed in the right most column apply from 1 July 2013.
4. This is a one-off charge applied to new premises, in addition to the annual fees charged against risk and performance grade. The transition plan does not apply to this fee.

Manukau City Council

Current fee category ¹	New fee category (indicative) ²	Fee from 1 July 2013 with no transition ³ (incl. GST) (\$)	Fee from 1 July 2013 under 5-year transition (incl. GST) (\$)
Up to 50m ²	Grade A, High risk	• 1,014	• 628
	Grade B, High risk	• 1,194	• 664
	Grade D, High risk	• 1,373	• 699
	Grade E, High risk	• 1,731	• 771
	Grade A, Medium risk	• 525	• 525
	Grade B, Medium risk	• 883	• 601
	Grade D, Medium risk	• 1,098	• 644
	Grade E, Medium risk	• 1,385	• 702
	Grade A, Low risk	• 394	• 394
	Grade B, Low risk	• 448	• 448
	Grade D, Low risk	• 609	• 547
	Grade E, Low risk	• 824	• 590
Up to 200m ²	Grade A, High risk	• 1,014	• 736
	Grade B, High risk	• 1,194	• 772
	Grade D, High risk	• 1,373	• 807
	Grade E, High risk	• 1,731	• 879
	Grade A, Medium risk	• 525	• 525
	Grade B, Medium risk	• 883	• 709
	Grade D, Medium risk	• 1,098	• 752
	Grade E, Medium risk	• 1,385	• 810
	Grade A, Low risk	• 394	• 394
	Grade B, Low risk	• 448	• 448
	Grade D, Low risk	• 609	• 609
	Grade E, Low risk	• 824	• 698
Up to 400m ²	Grade A, High risk	• 1,014	• 824
	Grade B, High risk	• 1,194	• 860
	Grade D, High risk	• 1,373	• 895

Current fee category ¹	New fee category (indicative) ²	Fee from 1 July 2013 with no transition ³ (incl. GST) (\$)	Fee from 1 July 2013 under 5-year transition (incl. GST) (\$)
	Grade E, High risk	• 1,731	• 967
	Grade A, Medium risk	• 525	• 525
	Grade B, Medium risk	• 883	• 797
	Grade D, Medium risk	• 1,098	• 840
	Grade E, Medium risk	• 1,385	• 898
	Grade A, Low risk	• 394	• 394
	Grade B, Low risk	• 448	• 448
	Grade D, Low risk	• 609	• 609
	Grade E, Low risk	• 824	• 786
Up to 800m2	Grade A, High risk	• 1,014	• 915
	Grade B, High risk	• 1,194	• 951
	Grade D, High risk	• 1,373	• 987
	Grade E, High risk	• 1,731	• 1,058
	Grade A, Medium risk	• 525	• 525
	Grade B, Medium risk	• 883	• 883
	Grade D, Medium risk	• 1,098	• 932
	Grade E, Medium risk	• 1,385	• 989
	Grade A, Low risk	• 394	• 394
	Grade B, Low risk	• 448	• 448
	Grade D, Low risk	• 609	• 609
	Grade E, Low risk	• 824	• 824
Over 800m2	Grade A, High risk	• 1,014	• 1,014
	Grade B, High risk	• 1,194	• 1,074
	Grade D, High risk	• 1,373	• 1,110
	Grade E, High risk	• 1,731	• 1,181
	Grade A, Medium risk	• 525	• 525
	Grade B, Medium risk	• 883	• 883
	Grade D, Medium risk	• 1,098	• 1,055
	Grade E, Medium risk	• 1,385	• 1,112
	Grade A, Low risk	• 394	• 394
	Grade B, Low risk	• 448	• 448
	Grade D, Low risk	• 609	• 609
	Grade E, Low risk	• 824	• 824
Regrading	Re-grading	• 571	• 221
New premises fee	New premises fee	• 239 ⁴	•

Notes:

1. Fees currently applied in the former Manukau City Council area are based on size as opposed to risk and performance grade. Specific fees were subject to a discount or surcharge up to plus or minus 20 per cent based on historical grades.
2. This provides an indication of the new fee category the existing fees are likely to be transferred to under the new, standardised grading system. The actual fee category that specific premises will be classed under from 1 July 2013 may vary from this table. As a result, the fees displayed in the table may not necessarily reflect the actual fees to be charged on specific premises under a given existing category. The actual risk and performance grade of specific premises will be determined by the council.
3. The fees shown in this column are those that would deliver the target recovery rate of 90 per cent in 2013/2014. For new premises and existing premises being transferred to new owners, the fees displayed in this column will apply from 1 July 2013, i.e. there will be no transition. For other premises, the fees displayed in the right most column apply from 1 July 2013.
4. This is a one-off charge applied to new premises, in addition to the annual fees charged against risk and performance grade. The transition plan does not apply to this fee.

North Shore City Council

Current fee category	Existing grade	New fee category (indicative) ¹	Fee from 1 July 2013 with no transition ² (incl. GST) (\$)	Fee from 1 July 2013 under 5-year transition (incl. GST) (\$)
Food premises – category 2	Grade A	Grade A, High risk	• 1,014	• 614
Food premises – category 2	Grade B	Grade B, High risk	• 1,194	• 702
Food premises – category 2	Grade C	Grade B, High risk	• 1,194	• 760
Food premises – category 2	Grade D	Grade D, High risk	• 1,373	• 1,373
Food premises – category 2	Grade E	Grade E, High risk	• 1,731	• 1,731
Food premises – category 1	Grade A	Grade A, Medium risk	• 525	• 445
Food premises – category 1	Grade B	Grade B, Medium risk	• 883	• 541
Food premises – category 1	Grade C	Grade B, Medium risk	• 883	• 609
Food premises – category 1	Grade D	Grade D, Medium risk	• 1,098	• 912
Food premises – category 1	Grade E	Grade E, Medium risk	• 1,385	• 1,054
Food premises – category 1	Grade A	Grade A, Low risk	• 394	• 394
Food premises – category 1	Grade B	Grade B, Low risk	• 448	• 448
Food premises – category 1	Grade C	Grade B, Low risk	• 448	• 448
Food premises – category 1	Grade D	Grade D, Low risk	• 609	• 609
Food premises – category 1	Grade E	Grade E, Low risk	• 824	• 824
Re-grading and re-inspections		Re-grading	• 571	• 267
New premises fee		New premises fee	• 239 ³	•

Notes:

1. This provides an indication of the new fee category the existing fees are likely to be transferred to under the new, standardised grading system. The actual fee category that specific premises will be classed under from 1 July 2013 may vary from this table. As a result, the fees displayed in the table may not necessarily reflect the actual fees to be charged on specific premises under a given existing category. The actual risk and performance grade of specific premises will be determined by the council.

2. The fees shown in this column are those that would deliver the target recovery rate of 90 per cent in 2013/2014. For new premises and existing premises being transferred to new owners, the fees displayed in this column will apply from 1 July 2013, i.e. there will be no transition. For other premises, the fees displayed in the right most column apply from 1 July 2013.
3. This is a one-off charge applied to new premises, in addition to the annual fees charged against risk and performance grade. The transition plan does not apply to this fee.

Papakura District Council

Current fee category	Description of premises	New fee category (indicative) ¹	Fee from 1 July 2013 with no transition ² (incl. GST) (\$)	Fee from 1 July 2013 under 5-year transition (incl. GST) (\$)
Existing premises with A or B grading	General food retailing	Grade A, High risk	• 1,014	• 592
		Grade A, Medium risk	• 525	• 494
		Grade A, Low risk	• 394	• 394
		Grade B, High risk	• 1,194	• 628
		Grade B, Medium risk	• 883	• 565
		Grade B, Low risk	• 448	• 448
Existing premises with A or B grading	Multi-licence premises (e.g. supermarkets), registration of basic premises	Grade A, High risk	• 1,014	• 592
		Grade A, Medium risk	• 525	• 494
		Grade A, Low risk	• 394	• 394
		Grade B, High risk	• 1,194	• 628
		Grade B, Medium risk	• 883	• 565
		Grade B, Low risk	• 448	• 448
Eating houses (A or B grading)	Take-away retailer	Grade A, High risk	• 1,014	• 592
		Grade A, Medium risk	• 525	• 494
		Grade A, Low risk	• 394	• 394
		Grade B, High risk	• 1,194	• 628
		Grade B, Medium risk	• 883	• 565
		Grade B, Low risk	• 448	• 448
Eating houses (A or B grading)	Tea-rooms, coffee-bars, restaurants & licensed premises with seating for not more than 50 persons	Grade A, High risk	• 1,014	• 592
		Grade A, Medium risk	• 525	• 494
		Grade A, Low risk	• 394	• 394
		Grade B, High risk	• 1,194	• 628
		Grade B, Medium risk	• 883	• 565
		Grade B, Low risk	• 448	• 448
Eating houses (A or B grading)	Tea-rooms, coffee-bars, restaurants & licensed premises with seating for more than 50 but not more than 100 persons	Grade A, High risk	• 1,014	• 669
		Grade A, Medium risk	• 525	• 525
		Grade A, Low risk	• 394	• 394
		Grade B, High risk	• 1,194	• 705
		Grade B, Medium risk	• 883	• 643

Current fee category	Description of premises	New fee category (indicative) ¹	Fee from 1 July 2013 with no transition ² (incl. GST) (\$)	Fee from 1 July 2013 under 5-year transition (incl. GST) (\$)
		Grade B, Low risk	• 448	• 448
Eating houses (A or B grading)	Tea-rooms, coffee-bars, restaurants & licensed premises with seating for more than 100 persons	Grade A, High risk	• 1,014	• 746
		Grade A, Medium risk	• 525	• 525
		Grade A, Low risk	• 394	• 394
		Grade B, High risk	• 1,194	• 782
		Grade B, Medium risk	• 883	• 720
		Grade B, Low risk	• 448	• 448
Eating houses (A or B grading)	Wholesale manufacturing (inc Section 5 of the Food Hygiene Regulations 1974 premises)	Grade A, High risk	• 1,014	• 631
		Grade A, Medium risk	• 525	• 525
		Grade A, Low risk	• 394	• 394
		Grade B, High risk	• 1,194	• 667
		Grade B, Medium risk	• 883	• 605
		Grade B, Low risk	• 448	• 448
Fee for new premises or registration and if premises have not been graded or has a D or E grading	General food retailing	Grade D, High risk	• 1,373	• 783
		Grade D, Medium risk	• 1,098	• 728
		Grade D, Low risk	• 609	• 609
		Grade E, High risk	• 1,731	• 855
		Grade E, Medium risk	• 1,385	• 786
		Grade E, Low risk	• 824	• 674
Fee for new premises or registration and if premises have not been graded or has a D or E grading	Multi-premises (e.g. Supermarkets) Registration of basic premises	Grade D, High risk	• 1,373	• 783
		Grade D, Medium risk	• 1,098	• 728
		Grade D, Low risk	• 609	• 609
		Grade E, High risk	• 1,731	• 855
		Grade E, Medium risk	• 1,385	• 786
		Grade E, Low risk	• 824	• 674
Eating houses (if premises have not been graded or have a D or E grading)	Take-away retailer	Grade D, High risk	• 1,373	• 783
		Grade D, Medium risk	• 1,098	• 728
		Grade D, Low risk	• 609	• 609
		Grade E, High risk	• 1,731	• 855
		Grade E, Medium risk	• 1,385	• 786
		Grade E, Low risk	• 824	• 674
Eating houses (if premises have not been graded or have a D or E)	Tea-rooms, coffee-bars, restaurants & licensed premises with seating for not more than 50	Grade D, High risk	• 1,373	• 783
		Grade D, Medium risk	• 1,098	• 728
		Grade D, Low risk	• 609	• 609
		Grade E, High risk	• 1,731	• 855

Current fee category	Description of premises	New fee category (indicative) ¹	Fee from 1 July 2013 with no transition ² (incl. GST) (\$)	Fee from 1 July 2013 under 5-year transition (incl. GST) (\$)
grading)	persons	Grade E, Medium risk	• 1,385	• 786
		Grade E, Low risk	• 824	• 674
Eating houses (if premises have not been graded or have a D or E grading)	Tea-rooms, coffee-bars, restaurants & licensed premises with seating for more than 50 but not more than 100 persons	Grade D, High risk	• 1,373	• 843
		Grade D, Medium risk	• 1,098	• 788
		Grade D, Low risk	• 609	• 609
		Grade E, High risk	• 1,731	• 915
		Grade E, Medium risk	• 1,385	• 846
		Grade E, Low risk	• 824	• 734
Eating houses (if premises have not been graded or have a D or E grading)	Tea-rooms, coffee-bars, restaurants & licensed premises with seating for more than 100 persons	Grade D, High risk	• 1,373	• 929
		Grade D, Medium risk	• 1,098	• 874
		Grade D, Low risk	• 609	• 609
		Grade E, High risk	• 1,731	• 1,001
		Grade E, Medium risk	• 1,385	• 931
		Grade E, Low risk	• 824	• 819
Eating houses (if premises have not been graded or have a D or E grading)	Wholesale manufacturing (inc Section 5 of the Food Hygiene Regulations 1974 premises)	Grade D, High risk	• 1,373	• 759
		Grade D, Medium risk	• 1,098	• 704
		Grade D, Low risk	• 609	• 606
		Grade E, High risk	• 1,731	• 830
		Grade E, Medium risk	• 1,385	• 761
Eating houses (A or B grading)	Food Premises Re-grading, food and eating houses	Re-grading	• 571	• 332
		New premises fee	• 239 ³	•

Notes:

1. This provides an indication of the new fee category the existing fees are likely to be transferred to under the new, standardised grading system. The actual fee category that specific premises will be classed under from 1 July 2013 may vary from this table. As a result, the fees displayed in the table may not necessarily reflect the actual fees to be charged on specific premises under a given existing category. The actual risk and performance grade of specific premises will be determined by the council.
2. The fees shown in this column are those that would deliver the target recovery rate of 90 per cent in 2013/2014. For new premises and existing premises being transferred to new owners, the fees displayed in this column will apply from 1 July 2013, i.e. there will be no transition. For other premises, the fees displayed in the right most column apply from 1 July 2013.
3. This is a one-off charge applied to new premises, in addition to the annual fees charged against risk and performance grade. The transition plan does not apply to this fee.

Rodney District Council

Current fee category	Existing assessment branding	New fee category (indicative) ¹	Fee from 1 July 2013 with no transition ² (incl. GST) \$	Fee from 1 July 2013 under 5-year transition (incl. GST) \$
Food premises	• 1-3	Grade A, High risk	• 1,014	• 411
		Grade A, Medium risk	• 525	• 313
		Grade A, Low risk	• 394	• 287
Food premises	• >3-5	Grade B, High risk	• 1,194	• 524
		Grade B, Medium risk	• 883	• 461
		Grade B, Low risk	• 448	• 374
Food premises	• >5-7	Grade B, High risk	• 1,194	• 600
		Grade B, Medium risk	• 883	• 537
		Grade B, Low risk	• 448	• 448
Food premises	• >7-9	Grade D, High risk	• 1,373	• 712
		Grade D, Medium risk	• 1,098	• 657
		Grade D, Low risk	• 609	• 559
Food premises	• >9	Grade E, High risk	• 1,731	• 860
		Grade E, Medium risk	• 1,385	• 791
		Grade E, Low risk	• 824	• 678
Food premises	• Premises reassessment	Re-grading	• 571	• 229
New premises fee	•	New premises fee	• 239 ³	•

Notes:

1. This provides an indication of the new fee category the existing fees are likely to be transferred to under the new, standardised grading system. The actual fee category that specific premises will be classed under from 1 July 2013 may vary from this table. As a result, the fees displayed in the table may not necessarily reflect the actual fees to be charged on specific premises under a given existing category. The actual risk and performance grade of specific premises will be determined by the council.
2. The fees shown in this column are those that would deliver the target recovery rate of 90 per cent in 2013/2014. For new premises and existing premises being transferred to new owners, the fees displayed in this column will apply from 1 July 2013, i.e. there will be no transition. For other premises, the fees displayed in the right most column apply from 1 July 2013.
3. This is a one-off charge applied to new premises, in addition to the annual fees charged against risk and performance grade. The transition plan does not apply to this fee.

Waitākere City Council

Current fee category		New fee category (indicative) ¹	Fee from 1 July 2013 with no transition ² (incl. GST) \$	Fee from 1 July 2013 under 5-year transition (incl. GST) \$
Food premises (covers up to 2 inspections per annum)	<ul style="list-style-type: none"> • Up to 50m² • 	Grade A, High risk	• 1,014	• 549
		Grade B, High risk	• 1,194	• 585
		Grade D, High risk	• 1,373	• 621
		Grade E, High risk	• 1,731	• 693
		Grade A, Medium risk	• 525	• 451
		Grade B, Medium risk	• 883	• 523
		Grade D, Medium risk	• 1,098	• 566
		Grade E, Medium risk	• 1,385	• 623
		Grade A, Low risk	• 394	• 425
		Grade B, Low risk	• 448	• 436
		Grade D, Low risk	• 609	• 468
		Grade E, Low risk	• 824	• 511
Food premises (covers up to 2 inspections per annum)	<ul style="list-style-type: none"> • 51-100m² • 	Grade A, High risk	• 1,014	• 698
		Grade B, High risk	• 1,194	• 734
		Grade D, High risk	• 1,373	• 770
		Grade E, High risk	• 1,731	• 841
		Grade A, Medium risk	• 525	• 525
		Grade B, Medium risk	• 883	• 672
		Grade D, Medium risk	• 1,098	• 715
		Grade E, Medium risk	• 1,385	• 772
		Grade A, Low risk	• 394	• 394
		Grade B, Low risk	• 448	• 448
		Grade D, Low risk	• 609	• 609
		Grade E, Low risk	• 824	• 660
Food premises (covers up to 2 inspections per annum)	<ul style="list-style-type: none"> • >100m² • 	Grade A, High risk	• 1,014	• 850
		Grade B, High risk	• 1,194	• 886
		Grade D, High risk	• 1,373	• 922
		Grade E, High risk	• 1,731	• 993
		Grade A, Medium risk	• 525	• 525
		Grade B, Medium risk	• 883	• 824
		Grade D, Medium risk	• 1,098	• 867
		Grade E, Medium risk	• 1,385	• 924

Current fee category		New fee category (indicative) ¹	Fee from 1 July 2013 with no transition ² (incl. GST) \$	Fee from 1 July 2013 under 5-year transition (incl. GST) \$
		Grade A, Low risk	• 394	• 394
		Grade B, Low risk	• 448	• 448
		Grade D, Low risk	• 609	• 609
		Grade E, Low risk	• 824	• 812
Eating houses	• Seating capacity up to 25 persons	Grade A, High risk	• 1,014	• 592
		Grade B, High risk	• 1,194	• 628
		Grade D, High risk	• 1,373	• 664
		Grade E, High risk	• 1,731	• 736
Eating houses	• Seating capacity between 26 and 50 persons	Grade A, High risk	• 1,014	• 760
		Grade B, High risk	• 1,194	• 796
		Grade D, High risk	• 1,373	• 832
		Grade E, High risk	• 1,731	• 904
Eating houses	• Seating capacity over 50 persons	Grade A, High risk	• 1,014	• 850
		Grade B, High risk	• 1,194	• 886
		Grade D, High risk	• 1,373	• 922
		Grade E, High risk	• 1,731	• 993
Food premise re-grading fee	• Food Premises and Eating Houses	Re-grading	• 571	• 303
New premises	• New Premises will incur an additional processing/inspection fee in addition to registration fees	New premise fee	• 239 ³	•

Notes:

1. This provides an indication of the new fee category the existing fees are likely to be transferred to under the new, standardised grading system. The actual fee category that specific premises will be classed under from 1 July 2013 may vary from this table. As a result, the fees displayed in the table may not necessarily reflect the actual fees to be charged on specific premises under a given existing category. The actual risk and performance grade of specific premises will be determined by the council.
2. The fees shown in this column are those that would deliver the target recovery rate of 90 per cent in 2013/2014. For new premises and existing premises being transferred to new owners, the fees displayed in this column will apply from 1 July 2013, i.e. there will be no transition. For other premises, the fees displayed in the right most column apply from 1 July 2013.
3. This is a one-off charge applied to new premises, in addition to the annual fees charged against risk and performance grade. The transition plan does not apply to this fee.

2. Hairdresser premises licensing

The annual licensing fees for hairdresser premises are being standardised across the region. A single licensing charge of **\$207** will apply from 1 July 2013.

All fees are charged annually and cover the cost of inspections, i.e. there will be no separate inspection fees.

3. Other environmental health and bylaw licensing

The fee structures for other environmental health and licensing services are maintained for 2013/2014 with a small increase to all fees to reflect cost inflation. These are based on fee structures inherited from the seven former councils. Fees applied within a former council boundary are displayed below under that former council heading. These fees are proposed to be regionally consolidated in the future.

Auckland City Council

Type	Description	Fee from 1 July 2013 (incl. GST) \$
All licences	New premise application (excludes food and hairdressers premises)	• 179
Brothel licence	Annual fee	• 701
Camping grounds	Annual fee	• 397
Funeral directors – mortuary licence	Annual fee	• 429
Gambling venues	New class 4 or New Zealand Racing Board (NZRB) venue consent application	• 397
Hazardous substances – inspections	Bulk tank demolished	• 179
	LPG storage tank installed	• 179
	Storage tank installed	• 179
	Tank removal	• 125
	Test pipelines to bulk installations	• 136
Health protection licence	Basic (single process)	• 212
	Multi basic (multiple processes)	• 294
	High risk (involving skin penetration)	• 294
	Swimming pool (12 months)	• 294
	Swimming pool (6 months)	• 155
Food Stalls	Annual market organisers licence (blanket licence held by market organiser covers stalls selling fruit, vegetables and uncooked eggs only)	• 162
	Letter of exemption	• No fee
	Level two – 6 months	• 125
	Level two – 12 months	• 190
	Level three – 6 months	• 223

Type	Description	Fee from 1 July 2013 (incl. GST) \$
	Level three – 12 months	• 364
Festival and Events	Hourly rate (per officer)	• See hourly rates
Inspection Fee	Hourly rate (per officer)	• See hourly rates
Certificate of Inspection	12 months	• See hourly rates
Offensive trades	Renewal	• 365
Street trading	Banner	• 179
	Display of goods - per month	• 147
	Flower sellers- per month	• 397
	Newspapers - per seller, per site, per annum	• 125
	Permanent banners - per annum	• 6,542
	Recycling bins - per annum	• 342
	Sports services vendors - per month	• 234
	Street Trading Application Fee	• 179
	Coffee vendors – per six months	• 560
	On-street outdoor seating (per m2 of site coverage)	• 70
	Pie carts, Newmarket – per month	• 1103
	Pie carts, Commerce Street – per month	• 1321
	Strawberry and vegetable vendors – per month	• 396
Transfer fee	All licences and re-issue of lost certificate/licence	• 98
Bylaw dispensation (other than permanent signage)	Temporary sign	• 141
Billboard	Billboard dispensation	• 163
Other Fees	Certificate of Inspection	• 185
	Return Fee for seized equipment (Noise)	• 273
	License Controller Qualification (LQC)	• 196
	Exam Re-sits	• 47
	Amusement Device Fee	• Refer to the Amusement Devices Regulations 1980
	Re-inspection Fee (Camping ground, Food Premise, Funeral Director, Hairdresser, Health Protection, Offensive Trade)	• 185
	Recover cost of seized goods	• Based on actual cost and hourly rates
	Recover cost of works carried out in default (bylaw notice)	• Based on actual cost and hourly rates
	Officer time (Bylaws)	• Based on actual cost and hourly rates

Franklin District Council

Type	Description	Fee from 1 July 2013 (incl. GST) \$
Return fee for seized appliances	Administration fee per seizure	• 72
	Per response in a Metropolitan Zone	• 83
	Per response in a Rural Zone	• 150
Trading in public places	Up to 6 months	• 83
	6-12 months	• 150
Other licences/registration	Camping Grounds	• 304
	Umbrella Low Risk Food Licence Fee	• 736
	Food premises Day Licences (excepting those operated by non-profit organisations)	• 71
	Mobile food vehicle	• 160
	Offensive Traders	• 304
	Funeral Parlours	• 260
	Transfer of Licence	• 72
	Duplicate of Licence	• 39
	Sale yards	• 219
	Re-inspection fee for all Licence or Registered premises - per inspection	• 122
	Gaming Machine - class 4 Venue Consent - per inspection	• 571
	Relocatable Home Park Consent - per inspection	• 304

North Shore City Council

Type	Description	Fee from 1 July 2013 (incl. GST) \$
Mobile shop Health Licence		• 196
Re-inspections		• Based on actual cost and hourly rates
Vendor	Mobile Shop Trading Permit	• 245
Noise control	Seizure of Equipment	• 191
Brothels	Applications for licence	• 289
	Annual licence fee	• 289
	Application for dispensations - base fee + actual cost	• 560
Outdoor cafés in public places	Application Fee	• 179
	Annual Licence Fee – m2	• 49
Miscellaneous licences	Amusement galleries	• 229

Type	Description	Fee from 1 July 2013 (incl. GST) \$
	Camping Grounds	• 229
	Funeral Director	• 289
	Skin Piercer	• 316
	Swimming, Health and Beauty	• 229
	Signs - Exceeding 1m ² under bylaw	• 135
	Signs - All other signs under bylaw	• 76
	Fire permit	• 98
	Display of goods exemption - application Fee	• 179
	Display of goods exemption - m ²	• 49
	Licence transfer fees (any licence)	• 93
	Pre-purchase checks (any licence)	• 196
	Late payment fee (any licence)	• 93
	Food safety Course	• 170
	Gambling Venue Application	• 436

Manukau City Council

Type	Description	Fee from 1 July 2013 (incl. GST) \$
Various other licence types	Camping Grounds	• 476
	Funeral Director	• 386
	Permits – trading in public places	• 196
	Permits – markets and stalls	• 342
	Offensive Trades	• 476
	Temporary signs permit - general	• 269
	Brothel Permit	• 269
	Skin-piercing operation	• 284
	Additional fee per additional skin-piercing operation	• 71
Other fees	Transfer of licence	• 117
	Duplicate licence fee	• 118
	Certificate of Inspection	• 185
	Inspection fee (includes Food Premises)	• 137
	Provision of lists of premises	• 30
	Return Fee for seized equipment	• 273
	Permit application fee for permits not specified elsewhere in Listing of Fees and Charges	• 283
	Objection	• 478

Type	Description	Fee from 1 July 2013 (incl. GST) \$
	Dispensation Deposit Fee	• 6,935
	Hourly Staff Charge-out Rates (for bylaw related applications where the application fee is a deposit)	• see hourly rates

Papakura District Council

Type	Description	Fee from 1 July 2013 (incl. GST) \$
Other premises	Funeral Directors and Mortuaries	• 444
	Offensive Trades	• 531
	Camping Grounds	• 531
	Massage Parlour - Minimum fee plus any additional costs. Charge at appropriate hourly rate	• 519
	Brothel Application - Minimum Fee plus any additional costs. Charge at appropriate hourly rate	• 519
	Charge for any health inspection for any activity not specified in the schedule	• 316
Bylaw licences	Non-food stalls (other than charitable or community organisations) - licence per event	• 49
	Non-food stalls (other than charitable or community organisations) - annual	• 316
	Amusement Gallery	• 169
	Special Events and Minimum Fee	• 519
Statute based licences	Mobile Shops/Roadside Traders (other charitable or community organisations) - first month	• 101
	Mobile Shops/Roadside Traders (other charitable or community organisations) - per month after the first month	• 53
	Circuses (with menagerie)	• 517
	Duplicate Licence	• 70
Noise Complaints & Seizure of Equipment	Minimum fee	• 159
	Seized equipment administration and storage fee	• 159
	Seized equipment administration and storage - disposal Fee	• 126
Call out to deactivate building security alarm system that is causing excessive noise	Attendance plus any other fees	• 175
Other fees	Street trading approval per year	• 159
	Street dining approval per year	• 159
	Single Sandwich Board approval per year	• 88
	Application for dispensation from sandwich board, street trading & street trading requirements	• 488

Rodney District Council

Type	Description	Fee from 1 July 2013 (incl. GST) \$	
Food stalls	Annual fee	• 267	
	one day up to and including 5 days fee	• 147	
Camping grounds	Camping ground	• 267	
	Remote camp site	• 147	
Offensive trades	Offensive Trade licences	• 267	
Transfer of certificates	Noting or transfer of registration certificate	• 147	
Health (burial)	Registration of funeral director	• 267	
Bylaw administration	(i) Any certificate, authority, approval, permit, licence, consent from or inspection by the Council, not specifically covered by a fee under any chapter of the bylaw or any other enactment	• 120	
	(ii) Charge for searching for documents, copying certificates, consents or other authorising documents and registers	• 87	
	(iii) Where the application for a licence is for a period of less than 12 months the fee payable shall be reduced by 1/12 [one twelfth] for every complete month by which the term of the licence is less than one year, but so as not in any case less than:	• 104	
Occupation fee: business occupying public footpath	Display of goods (per m ² per annum) – applies where an applicant wishes to occupy the footpath and a 1.5 metre gap cannot be maintained	• 82	
Trading in public places – licence fee	Hawker	• 147	
	Mobile or travelling shop	• 267	
	Commercial open air market (includes single stall)	Annual permit	• 267
		Daily (or part thereof) permit	• 82
Brothels and commercial sex premises – licence fee	Small Owner operated brothel	• 278	
	Brothel	• 408	
Rodney District Council gambling venue application fee	Class 4 venue	• 408	
	Board venue	• 408	
Other fees and charges	Return Fee of Seized Equipment	• 385	
	Processing application for Certificate of Exemption	• 142	
	Licence fee	•	
	(i) Keeping of pigs (over 10 weeks old)	2 and up to 2 adult pigs	• 121
		Over 2 and up to 50 adult pigs	• 142
		Over 50 and up to 100 adult pigs	• 195
		Over 100 adult pigs	• 257
	(ii) Keeping of more than 12 head of poultry	• 121	
	Consent fee	•	
	Assessment fee	•	

Type	Description	Fee from 1 July 2013 (incl. GST) \$	
	(i) Travellers accommodation	5 – 30 persons	• 142
		32 – 50 persons	• 195
		Over 50 persons	• 257
	(ii) Public buildings or places of public resort	A. Theatres and / or cinemas	• 168
		B. Public halls	• 0
		1. Public or commercial	• 168
		2. Non-profit organisations	• 142
		3. Churches or buildings used solely as places of worship	• No fee
		C. Grandstands and stadiums	• 168
		D. Showgrounds	• 168
		E. Circuses per month or part thereof	• 142
		F. Public assembly in the open air or in marquees, tents or other temporary structures:	•
		1. For profit	•
		Up to and including 2,000 persons for each day or part thereof	• 168
		Over 2,000 persons	• \$168 plus \$27 per 1,000 persons
		2. For non profit organisations for each day or part thereof	• 142
3. For public worship	• No fee		

Waitākere City Council

Description	Fee from 1 July 2013 (incl. GST) \$
Offensive Trades	• 267
Funeral Directors	• 309
Camping Grounds	• 330
Application fee for premises subject to the Health Act 1956 registration (excludes food premises)	• 153
Transfer fee for noting change of occupier	• 101
Hawkers Licence	• 41
Mobile Shop Licence	• 138
Inspection fee if food sold – mobile shops	• 156
Inspection fee if food sold – food stalls	• 156
Sale of Liquor Inspections - Inspection made as part of a Food Hygiene	• 75

Description	Fee from 1 July 2013 (incl. GST) \$
inspection (on top of a food hygiene charge)	
Tattoo/Body Piercing Premises	• 342
Pre-application / licence, consent meeting (per hour)	• As per hourly rate
Charge for any re-inspection for any activity not specifically scheduled	• 138
Return of seized property (noise) under section 336 RMA	• 457
Beauty therapy clinic	• 302
Health and fitness centre	• 302
Massage premise or room	• 302
Buskers licence	• 187
Markets licence – excluding any individual vendor stall licences	• 187
Food Stalls Licence	• 138
Outdoor Café areas	• 259

4. Hourly rates

Charges set out in the table below are generally applicable to the entire region. Where a different hourly rate is set for a specific activity identified in the 'Other environmental health and bylaw licensing' section, the rate in that section will apply.

Description *	Specialty	Hourly rate from 1 July 2013 (incl. GST)
Manager/project manager/legal services	All areas	• \$175
Team leader	All areas	• \$160
Specialist/advisor/ senior	Planning, engineering, subdivisions, environmental health, compliance and monitoring, urban designer, arborist, licensing, incident investigators, other	• \$160
Building processing and inspections, compliance, monitoring, environmental health	Building, compliance, monitoring, environmental health, licensing, incident investigators, other	• \$130
Assistant/technician	Assistant planner, graduate development engineer, graduate resource consent planner, planning technician	• \$125
Administration	All areas	• \$97

* The categories denote descriptions of work performed by council officers. Position titles vary across the Auckland Council regulatory departments.

Animal management fees and charges for 2013/2014

Type	Description	Fee from 1 July 2013 (incl. GST)
Dog registration - if paid on or before 1 August of the registration year (conditions apply)	Standard fee ⁽¹⁾	\$121
	Responsible Dog Owner Licence (RDOL) with de-sexed dog ⁽²⁾	\$55
	Responsible Dog Owner Licence (RDOL) with entire dog	\$62
	De-sexed dog (no Responsible Dog Owner Licence) ⁽³⁾	\$87
	Supergold Community Services Combo Card holder ⁽⁴⁾	\$55
	Special category dog ⁽⁵⁾	\$0
	Working farm dog ⁽⁶⁾	\$27
	Classified dangerous dog	150% of applicable fee
Dog registration - if paid after 1 August of the registration year	Standard fee ⁽¹⁾	\$148
	Responsible Dog Owner Licence (RDOL) with de-sexed dog	\$114 ⁽⁷⁾
	Responsible Dog Owner Licence (RDOL) with entire dog	\$148 ⁽⁷⁾
	De-sexed dog (no Responsible Dog Owner Licence (RDOL)) ⁽³⁾	\$114
	Supergold Community Services Combo Card holder ⁽⁴⁾	\$62
	Special category dog ⁽⁵⁾	\$0
	Working farm dog ⁽⁶⁾	\$30
	Classified dangerous dog	150% of applicable fee
Licence application	Responsible Dog Owner Licence application fee	\$0
Other animal management	Multiple dog permit application fee	\$37
	Replacement registration tag	\$7
	Dog impoundment fee first offence	\$70
	Dog impoundment fee second offence	\$130
	Dog impoundment fee third and subsequent offence	\$200
	Daily sustenance for impounded dog	\$18
	Large animal impoundment fee	\$27
	Large animal daily sustenance (excluding first day)	\$16
	Small animal impoundment fee	\$16
	Small animal daily sustenance (excluding first day)	\$11
	Vet care, microchipping, de-sexing, adoption, handover of ownership of dog	Contact the council
	Stock driving fee per kilometre	Actual cost

Notes to previous table:

1. Dogs less than three months of age and imported dogs registered for the first time on or after 2 August pay a portion of the annual fee based on the number of complete months remaining in the registration year. All other dogs registered for the first time on or after 2 August pay the fee listed under 'If paid after 1 August'.

2. To qualify, you must hold a current Responsible Dog Owner Licence prior to making your application and supplied the council a valid veterinary certificate as proof your dog has been de-sexed prior to, or with your application. You only need to send the certificate once.
3. To qualify, you must supply the council with a valid veterinary certificate as proof your dog has been de-sexed prior to or with your application. You only need to send the certificate once.
4. To qualify, you must present your current Supergold Community Services (CSC) Combo Card to the council. You need only present the card once.
5. The term 'special category dog' applies to dogs used for or by disability assist, Police, Department of State, Aviation Security Service, Civil Defence, or Biosecurity Act 1993 as defined in section 2 of the Dog Control Act 1996 under the term Working Dog. It does not apply to dogs used for herding or driving stock or by security guards.
6. To qualify, the owner must sign a declaration and if requested demonstrate the dog's ability to herd or drive stock to the satisfaction of council officer.
7. RDOL discount is only applicable to RDOL holders and RDOL status will be revoked for non payment by due date (1 August). The fee category applicable then would revert to the underlying re-registration category. To qualify for the de-sexed dog discount, you must supply the council with a valid veterinary certificate as proof your dog has been de-sexed prior to or with your application. You only need to send the certificate once.

Annual Plan 2013/2014 - Mayoral Proposal

File No.: CP2013/09478

Report will circulated under separate cover.

Attachments

There are no attachments for this report.

Signatories

Authors	Steven Ross - Senior Local Board Advisor
Authorisers	Andrew McKenzie - Chief Finance Officer

Annual Plan 2013/2014 - Budget update

File No.: CP2013/07477

Purpose

1. This report provides an analysis of public feedback on the proposed rates increase and budget changes in the Draft Annual Plan 2013/2014, updates council on the current budget position and presents requests for further budget changes for council to consider when agreeing the final budgets for 2013/2014.
2. As it is the mayor's role to lead the budget process, officers have not made any recommendations on budget changes in this report.

Executive Summary

3. The Auckland Council Long-term Plan 2012-2022 (LTP) adopted in June 2012 set the original budgets and priorities for 2013/2014. These budgets included additional savings targets of \$53.7 million for the council parent and \$15 million for the Council Controlled Organisations (CCOs), over and above the \$81 million per annum of efficiency targets previously identified via the Annual Plan 2011/2012.
4. The draft annual plan budgets represented year two of the LTP budgets with some minor reductions in cost and some additional funding in a few areas that were considered to have a shortfall. Some key examples of proposed additional funding included \$388,000 per annum for maintenance and restoration of volcanic cones and \$307,000 per annum to fund events and grants to community organisations. The proposed cost reductions included \$3 million from the removal of berm mowing services in the former Auckland City Council area and \$205,000 from ceasing free music downloads at libraries.
5. After taking into account these budget changes, the proposed average rates increase in the draft plan was 2.9 per cent, well below the 4.8 projection and the 4.9 per cent limit included in the LTP.
6. While the draft plan projects net group borrowings to increase from \$5.7 billion to \$6.7 billion in 2013/2014, this is in the context of total assets for the group increasing from \$37.5 billion to \$39.1 billion over the same period.
7. Public submissions generally supported lower rates increases and more conservative debt levels. Some of the proposed budget adjustments were supported by a majority of submitters, while other proposed adjustments were opposed by a majority of submitters.
8. Since the draft annual plan was adopted, officers have reviewed and updated group budgets to better reflect the true cost of delivering the activities included in the draft plan. This work has identified \$7.8 million of capacity to reduce rates or fund new requests, and resulted in a slightly lower closing debt projection for 2013/2014 of \$6.6 billion. This capacity is the result of interest savings (\$3.8 million), increased dividends from the port and airport (\$3.2 million) and additional efficiency savings that council officers have identifying over and above the significant savings targets included in the LTP (\$800,000).
9. These changes aside, the proposed increases in rates and debt are necessary to fund the level of expenditure that the council has decided to include in its annual plan budgets. To further reduce these impacts in the final plan, council would need to reduce activities and services from the draft plan, or decide to fund these activities from other sources such as user fees and charges.

10. A range of new requests for budget changes that will require additional rates funding in the final annual plan have been put forward including:
 - investment proposals from the organisation and CCOs
 - investment proposals prepared in response to local board advocacy issues
 - budget requests from public submissions
 - feedback from the Independent Maori Statutory Board
 - budget changes proposed by councillors.
11. If council agree to budget requests with a total rates impact of more than \$7.8 million in 2013/2014, then the final rates increase will be higher than the 2.9 per cent proposed increase. Conversely, if the council agrees to less than \$7.8 million of budget requests then the final rates increase requirement may be lower.
12. For some of these budget requests, such as those relating to liquor licensing and bylaw implementation, the council may have few choices other than agreeing to at least partially fund the request.
13. One of the budget requests relates to the Auckland Harbour Bridge Pathway project. If the council agrees to support this project then council will also need to make some further decisions on the next steps for this project.
14. The mayor is preparing a proposal for the final annual plan based on the information in this report and its attachments and this report will be provided under separate cover.

Recommendations

That the Strategy and Finance Committee:

- a) note the public feedback on the proposed budget changes and the proposed 2.9 per cent average rates increase included in the draft annual plan.
- b) note that the budgets for the council group have been refreshed and that \$7.8 million of capacity has been identified to reduce rates or fund new budget requests for 2013/2014.
- c) note the additional budget requests received from the public via the annual plan consultation process.

Discussion

Background

15. The LTP was adopted in June 2012 setting out the activities the council planned to deliver over this period, the 10-year budgets for delivering these activities and the financial strategy and policies that would enable this.
16. The long-term plan included the following savings targets for 2013/2014 over and above the \$81 million per annum of efficiency targets previously identified via the Annual Plan 2011/2012:

2013/2014 \$ million inflated	Savings Target	Gross operating expenditure	Savings target as percentage of gross opex
Auckland Council Parent	53.7	1,333	4.0%
CCOs	15.0	1,875	0.8%
Total Group	68.7	3,208	2.1%

17. The LTP savings targets for the council parent were all efficiency targets; delivering the same activities and service levels for less cost. The CCO savings targets were assumed to be at least two thirds efficiency savings with up to one third being savings from reprioritisation.
18. The draft annual plan budgets represented year two of the LTP with some minor reductions in cost and some additional funding in a few areas that were considered to have a shortfall.
19. While many of the cost savings identified for the draft plan did not have any impact on frontline customer services, there were two areas that would impact on some members of the community and on which public feedback was sought:
 - o mowing of berms in the former Auckland City Council area – most of the former councils did not provide a berm mowing service but the former Auckland City did. This means that, currently, there are different levels of service across Auckland. The council proposed removing the service from central Auckland, which would save all ratepayers \$3 million. To extend the service to all of Auckland would cost approximately \$12-15 million
 - o free music downloads at libraries – currently library users can download three free pieces of music per week. This costs all ratepayers \$205,000 per annum. The council proposed to cease this service.
20. Some of the key areas for which additional funding was proposed in the draft annual plan included:
 - o increased provision for maintenance and restoration of volcanic cones of \$388,000 per annum
 - o increased resourcing for co-ordinating parks volunteers across Auckland of \$154,000 per annum
 - o capital expenditure for a café in the Arataki visitor centre of \$56,000 which will make a small profit contribution
 - o an additional \$307,000 to support events and grants to community organisations
 - o funding of \$123,000 was provided to support events to commemorate the World War 1 centennial and \$89,000 to accelerate refurbishments of cenotaphs, war graves and public war memorials
 - o additional funding of \$753,000 to ensure that the council has as much early input as possible from Aucklanders on the development of the Unitary Plan which will guide the future growth of Auckland. This was partly offset by a reduction in local planning budgets of \$439,000.
 - o the council also proposed adding \$102,000 per annum for overseas trade missions which have been extremely successful in creating new opportunities for Auckland based businesses.
21. After taking into account these budget changes, the proposed average rates increase in the draft plan was 2.9 per cent, well below the 4.8 projection and the 4.9 per cent limit included in the LTP.
22. While the draft plan projects net group borrowings to increase from \$5.7 billion to \$6.7 billion in 2013/2014, this is in the context of total assets for the group increasing from \$37.5 billion to \$39.1 billion over the same period.

Public submissions

23. Analysis of responses to submission questions relating to budgets identified the following key themes:
1. Reduction in services – 77 per cent of 1374 respondents to a general feedback question on reducing services such as berm mowing and Freegal agreed with the proposal. However, 68 per cent of respondents to a question of the specific proposal to remove berm mowing services disagreed.
 2. Proposed rates increases – 62 per cent of 1954 respondents to a feedback question on rates increases agreed with the proposed reduction from 4.8 per cent to 2.9 per cent. 17 per cent disagreed, stating that savings from merging the former councils should translate into either no increase or an increase closer to the rate of CPI inflation.
 3. Parks and open spaces – 72 per cent of 1619 respondents to a feedback question on budgets for parks and open spaces agreed with the provision of additional funding. However, support for the specific proposal for additional funding for volcanic cones was split almost 50:50 and 76 per cent of respondents disagreed with the proposed funding for a café in the Arataki visitors centre, generally stating that such an investment should be made by the private sector rather than directly by council.
 4. Community and events – 63 per cent of 1521 respondents to a feedback question on budgets for community and events agreed with the provision of additional funding. However, support for the specific proposals was mixed with 64 per cent of respondents agreeing with the funding proposal for Word War 1 commemorations and 65 per cent of respondents disagreeing with the proposed additional funding for community events.
 5. Planning and economic development – 47 per cent of 1345 respondents to a feedback question on budgets for planning and economic development agreed with the provision of additional funding, while 50 per cent disagreed. However, 71 per cent of respondents disagreed with the specific proposal to provide additional funding for trade missions.
24. Council also received 178 submissions on expenditure matters outside of the submission questions. Most submitters in this area supported a reduction in expenditure and/or reducing borrowings. Many comments related to council spending within its means, cutting back on the big projects and focussing on core services.
25. A detailed analysis of the responses to these submission questions is included as Attachment A.
26. In addition to the public submissions, the Local Boards provided formal feedback on the draft annual plan after hearing public submissions from their communities. This feedback is summarised in the Local Board Views section of this report.
27. Analysis of public submissions on the Vodafone (TelstraClear Pacific) Event Centre proposal, proposed fee changes and rating policy are included in other reports on this agenda.

Budget refresh

28. As reported to this committee on 4 April 2013, group budgets have been refreshed to better reflect the true cost of delivering the activities approved in the draft annual plan. This included better cost information from contracts, better historical data and bottom-up staff cost planning.
29. Budgets were also updated to reflect capital expenditure timing changes, staff re-organisations and the identification of efficiency savings at a more detailed budget level.
30. The identification of efficiency savings has been undertaken across both local and regional budgets. In some cases, specific budget lines within local board budgets have been reduced on the basis that the organisation will undertake to still deliver all of the planned activities and service levels, but at a lower cost.

31. A limited amount of capacity was been identified to reduce rates or to fund new requests while maintaining the proposed 2.9 per cent rates increase. This capacity amounts to approximately \$7.8 million or 0.6% of the general rates requirement and is the result of:
- interest savings of \$3.8 million from a review of the deliverability of capital projects
 - a \$3.2 million increase in projected dividends from Auckland International Airport Limited and Ports of Auckland Limited
 - additional efficiency savings of \$800,000 identified over and above the significant savings targets included in the LTP budgets.
32. After completing our budget update, closing group debt is forecast to be approximately \$110 million lower than projected in the draft plan. This is primarily the net result of:
- capital expenditure deferrals in the parent, Watercare and Auckland Transport (primarily for the City Rail Link project) totalling approximately \$230 million
 - a \$90 million reduction in development contribution revenue projections in total across 2012/2013 and 2013/2014. While the long-term growth assumptions remain unchanged from the long-term plan, revenue is forecast to be lower due to issues around payment timing, the short-term impact of legacy policies and the short-term growth outlook.
33. The following table summarises the rates and debt position following the budget refresh:

	Average general rates increase	Closing debt
Year ended 30 June	2013/14	2013/14
Policy limit	4.9%	\$10.5b
Draft plan	2.9%	\$6.7b
Current position	2.3%	\$6.6b

Key assumptions

34. Officers made the following two key assumptions in completing the budget refresh:
- a) no change in Auckland Transport depreciation
- Auckland Transport has provided a revised depreciation forecast for 2013/2014 that is \$3.2 million higher than the forecast in the draft annual plan. However, this is primarily the result of the additional capital expenditure that they are proposing for their integrated ticketing project. For this reason, this increase has been excluded from the budget refresh and instead incorporated into the investment proposal for that project.
- b) achievement of asset sales targets
- The long-term plan budgeted for \$468 million of asset sales over ten years which were fully reflected in the 10-year rates and debt projections. The above debt projections assume that the budgeted asset sales of \$138 million will actually be achieved by June 2014 and that the proceeds will be used to repay debt rather than fund additional unbudgeted expenditure.

Investment proposals

35. As part of our budget review process, a relatively small number of other budget changes have been put forward by council officers or CCOs that require additional funding. These have been excluded from our budget update and have instead been put forward by way of investment proposal.
36. A full list of investment proposals is included as Attachment B while the investment proposals themselves are included as Attachment C.

37. The investment proposal for the Auckland Harbour Bridge Project is further supported by a supplementary report included as Attachment D. If the council agrees to support this project then council will also need to make some further decisions on the next steps for this project. This includes deciding which of the following options should be the basis for further investigations and discussions:
- Option 1 - traditional procurement
 - Option 2 - full Public Private Partnership
 - Option 3 - a negotiated privately financed approach.
38. Council officers have undertaken high-level peer reviews for the following two investment proposals which are included as Attachment E:
- a) Integrated Bylaw Review Implementation
 - b) Liquor Licensing

Budget submissions

39. A number of public submissions on the draft annual plan specifically requested that the council consider including additional expenditure budget in its final plan.
40. A full list of budget submissions received via the annual plan submission process is included as Attachment F.

Other budget requests

41. Following a review of progress on the six priority areas for enhancing contribution to Maori Outcomes identified in the draft annual plan, the Independent Maori Statutory Board (IMSB) has recommended that an additional \$70,000 be allocated to ATEED in 2013/2014 to ensure there is adequate funding to progress feasibility work on a Maori signature event to be held within the next three years. Further details of this review and budget request are included in the Maori Impact Statement below.
42. Further adjustments to the final annual plan budgets may also be required in relation to:
- decisions on rates remission and postponement policies
 - decisions on fee changes (e.g. dog fees and food premise licensing fees)
 - any additional budget changes proposed by the mayor or councillors.

Consideration

Local Board Views

43. Three local boards have resolved that they do not support the proposal to stop mowing berms in the former Auckland City Council area and recommended that the service should continue at the current level. These local boards noted that their position on this issue is driven by the high number of public submissions that opposed the service reduction.
44. Two local boards have resolved that they do not support the proposal to cut the free digital music download service (Freegal) stated that it:
- is a service that is well-used by youth that draws them into using other library services
 - ensures access for a wide-range of users within the community
 - appears to be an unjustified cut in council services.
45. One local board supported the proposal to cut the Freegal service, but did not give a specific reason for its support.

46. Four local boards provided formal feedback on the proposed changes to parks and opens spaces budgets which highlighted that:
 - three local boards supported the proposal for increased funding for the management of volcanic cones. In particular, each of the local boards had a focus on the protection of volcanic cones, and advocating for an increased level of service for volcanic cones in their area
 - one local board did not support additional funds being spent on the restoration and maintenance of volcanic cones, however no specific reason was provided
 - funding towards the Arataki Visitor Centre was not supported by the four local boards
 - the \$154,000 increase in funding for parks volunteer programme is supported, with the local boards stating that this contribution recognises the significant outcomes that these volunteers provide for their communities. In addition, one local board suggested expanding volunteer support services provided to local parks.
47. The majority of local boards that provided feedback on the proposal to provide \$307,000 for regional events that are not within ATEED's remit supported this proposal. Other comments for this topic included that council should also explore third party sponsorship opportunities, and ensure there is local board input in the design of regional events.
48. Two local boards resolved to support the proposed increase in funding for the Unitary Plan.
49. One local board resolved not to support this proposal, stating that the Unitary Plan's implementation should be put on hold while consideration is given to the significant concern being raised around the region by residents.
50. No local boards supported the proposal to increase funding for trade missions. Two local boards noted that:
 - Aucklanders seem unconvinced on the value of council going on trade missions
 - trade missions are considered a central government responsibility, and hence opposes the proposal to allocate additional budget.
51. One local board opposed the projected average rates increase of 2.9 percent. The local board saw this as misleading, stating that this does not reflect that a significant majority of ratepayers in a particular local board area that has experienced cumulative rate increases.
52. One local board resolved that it does not support that non-income generating assets be used to justify growth of debt.

Maori Impact Statement

53. The IMSB supports budget provision being made by council departments and CCOs leading the six priority areas in the Draft Annual Plan 2013/2014, to enhance their contributions to Maori Outcomes. The IMSB considers that overall, progress made by Council to scope and reallocate resources to these priority areas has been variable both in responding to the Strategy and Finance Committee resolution and as part of the budget refresh process.
54. Therefore the Board recommends that additional resources to be provided to ATEED to progress feasibility work on a Maori signature event to be held within the next three years. The Board recommends an additional \$70,000 be allocated to ATEED in the Annual Plan 2013/2014 to ensure there is adequate funding for this work. The Board is aware that the Tamaki Transformation Project and the Southern Initiative are at an early stage in their planning, and therefore specific project based contributions to Maori Outcomes have yet to be identified and budgeted for in the annual plan. There has been no specific response on the Unitary Plan funding. The Board seeks that a progress report on all the six priority areas of contribution to Maori Outcomes be brought to the Committee prior to the commencement of the Annual Plan 2014/2015 process later this year.

General

55. Some of the budget decisions in this report may be significant under the council's significance policy. Officers consider that any such decisions would be within the scope of the consultation on the draft annual plan and that this decision-making would comply with the relevant provisions of the Local Government Act 2002.

Implementation Issues

56. Decisions will need to be made on the annual plan budgets on or about 9 May 2013 in order for officers to prepare financial statements, co-ordinate the sign-off of the 21 local board agreements and prepare the annual plan document for final adoption by the statutory deadline.

Attachments

No.	Title	Page
A	Analysis of submissions	89
B	List of Investment Proposals	95
C	Investment Proposals	105
D	Auckland Harbour Bridge Pathway Project	173
E	Peer review of Investment Proposals	227
F	Budget submissions	231

Signatories

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Analysis of public submissions on annual plan budgets

1. Reduction in services

We sought feedback from the community on cost savings identified for the Draft Annual Plan 2013/2014. Specifically, two areas that would impact on some members of the community were removing the berm mowing service from central Auckland to save all ratepayers \$3 million per annum and ceasing free music downloads at libraries which costs all ratepayers \$205,000 per annum.

Responses to Question 1: Do you agree or disagree with the proposals to reduce some of our services?

Consultation topic	Agree	Partial	Disagree	Total
Reduction in Services	1061 (77%)	68 (5%)	245 (18%)	1374
Remove berm mowing	126 (26%)	33 (7%)	331 (68%)	490
Remove music downloads	203 (74%)	4 (1%)	67 (24%)	274

1374 respondents directly answered the question of whether they agreed or disagreed with the proposal to reduce some services. 1061 (77%) of these respondents agreed with the reductions to services proposed.

490 respondents provided specific feedback regarding whether council should remove berm mowing in central Auckland. 331 (68%) of these respondents disagreed with the proposed reduction. Many stated that berms are council property and therefore council should be responsible for mowing the berms.

274 respondents provided specific feedback about free music downloads in libraries. 203 (74%) of these respondents agreed with removing free music downloads.

2. Rates in 2013/14

We sought feedback on the proposed average rates increase for 2013/2014 of 2.9 per cent, which was considerably lower than the 4.8 per cent projected for 2013/2014 in the LTP 2012-2022. We emphasised that this was achieved by refining budgets and looking for savings that did not compromise the strategic intent of the LTP 2012-2022 and resulted in only minor reductions to some service levels.

Responses to Question 2: The proposed changes have reduced the projected average rates increase from 4.8 to 2.9 per cent. Do you agree or disagree with this level of change?

Consultation topic	Agree	Partial	Disagree	Other	Total
Average rates increase change	1208 (62%)	110 (6%)	337 (17%)	299 (15%)	1954

We received 1954 responses concerning projected average rates increases reducing from 4.8 percent to 2.9 percent. Of these 1208 (62%) respondents agreed with the reduction. 337 (17%) disagreed with the reduction citing that savings from merging the legacy councils should translate to no or even lower rates increases closer to the actual rate of inflation.

3. Parks and Open Spaces

We sought feedback on some proposals that affect parks including:

- increased provision for maintenance and restoration of volcanic cones of \$388,000 per annum
- increased resourcing for co-ordinating parks volunteers across Auckland of \$154,000 per annum
- capital expenditure for a café in the Arataki visitor centre of \$56,000 which will make a small profit contribution.

Responses to Question 4: Do you agree or disagree with these proposals for additional funding?

Consultation topic	Agree	Partial	Disagree	Total
Additional funding	1169 (72%)	101 (6%)	349 (22%)	1619
Volcanic cone funding	50 (48%)	3(2%)	52(50%)	105
Park volunteer funding	54 (69%)	5 (6%)	19 (24%)	78
Arataki Café investment	31 (18%)	11 (6%)	134 (76%)	176

1619 respondents directly answered the question of whether they agreed or disagreed with the proposal. 1169 (72%) of these respondents agreed with increasing funding.

105 respondents provided specific feedback regarding whether Council should increase provision for maintenance and restoration of volcanic cones. 52 (50%) of the respondents disagreed, 50 (48%) agreed and 3 (2%) partially agreed.

78 respondents provided specific feedback regarding whether Council should increase resourcing for co-ordinating parks volunteers across Auckland. 54 (69%) of the respondents agreed with increasing funding.

176 respondents provided specific feedback regarding capital expenditure for a café in the Arataki visitor centre. 134 (76%) of the respondents disagreed with the investment with the general feedback being that such an investment should be made by a private entity and not directly by Council.

4. Community and Events

We sought feedback on proposals for increased funding for community and events including:

- an additional \$307,000 of funding for events and grants to community groups that span more than one local board area
- providing funding of \$123,000 to support events to commemorate the World War 1 centennial and \$89,000 to accelerate refurbishments of cenotaphs, war graves and public war memorials.

Responses to Question 5: Do you agree or disagree with these proposals for additional funding?

Consultation topic	Agree	Partial	Disagree	Total
Additional funding	956 (63%)	65 (4%)	500 (33%)	1521
Community events	47 (26%)	16 (9%)	116 (65%)	179
WWI commemorations	96 (64%)	7(5%)	48 (32%)	151

1521 respondents directly answered the question of whether they agreed or disagreed with the proposals. 956 (63%) of these 1521 respondents agreed with increasing funding.

179 respondents provided specific feedback regarding whether council should increase funding for events and grants to community groups that span more than one local board area. 116 (65%) of the submitters disagreed with increasing funding citing local communities should fund such events, participation is not high for such events and there are already enough such events as reasons for not supporting the specific proposal.

151 respondents provided specific feedback regarding whether council should increase funding for the World War 1 one hundred year commemorations. 96 (64%) of the submitters agreed with increasing funding for these historic commemorations.

5. Planning and Economic Development

We sought feedback on proposals for increased funding for planning and economic development including:

- adding \$753,000 to the Unitary Plan project to make sure that we have as much early input as possible from Aucklanders, partly offset by a reduction in local planning budgets of \$439,000.
- adding \$102,000 per annum to our budget for overseas trade missions which have been extremely successful in creating new opportunities for Auckland based businesses.

Responses to Question 6: Do you agree or disagree with additional budget for the overseas trade mission programme and to develop the Unitary Plan?

Consultation topic	Agree	Partial	Disagree	Total
Additional funding	636 (47%)	41 (3%)	668 (50%)	1345
Unitary Plan	101 (49%)	16 (8%)	89 (43%)	206
Trade missions	64 (22%)	19 (7%)	205 (71%)	288

1345 of the respondents directly answered the question of whether they agreed or disagreed with the proposals. 668 (50%) of these respondents disagreed with increasing funding, 636 (47%) agreed with increasing funding and 41 (3%) of submitters partially supported it.

206 respondents provided specific feedback regarding whether council should increase funding for Unitary Plan engagement. 101 (49%) of the respondents agreed with increasing funding and 16 (8%) partially agreed with increasing funding.

288 submitters provided specific feedback regarding whether Council should increase funding for overseas trade missions. 205 (71%) of the submitters disagreed with increasing funding citing NZTE/central government as being responsible and that Auckland businesses should be funding such trips rather than local government.

6. Financial Strategy

Officers analysed general comments and responses to other aspects of the draft plan to determine if ratepayers provided any feedback regarding council's financial strategy in general.

We received 178 submission responses relating to the council's financial strategy as follows:

Feedback	Number of submissions
Reduce expenditure	90
Reduce debt	35
Focus on core services	27
More transparency	12
Increase expenditure	10
Rebates	3
Satisfied	1

90 (51%) of these respondents stated that council should focus on reducing expenditure. Examples given included operating expenditure particularly expenditure on staff, events and professional services.

35 (20%) of these respondents wanted council to focus on reducing "escalating debt levels".

27 (15%) of these respondents wanted Council to focus on core services only. The core services identified by submitters were transport, water, rubbish and sewage.

12 (6%) of these respondents wanted to see more transparency in council expenditure particularly in reporting of planned versus actual expenditure.

Summary of investment proposals for the consideration of the Strategy and Finance Committee - 9 May 2013

Group	ID	Title	Short Description	Location	Activity	Entity (department)	CAPEX 13/14	Direct OPEX 13/14	Estimated rates funding requirement 13/14
CCO	AT-APPY14-BR-001	Auckland integrated fares system project	<p>The Auckland Integrated Fares System (AIFS) has two core components – the implementation of a new fare structure for Auckland, and the introduction of a smartcard automated fare collection system. This system will replace existing public transport ticketing systems in Auckland with an integrated and automated fare collection system utilising smartcard technology.</p> <p>The original concept and budget for the project envisaged utilising Snapper for the bus integrated ticketing component of the project. Subsequently it was decided to utilise Thales technology and for Auckland Transport to deliver the bus integrated ticketing component itself.</p>	Regional	Bus	CCO - Auckland Transport	8,172,413	6,481,704	8,982,406
CCO	AT-APPY14-BR-002	Increase in budget for seal extensions	<p>AT has a budget over the LTP period of \$4.6m for seal extensions. NZTA does not fund seal extensions. The average cost for seal extensions is \$400k per kilometre, meaning that only about one kilometre of work can be completed each year. There are 868km kilometres of unsealed roads throughout the region, which are estimated to cost \$360m to seal. AT is working through the seal extension programme based on prioritisation, which takes into account usage of the road and maintenance costs.</p>	Regional	Roads	CCO - Auckland Transport	3,600,000	-	94,721
CCO	ATEED-APPY14-BR-001	Minor capex purchases	<p>During the year ATEED needs to make minor CAPEX purchases for office and business needs. In the LTP they don't have any approved CAPEX budget. A provision of \$75,000 in each year of the LTP would sufficiently cover for these business as usual requirements.</p>	Regional	Financial services	CCO - Auckland Tourism, Events and Economic Development	75,000	-	3,122
CCO	ATEED-APPY14-BR-002	Relocation of Devonport and Princes Wharf i-SITE Visitor Information Centres	<p>Princess Wharf i-SITE needs to relocate closer to the new cruise terminal at Queens Wharf to capture the opportunity of the growing cruise ship industry, achieve revenue growth through servicing a wider customer base and provide a better service as a gateway to Auckland. Devonport i-SITE is currently situated in a council building rent free has been asked by Council to relocate due to a Devonport library upgrade. As part of the relocations, this proposal includes activity to develop a new model for distributing visitor information services that enhances customer experience, revenue opportunities and cost efficiency and a Project Manager to support the change.</p>	Regional	Tourism and visitor centres	CCO - Auckland Tourism, Events and Economic Development	200,000	145,000	151,475
CCO	ATEED-APPY14-BR-003	Wynyard Quarter Innovation Precinct	<p>ATEED, in partnership with WA, are developing an innovation precinct in Wynyard Quarter to increase innovation and generate better economic outcomes. A high level business case and funding for the precinct was approved in the LTP with \$15m allocated over 10yrs for precinct operations. It's proposed that operations activity is accelerated and current placeholder funding is brought forward 2yrs bringing 2 future years in to the current LTP. Corresponding benefits of the precinct will be realised 2yrs earlier. Numbers provided are placeholders based on best information available. A finalised business case will be produced and submitted to ATEED board for approval prior to submission to Council.</p>	Waitemata	Business attraction and development	CCO - Auckland Tourism, Events and Economic Development	-	554,106	554,106
CCO	WA-APPY14-BR-001	Z-Pier Redamation	<p>Waterfront Auckland seeks \$1.9 million of public funding to reclaim the south western corner of Z Pier and facilitate water quality improvement in St Mary's Bay through extend stormwater outlets into the middle of the bay via an interceptor. The reclaimed area would be tailored for public use and would become a staging point for the Westhaven Promenade.</p> <p>Z-Pier is the landing point into Westhaven from the city and a popular visitor destination. The expanded area will become a hub for non-motorised marine activities such as dragon boats, waka ama, sailing schools and water safety initiatives.</p>	Regional	Waterfront public initiatives	CCO - Waterfront Auckland	193,797	-	4,481

Summary of investment proposals for the consideration of the Strategy and Finance Committee - 9 May 2013

Group	ID	Title	Short Description	Location	Activity	Entity (department)	CAPEX 13/14	Direct OPEX 13/14	Estimated rates funding requirement 13/14
Committee resolution	PSR-APFY14-BR-005	Swimming Pools - Free Access for Disabled	Auckland Council has adopted a region-wide swimming pool pricing policy to provide "universal free access for children 16 years and under at council-owned aquatic facilities" with implementation scheduled for 2 April 2013. On 13 March 2013, Strategy and Finance Committee resolved "to forward the Swimming Pool Pricing Policy – Options for Disability Access to the Strategy and Finance Committee Annual Plan meeting for consideration as part of 2013/14 Annual Plan deliberations to amend the swimming pool pricing policy to make disabled users and their caregivers free at an estimated cost of \$1 million per annum." (Resolution Number SF/2013/16)	Regional	Local recreation initiatives and facilities	AC - Parks, Sports and Recreation	-	1,000,000	1,000,000
Committee resolution	PSR-APFY14-BR-006	Open space acquisition (growth related budget change)	To provide additional budget to help meet the anticipated demands for new open space acquisitions over and above existing acquisition commitments through bringing forward \$14.35 million of contribution funded open space acquisition budget from the 17/18 to 21/22 financial years year and providing \$5.6 million and \$8.75 million in the 13/14 and 14/15 financial years respectively. (S&F 7 Feb 2012 resolution)	Regional	Regional parks	AC - Parks, Sports and Recreation	5,600,000	112,000	112,000
Committee resolution	PSR-APFY14-BR-007	Open space acquisition (non-growth related budget change)	To provide additional budget to help meet the anticipated demands for new open space acquisitions over and above existing acquisition commitments through bringing forward \$5 million of rates funded regional park acquisition budget from the 16/17 year and providing \$2.5 million in each of the 13/14 and 14/15 financial years (S&F 7 Feb 2012 resolution)	Regional	Regional parks	AC - Parks, Sports and Recreation	2,500,000	50,000	107,800
Council department	CDAC-APFY14-BR-001	Auckland Communities Foundation	On 15 December 2011, RDOC agreed in principle to enter into a strategic partnership relationship with the Auckland Communities Foundation. RDOC approved a one-off grant of \$250,000 for 2012/13, with further Council funding predicated on the Foundation securing \$1.25 million by June 2013. The Foundation advises that it will reach this target. The proposal is that a \$250,000 grant be made to the Auckland Communities Foundation in 2013/2014, with provision for the same amount for the two years following to June 2016, to be approved in principle pending reaching the target and the Council reviewing the Foundation's achievements to date.	Regional	Local community development initiatives	AC - Community Development, Arts and Culture	-	250,000	250,000
Council department	CDAC-APFY14-BR-002	Regional Community Arts Organisations Fund	This IP proposes setting up an Arts & Culture regional fund of \$200,000 p.a. to support arts organisations who require regional funding and for whom there is no existing or alternative support mechanism. When the transition to Auckland Council took place, funding for local arts organisations was transferred to local board budgets. However, no budget was allocated at a regional level to continue funding arts organisations that provide services across Auckland. The operational viability of several organisations is threatened without support by Auckland Council.	Regional	Regional arts and culture initiatives	AC - Community Development, Arts and Culture	-	200,000	200,000
Council department	CDAC-APFY14-BR-008	Regional Communities Fund	On 24 May 2012, RDOC resolved to defer the approval of a Community Funding Policy until FY2013/14 and to roll over the interim funding model, in which Local Boards distribute community funding. This IP seeks the creation of a \$200k Regional Communities Fund in 2013/2014, for applications of a regional nature that support Council's community outcomes. Funding options are: 1) existing CDS budget; 2) new funding; or 3) a percentage of Local Board contestable funds. If approved in principle, a detailed proposal would be workshopped with elected members and brought to RDOC for approval in May 2013.	Regional	Regional community development initiatives	AC - Community Development, Arts and Culture	-	200,000	200,000

Summary of investment proposals for the consideration of the Strategy and Finance Committee - 9 May 2013

Group	ID	Title	Short Description	Location	Activity	Entity (department)	CAPEX 13/14	Direct OPEX 13/14	Estimated rates funding requirement 13/14
Council department	CDAC-APFY14-BR-021	Manurewa community houses	<p>Manurewa Local Board area has few community facilities, relative to the level of provision across urban Auckland.</p> <p>Housing New Zealand has signalled its intention to withdraw two "community houses" from service at the end of 2012/13, further reducing the social infrastructure available for community building in this area.</p> <p>Council has an opportunity to acquire these community houses, through long term lease. The total cost per of acquiring the buildings and making the necessary operational changes required to fully realise the potential benefits to the community is \$244,400 per annum.</p> <p>A cheaper option to acquire the 2 houses at a cost of \$150K was also considered. This however, would not be supported by the local board as it would mean retaining the existing operating arrangements.</p>	Manurewa	Local community facilities	AC - Community Development, Arts and Culture	-	234,400	234,400
Council department	CFO-APFY14-BR-002	Small Water and Wastewater Systems Additional Funding for Compliance Requirements	<p>Additional OPEX funding is required for resource consent compliance to ensure that council is able to operate in accordance with the relevant legislative and regulatory requirements - the Drinking Water Standards for New Zealand 2005 (Rev 2008) and the Health and Drinking Water Amendment Act (2007). These legislative requirements aim to protect public health by improving the quality of drinking-water provided to communities. Testing, monitoring and maintenance is required to meet these standards and supply the reports to Auckland District Health Board. Some aspects have a statutory compliance date of July 2016.</p>	Regional	Management of council property	AC - Property	-	1,000,000	1,000,000
Council department	CFO-APFY14-BR-003	Contribution to Holy Trinity Cathedral capital works	<p>A capital contribution of up to \$3 million is proposed to support the redevelopment of the Holy Trinity Cathedral precinct which includes a hireable new multipurpose arts and cultural venue, the restoration of a historic organ in St Marys church (adjacent), a covered courtyard between the two building with improved access for the disabled, the repair of the Cathedral organ, and associated vehicular access and landscaping. The Cathedral is a significant venue for hosting regional and national events that contribute to the artistic, spiritual and cultural life of Aucklanders, New Zealanders and visitors to Auckland.</p>	Regional	Monitoring of council-controlled organisations	AC - CCO Governance and Monitoring	-	300,000	11,820
Council department	CPO-APFY14-BR-001	Internationalising Auckland: Maximise investment opportunities and leverage connections	<p>Auckland is internationally relevant and must increase GDP through international engagement, trade, and investment attraction. The current Council approach is un-coordinated and major investment opportunities are being lost. An Auckland Inc investment approach is proposed. This requires significant public and private investment, much of which is presently absent. Establishing this will require additional budget of at a minimum \$200k, with options identified up to \$1.4m to attract more significant investment at the scale required to meet our GDP targets. International Relations has a critical role in catalysing investment, but is constrained by existing resources.</p>	Regional	Economic strategy and initiatives	AC - Economic Development	-	200,000	200,000
Council department	CPO-APFY14-BR-002	Auckland Harbour Bridge Pathway	<p>The Auckland Harbour Bridge (AHB) Pathway Trust has developed a design of the AHB Pathway ("SkyPath") to complete the missing link for walking and cycling access across the AHB. The capital and operating costs are proposed to be met by a private sector partner. The Council is asked to consider an underwrite of 75% of the toll revenue.</p>	Regional	Transport strategy	AC - Regional Strategy, Community and Cultural Policy	-	160,000	160,000
Council department	LC-APFY14-BR-003	Implementation of the Bylaw Review Programme - 2013/14-2015/16	<p>This investment proposal seeks funding of \$6.3m to implement Stage 2 (2013/14-2015/16) of the Implementation of the Bylaw Review Programme. The funding will supplement allocated council budgets of \$5.7m and a separate proposal of \$1.0m. Significant changes arising from council's review of the 158 bylaws inherited from the former Auckland councils will include changes to regulatory, information and financial systems. These changes will also involve regional consolidation of processes, documentation and public information.</p> <p>Note: This funding excludes changes related to liquor licensing legislation, and bylaw implementation in FY12/13 which are the subject of separate investment proposals.</p>	Regional	Environmental health and licensing	AC - Licensing and Compliance	1,058,584	2,606,724	2,643,445

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Council department	LC-APFY14-BR-004	Liquor Licensing Readiness (DLC)	This investment proposal seeks funding to implement significant changes to liquor licensing resulting from Alcohol Reform legislation, currently before Parliament. Changes include the introduction of a risk-based licence fee regime and the ability to fully recover the costs of the licensing service. There will be broader criteria for assessment of liquor licence applications and the opportunity for wider community input through local alcohol policies. There will be significant changes to the governance framework with the establishment of new local decision-making bodies (District Licensing Committees (DLCs)). Regulatory and financial systems need to be changed to reflect new requirements.	Regional	Environmental health and licensing	AC - Licensing and Compliance	-	1,485,007	1,485,007
Council department	PSR-APFY14-BR-004	Livestock Purchase - new parks	Capital purchase of livestock to stock new areas at Long Bay Regional Park, Puketutu Island and Te Muri regional parkland.	Regional	Farms	AC - Parks, Sports and Recreation	200,000	(5,700)	(1,076)
LB advocacy	CDAC-APFY14-BR-006	Pah Homestead Functions Facility	The proposal is to fund one-off costs of \$300,000 to build a marquee at the Pah Homestead which will provide a functions facility that is capable of hosting late night events. The aim is create a sustainable revenue stream for the Pah Homestead Centre to enable the arts facility to cover its operational costs and consequently reduce the annual council grant that is allocated to the centre. Having the capability to host late night functions will provide an additional commercial opportunity for the Pah Homestead to generate the high revenue required to cover the ongoing operational costs of the arts centre.	Puketapapa	Local arts and culture facilities	AC - Community Development, Arts and Culture	300,000	(20,000)	(7,511)
LB advocacy	CDAC-APFY14-BR-007	Redevelopment of Pioneer Women's and Ellen Melville Hall	Pioneer Women's offers an ideal location to develop a centre in the CBD that will meet the growing inner city population need for community programmes, information and recreation. It will help create an inner city destination especially if progressed along with the redevelopments of Freyburg Square, High St and O'Connell St.	Waitemata	Local community facilities	AC - Community Development, Arts and Culture	3,177,109	-	102,856
LB advocacy	CDAC-APFY14-BR-009	Warkworth Town Hall Upgrade Option1: Structural, fire and minor works only	The Warkworth Town Hall, a valued community asset used for social, recreational, enterprise, performing arts and entertainment purposes, has been closed to the public since 31 December 2011 as a result of three major deficiencies. These relate to fire hazard, seismic risk and the roof being beyond temporary remedial action. The Hall is registered with the New Zealand Historic Places Trust – Pouhere Taonga (NZHPT) as a Category 1 Historic Place which has special or outstanding historical or cultural heritage significance or value. This upgrade is in accordance with the outcome of community consultation and is a priority for Rodney Local Board advocacy to the governing body on this matter.	Rodney	Local community facilities	AC - Community Development, Arts and Culture	1,367,300	-	12,954
LB advocacy	CDAC-APFY14-BR-010	Warkworth Town Hall Upgrade Option2: Earthquake, fire, H&S issues and additional functionality	The Warkworth Town Hall, a valued community asset used for social, recreational, enterprise, performing arts and entertainment purposes, has been closed to the public since 31 December 2011 as a result of three major deficiencies. These relate to fire hazard, seismic risk and the roof being beyond temporary remedial action. The Hall is registered with the New Zealand Historic Places Trust – Pouhere Taonga (NZHPT) as a Category 1 Historic Place which has special or outstanding historical or cultural heritage significance or value. This upgrade is in accordance with the outcome of community consultation and is a priority for Rodney Local Board advocacy to the governing body on this matter.	Rodney	Local community facilities	AC - Community Development, Arts and Culture	2,200,000	-	20,843
LB advocacy	CDAC-APFY14-BR-012	Avondale Community Centre	Demolition of existing Centre as the facility has significant construction and health and safety issues. Relocation and redevelopment of the Avondale Community Centre to construct a centre that meets the projected growth demands of the Avondale area. A redeveloped centre has the ability to contribute significantly to plans for the future intensification of Avondale and its revitalisation as a town centre. This business proposal also seeks to relocate the Avondale CABX from its current occupancy at the Centre until a new centre is built or until the CABX relocates to an alternative site.	Whau	Local community facilities	AC - Community Development, Arts and Culture	50,000	110,000	110,237

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LB advocacy	CDAC-APFY14-BR-014	Funding to Community Houses in the Kaipatiki Local Board area	This investment proposal is to increase funding to four community houses in the Kaipatiki Local Board area by \$5,000 each to ensure that the current level of service (which is part funded by Council) can continue in the current challenging economic environment. The Community Houses provide core community services across the Local Board area, and are currently funded (uninflated budget for 2013/14) at \$65,111 (combined for Birkdale and Beach Haven Community Houses), \$37,911 (Bayview Community House) and \$34,453 (Highbury Community House). The Board is not able to re-prioritise funding within its budgets to the Community Houses without cutting other core services.	Kaipatiki	Local community development initiatives	AC - Community Development, Arts and Culture	-	20,000	20,000
LB advocacy	CDAC-APFY14-BR-015	Funding to Kaipatiki Community Facilities Trust	This investment proposal is to increase the contract grant (\$106,783 existing agreed Local Board uninflated budget for 2013/14) to the Kaipatiki Community Facilities Trust (the Trust) to ensure that the current service delivery (part funded by Council) can continue in the current challenging economic environment. The Trust makes a significant contribution to the full range of community development activities taking place within the Local Board area. The Local Board's view that community development as a whole is underfunded in its area will be addressed through the review of the Local Boards Funding Policy - this proposal is to address the immediate funding gap.	Kaipatiki	Local community development initiatives	AC - Community Development, Arts and Culture	-	70,000	70,000
LB advocacy	CDAC-APFY14-BR-016	Transfer of part of Norman King Building from commercial to community portfolio	This investment proposal is to fund the transfer of part of the Norman King building from the commercial to the community portfolio. Doing so will ensure the enhanced use of the building by the local community, realising the full potential of the building as a whole. The Local Board is therefore seeking approval to reduce the revenue target for this building by the value of the current commercial arrangement (\$30k per annum - this revenue currently offsets the rate take). The Local Board is also seeking funding for the running of the new part of the facility as part of the community portfolio (\$20k per annum).	Kaipatiki	Local community facilities	AC - Community Development, Arts and Culture	-	50,000	50,000
LB advocacy	CDAC-APFY14-BR-017	NorthArt - additional funding to expand Northcote facility	The Investment Proposal is for annual funding of \$15,000 offset lost revenue from an existing commercial business on the site and facilitate the expansion of NorthArt's Northcote facility.	Kaipatiki	Local arts and culture facilities	AC - Community Development, Arts and Culture	-	15,000	15,000
LB advocacy	CDAC-APFY14-BR-018	NorthArt - funding for a new Birkenhead facility	This Investment Proposal is to fund a contribution to a new arts facility in Birkenhead for the financial year 2013/2014. NorthArt, the local arts provider in the Kaipatiki Local Board area, is proposing to fund the new facility through a combination of Council funding and funding from other sources. This Investment Proposal is proposing a Council contribution of \$27,000 for staffing costs for a single year only.	Kaipatiki	Local arts and culture facilities	AC - Community Development, Arts and Culture	-	27,000	27,000
LB advocacy	CDAC-APFY14-BR-020	Kingi Tāwhiao's Cottage refurbishment and operating expense	This proposal responds to a Mangere Local Board request to address a budget error and provide funds to complete the refurbishment of Kingi Tāwhiao's Cottage to enable the use of the facility. \$165,000 is sought in the 2013/14 financial year to finalise the physical works.	Mangere-Otahuhu	Local community facilities	AC - Community Development, Arts and Culture	165,000	-	5,342
LB advocacy	CDAC-APFY14-BR-022	Meadowbank Community Centre	This proposal is a request from the Orakei Local Board to bring forward the reconstruction of the Meadowbank Community Centre at 29 St Johns Road, Meadowbank, to meet demands for community space earlier than planned. Funds are allocated in the Long Term Plan 2016/2017 (resolution SF/2012/83).	Orakei	Local community facilities	AC - Community Development, Arts and Culture	125,000	-	1,184
LB advocacy	CDAC-APFY14-BR-025	Upgrade to Pump House - Takapuna	The Pumphouse - Takapuna requires replacement of the roof, asbestos sheets removed, and seismic strengthening to support the new roof. Additional budget of \$249,697 is needed to cover the extended scope of both roof replacement & seismic upgrade.	Devonport-Takapuna	Local recreation initiatives and facilities	AC - Community Development, Arts and Culture	249,697	-	8,084
LB advocacy	PSR-APFY14-BR-008	Building a new changing room facility at Michaels Ave Reserve	This proposal seeks \$1.275M for new toilets & changing room facility and reconfigured car parking/pedestrian access. Council is currently implementing works identified in the Michaels Ave Res Landscape Master Plan and which was adopted in 2008 after extensive public consultation. In 2012/13 one and a half artificial fields were installed and in 2013/14 there will be major earthworks on the lower fields followed by the construction of three new sandcarpeted fields with lights. The 2008 Master Plan also identified the need for a new changing room/public toilet in a new location, which will meet the needs of all stakeholders.	Orakei	Local parks	AC - Parks, Sports and Recreation	1,274,625	-	31,829

