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**NOTICE OF MEETING OF THE  
LONG TERM COUNCIL COMMUNITY PLAN  
COMMITTEE**

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I hereby give notice that the Long Term Council Community Plan Committee meeting of the Papakura District Council is to be held on:

**DATE:**            Tuesday                    2<sup>nd</sup> March 2010

**TIME:**            9.30 am

**VENUE:**            Council Chambers  
35 Coles Crescent  
PAPAKURA

T Stratton  
**CHIEF EXECUTIVE OFFICER**

**MEMBERSHIP:**

Chairperson:                    Clr F J Auva'a  
Deputy Chairperson:            Clr P C Goldsmith

Members:                        His Worship the Mayor (C Penrose)  
    Clr C A Conroy  
    Clr B Catchpole  
    Clr P A Jones  
    Clr M P O'Connor  
    Clr K P Piggott  
    Clr O G Pringle  
    William Brown  
    Ann Kendall

*(Quorum 4 members)*

*(The reports and recommendations contained in this Order Paper are not necessarily Council Policy and should not be taken as Council Policy, or opinion)*

## **PAPAKURA DISTRICT COUNCIL**

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## **PAPAKURA DISTRICT COUNCIL**

**AGENDA FOR THE MEETING OF THE LTCCP/ANNUAL PLAN COMMITTEE TO  
BE HELD IN THE COUNCIL CHAMBERS, 35 COLES CRESCENT, PAPAKURA  
ON TUESDAY 2<sup>ND</sup> MARCH 2010 COMMENCING AT 9.30 A.M.**

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**1. APOLOGIES**

**2. CONFIRMATION OF MINUTES**

- (a) That the Minutes of the LTCCP/Annual Plan Committee Meeting held Tuesday 3<sup>rd</sup> November 2009 be confirmed.

**3. LTCCP / ANNUAL PLAN**

**(a) 2010–2011 BUDGET OVERVIEW**

**REPORTING OFFICER:** Theresa Stratton  
Chief Executive

**ATTACHMENT:** Budget Summary  
Draft Budgets

**(Attachment No. 1)**

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**PURPOSE OF THE REPORT**

The purpose of this report is to give the Committee an overview of the proposed budget for the year ending 30 June 2011 and seek its recommendation for Council approval of the budget.

**BACKGROUND**

The 2010/2011 annual planning process has been changed by legislation to recognise the imminent changes to Auckland governance. In a nutshell these changes are:

- Councils must prepare an Annual Plan for the 2010-2011 financial year to cover the period from 1 July 2009 to 31 October 2010.
- So long as this Annual Plan is consistent with year two of the 2009-2019 LTCCP, no consultation is required in relation to this Annual Plan.
- Councils must set rates and other revenue mechanisms for the full twelve month period; these must be sufficient to fund the 4 month period plus the balance of the financial year as if the requirements identified for the 4-month period continued for the balance of the financial year.
- Councils
- must consult with the ATA throughout the preparation of the Annual Plan.

The 2010–2011 Annual Plan is year two of the Long Term Council Community Plan LTCCP. Based on Council’s direction, officers prepared budgets that are largely consistent with year two of the LTCCP. Subject to the budget proposed being adopted by Council and a previous decision of the LTCCP Committee, it is not intended to consult on the annual plan.

**NARRATIVE**

**Budget Overview**

A summary table of the 2010–11 proposed budget is attached to this report. The information compares the proposed budget with the adopted LTCCP and the adopted 2009–10 budget. The movement in net rate requirement is exclusive of all “choice” items.

The proposed budget shows a general rate increase with only the “base” items included of 9.2% after adjusting for growth. The dollar difference for the rate requirement over the current year is \$2,917,000.

Year two of the LTCCP outlines a general rate increase after adjusting for growth of 10.0%. The dollar difference for the rate requirement over the current year is \$3,395,000.

The key elements of this increase and other financial drivers are summarised below.

#### Activity Costs

Increases in net activity costs account for 41% of the increased rate requirement (\$1.2 million). This increase is spread across a number of activities but is mainly attributed to infrastructure and services activities such as parks and reserves, waste collection, roading and stormwater. Council will note that the major increases have already been signalled in year 2 of the adopted LTCCP.

#### Loan Servicing and Depreciation Costs

The remaining 59% of the increase in rates (\$1.7 million) is due to increased costs in loan servicing and depreciation.

The increase in loan servicing is due to the financing attached to the capital works programme. The total proposed budgets for loan servicing costs is \$5.9 million (\$4.6 million in 2009/10). The proposed 2010/11 budget is equivalent to maintaining debt up to a maximum of \$82 million for the year. Current debt at February 2010 is \$49 million.

Loan servicing costs are estimated to increase over the ten year period of the LTCCP as Council continues to spend on infrastructure demanded by a combination of growth and improvements to the current capacity of assets.

Rate funded depreciation costs have increased by \$0.1 million (from \$6.5 million in 2009/10 to \$6.6 million in 2010/11). The level of the increase is slightly lower than the predicted levels due to the reduced requirement resulting from the sale of the Accent Point building.

#### Capital works programme

The overall capital works programme for the 2010-11 year is in line with year 2 of the LTCCP. Some reprioritisation of projects in the Roothing, Stormwater and Parks and Reserves activities resulted in changes to the timing of projects. These are discussed further in separate reports of the agenda. Consistent with the adopted LTCCP, loan funding will be required to fund the capital works programme. This in turn results in escalating costs of loan servicing and depreciation which has a direct impact on the rate requirement. It should be noted that in calculating the depreciation and loan servicing costs for 2010/11 the "moderation" process is applied which takes into account that it is unlikely that the full programme will be delivered and reduces the rate impact of these two items. This process is similar to that applied to the adopted LTCCP.

#### Fees and Charges

A review of fees and charges has been undertaken and proposed increases are in line with year 2 of the LTCCP. Separate reports on Dog fees and Regulatory services fees are provided on this issue. Council will note that there are no proposed changes to the community services fees and charges.

### Roading Budget

A separate report on this agenda covers the review of the roading budget as a result of the changes in NZTA funding priorities. Although in total, the recommended budget has minimal impact on the funding required for 2010/11, it is important to outline the programme changes proposed to achieve this.

### Extra Budget Items for Consideration

The committee is requested to consider an extra \$0.5 million (1.7% of the general rates) for the following activities:

- Extra Events Budget of \$25,000
- Mangrove Removal Programme Acceleration of \$250,000
- Stormwater Open Drain Maintenance of \$170,000
- Hawkins Theatre – Rebranding of \$20,000

These extra items if approved will mean a net general rate increase of 10.9% in total. The stormwater item is discussed in a separate report on this agenda.

### Extra Events Budget: \$25,000

#### *Targa Bambina Rally 2011/12/13*

Council has received a proposal from the Targa Rally organisers in regard to the Targa Bambina event which is held in March of each year. The organisers propose to host the three day event in Papakura and requests sponsorship of \$15,000 per annum from Council. Along with the sponsorship dollars, Council is requested to provide venues for driver's briefing, secure car parking, a venue for an evening function and general assistance with co-ordinating business support. These additional requirements are estimated to cost a further \$1,500.

Council has previously considered requests for sponsorship for Targa Rally events and declined to support the 2010 Targa Bambina event.

#### *Event "rain day" Costs*

Following the cancellation of the 2009 Carols in the Park due to adverse weather, the Mayor asked officers to find out the costs involved in scheduling an alternative date for the event (or a "rain day"). The additional costs are estimated to be \$10,000. Most of these costs relate to re-hiring of event infrastructure (e.g. sound, seating) associated with the event.

An alternative is to take out insurance against the weather affecting the event. The cost of this is \$1,000 and the costs of re-scheduling would be met through the insurance cover.

### Mangrove Removal Programme Acceleration

The Pahurehure Inlet Management Plan includes an ongoing action regarding mangrove removal from the Inlet. The plan anticipates that over a ten year period, mangrove removal will be undertaken on inlets 1 and 2. This plan has received very strong support from the community through various public consultations. The first removal project is in Pahurehure Inlet No 2 and Auckland Regional Council (ARC) has granted consent to remove 27.6 hectares of mangroves. Under the consent conditions, Council can remove up to 9 ha per annum. This equates to a minimum of a 3 year programme of removal.

However, the 2010/11 LTCCP budget for mangrove removal is \$100,000 which is insufficient to remove the maximum allowed per annum of 9 hectares. Quotes received for the trial 3 hectares beginning shortly are \$90,000 for removal and \$90,000 for monitoring and preparation of reports/plans to meet ARC consent conditions. Should the budget remain as per the LTCCP, only 2.2 hectares can be completed per annum, taking the total project timeframe to between 10 and 13 years. This assumes that there will be a reduction in the cost of monitoring and preparation of reports and plans because the baseline monitoring has been completed.

In order to complete 9 hectares per annum, an assumption has been made that each hectare could cost \$30,000 for removal (\$270,000 for 9 hectares) and that there will be efficiencies in monitoring and reports (baseline monitoring complete and ability to monitor greater areas with one site visit) requiring \$80,000. This totals \$350,000 per annum

Council's direction on its preferred removal programme is sought. The options are:

- Accelerating the programme which results in a 3 year timeframe with a budget of \$1.05 million at \$350,000 per annum from 2010/11; or
- Continuing with the current budget allocation which results in a 13 year timeframe with a budget of \$1.3 million at \$100,000 per annum from 2010/11 to 2022/23.

#### Hawkins Theatre – Rebranding

Extra funds of \$20,000 is required as a result of Council's resolution at its February 2010 meeting to undertake rebranding of the Hawkins Theatre.

#### **CONCLUSION**

This report outlines the context and key issues for the 2010-11 Budget. The Committee now needs to consider the material presented and give direction on the composition of the budgets which will be recommended to Council for adoption.

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#### **RECOMMENDATIONS**

1. That the information be received.
2. That the Committee considers the proposed budgets and recommends a final budget to the Council for inclusion in the Final 2010-11 Annual Plan.
3. That the Committee gives direction on the extra events budget of \$25,000 per annum from 2010/11.
4. That the Committee gives direction on the preferred mangrove removal programme.
5. That the Committee recommends that \$20,000 is allocated towards the rebranding of the Hawkins Theatre.

**3. LTCCP / ANNUAL PLAN**

**(b) STORMWATER 2010-11 BUDGET**

**REPORTING OFFICER: Kieren Daji**

**Stormwater Assets Manager**

**ATTACHMENT: Recommended 2010-11 Stormwater Budget**

**(Attachment No. 2)**

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**PURPOSE OF THE REPORT**

The purpose of this report is to provide the Council with an update on the proposed stormwater budget for 2010-11 and recommendations.

**BACKGROUND**

The governance and legislative changes relating to the establishment of the Auckland Council has meant changes in this year's budget-setting process. The changes gave the Council an option to adopt the budget by way of resolution and without the requirement to consult as long as the budget is in line with the adopted LTCCP.

This report details the revised 2010-11 budget requirements for stormwater asset planning, capital projects and maintenance.

**NARRATIVE**

**Operating Expenditure**

Storm Stream and Open Drain Maintenance

The current LTCCP provides an annual budget of \$105,000 for Storm Stream and Open Drain Maintenance. This level of funding provided for reactive maintenance only and over the last few years have not been adequate to complete a full year's programme. As a result, some maintenance issues identified during the latter part of the year have been delayed until budget provision in the following year is available.

Further analysis was undertaken on the lengths of streams and open channels Council is responsible to maintain against expenditure on this maintenance activity over the last two years. The results of the analysis indicated that the budget for this activity falls short of that required to maintain the level of service outlined in the LTCCP, District Plan and Development Code – "to provide protection to habitable floors, people and property up to a 100 year storm".

Continuation of the current practice of reactive maintenance is inefficient and presents a significant risk to Council as well as result in greater expenditure to Council at a later date when unattended maintenance activities become critical during storm events and pose risk to people or property from flooding.

In addition, the possibility of phasing in the increase in budgets is not recommended. It is not feasible to phase in the estimated required expenditure over time as less spending in 2010-11 is likely to put Council at risk for greater expenditure at a later date when flooding hazards are exacerbated over time.

To address this issue and achieve the specified level of service in the LTCCP for stream and open drain maintenance, a \$170,000 increase in budgets is recommended. This will take the total allocation to \$275,000 per annum.

### **Capital Expenditure**

Budgets for the planning or construction of most projects in the 2009-19 LTCCP has been spread over a number of years with some projects spread over 10 years of the LTCCP. The actual delivery of projects generally occurs over two years where the planning and design occurs in the year preceding the year of construction, making the delivery of the existing programme difficult.

A comprehensive prioritisation assessment has been undertaken to determine the priority of stormwater capital works projects.

Based on the prioritisation assessment a revised programme for the 2010-11 year and beyond is proposed. The revised programme is in line with the spend profile contained in the existing 2009-19 LTCCP. The recommended programme for 2010-11 is outlined in Attachment 2 and the 10 year profile (showing the annual net impact on the budget) is summarised in the following table.

<b>Year</b>	<b>LTCCP Budget</b>	<b>Proposed Budget</b>	<b>+/- LTCCP Budget</b>
<b>2010-11</b>	\$6,948,000	\$6,704,000	+\$244,000
<b>2011-12</b>	\$8,194,000	\$7,879,000	+\$315,000
<b>2012-13</b>	\$7,229,100	\$7,289,000	-\$59,900
<b>2013-14</b>	\$6,898,000	\$7,149,000	-\$251,000
<b>2014-15</b>	\$5,903,000	\$5,688,000	+\$215,000
<b>2015-16</b>	\$3,898,000	\$3,873,000	+\$25,000
<b>2016-17</b>	\$4,408,000	\$4,453,000	-\$45,000
<b>2017-18</b>	\$3,385,000	\$3,238,000	+\$147,000
<b>2018-19</b>	\$3,423,000	\$3,473,000	-\$50,000

### **CONCLUSION**

The operational expenditure component for the 2010-11 year of the 2009-19 LTCCP stormwater activity budget falls short of that required to deliver the desired level of service. While the original 2009-19 LTCCP budget was based on the best information available at the time, recent analysis of a more accurate set of data indicates that a budget increase is required to operate and maintain the stormwater system to the level of service required.

The capital expenditure component of the 2009-19 LTCCP stormwater activity budget has been identified as a difficult programme to deliver due to the fact that most projects have expenditure spread over multiple years and in some cases the entire 10 year period. In reality, actual delivery of projects generally occurs over two years where the planning and design occurs in the year preceding the year of construction.

A revised stormwater capital expenditure programme has been formulated which considers project priority, timing and the existing annual spend profile in the LTCCP. An increase in projects budget is proposed while maintaining consistency with the overall budget identified in each year of the 2009-19 LTCCP.

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**RECOMMENDATIONS**

1. That the information be received.
2. That the stormwater budget and programme for 2010-11 is approved and recommended for inclusion in the 2010-11 Annual Plan as attached.

**3. LTCCP / ANNUAL PLAN**

**(c) ROADING 2010/11 BUDGET REVIEW**

**REPORTING OFFICER:** Clem Reeve  
Transportation and Roading Asset Manager

**ATTACHMENT:** Summary of changes  
Detailed breakdown of OPEX changes  
Detailed breakdown of CAPEX changes

**(Attachment No. 3)**

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**PURPOSE OF THE REPORT**

The purpose of this report is to present proposed amendments for the 2010/11 roading budget and to recommend these amendments for adoption.

**BACKGROUND**

The 2009/2019 LTCCP Transportation and Roading Programme was developed using the Labour Party Government's "Government Policy Statement on Land Transport Funding" (GPS 1).

In May 2009 the National Party Government released their "Government Policy Statement on Land Transport Funding" (GPS 2) which had different priorities for allocating funding.

In September 2009 NZTA released the National Land Transport Programme for 2009 to 2012. The main differences between the two policy statements are:

- i) **GPS 1** had a focus on Public Transport, Walking and Cycling, and making best use of existing networks and infrastructure.
- ii) **GPS 2** has a focus on the State Highway network, Roads of National Significance (RONS), freight and tourist routes and significant congestion.

NZTA prioritises projects using assessment profiles made up from 3 separate criteria.

Under GPS 1 these were "Seriousness and Urgency", "Effectiveness" and "Efficiency".

In response to GPS 2 "Seriousness and Urgency" was replaced by "Strategic Fit" which now places more emphasis on projects with greater national priority over projects with only local priority.

The changes to NZTA's project funding priorities has an impact on the funding for Council's Transportation and Roading 2010/11 budgets. In some expenditure areas, the level of NZTA funding has been limited and as a result, Council needs to address the overall impact of the change in funding requirements for the budget.

**NARRATIVE**

The 2010/11 roading budget of the 2009/19 LTCCP has been reviewed to confirm the alignment between the current work delivery programme and the funding available to implement this programme. The review identified the level of change in the total NZTA funding under GPS2 and shows the changes in funding that will be required from Council (local share). Overall, the impact of the proposed budgets on funding resulted in a comparable requirement from Council and the local share does not have a material change. Within the programme however, there are some key changes that are outlined in the following sections.

Year 2 (2010/11) of the adopted LTCCP shows the following budget information:

<b>Table GPS1</b>	<b>Total</b>	<b>NZTA Subsidies</b>	<b>Other Funding</b>
<b>\$000</b>			
Operating Expenditure and Loan Repayments	11,854	1,647	7,810 (Rates) 2,397 (Other)
Capital Expenditure	24,731	10,694	11,109 (Loans) 2,928 (Other)

Based on the revised NZTA funding guidelines and a review of the programme, the proposed 2010/11 budgets are as follows:

<b>Table GPS2</b>	<b>Total</b>	<b>NZTA Subsidies</b>	<b>Other Funding</b>
<b>\$000</b>			
Operating Expenditure and Loan Repayments	11,586	1,379	7,825 (Rates) 2,382 (Other)
Capital Expenditure	19,114	5,079	11,107 (Loans) 2,928 (Other)

Impact on Funding Required for Operations

The proposed operating expenditure budget of \$11.6 million (including loan repayments) is consistent with the adopted LTCCP. The key items of expenditure are:

- loan repayments and depreciation - \$7.0 million
- management and administration - \$0.5 million
- maintenance, network management and forward planning – \$4.1 million
- asset and network management and forward planning - \$0.8 million.

Within the total budget, there are a number of key changes between adopted and proposed identified during the budget review that require Council direction. These are set out below.

A total of \$3.3 million of the operating budget are included in the programmes that are partly funded by NZTA. Of the total programme, under the GPS2, only \$2.6 million of the \$3.3 million budget fit within the new funding cap. Therefore revised budgets show a decrease in NZTA funding for operations from \$1.6 million down to \$1.4 million with the proposed expenditure reduced to achieve a neutral impact on the rates required.

During the review of the roading budget, officers have already proposed some reductions to absorb the changes required to the budget mainly to offset some major increases needed for items such as electricity costs for carriageway lighting.

The following section details the key changes:

Town Centre Cobblestone Cleaning (extra)	\$ 15,125
Carriageway Lighting (extra)	\$100,000
Emergency/Storm Damage Repairs	-\$100,000
Network management and Planning	- \$ 209,418
Maintenance	-\$73,995
<b>TOTAL</b>	<b>- \$ 268,288</b>

1. Cobblestone cleaning non-subsidised.

There have been large increases in the area of cobblestones in the town centre to be cleaned above the previously used baseline. A budget increase of \$30,250 would be required to maintain the existing level of service. However, the amount of this increase can be reduced if the frequency of cleaning is reduced.

It is recommended that the cobblestone cleaning budget for the town centre be increased by \$15,125 (half the amount required to maintain the existing level of service) and the frequency of cleaning also be reduced.

2. Carriageway lighting maintenance.

An expected increase in the cost of electricity for street lighting will result in an increase in the carriageway lighting maintenance account of approximately \$100,000. Note that this amount is already included in the NZTA cap discussed below.

This increase has occurred due to the load in the Counties Power area now being measured with similar accuracy to the adjacent Vector area. Previously, the Counties Power area has been grossly under measured for consumption.

NZTA have made it clear that there will be no opportunity for this increased electricity cost to be co-funded by the Agency. Hence, this amount must be covered totally by local share.

3. Emergency/Storm Damage Repairs.

This is a contingency amount which is all local share and has been removed from the budget to offset increases.

4. Network Management and Planning

The budget has been reduced due to work currently underway and is no longer required at a local level. Examples are Procurement Plan, Road Safety Action Plan, and Valuation Methodology development which will be carried out on a wider basis by the new Council.

5. Maintenance

The maintenance budgets have been reduced in the areas of pavement maintenance, traffic services (signs and line marking), bus shelters and traffic signals to align with NZTA funding levels. This represents 4.4% of the total budget.

Impact on Funding Required for Capital Expenditure

In order to meet Council's expectations for the delivery of the transport and roading capital works projects, a full review of the 2010/11 year from the LTCCP was required due to:

- i) project timing changes (e.g. land purchase for Manuroa grade separation not required in the 2010/11 year; Hingaia Road Stage 3 requiring funding from future years to be brought forward.
- ii) NZTA funding limitations.
- iii) matching capital works project delivery expectations to align with Council's loan provision for the 2010/11 (LTCCP) year and accordingly, NZTA funding limits.

A full list of adjustments is recorded in the attachment.

As indicated above, the transport and roading capital works programme has been revised to deliver on Council's expectations and contain this within previously adopted funding limits. The revised programme and related proposed budget will allow for the following to be built:

- Porchester Road Stage 2. (Walters Road to Airfield Road).
- Hingaia Road Stage 3 and the school access road.
- Railway Street West reconnection, although at a lesser level than presented at the most recent workshop.
- Widening of the Broadway/Clevedon rail over bridge (to accommodate wider lanes; an east to west left turn lane; improved walking facility) and the adjacent 5-way intersection improvements.
- Stage 3 Takanini Gobi blocks replacement.
- Phase 2 footpath renewals (elimination of category 4 & 5 defective footpaths)
- Maintaining implementation of other renewals and surfacing programmes.

The loan provision alignment has been maintained with the 2010/11 LTCCP by eliminating or reducing the following projects:

- Manuroa Road land purchase. This can be accommodated in future budgets in the 2011/12 and 2012/13 years.
- Reduction of the budget by \$400k to \$500k for Takanini School Road Gobi block replacement. The planned work for 2010/11 can be undertaken within the reduced budget.
- Porchester Road corridor improvements (between Manuroa Road and Papakura Stream) are proposed to be moved forward to the 2011/12 year. This will align better with the Takanini 6A/6B development.

It must be noted that the proposed 2010/11 budget for the Railway Street West reconnection is insufficient to build the preferred option as previously indicated to Council. The budget will only allow for a very simple reconnection. The current estimate to build the preferred reconnection option is \$1.95 million which compares with the proposed budget of \$1.37 million. Thus, an additional \$0.58 million is required to complete the current preferred option. This amount will need to be funded wholly from local share.

It should also be noted that two projects of interest, namely the Porchester Road Papakura Stream combined use footbridge and the 5-way (Clevedon, Pricor, Willis, Marne) intersection improvements which have not been completed in the 2009/10 year, will continue, with no budget impact in the 2010/11 year, as carry forward project budgets.

### **CONCLUSION**

Driven by changes in government policy, a review of Council's transport and roading OPEX and CAPEX budgets was required in order to ensure no material change in rate demand requirements. A material increase of an estimated \$100,000 electricity consumption costs has occurred due to a more accurate measurement being introduced for streetlighting energy. To accommodate this, a review of the operating expenditure programme was undertaken.

In order to maintain physical work delivery at intended standards, network management (professional services) has been reduced. Although this will reduce the level of professional (or front end) service, the 2010/11 operating expenditure programme can still be substantially delivered. Minor exceptions of a reduction in physical works level of service are shown in the table provided above.

The review of the capital works programme has resulted in several projects being either deleted, deferred or decreased in cost. The outcome achieved will deliver all pivotal and legacy transport and roading capital projects. However, the preferred construction option for the Railway Street West reconnection can not be achieved within the proposed budget and will require an additional amount of \$580,000 of local funding to complete.

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### **RECOMMENDATIONS**

1. That the information be received.
2. That Council adopts the transport and roading operating expenditure budget of \$11,112,182 (\$11,585,842 including loan repayments) and the capital expenditure budget of \$19,114,390 for the 2010/11 financial year.
3. Council provides the additional budget of \$580,000 for the Railway Street West reconnection to undertake Council's previously endorsed option.

**3. LTCCP / ANNUAL PLAN**

**(d) PROPOSED DOG FEES AND CHARGES  
2010/11**

**REPORTING OFFICER:** **Graeme McCarrison**  
**Director Regulatory Services**

**ATTACHMENT:** **Proposed Schedule of Dog Fees and Charges  
2010/11**

**(Attachment No. 4)**

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**PURPOSE OF THE REPORT**

The purpose of this report is to consider and approve the Annual 2010/11 proposed dog registration fees and other related animal control charges.

**BACKGROUND**

The Council is required to publicly notify the dog control fees fixed for the registration year at least one month preceding the start of every registration year. The registration year commences on 1 July. In order to meet the notification date, Council needs to determine the fees for dog control ahead of fixing the fees and charges related to Council's other services. The fees related to dogs and stock are set under the provisions of the Dog Control Act 1996 and Impounding Act 1955.

Under section 37 of the Dog Control Act 1996 Council is able to prescribe fees for the restriction and management of dogs by resolution. Section 68 of the Act provides for the Council to set fees related to the seizure, sustenance and destruction of dogs. Any fees received under sections 37 or 68 are required to be used for dog management purposes only pursuant to section 9 of the Dog Control Act 1996.

**NARRATIVE**

Under the LTCCP 2009-2019 no change in the level of service for animal control was approved. However, the budget for animal control was proposed to increase by the rate of inflation each year.

Council's contractor has offered to maintain the contract rate at 2008/09 levels and this will be reported to Council in March 2010. This enables Council to maintain the operational costs within budget.

The number of registered dogs is reasonably stable at around 3,850 to 3,900. This is approximately 700 dogs more than were registered in 2007. The amount of registration revenue is decreasing because of the increase in the number of owners obtaining a Dog Owner Licence (DOL) and therefore reduced fees. Currently 57% of dogs are registered by owners holding a DOL. In previous years it was 51%. The amount of revenue from fines and impounding is decreasing as more dog owners ensure their dogs are confined and don't cause problems. The dog fees need to increase to cover the cost of providing the animal control service.

*Agenda  
Long Term Council Community Plan Committee Meeting  
2 March 2010*

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	<b>Actual 2007/08</b>	<b>Actual 2008/09</b>	<b>Budget 2009/10</b>	<b>Proposed 2010/11</b>
<b>Fees</b>	48%	41%	48%	48%
<b>Fines</b>	22%	18%	32%	32%
<b>Rates</b>	30%	41%	20%	20%

The key changes to the fees proposed are:

Standard dog registration	\$98 to \$101
Dog Owner Licence (DOL)	\$54 to \$56
Late fee dog registration	\$145 to \$149
Dangerous dog registration – 150% of Standard fee	\$147 to \$151
Dangerous dog late registration – 150% of Standard late fee	\$217 to \$217
Working dog registration	\$54 to \$56
First impounding	\$60 to \$62
Second impounding	\$120 to \$124

A copy of the complete schedule of fees and charges is attached to this report.

### **CONCLUSION**

The amount of revenue that Council receives via registration and fines is decreasing as dog owners become more responsible and utilise the discounted DOL registration fee. The operational costs are being reasonably contained. It is important to keep the current level of service.

It is recommended that a 3% rate of inflation increase be applied to all the existing dog charges. This increase is in line with the LTCCP 2009-2010 budget for 2010/2011.

Council is not required to consult on the proposed increase. Under the Dog Control Act Council is required to give public notification of fees and charges at least one month preceding the start of the registration year.

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### **RECOMMENDATIONS**

1. That the information be received.
2. That the schedule of animal control fees and charges attached to this report be recommended for approval to Council.

**3. LTCCP / ANNUAL PLAN**

**(e) PROPOSED REGULATORY FEES AND CHARGES 2010/11**

**REPORTING OFFICER:** Graeme McCarrison  
Director Regulatory Services

**ATTACHMENT:** Papakura District Council Schedule of Fees and Charges 2010/11

**(Attachment No. 5)**

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**PURPOSE OF THE REPORT**

The purpose of this report is to seek Council's approval of the proposed Schedule of Fees and Charges for 2010/11.

**BACKGROUND**

Regulatory Services is predominantly funded by the users of these services (the user pays policy). The proportionate split between public and private funding varies between each of the activities in Regulatory Services. As a consequence it is important for the fees and charges to be reviewed annually to ensure that Council is recovering the cost of providing the services fairly and reasonably.

The draft Regulatory Services budget is dependent on cost recovery of services related to consent and licence applications. To achieve the draft budget, revenue needs to increase by the rate of inflation as signalled in the LTCCP 2009-2019.

**NARRATIVE**

Under the LTCCP 2009-2019 the budget for the various Regulatory activities increased annually by the rate of inflation. To cover the costs the revenue generated by fees and charges needs to be increased by 3%, noting that the liquor licensing fees are set by Regulation.

Rates meet the cost of a good proportion of the public services, for example provision of information/advice on the District Plan or Building Act or Code, undertaking compliance and enforcement and responding to complaints. Council is restricted by statute about how it can charge and this excludes any provision for profit.

The dog registration fees are the subject of a separate report.

It is proposed to increase hourly rates and the cost of the application fees and deposits. Last year the application deposits for building and resource consents were unchanged due to the economic situation. Given that the economy is starting to improve and that it is important to ensure that the deposits are more closely aligned with actual costs, it is recommended that the deposits increase.

Council is only required to consult under the Special Consultative procedures of the Local Government Act in regard to the Resource Management fees and charges only. It is proposed that consultation will include:

- Public notices in the NZ Herald and the Papakura Courier
- Notices of consultation will be sent to the parties on the developers' database and current licence holders
- Copies of the proposed fees would be available at the Library and the Council building.

The submission period would run for one month between Wednesday, 8 March and end 7 April 2010.

It is understood that Auckland City Council is the only other Council proposing to increase regulatory fees.

### **CONCLUSION**

The Regulatory Services budget, as set out in the LTCCP 2009-2019 for the 2010/11 period, is dependent on a 3% increase in the fees and charges. Council is required to only consult on the Resource Management Act fees, ie resource consent deposits. In regard to the other fees, Council can change these via Council resolution and public notification of the change.

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### **RECOMMENDATIONS**

1. That the information be received.
2. That the Committee recommend to Council the proposed increases in the fees in the Proposed Schedule of Fees and Charges 2010/11 without consultation, excluding the Resource Management fees.
3. That the Proposed Schedule of Fees and Charges 2010/11 related to the Resource Management Act 1991, be consulted on by a special consultative procedure of the Local Government Act 2002. That the submission period be open between 8 March and 7 April 2010.