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**REPORT 2**  
*(1215/52/IM)*

## **2011/2012 DRAFT ANNUAL PLAN - REPORT OF THE FUNDING AND ACTIVITY REVIEW WORKING PARTY**

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### **1. Purpose of Report**

This report presents the recommendations of the Funding and Activity Review Working Party following its annual review of the Council's Revenue and Financing Policy. This Policy illustrates which parts of the community contribute to paying for Council's activities.

### **2. Executive Summary**

The Funding and Activity Review Working Party, in line with its terms of reference, has reviewed:

- Funding compliance for each of the Council's activities (e.g. the rates versus non-rates income split). The focus has been placed on addressing areas of non-compliance as opposed to a wholesale review of funding assumptions for every activity, which will be completed as part of the 2012/2021 Long Term Plan.
- Funding policy issues and setting fees on specific activities (e.g. recommending fees for the new Indoor Community Sports Centre).
- Price increases proposed
- Rating (e.g. water charges and Differential).
- Funding of weathertight homes settlement

In deciding on the price increases to recommend to the Strategy and Policy Committee (SPC), the members of the working party have requested that additional options also be included in the Draft Annual Plan so that residents have visibility over the options considered and have the opportunity to comment further on all options during the consultation process.

#### ***2.1 Summary of issues covered.***

The Revenue and Financing Policy sets out the proportion of each Council activity to be funded by user charges, other revenue (e.g. NZ Transport Agency subsidies), rates or borrowings.

A key principle of the Policy is that where practical fees should be reviewed on an annual basis to avoid large ‘one off’ increases. An annual review is therefore done. The recommendations of the Working Party for this year are summarised in section 2.1.2 below and are explained in more detail in Appendix one.

The Working Party has focused on those activities where fee increases are recommended to retain policy compliance and/or where a shortfall or surplus in user charge funding exists, which, unless addressed would impact on the proportion of the activity needed to be funded by rates.

For each non-compliant activity the Working Party generally considered a range of remedial actions, including:

- increasing user charges to achieve compliance
- considering options for reducing expenditure without impacting on service levels
- altering the policy to increase/decrease the user charge proportion and operating in variance to the policy until the next RFP review as part of the 2012/2022 LTCCP.
- leaving the policy unchanged and noting temporary non-compliance with policy.

### **2.1.1 Increases to fee and charges**

This report recommends a range of changes to fees and charges. In recommending the price increases the working party were conscious that the rates impact of all price increases proposed were already included in the draft rates increase presented at the Councillor Workshop on 16 February. Therefore any changes not approved will result in the equivalent value being required to be funded by 2011/2012 rates.

Activities with fee increases recommended include:

<b>Activity Component</b>	<b>Comment</b>	<b>Average fee change</b>
2.5.2 Recycling and Waste Minimisation and Disposal	Landfill fee increase	5%
	Rubbish Bags	5%
	Compost Products	5%
4.2.1 City Archives	Introduce fee for new digital service	New fee
5.3.1 Swimming Pools	General admission and swim memberships	2.5%
	Fitness centre memberships	7.5%
	Learn to swim	2.5%
5.3.2 Provision of Sportsfields	Sports (excluding golf)	18%
	Golf	0%
5.3.3 Synthetic Turf Sportsfields	National hockey stadium fees	5%
	Other synthetic turf fees	25%
5.3.4 Indoor Community Sports Centre	Set fees	N/A

5.3.6 Marinas	Evans Bay Marina Clyde Quay Boat Harbour	3.3% 5.1%
5.4.1 Burials and Cremations	Targeted price increases across the range of fees	6%
5.4.3 Public Health Regulations	Increases across all services	Various, most are 3-4%
6.2.1 Building Control and Facilitation	Various, including: Lodging fees Plan check and certificate of acceptance Swimming pool inspections	3.3% 8.7% 8.7%
6.3.1 Development Control and Facilitation	Resource consent fees and Compliance and Monitoring Fees Administration Officers	8.7% 18.1%
7.2.4 Network-wide Control and Management	Road work notice processing fees Road work notice inspection fees Road work notice – new fees	15% 11%
7.3.1 Parking	Parking Fees  Extend evening parking times	Increase rate by \$1/hour Introduce fee
Water Rates	Increase water charges	

### **2.1.2 Permitted non-compliance**

There are seven activities for which the Working Party recommends temporary non-compliance. For these activities the Working Party considers that the targets are appropriate but that for specific and acceptable reasons full compliance is unlikely to be achieved in 2011/2012. The activities with recommended permitted non-compliance are outlined in 4.2 below.

### **2.2 Changes to rating mechanism**

The Working Party proposes the following changes to the Council's rating mechanism from 2011/2012:

- **Targeted water rates**

The water network, collection and treatment activity is budgeted to incur operational cost increases (6.1%) in 2011/2012. The main increases are coming through from a 3.0% increase in bulk water charges from GWRC and a projected 8% increase in depreciation charges following the revaluation of the water network assets. The working party recommend a 6.1% increase in fees to be able to recover the additional costs.

This activity is fully rates funded through a targeted rate. The Working Party considers a pragmatic approach is to spread these cost increases across the various fixed and rate per dollar rating mechanisms which make up the water rate.

The following increases to fixed rating mechanisms are proposed for 2011/2012:

- Uniform Annual Charge from \$113.33 to \$119.75 (excluding GST)
- Water meter reading charge from \$96.00 to \$100.00 (excluding GST)
- Water consumption charge for properties with a water meter from \$1.618 per cubic metre to \$1.715 per cubic metre (excluding GST).

A proportionate increase (5.9%) is also proposed for the base (residential) and commercial water rate levied via a rate per dollar of capital value.

#### • **General Rates Differential**

The Working Party noted that the existing LTCCP proposes a shift in the general rates differential from 2010/11 where commercial ratepayers pay 3.1 times the General rate per dollar of capital value payable by Base (Residential) ratepayers due to the general rates differential. The differential transition proposed over the next year is:

2010/2011	2011/2012
3.1	2.8

The differential, which was introduced to avoid a sudden shift of rates burden onto the residential sector as a result of the collapse of commercial property values in the late 1980's, was 7.1:1 when the transition process began in 2000. Despite a decrease in the differential to 3.1:1 in 2010/11 and a proposed shift to 2.8:1 in 2011/2012 the commercial sector will continue to subsidise the residential sector by approximately \$29.9 million. This is the last year of the planned differential movement.

Changes to indicative rates including those calculated based on a rate per dollar of capital value are incorporated in the draft Funding Impact Statement.

### **3. Recommendations**

It is recommended that the Committee recommend to Council that it:

1. *Receive the information.*
2. *Agree to consult on changes to fees and charges as detailed in Appendix one of this report.*
3. *Agree to consult on changes to water rates as detailed in section 5.1.1 of this report.*
4. *Note that Building Consents and Licensing Services fee changes listed in appendix one will go through a special consultative process to be approved by the Strategy and Policy Committee in March/April 2011.*
5. *Note that temporary non-compliance with Revenue and Financing Policy activity funding targets is anticipated for the activity components listed in 4.2.*

6. *Note that the Revenue and Financing Policy outlines a shift in the commercial to residential general rate differential from 3.1:1 in 2010/11 to 2.8:1 in 2011/2012.*
7. *Agree that the Revenue and Financing Policy be amended to reflect the proposed rates funding portion of the Weathertight Homes Settlement as follows:*
  - *Add the underlined type to Activity 6.2.1 on page 53:  
This activity is expected to be non-compliant to the user charges funding target in the 2009/10, 2010/11 financial years due to the economic climate and in 2011/2012 due to the impact of weathertight homes settlements. In 2011/2012 it is proposed that the general rates will fund \$2.22m of settlements under the Financial Assistance Package in anticipation of the funding policy being further developed with the 2012 Long Term Plan.*
  - *Add the following underlined section to the 'Policy Statement on funding operating expenditure' on page 5:  
Options available for funding Council services  
Borrowings in exceptional circumstances. Only in exceptional circumstances, such as the funding of weathertight homes settlements, will the Council fund any operating expenditure from borrowings.*

## **4. Compliance with Revenue and Financing Policy**

### **4.1 Review Parameters**

#### **Annual Review**

In adopting the 2009 Revenue and Financing Policy the Council agreed that it was appropriate to review activity funding on an annual basis with the intention of ensuring that the user charge component of activity funding policies keeps pace with CPI and other cost increases. It was also considered prudent that any other activity funding issues raised be appropriately addressed with consideration to the Council's funding principles.

The responsibility for conducting the annual review is allocated to the FAR Working Party, which reports through to the Strategy and Policy Committee. The Working Party has conducted its annual review on an exceptions basis. Revenue and Financing Policy funding principles, assumptions and activity specific funding considerations remain valid, unless specifically indicated otherwise.

#### **Non-compliant activities**

This review focused specifically on those activities for which 2011/2012 draft budgets indicate a variance from the existing Revenue and Financing Policy non-rates revenue target.

The working party noted that prior to the review of each activity, officers had reviewed the 2011/2012 budgeted costs to find internal savings and had found \$6.7m of savings as well as recommending further savings options of \$2.9m for changes in levels of service.

In considering the Funding Policy for each of the activities identified the Working Party had available a number of options in regard to forming its recommendations. These include:

- A reduction in service levels/expenditure on the activity (likely to result in a reduction in the dollar rate requirement and/or the user charge policy target).
- Increase user charges (i.e. changes in fees) to improve policy compliance.
- A change to the user charge policy target.
- Leaving the policy unchanged and noting temporary non-compliance with policy.

Where practical, CPI based increases to user charges are also proposed on a number of activities.

## 4.2 Review recommendations on policy compliance

As part of its review the FAR Working Party has received, for each activity, a report outlining the factors contributing to policy non-compliance, along with options and limitations for achieving compliance with existing Revenue and Financing Policy. The following table summarises the Working Party's key recommendations for each activity. A full list of recommended changes to Fees and Charges is contained in Appendix one.

<b>Activity</b>	<b>Current Policy user charges</b>	<b>Summary of Activity and FAR considerations</b>	<b>FAR Recommended changes to fees and charges</b>	<b>Impact on rates if proposed price increase is not accepted.</b>	<b>Officer Recommendation (if different from FAR recommendation)</b>	<b>Compliance gap recommended by FAR to current policy target</b>		<b>Other options requested to be included in the DAP</b>
2.4.2 Sewage Collection and disposal network	5% user charges	Rather than increasing fees to meet compliance it was recommended that the current policy continue and that the Trade Waste charging model is reviewed for the LTP allowing officers to undertake a full analysis of the trade waste model.	No changes recommended.	N/A	N/A	-1%	-\$175k	N/A
2.4.3 Sewage Treatment	5% user charges	The main costs in this activity are the management fees charged by UWI, the contribution to the Porirua joint venture, depreciation, interest and landfill charges.	No changes to fees is recommended. By excluding the non-funded depreciation (reducing the rate funding) for the Moa Point treatment plant the activity meets the current policy.	N/A	N/A	0%	-\$53k	N/A
2.5.2 Recycling and Waste	100% user	Service levels remain the same as in the 2010/11 financial year; however kerbside	Landfill fee increase - 5%	\$168k	Officers recommended	0	0	N/A

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Minimisation and Disposal	charges	recycling changes to improve worker safety and access to the service have been enhanced with the new collections contract.	Rubbish Bags - 5% Compost Products - 5%	\$145k \$9k	an increase to Kai to Compost from \$6 to \$9 per bin but this was not accepted by FAR. The impact on rates was \$49k.			
3.1.3 Convention Centre	55% user charges	<p>On September 29<sup>th</sup> Council agreed to establish a new CCTO to manage the Michael Fowler Centre, Wellington Town Hall, TSB Arena, St James Theatre and the Opera House.</p> <p>Much of the revenue and expenditure has been transferred into the new CCTO and will not be reflected in the Council's budgets in detail in the future but will instead be reflected through the budgets of the CCTO.</p> <p>The expenditure which remains relates to the costs of managing the building assets which will remain within the Council's budgets.</p>	N/A	N/A				



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		The working party agreed to accept non compliance for 2011/2012 and signal the policy will be adjusted to 5% user charges through the LTP.						
4.2.1 City Archives	10% user charges	The working party recommended a new fee with the introduction of a digital copy option for the existing building plan search service. This new option will bring the archives up to date with the majority of similar services across the country.	Introduce fee for new digital service - \$2	\$7k	N/A	+2%	\$22k	N/A
4.3.1 Arts and Cultural Events	20% non rates income	The income in this activity predominately comes in the form of grants (mainly from gaming trusts e.g. NZCT & Pelorus Trust) and corporate sponsorship. As the economic recovery continues, ability to secure corporate funding could increase and so further review of the funding options will be considered during the next LTP.	No changes proposed.	N/A	N/A	-2%	-\$55k	N/A
5.3.1 Swimming Pools	40 % user charges	Overall costs for the activity have increased by \$263k, however the price increases agreed mean the activity is slightly over compliant.  For the 2007/08 Annual Plan a review was conducted of wages for lifeguards. This resulted in a significant increase in	General admission and swim memberships -2.5%  Fitness centre memberships – 7.5%	\$56k  \$268k	Officers recommended increases of:  General admission and swim memberships - 5%	+2%	\$339k	The working arty requested that rates for community services card holders be included in the

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		personnel costs for this activity. The required price increases to maintain compliance with the policy at the time were considered unacceptable and as such the policy was reduced from 45% user charges to 40% user charges. Further Council's assessment is 80% of the benefit of the activity is private to the user. Given the above the working party agreed it was acceptable to be over compliant for this activity.	Learn to swim - 2.5%  Keep leisure card at a 50% discount	\$44k	Fitness centre memberships – 10% Learn to swim - 10%			DAP.
5.3.2 Provision of Sportsfields	10% user charges	Overall budgeted expenditure has increased by \$186k. The key increase relates to the additional operating costs for the Kilbirnie Park upgrade agreed by Council on September 29th 2010 as well as extensive upgrade work that has been undertaken at Karori Park over the last two years.  In the past the core sporting codes have been cross subsidised by the golf course which earns a greater proportion of its costs from its user charges. The change is part of a 3 year staged increase in fees to address cross subsidisation between different sports.  During the LTP golf it is recommended that Golf be excluded from this activity to ensure	Sports (excluding golf) – 18%	\$50k	N/A	-0.1%	\$-6k	N/A

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		core sports fields users comply with the policy .						
5.3.3 Synthetic Turf Sportsfields	40% user charges	<p>This activity incorporates the existing synthetic turfs and the two new synthetic turfs at Wakefield Park. Expenditure in this activity will increase by \$488k with the opening of the two turfs at Wakefield park and with the resurfacing of the National Hockey Stadium.</p> <p>Capital Football &amp; Island Bay United AFC have provided partial funding towards the construction of the surfaces at Wakefield park. In recognition of this funding officers have entered into an MOU which agrees to hold fees at 2010/11 levels for these two groups for a period of 3 years. The fee increases proposed are to ensure that the activity would meet its 40% user funding</p>	<p>National hockey stadium fees – 5% to reflect the cost of the resurfacing of the stadium</p> <p>Other synthetic turf fees – 25% to \$75/hr standard hourly rate</p>	<p>\$1k</p> <p>\$30k</p>	N/A	-3.5%	-\$32k	N/A

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		target before the discount is applied.						
5.3.4 Recreation Centres	25% user charges	The Indoor Community Sports centre (ICSC) will open during the 2011/2012 financial year with opening scheduled in August 2011. The working party considered what an acceptable fee for the facility was and considered whether the facility should have the same funding ratio as other recreation centres. It was agreed that because the funding ratio of existing Rec Centres was recommended to shift to 30% user funded over time that the ICSC should remain in the same activity. The working party acknowledged that it will aim to increase fees so that 30% of the cost of the facility can be met by users. This will be reviewed with actual usage data in 2012. (Note that the 25% target is not planned to be met during 2011/2012 because the ICSC will not be operational for a full year.	ICSC Peak rate/hour -\$55  ICSC Off peak rate - \$37  No change to existing Recreation centre fees	N/A	Officers recommended that fees be increased during 2012/13 to reach 30% compliance. The fees to reach this compliance would be \$67.50 peak and \$45.50 off peak.	-3%	\$-256	N/A
5.3.6 Marinas	100% user charges	The main reason for the required price increase recommended is increases in depreciation.  Depreciation at the Evans Bay Marina has increased due to the scheduled 5 yearly pile	Evans Bay Marina - 3.3% Clyde Quay Boat Harbour -5.1%	\$29k	N/A	0.2%	\$1k	N/A

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		testing repair and maintenance project. Depreciation at The Clyde Quay Boat Harbour has increased due to an upgrade to control rusting of the reinforcing steel and subsequent concrete deterioration in the boatsheds.						
5.4.1 Burials and Cremations	50% user charges	The reduction in revenue is primarily due to the reduction in the number of cremations performed by the Council with a number of private operators also providing the services.  In anticipation of this reduction in demand, the Council is currently working on a long term plan to reassess the funding requirements of the activity given the reduction in cremation services.	Targeted fee increases have been proposed for selected services at both Karori and Makara to achieve an average increase of 6%. Refer to Appendix one for further detail.	\$73 k	N/A	-2%	-\$31k	N/A
5.4.3 Public Health Regulations	50% user charges	The proposed fee changes are specific business model and fee recovery initiatives to more fairly attribute costs to users, eg grease traps where our charging aims to better reflect the extent of user's negative impacts on "society" or city systems and/or generate desired changes in behaviour eg impact of grease/trade waste on the sewerage network or higher pound fees for impounded dogs.	Increases across all services – Various rates	\$183k	N/A	+4%	+\$184k	N/A

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5.4.5 Wellington Emergency Management Office	5% non rates income	Historically the R&F policy of 5% user funding has been achieved. However, due to the changes in the MCDEM subsidy framework, the income available to WEMO has been significantly reduced. Regional options for CDEM and Rural Fire Districts are still being considered which may bring about changes in future cost structures and so FAR recommended accepting temporary non compliance with policy and will re-evaluate the policy and funding levels during the LTP process.	Nil- No further funding is currently available	N/A	N/A	-3%	-\$55k	N/A
6.2.1 Building Control and Facilitation	65% user charges	The proposed fee changes are specific business model and fee recovery initiatives to more fairly attribute costs to consent users and better reflect the costs of service provision. The increases also align the Councils rates with other councils.	Various including: Lodging fees – 3.3% Plan check and certificate of acceptance – 8.7% Swimming pools – 8.7%	\$593k	N/A	+0.8%	+\$93k	N/A
6.3.1 Development Control and Facilitation	50% user charges	The working party recommended the fee increases because they better reflects the actual costs of performing the Council's statutory functions. This includes indirect costs such as fee objection hearings, appeals and legal advice incurred by the Council as a	Resource consent fees -8.7% Compliance and Monitoring Fees – 8.7% Administration	\$390k	N/A	+3%	+\$215k	N/A

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		result of an application being lodged, and these costs are now built into the processing fees. The increases are also to align the Council's fees with other metro sector councils.	Officers -18.1%					
7.1.1 Transport Planning	100% rates	The sole source of non-rates income for this activity is NZTA subsidy. Qualification for funding is dependant on the nature of particular projects and this can be variable from year to year. During the LTP the policy will be changed to reflect the expected NZTA income.	No changes recommended.	N/A	N/A	+39%	+517k	N/A
7.2.3 Passenger Transport Network	70% non rates income	The Council decision to install additional bus shelters over the next 10 years has led to an increase in maintenance and depreciation costs not funded by Adshel or GWRC. This will be reviewed further during the next LTP.	No changes recommended	N/A	N/A	-9%	-\$131k	N/A
7.2.4 Network-wide Control and Management	25% user charges	This activity includes the running of the traffic control system comprised of 129 sets of traffic lights, 26 closed circuit television camera systems, and a central traffic computer system. Also the administration and management of the Council's Public	Road work notice processing (15%) and inspection fees (11%) Road work notice – new fees (prior	\$73k	N/A	+5%	+\$307k	N/A

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		Places Bylaw, Code of Practice for Working on the Road, Footpath Management Policy and Trading in Public Places Policy.	approval, Temporary traffic management plan)	\$68k				
7.2.5 Cycle Network	5% non rates income	The sole source of non-rates income for this activity is NZTA subsidy. Qualification for funding is dependant on the nature of particular projects and this can be variable from year to year.	No changes recommended.	N/A	N/A	+16%	+10k	N/A
7.2.7 Road Safety	25% non rates income	The sole source of non-rates income for this activity is NZTA subsidy. Qualification for funding is dependant on the nature of particular projects and this can be variable from year to year.	No changes recommended.	N/A	N/A	+4.3%	+\$233k	N/A
7.3.1 Parking	100% user charges	The objective of these policies includes enabling the turnover of parking spaces which assists the retail sector, assists in managing traffic flows. The surplus from this activity subsidises transport infrastructure projects i.e. the cost of providing the city parking amenities, including road seal, signs and markings, thereby reducing the rate funding for transport projects. The working party also considered other options including	Parking Fees - Increase rate by \$1/hour  Extend week-day evening paid parking times	\$1.6m  \$741k	N/A	0	0	FAR debated these proposed increases at length and requested that options to introduce paid weekend parking, and flat evening rates also be included in the



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		introducing meter to the five major suburban centres but did not recommend the introduction of paid parking in suburban areas.						DAP.

## 5. Other Revenue and Financing Policy Issues Considered

### 5.1 Amendments to rating mechanisms

#### 5.1.1 Water rates

##### **Cost drivers**

This activity is fully rates funded with funding split 60% to the residential (base) sector and 40% to the commercial sector. This split is based on the historical share of water consumption between the two sectors. Rates are based on the aggregated cost of the following activities:

##### *2.3.1 Water Network (2011/2012 forecast \$22.532m)*

WCC owns a water network that includes 75 reservoirs, 34 water pumping stations, more than 7,900 hydrants and about 1,000km of underground pipes. This network is managed by Capacity, the joint Wellington-Lower Hutt owned water management company, to ensure both cities have high-quality water available at all times for drinking and other household and business uses, and for emergencies such as fire fighting.

##### *2.3.2 Water Collection and Treatment (2011/2012 forecast \$13.240m)*

WCC purchases potable water in bulk from the Greater Wellington Regional Council (GWRC), as well a minor amount from Porirua City Council, and supplies it to Wellington properties. Wellington city's proportion of total regional water consumption has remained relatively consistent at approximately 30,000 million litres of water.

In understanding the impact of consumption on the cost and the unit price of water it is important to note that under GWRC costing models approximately 90% of the water activity costs are fixed. Changes in consumption have only a minor affect on overall costs of water to consumers (apart from where capex investment thresholds are reached). Generally this means that to recover costs, higher per m<sup>3</sup> charges across the region are required in response to lower consumption.

For 2011/2012 the Council is forecasting a 6.1% increase in expenditure for these activities compared to the 2010/11 budget. The main increases are coming through from a 3.0% increase in bulk water charges from GWRC and an 8.8% increase in depreciation charges which is forecast due to a revaluation of the water network assets. As the activity is fully funded by a targeted rate the Working Party has been required to consider increases across all water rating mechanisms.

### Existing water rates

An overall increase of approximately 6.1% is required in the level of rates collected from each of the base (residential) and commercial sectors.

Under the rating policy the 60% residential share is currently collected through:

- a fixed rate of \$125 (incl. GST) per separately occupied rating unit connected to the water supply, without a water meter.
- a rate per cubic metre of water consumed by those properties with a water meter.
- The balance collected through a rate per dollar of capital levied on all properties without a water meter.

The 40% commercial share is currently collected through:

- a rate per \$ of capital value for those properties without a water meter.
- A rate per cubic metre of water consumed by those properties with a water meter.
- An annual administration fee (\$107) is also charged to all properties with a water meter.

Note that there was an increase in the charge per m<sup>3</sup> of water consumed in 2009/10 from \$1.58 to \$1.78.

### Rate changes required to meet 2011/2012 compliance

The table below indicates the increases to rating mechanisms to meet the indicative funding requirement for the activity. Note that current modelling is based on current capital value, water meter numbers and information. These may require some adjustment prior to confirmation of the Draft Annual Plan.

2011/12 WATER RATE PRICING (Excluding GST)								
	Volumes		Price		Total Rates		Change	Change %
	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11		
<b>Total Expenditure</b>					<b>35,772,482</b>	<b>33,721,443</b>	<b>2,051,039</b>	<b>6.1%</b>
<b>Income</b>								
UAC	58,340	58,027	\$ 119.75	\$ 113.33	6,986,215	6,587,160	399,055	6.1%
Water Meter	7,117,894	7,117,894	\$ 1.715	\$ 1.618	12,207,188	11,516,752	690,436	6.0%
Water Meter Reading	3,638	3,178	\$ 100.00	\$ 96.00	363,800	302,549	61,251	20.2%
Residential Rates in \$					13,943,310	13,167,077	776,233	5.9%
Commercial Rates in \$					2,241,069	2,117,005	124,064	5.9%
New Connections					30,900	30,900	-	0.0%
<b>Total Income</b>					<b>35,772,482</b>	<b>33,721,443</b>	<b>2,051,039</b>	<b>6.1%</b>

### **5.1.2 Rates Differential**

The Working Party has noted that the existing LTCCP proposes a shift in the general rates differential from 2010/11 when commercial property paid pay 3.1 times the General rate per dollar of capital value payable by those properties incorporated under the Base (Residential) differential. The proposed differential in 2011/2012 is 2.8:1 which is consistent with the LTCCP.

The decrease in the differential from 3.1 to 1 in 2010/11 to a 2.8:1 in 2011/2012 will maintain a significant subsidy by the commercial sector to the residential sector being approximately \$29.9 million (compared to the proportion of total Capital Value between the Commercial and Base sectors). This is reduced from the \$30.78m in 2010/11.

Changes to indicative rates including those calculated based on a rate per dollar of capital value are incorporated in the draft Funding Impact Statement.

There were differing views on whether the differential shift was affordable to residential ratepayers, and the recommendation was not a unanimous agreement.

### **5.2 Weathertight Homes Funding**

The Draft Annual Plan includes \$8.8m for the cost of the financial assistance package and litigation associated with weathertight homes (also known as leaky homes).

It is proposed that \$2.22m will be funded through general rates and the balance of \$5.58m will be funded through borrowings.

The cost of meeting the weathertight homes settlement will ultimately be funded through general rates and the cost borne by the whole community. Given the quantum of the liability required to be funded the proposal is to balance the funding of the cost through an affordable increase in general rates and spreading the recovery of the cost over a longer timeframe through the use of borrowings

This proposed approach is not currently provided for the in Revenue and Financing Policy. In particular:

- Weathertight homes settlements are a cost under activity 6.2.1 – Building Control and Facilitation. The current description of the activity does not specifically make reference to the settlements costs of weathertight homes or envisage that these costs would be funded to any extent from rates.
- Borrowings are only to be used for capex. There is currently no mechanism within the Revenue & Financing Policy that provides for the funding of operational expenditure requirements from borrowings.

The proposed use of borrowings to fund weathertight homes settlements in 2011/2012 is appropriate as the circumstances are exceptional for the following reasons:-

- To date weathertight homes settlements have been funded by Council through a mix of proceeds from insurance cover and operating surpluses. The total cost of settling the weathertight homes issues is estimated to be \$88.0m for the Council, the extent of this cost and the diminishing levels of insurance cover will necessitate the use of borrowings to fund settlements;
- In Council's Financial Statements as at 31 June 2010 provisions of \$19.7m have been made to cover the costs associated with known weathertight homes claims. These provisions recognise the liability of the Council but as the associated claims are settled they will need to be funded.
- Council's best estimate of the total cost of settling all weathertight homes issues is \$88.0m over an expected period of 7 years, it is considered that the extent of this potential cost is too high to be funded directly through general rates as the costs arise. The associated rates increases required to fund this liability directly would result in rates increases that were unaffordable to a proportion of ratepayers.

It is therefore proposed that as part of the Draft Annual Plan consultation the Revenue and Financing Policy is amended to better reflect the activity description and the benefit analysis. The change to the Revenue and Financing Policy would require the following paragraph to be inserted in the policy at page 53.

***"This activity is expected to be non-compliant to the user charges funding target in the 2009/10, 2010/11 financial years due to the economic climate and in 2011/2012 due to the impact of weathertight homes settlements. In 2011/2012 it is proposed that the general rates will fund \$2.22m of settlements under the Financial Assistance Package in anticipation of the funding policy being further developed with the 2012 Long Term Plan".***

It is also proposed that the following paragraph be inserted into the Revenue and Financing Policy to provide for the use of borrowings to fund weathertight homes settlements and record that the use of borrowings in this circumstance is only in an exceptional circumstance:

Options available for funding Council services (p5)

*"Borrowings in exceptional circumstances  
Only in exceptional circumstances, such as the funding of weathertight homes settlements, will the Council fund any operating expenditure from borrowings."*

To ensure that the funding of weathertight homes settlements is fully transparent and accountable the associated costs, borrowings and general rates funding for this activity will be effectively ring fenced and reported separately.

## **6. Conclusion**

The Funding and Activity Review Working Party has performed its annual review of the Council's Revenue and Financing Policy.

The Working Party has focused on those activities that draft 2011/2012 budgets indicate are non-compliant with the existing policy and on specific funding issues raised since the 2010/11 review.

In recognition of the fact that the principles on which the existing Policy is based remain sound, the review has been conducted on an exceptions basis. Consideration has also been given to the key principle that where practical fees should be reviewed on an annual basis to avoid large 'one off' increases, while also being mindful of the need for balance in regard to impact on both users of the city's services and ratepayers.

*Contact Councillor: Bryan Pepperell, Chair Funding and Activity Review Working Party*

*Contact Officer: Martin Read, Manager Financial Planning*

## **Supporting Information**

### **1) Strategic Fit / Strategic Outcome**

*This Report summarises the work of the FAR Working Party which considers the Revenue and Financing Policy*

### **2) LTCCP/Annual Plan reference and long term financial impact**

*This report recommends variations to the Revenue and Financing Policy. The Policy is included in the 2009-19 LTCCP*

### **3) Treaty of Waitangi considerations**

*There are no Treaty of Waitangi considerations for this report.*

### **4) Decision-Making**

*The report seeks decisions on a number of variations to our fees and user charges in accordance with our Revenue and Financing Policy. These decisions will form part of the consultation of the 2011/2012n Draft Annual Plan.*

### **5) Consultation**

#### **a) General Consultation**

*Variations to the Revenue and Financing Policy will be consulted on with the community through the 2011/2012 Draft Annual Plan.*

#### **b) Consultation with Maori**

*Mana whenua will be consulted through the Draft Annual Plan consultation process.*

### **6) Legal Implications**

*Legal Counsel has been consulted during the development of this report.*

### **7) Consistency with existing policy**

*This report recommends certain variations to existing Revenue and Financing policy funding targets and some permitted non-compliance as outlined in the Executive Summary.*

# APPENDIX ONE

## Fees and User Charges

Our Revenue and Financing Policy guides our decisions on how to fund Council services. Under the policy, we take into account who benefits from a service (individuals, parts of the community, or the community as a whole) to help us determine how the service should be funded. The policy sets targets for each Council activity, determining what proportion should be funded from each of user charges, general rates, targeted rates and other sources of income.

For 2011/2012, in line with that policy, we are proposing some changes to fees and charges in the following areas.

- Recycling, Waste Minimisation and Disposal
- City Archives
- Swimming Pools
- Sports fields
- Synthetic Turf Sports fields
- Recreation Centres – Indoor Community Sports Centre
- Marinas
- Burials and Cremations
- Public health regulations (food/dogs)
- Building control and facilitation
- Development control and facilitation
- Network-wide Control and Management

New fees will be implemented as of 1 July 2011 and are inclusive of GST unless otherwise stated. For more information see [www.Wellington.co.nz](http://www.Wellington.co.nz)

*Note that the following list of fees and charges is not a complete list of all fees and charges levied by the Council. It consists of those fees and charges subject to consultation and which are proposed to change from 1 July 2011.*

### Recycling, Waste Minimisation and Disposal

We are proposing to increase our fees for waste disposal.

<b>Recycling, Waste Minimisation &amp; Disposal</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
Landfill levy (per tonne inclusive of recycling levy)	\$100.10	\$105.00
Rubbish Bags (RRP each)	\$2.10	\$2.21

### City Archives

<b>City Archives</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
Digital copy	New	\$2.00



# APPENDIX ONE

## Swimming Pools

We are proposing to increase fees for swimming pools by an average of 2.5% on general admissions and swim memberships. Fee increases include:

<b>All Pools except Khandallah</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
Adult Swim	\$5.60	\$5.70
Child Swim	\$3.40	\$3.50
Under 5 Swim	\$1.20	\$1.20
Adult - Passport to Leisure	\$2.80	\$2.80
Child - Passport to Leisure	\$1.70	\$1.70
Family Pass (2 adults, up to 3 kids)	\$14.50	\$15.00
Adult 12 Swim Concession	\$56.00	\$57.00
Adult 30 Swim Concession	\$140.00	\$142.50
Child 12 Swim Concession	\$34.00	\$35.00
Child 30 Swim Concession	\$85.00	\$87.50

<b>Khandallah Pool</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
Adult Swim	\$2.00	\$2.00
Child Swim	\$1.00	\$1.00

<b>Swim Memberships - All Pools Except Khandallah</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
Adult Monthly	\$56.40	\$57.80
Adult Yearly	\$676.20	\$693.10
Child Monthly	\$33.80	\$34.60
Child Yearly	\$405.80	\$415.90

For a complete list of proposed fee changes see [www.Wellington.co.nz](http://www.Wellington.co.nz)

## Sportsfields

We are proposing to increase our fees for sportsfields.

<b>Sportsfields</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
<b>Cricket</b>		
<b>Casual</b>		
Level 1	\$272.00	\$321.00
Level 2	\$180.00	\$213.00
Artificial pitch on concrete base	\$116.00	\$137.00
Artificial pitch on grass base	\$116.00	\$137.00
<b>Seasonal</b>		
Level 1	\$2,055.00	\$2,425.00
Level 2	\$1,715.00	\$2,024.00
Level 3	\$1,000.00	\$1,180.00
Artificial pitch on concrete base	\$685.00	\$809.00
Artificial pitch on grass base	\$545.00	\$644.00
<b>Rugby, League, Soccer, Aussie Rules</b>		
<b>Casual</b>		
Level 1	\$100.00	\$118.00
Level 2	\$75.00	\$89.00
Level 3	\$58.00	\$69.00

# APPENDIX ONE

<b>Sportsfields</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
<b>Seasonal</b>		
Level 1	\$1,415.00	\$1,670.00
Level 2	\$1,080.00	\$1,275.00
Level 3	\$915.00	\$1,080.00
<b>Softball</b>		
<b>Casual</b>		
Level 1	\$124.00	\$147.00
Level 2	\$87.00	\$103.00
<b>Seasonal</b>		
Level 1	\$520.00	\$614.00
Level 2	\$350.00	\$413.00
<b>Touch, 5-a-side, Ultimate Flying Disk, Gridiron</b>		
<b>Casual</b>		
Level 1	\$130.00	\$154.00
Level 2	\$105.00	\$124.00
<b>Seasonal</b>		
Level 1	\$1,080.00	\$1,275.00
Level 2	\$835.00	\$986.00
<b>Netball - per Court</b>		
Court per season	\$100.00	\$118.00
Off-season or organised	\$7.00	\$9.00
Casual	\$30.00	\$36.00
<b>Tennis</b>		
Court per season	\$135.00	\$160.00
Off-season or organised	\$12.00	\$15.00
Casual	\$30.00	\$36.00
<b>Cycling</b>		
Casual	\$122.00	\$144.00
Seasonal	\$1,230.00	\$1,452.00
<b>Athletics</b>		
Casual	\$445.00	\$526.00
WRFU Speed Trials	\$99.00	\$117.00
Seasonal	\$7,440.00	\$8,780.00
<b>Croquet - One Lawn</b>		
Casual	\$120.00	\$142.00
Seasonal	\$565.00	\$667.00
<b>Training</b>		
<b>Ground Only</b>		
1 night	\$75.00	\$89.00
1 night (season)	\$270.00	\$319.00
2 nights (season)	\$540.00	\$638.00
3 nights (season)	\$810.00	\$956.00

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<b>Sportsfields</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
4 nights (season)	\$1,080.00	\$1,275.00
5 nights (season)	\$1,350.00	\$1,593.00
<b>Training</b>		
<b>Ground and Changing Rooms</b>		
1 night	\$135.00	\$160.00
1 night (season)	\$568.00	\$671.00
2 nights (season)	\$1,136.00	\$1,341.00
3 nights (season)	\$1,704.00	\$2,011.00
4 nights (season)	\$2,272.00	\$2,681.00
5 nights (season)	\$2,840.00	\$3,352.00
<b>Elite Parks</b>		
Rugby League Park	\$450.00	\$531.00
Newtown Park	\$450.00	\$531.00
<b>Picnics</b>	\$40.00	\$48.00
<b>Marquees</b>		
Booking Fee (non-refundable)	\$60.00	\$71.00
Marquee up to 50m2	\$360.00	\$425.00
Marquee up to 100m2	\$600.00	\$708.00
Marquee > 100m2	\$955.00	\$1,127.00
<b>Add-Ons</b>		
Groundsman - hourly rate (minimum 2 hours)	\$25.00	\$30.00
Toilets Open	\$25.00	\$30.00
Toilets and Changing Rooms Open	\$60.00	\$71.00
Litter collection	Discretion	
<b>Golf Course</b>		
Passport to Leisure - Round	\$7.50	\$7.50
Adults - Round Weekdays	\$15.50	\$15.50
Adults - Round Weekend	\$22.50	\$22.50
Junior - Round	\$7.50	\$7.50
Passport to Leisure - Yearly	\$195.00	\$195.00
Passport to Leisure - Half Yearly	\$112.00	\$112.00
Adults - Yearly	\$390.00	\$390.00
Adults - Half Yearly	\$220.00	\$220.00
Juniors – Yearly	\$92.00	\$92.00

## **Synthetic Turf Sports fields**

We are proposing to increase our fees for Synthetic Turf sports fields.

<b>Synthetic Turf Sports Fields</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
<b>Nairnville Synthetic Turf</b>		
Peak (per hour)	\$41.00	\$51.50
Off Peak (per hour)	\$25.50	\$32.00
Junior/College (per hour)	\$20.50	\$25.50

# APPENDIX ONE

<b>Synthetic Turf Sports Fields</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
<b>Full Size Synthetic Turf</b>		
Peak (per hour)	\$60.00	\$75.00
Off Peak (per hour)	\$40.00	\$50.00
Junior/College (per hour)	\$30.00	\$37.50
Winter Weekend Daily Rate	\$600.00	\$750.00
National Hockey Stadium	\$29,859.00	\$31,350.00
<b>Notes:</b>		
<i>Charges for events, tournaments and commercial activities are by quotation.</i>		
<i>Charges for charity events will be charged at the Operation Manager's discretion.</i>		

## Recreation Centres

We are proposing to set the fee for the new Indoor Community Sports Centre which will open in 2011. The proposed fees are:

<b>Wellington Indoor Community Sports Centre</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
Court hire per hour – peak	New	\$55.00
Court hire per hour - off peak	New	\$37.00

For a complete list of proposed fee changes see [www.Wellington.co.nz](http://www.Wellington.co.nz)

## Marinas

We are proposing to increase our fees for Marinas.

<b>Marinas</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
<b>Clyde Quay Marina - Facility Type</b>		
Boat Shed (2 to 13)	\$2,046.00	\$2,144.00
Boat Shed (14 to 27)	\$1,836.00	\$1,928.00
Boat Shed (38B)	\$1,470.00	\$1,548.00
Boat Shed (38A to 42B, 48A and 48B)	\$2,118.00	\$2,224.00
Boat Shed (43A to 47B)	\$2,448.00	\$2,572.00
Moorings	\$966.00	\$1,020.00
Dinghy Racks	\$168.00	\$180.00
<b>Evans Bay Marina - Facility Type</b>		
Berths (12m to 20m)	\$2,496.00	\$2,580.00
Berths (8m)	\$1,470.00	\$1,520.00
Boat Shed Small	\$984.00	\$1,016.00
Boat Shed Medium	\$1,968.00	\$2,032.00
Boat Shed Large	\$2,952.00	\$3,048.00
Dinghy Lockers	\$294.00	\$304.00
Live Aboard (per person per annum)	\$516.00	\$532.00

# APPENDIX ONE

## Burials and Cremations

We are proposing to increase our fees for burials and cremations.

<b>Burials and Cremations</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
<b>Karori Cemetery</b>		
<b>Rose Garden Plots</b>		
Granite Book Memorial	New	\$350.00
<b>Interment Fees</b>		
Indigent	\$100.00	\$200.00
<b>Children's Lawn Unmarked (max 3'6" casket)</b>		
Maintenance Fee	New	\$252.00
<b>Children's Headstone (max 3'6" casket)</b>		
Maintenance fee	\$180.00	\$252.00
<b>Extras</b>		
Grave plot probe		\$50.00
Non-compliance fee for no permit	\$50.00	\$70.00
Outside district fee - 2nd interment into existing plot		\$870.00
Outside district fee - ash scatter		\$40.00
Plot search charges. 1-3 no charge. 4 > \$1 per search	\$2.00	\$6 per search 15 for 3
Plot Photo (where not already on database)	\$5.00	\$10.00
Maintenance fee	\$390.00	\$546.00
Plaque polishing	New	\$30.00
<b>Makara Cemetery</b>		
<b>Adult Plot (Plaque Lawn)</b>		
Maintenance fee	\$390.00	\$546.00
<b>Denominational Areas</b>		
Maintenance Fee	\$545.00	\$763.00
<b>Natural Burial</b>		
Maintenance Fee	\$510.00	\$612.00
<b>Adult</b>		
Delivery Only	\$560.00	\$672.00
Committal Service (1/2 Hour)	\$685.00	\$822.00
Full Service (1 Hour)	\$730.00	\$876.00

# APPENDIX ONE

<b>Burials and Cremations</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
<b>Children</b>		
1 to 10 years	\$155.00	\$186.00
Birth to 1 year	\$60.00	\$72.00
Stillborn	\$55.00	\$66.00
<b>Chapel Hire:</b>		
Per 1/2 hour	\$155.00	\$185.00
Chapel Hire for Burials & Cremations per 1/2 hour	\$165.00	\$200.00
Chapel hire for cremation elsewhere		\$228.00
<b>Miscellaneous:</b>		
Cleaning chapel/ crematorium		\$50.00
Chapel Overtime		\$200.00
Bio Tissue Cremation [Wgtn Hospital]	\$560.00	\$672.00
Foetal Tissue [Wgtn Hospital]	\$55.00	\$66.00
Ash scatter for hospital		\$75.00

## Public Health Regulations

<b>Health Licensing and Inspection</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
New food premises (1st yr set up)	\$450.00	\$465.00
New Non Food Premises (1st yr set up)	\$225.00	\$235.00
Change of occupiers fee base fee	\$115.00	\$180.00
Change of Occupiers Fee base fee - charge over 1.5 hrs (per hr)	\$115.00	\$120.00
Inspections (per hr) for legal action	\$115.00	\$120.00
<b>Annual licence for registered food premises</b>		
Excellent Grade	\$169.25 - \$562.25	\$175.00 - \$580.00
Good Grade	\$281.00 - \$792.25	\$290.00 - \$820.00
Ungraded	\$337.50 - \$1,017.00	\$350.00 - \$1,050.00
Ungraded – high risk	\$449.75 - \$1,748.00	\$465.00 - \$1,800.00
Food Control Plan registration & verification	\$444.75-\$1,748.00	\$460.00 – \$1,800.00
Additional inspections (over 3 hr) per hr	\$115.00	\$120.00
Re-grading of Premises (per hr)	\$115.00	\$120.00
<b>Health Licence</b>		
Small clubs (min. food prep)	\$140.50	\$145.00
Unregistered Eating Houses	\$197.50	\$205.00
<b>Temporary License</b>		
Temporary/mobile food stalls base fee	\$168.00	\$175.00
Temporary/mobile food stalls base fee- charge over 1hr (per hr)	\$112.50	\$120.00
Fairs: "small"	\$140.50	\$145.00
One day food stall	\$112.50	\$120.00
Fairs "large"	\$338.00	\$350.00

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<b>Annual License For Registered Premises</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
Animal boarding	\$225.00	\$235.00
Camping grounds	\$225.00	\$235.00
Hairdressers	\$112.50	\$120.00
Mortuaries / Funeral Directors	\$140.50	\$145.00
Offensive Trades	\$281.00	\$290.00
Poultry Farm / Piggeries	\$140.50	\$145.00
<b>Annual License</b>		
Pools: commercial pools / spas	\$225.00	\$235.00
Pools: commercial pools / spas – excellent	\$112.50	\$120.00
Saunas only	\$90.00	\$100.00
<b>Health Check</b>		
Building consent for food premises base fee	\$225.50	\$235.00
Per hr fee (Over 2 hrs)	\$115.00	\$120.00
<b>Trade Waste</b>		
Trade Waste License fee		
Initial inspection fee	\$173.75	\$180.00
High risk	\$1,748.00	\$1,800.00
Medium risk	\$865.50	\$895.00
Low risk	\$288.50	\$300.00
Minimal risk	\$122.50	\$125.00
<b>Trade Waste / Grease Traps/ Health Fees</b>		
Grease & Grit traps – initial application fee	New	\$180.00
Grease traps	\$122.50	\$130.00
Shared Grease trap (per premises)	\$30.50	\$65.00
Grease converter	New	\$300.00
Grit traps	\$122.50	\$130.00
Charge after first hr (per hr)	\$122.50	\$125.00
<b>Collection &amp; Transport of Trade Waste</b>		
Initial application fee	\$144.00	\$150.00
Charge after first hr (per hr)	\$115.50	\$125.00
Annual license fee	\$173.25	\$180.00
<b>Conveyance &amp; Transport of Trade Waste</b>		
Processing fee (per hr of part thereof)	New	\$125.00
Above 7000m3/day	\$0.69/m3	\$0.68/m3
Above 3150 kg/day	\$0.68/kg	\$0.56/kg
Up to 1575kg/day	\$0.30/kg	\$0.28/kg
Above 1575kg/day	\$0.57/kg	\$0.67/kg
<b>Animal Control</b>		
Registration per animal		
*Entire	\$155.50	\$160.00
*Neutered / spayed (with proof)	\$112.50	\$115.00
*Working Dogs	\$43.00	\$45.00
*Approved responsible owner	\$53.75	\$55.00

# APPENDIX ONE

<b>Animal Control</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
*Application for RDO status or change of RDO address	\$53.50	\$55.00
* Charge for late payments (50%)		
Licence for 3 or more dogs	\$30.50	\$32.00
<b>Impounding Fees</b>		
* First per animal (free if registered)	\$76.75	\$100.00
* Subsequent impounding	\$153.25	\$160.00
* Sustenance per day	\$15.25	\$17.50
* Destruction fee	\$30.75	\$33.00
Collection or delivery of dog on behalf of owner	\$25.50	\$27.50
After hours callout for collection of delivery of dog	\$25.50	\$27.50
Replacement of registration tag	\$10.25	\$10.75
Infringements	\$102.00-\$767.00	\$100.00-\$750.00
<b>Pavement Permissions</b>		
Initial application	\$177.25	\$180.00
Renewal	\$88.50	\$90.00
Extension of liquor licensing area	\$88.50	\$90.00
Central city (per m2)	\$81.75	\$85.00
Suburbs (per m2)	\$51.00	\$55.00
<b>Gambling Permissions</b>		
Initial application & renewal	\$92.00	\$120.00

## **Building Control and Facilitation**

We are proposing to increase our fees for Building Control and Facilitation services.

<b>Building Consent Fees</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
<b>Small Works fees</b>		
Additional inspection fee	\$103.50	\$112.50
<b>Customer Services</b>		
Pre-application meetings: consent officer / expert / compliance officer (2 hours total officer time free, then a charge per hour thereafter).	\$138.00	\$150.00
Monthly report of Issued Building Consents	\$69.00	\$71.25
Administration Fee	\$69.00	\$71.25
<b>Lodging fee</b>		
Lodging Fee for building consents	\$92.00	\$95.00
Code Compliance Certificate (for category 1 applications)	\$92.00	\$95.00
Code Compliance Certificate (for category 2 applications)	\$92.00	\$95.00
Code Compliance Certificate (for category 3 applications)	\$115.00	\$118.75
<b>PIM (if lodged with building consent)</b>		
PIM only – single resident dwelling including accessory buildings	\$327.00	\$355.00
PIM only – other	\$419.00	\$455.00



# APPENDIX ONE

<b>Building Consent Fees</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
<b>Plan Check Fees</b>		
<\$10,000 (Category 1)	\$310.75	\$338.00
<\$10,000 (Category 2)	\$483.50	\$525.00
<\$10,000 (Category 3)	\$621.50	\$675.00
\$10,001 - \$20,000 (Category 1)	\$690.00	\$750.00
\$10,001 - \$20,000 (Category 2)	\$690.00	\$750.00
\$10,001 - \$20,000 (Category 3)	\$690.00	\$750.00
\$20,001 - \$100,000 (Category 1)	\$759.50	\$825.00
\$20,001 - \$100,000 (Category 2)	\$759.50	\$825.00
\$20,001 - \$100,000 (Category 3)	\$759.50	\$825.00
\$100,001 - \$500,000 (Category 1)	\$828.00	\$900.00
\$100,001 - \$500,000 (Category 2)	\$1,242.00	\$1,350.00
\$100,001 - \$500,000 (Category 3)	\$1,242.00	\$1,350.00
\$500,001 - \$1,000,000 (Category 1)	\$1,932.00	\$2,100.00
\$500,001 - \$1,000,000 (Category 2)	\$2,208.00	\$2,400.00
\$500,001 - \$1,000,000 (Category 3)	\$2,484.00	\$2,700.00
\$1,000,001 + (Category 1)	N/A	N/A
\$1,000,001 + (Category 2)	\$2,555.50	\$2,778.00
\$1,000,001 + (Category 3)	\$2,555.50	\$2,778.00
For each \$500K or part thereof over \$1,000,000	\$664.50	\$722.00
Consent suspend fee (to review additional information). Charged per additional hour of officer re-assessment time.	\$138.00	\$150.00
<b>Plan Check for National Multi-use approval fees (NMUA)</b>		
Building Consent Fee, for applications using a NMUA (approved by Dept. of Building & Housing). Deposit of 3 hours, then hourly rate and charges apply after this.	\$414.00	\$450.00
<b>Building Certificate (pre-requisite for liquor licence application)</b>		
Where application received with application for town planning certificate	\$138.00	\$150.00
Where application received independently	\$230.00	\$250.00
Additional charge per hour for processing Building Certificate. Where processing times exceeds that allowed for in the base charge	New	\$150.00
<b>Certificates of Acceptance</b>		
If the certificate is NOT for work carried out under urgency (or other special circumstances) a 20% surcharge applies to the below fees. Includes deposit for inspections. Additional inspections charged at \$150 per hour.		
<\$10,000 (Category 1)	\$678.75	\$738.00
<\$10,000 (Category 2)	\$851.50	\$925.00
<\$10,000 (Category 3)	\$989.50	\$1,075.00
\$10,001 - \$20,000 (Category 1)	\$1,058.00	\$1,150.00
\$10,001 - \$20,000 (Category 2)	\$1,058.00	\$1,150.00
\$10,001 - \$20,000 (Category 3)	\$1,058.00	\$1,150.00
\$20,001 - \$100,000 (Category 1)	\$1,403.50	\$1,525.00

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<b>Building Consent Fees</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
\$20,001 - \$100,000 (Category 2)	\$1,403.50	\$1,525.00
\$20,001 - \$100,000 (Category 3)	\$1,403.50	\$1,525.00
\$100,001 - \$500,000 (Category 1)	\$1,472.00	\$1,600.00
\$100,001 - \$500,000 (Category 2)	\$1,886.00	\$2,050.00
\$100,001 - \$500,000 (Category 3)	\$1,886.00	\$2,050.00
\$500,001 - \$1,000,000 (Category 1)	\$2,576.00	\$2,800.00
\$500,001 - \$1,000,000 (Category 2)	\$2,852.00	\$3,100.00
\$500,001 - \$1,000,000 (Category 3)	\$3,128.00	\$3,400.00
\$1,000,001 + (Category 1)	N/a	N/a
\$1,000,001 + (Category 2)	\$3,199.50	\$3,480.00
\$1,000,001 + (Category 3)	\$3,199.50	\$3,480.00
For each \$500k or part thereof over \$1,000,001	\$1,032.50	\$1,122.00
<b>S77 Fees (building over two or more allotments)</b>		
Processing time	\$138.00	\$150.00
<b>Vehicle Access</b>		
Linked to building consent or resource consent	\$276.00	\$300.00
<b>Received Independently</b>		
Received independently (small)	\$291.25	\$315.00
Received independently (large)	\$490.50	\$530.00
<b>Vehicle Crossing</b>		
Initial inspection fee	\$138.00	\$150.00
Vehicle crossing inspection fee over 1 hour	\$138.00	\$150.00
<b>Amended Plan</b>		
Lodging fee	New	\$71.25
Initial fee (includes 1 hour processing time)	\$207.00	\$150.00
Processing time over 1 hour	\$138.00	\$150.00
<b>Marquee Licenses</b>		
Consent processing	\$138.00	Removed
Inspection (per hour)	\$138.00	Removed
<b>Compliance Schedule / Building Warrant of Fitness</b>		
New compliance schedule (linked with Building Consent). This is the minimum charge (based on one hour of processing), additional charges will apply for time taken over this, at \$150 per hour for additional hours	\$138.00	\$150.00
Alterations & Amendments to compliance schedule (linked to Building Consent) will be charged on a time taken basis. At \$150 per hour of officer time	\$138.00	\$150.00
Additional charge per hour for new compliance schedule (linked with Building Consent)	\$138.00	\$150.00
IQP Registration Fee (New & Renewal)	\$138.00	\$150.00
Additional charge for each new competency registered	\$69.00	\$71.25

# APPENDIX ONE

<b>Building Consent Fees</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
Building Warrant of Fitness - Annual Certificate. This is the minimum charge (based on one hour of processing), additional charges will apply for time taken over this, at \$150 per hour for additional hours	\$138.00	Replaced
Building Warrant of Fitness - Annual Certificate. This is the base charge for 1 specified system. Additional charges will apply for time over 0.5 hours	New	\$75.00
Building Warrant of Fitness - Annual Certificate. This is the base charge for 2 - 10 specified systems. Additional charges will apply for time taken over 1 hour	New	\$150.00
Building Warrant of Fitness - Annual Certificate. This is the base charge for 11+ specified systems. Additional charges will apply for time taken over 1.5 hours	New	\$225.00
Additional charge per hour for processing Annual Certificate, where processing time exceeds that allowed for in the base charge.	\$138.00	\$150.00
Building Warrant of Fitness Inspection (per hour)	\$138.00	\$150.00
<b>Fire Service</b>		
Fire service review deposit, collected with consent	\$279.00	Replaced
Fire Service Review base fee collected with consent. Additional fees from NZFS will be charged at actual.	New	\$202.35
Fire Service Review admin	New	\$71.25
Fire Service Courier charge		Actual cost
Consultants reports		Actual cost
<b>Producer Statement Rebates</b>		
Building Design - Plan Check Fee minus	\$0.30	Removed
Plumbing Design - Plan Check fee minus	\$0.30	Removed
Building & Plumbing Design - plan check fee minus	\$0.60	Removed
Structural design - structural check fee minus	\$0.90	Removed
Standard building - structural fee waived and document check fee minus	\$0.60	Removed

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<b>Building Consent Fees</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
<b>Structural Fee Deposits &amp; Additional Charges</b>		
Structural fee for checking elements of specific design on projects comprising structural works, supported by a producer statement from a Chartered professional engineer		
Deposit for all categories for structural checking not supported by a producer statement from a Chartered professional engineer	\$550.00	\$596.00
<b>Swimming Pool</b>		
Fencing inspection: additional standard inspection - 45mins (first standard inspection fee)	\$103.50	Replaced
Pool fencing inspection per hour. Fees charged on actual time spent.		\$150.00
Exemptions: Base fees (including 5.5 hours of processing time)	\$759.00	\$825.00
Exemptions: processing costs after the initial 5.5 hours	\$138.00	\$150.00
<b>Building Inspections</b>		
Hourly charge: Deposit based on estimate of inspections required. Charges on basis of actual time.	\$138.00	\$150.00
Engineering inspections (not covered by a Producers Statement), including fire, engineering, structural engineering for unusual proposal, specific design	Actual costs plus \$90.00	Actual costs plus \$90.00
<b>Special Activity &amp; Monitoring</b>		
Hourly charge for officer time considering proposals and monitoring compliance	\$138.00	\$150.00

## **Development Control and Facilitation**

We are proposing to increase our fees for development control and facilitation work, including fees for consents, compliance monitoring and enforcement.

<b>Resource Consent Fees Service</b>	<b>Current Initial / Fee</b>	<b>Proposed Initial / Fee</b>
<b>The following four initial fees have been amended to better reflect estimated officer time on consent applications. Final fees payable are on actual officer time, administration and other disbursement costs.</b>		
Pre-application meetings: planner / expert / compliance officer (charge per hour).	\$138.00	Actual time at \$150.00/hr
Non-notified consent: subdivision and/or land use - initial fee includes officer time and disbursements	\$1,222.00	\$1,500.00
Limited notified consent: subdivision and/or land use - initial fee includes officer time and disbursements	\$5,305.00	\$8,000.00
Notified consent: subdivision and/or land use - initial fee includes officer time and disbursements	\$13,304.00	\$15,000.00
All other approvals including: Non-notified resource consent application for earthworks only, Outline Plan	\$956.00	\$1,040.00

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<b>Resource Consent Fees Service</b>	<b>Current Initial / Fee</b>	<b>Proposed Initial / Fee</b>
approval; Certificate of Compliance; Extension of time (s125); Change or cancellation of conditions (s127); Consents notices (s221); Amalgamations (s241); easements (s243), Right of Way or similar - initial fee includes officer time and disbursements		
Certificates: Town Planning, Sale of Liquor, Overseas investments, LMVD - initial fee includes officer time and disbursements	\$348.00	\$385.00
<i>Additional Charges</i>		
Additional hours (per hour):		
- All consents: additional processing hours (per hour) – planner/advisor / compliance officer	\$138.00	\$150.00
- All consents: additional processing hours (per hour) – administrative officer	\$72.00	\$85.00
<i>Bylaw Application</i>		
Applications relating to signs (Commercial Sex Premises) -up to 6 hrs	\$828.00	\$900.00

<i>Compliance Monitoring</i>		
Monitoring Administration of Resource Consents: subdivision or land use – minimum of 1 hr, (previously based on up to 2 hrs), – then based on actual time over and above that.	\$138.00	\$150.00
Additional hours (per hour):		
- planner / expert / compliance officer	\$138.00	\$150.00
- administrative officer	\$72.00	\$85.00

<i>Subdivision Certification</i>		
<i>Below are minimum fees. Charges will be based on actual time if over and above that.</i>		
Stage certification: each stage for s223, s224(f), s226 etc - up to 2 hrs,	\$276.00	\$300.00
Combination of two or more Stage certifications: s223, s224(f), s226 etc - up to 4 hrs, (previously based on 3.5 hrs)	\$552.00	\$600.00
Certification s224 (c) - up to 4 hrs, (previously based on 2 hrs)	\$552.00	\$600.00
All other RMA and LGA certificates, sealing, transfer documents etc - up to 2 hrs - disbursements will be on-charged	\$276.00	\$300.00
Bonds: each stage of preparation or release - up to 2 hrs	\$276.00	\$300.00

# APPENDIX ONE

## *Terms and late payment*

### Deposits and additional fees:

- As set out above, the fees are based around initial deposits with further charges to be invoiced if there is additional time spent processing requests or disbursements incurred. Initial deposits will be required prior to the processing of requests. Additional fees and refunds will only be payable / refunded for amounts greater than \$65

### Terms for payment:

- Payment of additional fees are due by the 20<sup>th</sup> of the following month from invoice being processed. Where payment is not made by the 20<sup>th</sup> of the month following the date of the invoice, the customer agrees to pay council the following:
  - An additional / administrative fee of the lesser of 10% of the overdue amount or \$300
  - All costs and expenses (including debt collection or legal fees), incurred by the council in seeking to recover the over-due amount, and
  - Daily interest (rate of 15% p.a.) from the date of default

## **Transport – Network-wide Control and Management**

<b>Transport Management</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
Administration Fee	\$56.22	\$65.00
Inspection Fee	\$76.67	\$90.00
Prior Approval	New	\$80.00
Temporary Traffic Management Plan Approval	New	\$80.00
Late notice (per notice)	\$306.67	\$400.00
Further delay (per day)	\$25.56	\$30.00
Extra processing (per notice)	\$76.67	\$80.00
Follow -up inspection (per inspection)	\$76.67	\$90.00
Texturising fee	\$5.11	\$6.00
Instruction/Building maintenance use of Road Reserve processing fee	New	\$100.00
Special Licence Application Processing Fee	New	\$65.00

Further information on the proposed fees and policy changes, including a full copy of the amended policy, is available on request. Please contact the Council on 499 4444 for this information