



Waitakere City Council
Te Taiao o Waitakere

NOTICE OF MEETING

FINANCE AND OPERATIONAL PERFORMANCE COMMITTEE

I hereby give notice that a meeting of the Finance and Operational Performance Committee will be held on:-

DATE: Monday, 8 September 2008 **TIME:** 9.30 am
MEETING ROOM: Council Chamber
VENUE: Waitakere Central, 6 Henderson Valley Road, Henderson, Waitakere

to consider the business as set out herein and to take any necessary action connected therewith.

3 September 2008

Carmen Fernandes
COMMITTEE SECRETARY

Telephone (09) 836 8000 extn 8887

MEMBERSHIP:

Councillors	RI	Clow (Chairman)
	JM	Clews, QSO, JP (Deputy Chairman)
	DQ	Battersby, JP
	BA	Brady, JP
	MFP	Chan, JP
	LA	Cooper, JP
	AK	Corban, OBE, JP
	RP	Dallow, QPM, JP
	WW	Flaunty, QSM, JP
	PA	Hulse
	MM	Jolley
	JP	Lawley, JP
	PG	Mitchell
	VS	Neeson, JP

Mayor RA Harvey, QSO, JP (ex officio)

(Quorum 5 members)

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(Meeting Room could be subject to change)

(The reports and recommendations contained in all agendas are reports and recommendations only and are not to be construed, in any way, as Council policy until adopted.)

**AGENDA FOR A MEETING OF THE FINANCE AND OPERATIONAL PERFORMANCE
COMMITTEE TO BE HELD IN THE COUNCIL CHAMBER AT WAITAKERE CENTRAL,
6 HENDERSON VALLEY ROAD, HENDERSON, WAITAKERE,
ON MONDAY, 8 SEPTEMBER 2008
COMMENCING AT 9.30 AM**

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PART A - OPENING OF MEETING

1 APOLOGIES



2 URGENT BUSINESS

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 provides that where an item of business is not on the agenda, it may only be dealt with at the meeting if:

- (i) the Committee by resolution so decides; and
- (ii) the Chairman has explained at the beginning of the meeting (when open to the public) that the item will be raised for discussion and decision, why the item is not on the agenda, and why it cannot be delayed until a subsequent meeting.

The Committee may make a decision on a matter determined to be urgent.

NOTE: Urgent Business need not be dealt with now and may be delayed until later in the meeting.



3 CONFLICTS OF INTEREST

The Council has acknowledged in its Code of Conduct that Elected Members need to be vigilant to stand aside from decision making when a conflict arises between their role as a member of the Council and any private or other external interest they might have. This note is provided as a reminder to members to check that no such conflicts arise in relation to any items on this agenda.



4 CONFIRMATION OF MINUTES

Meeting Minutes - Monday, 11 August 2008

RECOMMENDATION

It is recommended that the Finance and Operational Performance Committee resolve to:

Receive the minutes of the meeting of the Finance and Operational Performance Committee held on Monday, 11 August 2008, as circulated, and that they be taken as read and now be confirmed.



PART B - LEGAL AND CONSTITUTIONAL

5 AFFIXATION OF COMMON SEAL

RECOMMENDATIONS

It is recommended that the Finance and Operational Performance Committee resolve to:

1. **Receive** the Affixation of Common Seal report.
2. **Agree** that the action taken in affixing the Common Seal on the documents as set out in the agenda report be adopted.

EXECUTION OF DOCUMENTS: 1 August to 2 September 2008

Nº	NAME	PARTICULARS
4531	WCC – Mae Holdings Limited and BNZ Bank	Cancellation of Performance Bond – Millbrook Road, Sunnyvale – Rule 44.2 Standing Orders
4532	WCC – RG & CE Bogalo	Drainage easement in gross – CT.407470 – 1 Nicolas Avenue, Glen Eden – RMA2008319
4533	WCC – TAT 834 Limited	Fencing Agreement – CT.NA129B/338 – 2 Rapaki Place, Te Atatu Peninsula – LUC20071102
4534	WCC – Her Majesty the Queen (Department of Conservation)	Transfer Instrument – Scenic Reserve at Waikumete – resolution of Council 274/2001
4535	WCC – Batmoring Limited	Drainage easement in gross – CTs.375349 and 375350 – 19 Glenfinn Place, Massey – RMA2006763
4536	WCC	Plan Change 5 (applied by Environment Court ENV-2006-AKL-000647)
4537	WCC – Waitakere Properties Limited	Performance Bond, in duplicate, SPW 22830
4538	WCC – 231 Huia Road Developments Limited	Drainage easement in gross – CTs.425603 and 425604 – 231 Huia Road – RMA20061652
4539	WCC – Kathryn Maskery	Warrant of Appointment & Evidence of Identity – No.WCC401
4540	WCC – Andrew Charles Ian Collier	Warrant of Appointment & Evidence of Identity – No.WCC400
4541	WCC – Erin Diane Mills	Warrant of Appointment & Evidence of Identity – No.WCC402
4542	WCC – AB & KL Matthews, RW Herbert & W Olson	Consent of Council to easements – 33 & 33A Landing Road

Report prepared by: Denis Sheard, Legal Services Manager.



PART C - PROPERTY

6 TARGETED RATES PRINCIPLES

GLOSSARY

Local Government Act 2002	(LGA 02)
Local Government (Rating) Act 2002	(LGRA 02)
Long Term Council Community Plan	(LTCCP)
Transport Oriented Development	(TOD)

EXECUTIVE SUMMARY

The purpose of this report is to discuss the broad principles of targeted rates and their relevance as a funding source for Waitakere City Council. The paper presents a high level general discussion and does not provide a comprehensive coverage of a targeted rates scheme.

Property values based general rates are a major source of funding for meeting the Council's operating expenditure. However, general rates alone are not sufficient to achieve equity and fairness in the distribution of rates load among different ratepayers under certain circumstances because of the differences of the benefits received by them and the inequalities in the distribution of property values and household incomes in the City.

Targeted rates, when applied judiciously, can remedy some of the drawbacks of general rates and achieve a greater degree of equity and transparency in the distribution of rates load among different groups.

Targeted rates could be applied to allocate the operating costs in relation to the benefit distribution or the costs incurred in different geographic locations. There appears to be a strong case for exploring the feasibility of introducing targeted rates on greenfield developments and business sector ratepayers.

RECOMMENDATIONS

It is recommended that the Finance and Operational Performance Committee resolve to:

1. **Receive** the report on Targeted Rates Principles.
2. **Agree** in principle that targeted rates be applied to different property groups for meeting the Council's operating expenditure, subject to further work being undertaken to:
 - (a) identify the appropriate property groups;
 - (b) the bases for calculating targeted rates; and
 - (c) the possible impacts on the identified property groups.

BACKGROUND

1. The Council determined its rating methods within the framework of the Revenue and Financing Policy adopted in June 2006, and amended in June 2008 to introduce targeted rates in Business Improvement Districts. The Revenue and Financing Policy and Rating Methods are now due for review and adoption as part of the Long Term Council Community Plan (LTCCP) 2009/2019 process.

DECISION MAKING

2. Property rates are one of the major funding methods available to councils. All funding methods and the rationale for selecting them are described in the Revenue and Financing Policy developed in accordance with the Local Government Act 2002 (LGA 02). In determining the appropriate funding methods, section 101 (3) of the LGA 02 requires the councils to consider separately for each activity to be funded a number of principles. They are:
 - (i) The community outcomes to which the activity primarily contributes;
 - (ii) The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals;
 - (iii) The period over which those benefits are expected to occur;
 - (iv) The extent to which the actions or inactions of particular individuals or a group contribute to the need to undertake the activity;
 - (v) The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and
 - (vi) The overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.
3. The rating policies are governed by both the LGA 02 and the Local Government (Rating) Act 2002 (LGRA 02). The LGRA 02 permits the application of targeted rates where a council determines that the cost of a service or function should be funded separately by a particular group of ratepayers on a basis different from general rates. The bases that may be used in calculating targeted rates are set out in schedule 3 of the LGRA 02.

Issues

4. Property rates are a form of tax because they are compulsory payments to councils, and not discretionary payments related or tied to the use of particular services. Generally, local government expenditure is pre-determined, and allocated among ratepayers on the basis of property values. Accordingly, rates are reset every year based on the estimated expenditure of the councils in the following twelve months. While local government rates are driven by expenditure, the central government tax revenue increases with the increase in income or consumption or turnover or profits of the tax payers as the case may be, depending on the nature of the tax.
5. The nature of property taxes has been an intensely debated issue among academics over the last three decades or so. This theoretical debate is useful in understanding the principles underpinning property rates in general and their relevance to targeted rates in particular.
6. There are two competing academic opinions on property rates: the "benefit tax" view and the "capital tax" view.

Benefit View of Rates

7. Property rates are used for funding an array of local authority services which benefit the community in a local area. It is argued that the benefits of public investments in local areas are capitalised in the property values giving rise to different property values in different locations. Because of this, the proponents of the benefit tax view claim that property rate, in effect, is a payment for a bundle of public services received. Hence it is considered to be an efficient tax.

Capital Tax View

8. In contrast, capital tax view is based on the premise that property rates are a tax on capital development, as both land and improvements are taxed when the rate is based on capital value (note: currently, this is not the case in Waitakere where rates are based on land value only). Tax on capital inefficiently distorts resource allocation by driving capital investments out of high rate areas to low rate locations. They argue against rating the capital component (improvements) of property values, and support a land value based rating system.
9. Both these theoretical explanations seem to ignore the influence of other factors on property values. These include the natural characteristics of the location such as water, mountain or bush views and the social and cultural capital such as the homogeneity of the neighbourhood community. While these factors could enhance the property values in a particular location, the availability of community infrastructure still remains a fundamental determinant of the underlying differences in property values.
10. The role of property rates is to fund those services whose collective benefits are enjoyed by the property owners of the local community. However, the property values and the incomes of the property owners are distributed unequally. The question is which form of rates or combination of rating methods could align the costs of the services provided more closely with the benefits enjoyed by different groups of ratepayers so that equity, transparency and efficiency could be achieved.

Options Identified

11. Two major rating methods are identified: targeted rates and general rates with differentials for the purpose of funding the Council's operating expenditures.

Assessment of Options

General Rates

12. While property values provide the primary basis for rating, they are still imperfect on two counts:
 - Equity and transparency; and
 - Distribution of benefits of different services.
13. Equity and transparency are two key interrelated principles of taxation (rating). Equity (fairness) is defined in two different ways: horizontal equity (e.g. households with similar income paying the same tax) and vertical equity (e.g. households with higher income pay a larger share of their income in taxes than households with low income). While regressive taxes such as flat taxes (uniform rates) could achieve horizontal equity, income based taxes (progressive taxes) achieve vertical equity.
14. Transparency is important to ensure accountability by councils, and compliance and acceptance by ratepayers. If ratepayers cannot see the relationship between the rates liability and the benefits, they may suspect the entire rating system as unfair.
15. A progressive rating system is important in addressing the ability to pay issue. A rating system is considered to be progressive if the proportion of rates liability (i.e. rate as a percent of income) increases with the increase in income. This is because the rate burden is heavier on those at relatively low income levels than those at higher incomes.

16. Ratepayers have diverse economic and social conditions; and the property values and household incomes are not distributed equally. Further, property values are not closely aligned with the nature of the services provided or perfectly related to the incomes of the ratepayers. General rates fund a bundle of services, which constitute both private and public goods. Hence, general rating system based on pure property values may not fully capture these complexities and, as a result, may fail to achieve both horizontal and vertical equities under certain circumstances. For example:
- Horizontal iniquity: Some ratepayers with similar income levels own properties with significantly different values. They would pay markedly different rates as property values (be they land, capital or annual) are not directly related to the financial conditions (income or wealth). This could result in horizontal inequity in rates distribution.
 - Vertical iniquity: Some ratepayers with significantly different income levels would pay the same rate because they own properties with similar value (e.g. pensioners living in relatively affluent neighbourhoods). This could result in vertical inequity in rates distribution.

Distribution of Benefits and Causation of Costs

17. Another aspect of equity is the distributive equity, which is also called the *benefit principle*. One of the key tenets of local government finance is that those who enjoy benefits of local services should pay for them. General rates based on pure property values do not distribute the rates burden strictly on the basis of the benefits accruing to different property owners. There are services which mainly benefit only some ratepayers (e.g. town centre businesses). Similarly some ratepayers could be more responsible for creating a demand for some services (e.g. greenfield developments). In such circumstances general rates need to be adjusted to reflect the benefit distribution or cost causation.
18. General rates depend on both location and the size of the property (land area). Large rural properties with a single household may pay more in rates than those with smaller sections in another location. However, land area may not have any relationship to the benefits enjoyed. Therefore, general rates have only a limited capacity to ensure fairness.
19. In order to address some of these issues, the legislation allows councils to adjust the general rates based on property values and also adopt a mix of funding methods. One of these is the introduction of differentials, i.e. the rates in the dollar set for the general rate may be different for different classes of properties. However, those differential rates must be set on the same valuation basis for all classes of properties. For example, land value cannot be used to calculate general rates on one class of property and capital value on another class of property. Therefore, differentials cannot fully rectify the defects of general rates.

Targeted Rates

20. Targeted rates provide a greater degree of flexibility than general rates in establishing a closer link between benefits received by ratepayers from council services or the costs they have imposed on the council and the rates liability. They are more versatile than general rates in achieving a greater degree of equity and transparency, as the rates could be targeted to specific groups by applying different criteria. In summary, targeted rates could be adopted to address:
- differences in service levels provided to different groups;
 - differences in the scope of services provided; and

- distribution of benefits – spatially (e.g. greenfields or town centres).
21. Targeted rates may be set for any function identified in the Annual Plan.
 22. Targeted rates may be calculated on the value of a property, or may be set as a uniform annual charge basis across all classes of property, or differentially for different categories of property.
 23. Targeted rates set on property value may be set using a different system of property values to the general rate and may be set using a different system of property values for different classes of properties, e.g. if the general rate is calculated on land value, a targeted rate may be calculated on capital value, or rates on one class of properties may be calculated on land value and rates on another class of properties may be calculated on capital value. Such targeted rates may also be set uniformly across all properties in a class, or may be set differentially across different classes of properties, and those differentials need not be the same as for the general rate.
 24. However, the legislation has placed some limitations on the use of targeted rates. The proceeds of targeted rates set on a uniform annual general charge basis and uniform basis, excluding any uniform annual charges for wastewater and/or water, must not exceed 30% of the total rates revenue (section 21 of the LGRA 02).

Scope for Applying Targeted Rates in Waitakere City

25. There is scope for greater use of targeted rates to fund the operating costs of the services provided by the Council. Currently, targeted rates are applied for some services using different bases for the calculation of the rate liability. These are: water supply (volumetric), residential wastewater (uniform charge) commercial and other wastewater (land value), rural sewerage management (fixed charge per septic tank) and environmental monitoring (fixed charge per rating unit). In addition, effective from this year, the Council has introduced targeted rates to fund the business improvement district associations.
26. Targeted rates could be applied to allocate the operating costs in relation to the benefit distribution or the costs incurred in different geographic locations. There appears to be a strong case for exploring the feasibility of introducing targeted rates on greenfield developments and business sector ratepayers.

Business Sector Rating

27. Currently rates liability of the entire business sector is calculated by the application of a differential (excluding targeted rate on water) and distributed among business properties on the basis of land value. Under this approach all businesses are treated equally regardless of the location or the nature of businesses.
28. Targeted rates could be more flexible and effective than general rates in capturing the benefits accruing to major business sectors and rating them separately.

Targeted Rates in Greenfield Areas: Northern Strategic Growth Area (NorsGA)

29. The capital expenditure related to growth is funded mainly from development contributions so that the cost of growth in NorsGA would be minimised on current ratepayers. Based on the same logic, there is a case for considering targeted rates in greenfield areas so that operating costs related to community infrastructure would be met by those who benefit from such services. One of the ways of funding operating costs of greenfield developments would be to introduce targeted rates.

Targeted Rates in Town Centres: New Lynn

30. The major share of the benefits of town centre developments accrue to the properties located in and around the town centres. Although the land value appreciation tends to reflect these benefits in general, a larger proportion of the benefits accrue to the businesses. Currently, a part of the operating costs of town centres are allocated to the business sector through the business differential. Targeted rates could be a better option than differentials in allocating a fair share of the operating costs of town centre development to business sector in accordance with section 101 (3) of the LGA 02.
31. A study undertaken by the Answer Company on funding options for meeting the capital costs of infrastructure developments in New Lynn has proposed the application of targeted rates on the businesses located in New Lynn. It is important to note that the Answer Company's rationale for targeted rating in New Lynn is based entirely on the potential increase in land value as a consequence of the transport oriented development and other infrastructure investments in the town. The application of targeted rates to tax potential capital gains is open to challenge by ratepayers.
32. According to the consultant's report: "the owners of non residential land will almost certainly gain a significant improvement in the values of their properties, with corresponding cash flow benefits as a direct consequence of the public sector investment in the New Lynn Transport Oriented Development (TOD)". There is a strong argument, based on equity, for Waitakere City Council to seek to recover a portion of those increased returns, generated as a result of public expenditure, and apply them towards the payment of the capital assets".
33. The amount of targeted rates suggested is based on the estimated potential value increase of the properties in the TOD Zone, rather than the share of the benefits accruing to the property owners, or the costs of infrastructure development. If equity is the rationale for targeted rates, the costs allocated to the properties in the TOD Zone needs to be in proportion to the share of benefits accruing to those properties. In order to comply with section 101 (3) of the LGA 02, the Council is required to consider the distribution of the total benefits that would be generated by the project.
34. There are direct and indirect beneficiaries of the TOD project. The identification of the shares of benefits accruing to different parties is, perhaps, the most contentious and complex issue involved in determining the funding techniques. Direct beneficiaries include the entire city community and those who come from outside the city (e.g. travel time and vehicle operating cost savings by commuters). Without a robust analysis of benefit distribution, it is not possible to apply the beneficiary pays principle in an equitable manner.
35. Even as a value capturing tax, there are some major issues. One of the critical issues that needs to be addressed with any value capture mechanism is the extent to which infrastructure investment is responsible for the value increase. The estimated land value increase is an incidental benefit (positive externality or spill over effect) of the infrastructure investments. Property value changes are influenced by a whole host of factors, including the feed-back effect of the new tax itself on the demand for land and, consequently on the expected value increase.
36. If targeted rates are designed to tax capital gains, a question arises as to whether the rate should be based on the gross property value or the net value as most property purchases are financed by mortgages. It is also equally important to consider the mortgage cost associated with the property.

37. When designing funding methods councils are required to consider inter-generational equity. As the benefits arising from the assets spread over a longer term, there is a case for recovering costs over the life of the assets to ensure this. Attempts to recover the capital costs within a relatively short period with excessive targeted rates simply shift the tax burden to those who own the properties during the earlier phase of the asset life.

Targeted Rate and General Rate

38. As the land values in New Lynn could rise faster than the average increase elsewhere in the city (influenced by the increasing attractiveness of the infrastructure developments in the town), the proportion of the total City rates paid by ratepayers in New Lynn will also increase relative to others. This means that the general rates on New Lynn properties are likely to be much higher than in the rest of the City. This needs to be taken into account when setting targeted rates in order to avoid possible "double dipping".

Targeted Rate as a Substitute for Development Contributions

39. Targeted rates appear to be an inferior substitute for development contributions. Development contributions are designed to recover the cost of infrastructure from those who cause the need for such investments (similar to exacerbator / impacter pays principle). It is an upfront lump sum payment by new developments.
40. While targeted rates are payable by the property owners over a period of time, development contributions are levied at the stage of granting various consents. This is important in containing the growth of council debt contracted to fund growth induced capital costs.

Potential Impacts of Targeted Rate Proposed for New Lynn

41. When determining funding methods, section 101 (3) of the LGA 02 requires the Council to consider, among others, the overall impact of the funding methods on the current and future social, economic, environmental and cultural wellbeing of the community. These impacts will depend largely on the incidence of rates burden. Council needs to carefully consider whether the targeted rate proposed by the consultants in combination with development contributions could negate some of the economic benefits assumed in the cost/benefit analysis of the proposed infrastructure investments. What would be the impact on additional rates on small business and employment? What is the appropriate timing for the introductions of an additional tax? These issues need to be examined carefully.
42. The Council places significant importance on intensive use of urban land and creation of job opportunities locally. The realisation of these strategic goals could be influenced by the funding methods selected. The split of costs among different groups who benefit from the project could have a significant cost impact on the properties within close proximity to TOD. This could, in turn, involve implications for employment generation and intensive use of land in the TOD Zone.
43. Although the proposed targeted rate is intended to capture the land value increase, the ratepayers will not realise such gains unless the properties are sold. Then, in reality, the rate will be a claim on unrealised gains, and paid out of the current revenues of the landowners. This raises the issue of equity and transparency.

44. The Council also needs to consider the possible economic and social implications of the proposed new rate under section 101 (3) of the LGA 02. As noted before, even without any policy change, large increases in land values will lead to an increase in the general rates in the TOD Zone (note the substantial increases of rates on some business properties in the City consequent to the last property valuation). In addition, there will be development contributions on new developments. Targeted rate designed to capture unrealised capital gains will be an additional rates burden on commercial properties, depending on its level, timing and duration.
45. Excessive taxation could distort cost signals, impose economic deadweight losses and even drive away some businesses which could otherwise be commercially viable. Waitakere is dominated by small business (nearly 90% of the business units employ 5 or less FTE's), and they will be the ones to feel the impact of cost increases most. A recent study on the impact of rates on businesses noted that retail businesses in town centres are operating with very thin margins and their ability to absorb increase in rents is limited. If small businesses are driven away from the city centres by high rates, it could result in unintended adverse effects on the economic wellbeing of the community. It is important to ensure that the targeted rates proposed are reasonably in proportion to the benefits accrued.

Consideration of Community Views

46. Some members of the business community have made submissions against the application of business sector differential and pointed out the lack of transparency of the methodology adopted to calculate the amounts of general rates.
47. In order to address the issues raised by ratepayers, action has been initiated to undertake a study on the options available (including differentials and targeted rates) for business sector rating.

STRATEGIC CONTEXT

48. Rates are the principal source of funding for meeting the operating costs of a whole range of council services, which are collectively used by the entire community and which are not fully funded by other sources, such as user pays and grants.
49. In many respects, property rates are a tax, as the amount levied is not directly related to the actual use of council services by individual rate payers and it is a compulsory payment. As a form of tax, property rates need to be equitable, efficient and transparent.
50. In addition, in determining the source of funding, section 101(3) of the LGA 02 requires councils to consider, in relation to each activity, the community outcomes to which the activity primarily contributes; the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; the distribution of benefits over time; the extent of the effects of the actions of particular individuals or a group that contribute to the need to undertake the activity; the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and the overall impact of any allocation of liability of revenue needs on the current and future social, economic, environmental and cultural well-being of the community.
51. The Council's LTCCP 2006-2016 provides a broad strategic framework for the pursuit of economic, social, environmental and cultural wellbeing of the community in Waitakere:

Economic

- **Strong and Innovative economy**

52. This platform seeks to promote local enterprise, jobs and economic growth in high quality town centres.

Social and Cultural

- **Strong Communities**

53. This platform addresses how the Council supports health and wellbeing of the City's residents. It has a vision of a community that is active, informed, healthy and content; a community that feels safe and that has a strong sense of community.

Environmental

- **Urban and rural villages**

54. The objective of this platform is to make the City a vibrant and enjoyable place to live, work and play by creating attractive urban places that encourage growth and economic development with minimum environmental impacts.

- **Integrated transport**

55. This strategic platform seeks to develop an efficient communication and transport system that supports the growing population. Transport systems are integrated, innovative and environmentally responsible.

- **Green network**

56. This strategic platform is about caring for natural areas. The City's parks, bush and streams form a "Green Network" that provides homes and "highways" for wildlife and recreational areas for people.

Preferred Option

57. A mix of funding techniques with greater use of targeted rates on groups of properties identified in accordance with the provisions in the LGA 02 and the LGRA 02.

CONSULTATION

58. The Council officers involved in the development and implementation of rating policies have been consulted. Also, the submissions made by business ratepayers during the LTCCP and Annual Plan consultation processes in the past have been taken into account.

RESOURCES

59. Resources have been allocated in the 2008/2009 budget for a review of the business sector rating.

IMPLEMENTATION ISSUES

60. No issues are identified at this stage. A special consultative procedure will be followed during the LTCCP 2009/2019 process on any changes to the current Rating Policy and consequent amendments to the Revenue and Financing Policy.

Report prepared by: Ariya Randeni, Senior Analyst: Economic Policy.



PART D - FINANCE

7 BORROWING AND INVESTMENT REPORT

GLOSSARY

Long Term Council Community Plan	(LTCCP)
Waitakere City Council	(the Council)
Finance and Operational Performance Committee	(the Committee)

EXECUTIVE SUMMARY

This is a monthly report to Waitakere City Council's (the Council's) Finance and Operational Performance Committee (the Committee) and is also a requirement of the Council's adopted Liability Management and Investment Policy. It provides information on the Council's borrowing and investment activities over the past month and also high level information on current financial market conditions. From time to time additional and more detailed information is requested on particular areas of interest by the Finance and Operational Performance Committee or other Committees.

RECOMMENDATIONS

It is recommended that the Finance and Operational Performance Committee resolve to:

1. **Receive** the Borrowing and Investment Report.
2. **Approve** the Borrowing and Investment Report.

BACKGROUND

1. The Council enters into treasury related financial contracts in the ordinary course of its business. It is the role of the Council's Funds Management section to manage such contracts and the impact that they have on the organisation. All funds management transactions are governed by the Liability Management and Investment Policy, prepared in compliance with the Local Government Act 2002. As a requirement of that Policy this report informs the Committee on the current and future movements of the Council's debt and cash investments, and provides a general commentary of financial market conditions.

A1-A6

2. The relevant portfolio and graphs reflect the estimated position as at 31 July 2008 and are attached at pages A1 to A6 of the agenda.

DECISION MAKING

3. The Finance and Operational Performance Committee must consider whether to approve the Borrowing and Investment Report.

Issues

4. The Council's Funds Management function is to actively manage a large portfolio of various debt and investment instruments. The benefit of borrowing is that it enables the Council to carry out the projects identified in the Annual Plan and Long Term Council Community Plan (LTCCP), while spreading the costs for those projects over time to recognise the future benefits. Borrowing funds therefore assist the Council with its entire loans funded strategic initiatives. The Liability Management and Investment Policy requires that a report detailing the management of the portfolio be presented to the Committee on a regular basis. The report must include information on the following subjects:
 - Cash/debt position;
 - Forecasted borrowing profile;
 - Interest rate profile;
 - Risk management;
 - Material transactions; and
 - Market commentary.
5. This report addresses the requirement of the Liability Management and Investment Policy and may include other information that is relevant to the Funds Management function.

Financial Implications

6. The active management of the treasury portfolio seeks to minimise the Council's borrowing costs and maximise investment returns of liquid assets. The Funds Management function is also charged with seeking investors, thus ensuring that there is sufficient liquidity available for the Council to continue its work programme. New Zealand financial markets are significantly volatile and therefore interest rate risk management is a key responsibility of the Funds Management function. Detailed financial information included within this report is intended to give assurance of the prudent management of the Council's portfolio.
7. The Council maintains a Standard and Poor's Credit Ratings of A-1 short term, and A+ long term (stable).

Interest Rates

8. Over the past month, the New Zealand 90 day bank bill has continued its downward trend to its current level of about 8.15%. This largely prices the financial markets expectation of more interest rate cuts to come for the Reserve Bank of New Zealand's Official Cash Rate. The next policy statement to be made by the Reserve Bank is on 11 September 2008. There are a total of three Monetary Policy Statement dates for the remainder of the year in which the Reserve Bank is likely to decrease the Official Cash Rate. If they do continue to decrease at each meeting the Official Cash Rate will end the year at 7.25%, down from the current 8.0%.
9. Longer term interest rates have also had a downward trend, though not as significant as the short term interest rates. The 10 year swap rate has decreased over the month from about 7.0% to a current level of about 6.95%.

Credit Rating

10. On Friday, 22 August 2008, the Chief Executive Officer, Director: Finance and Group Manager: Funds Management met representatives of Standard and Poor's, who provides the Council with its credit rating services. The credit rating is important, as it provides an independent third party perspective of the Council's

credit worthiness. The meeting was an excellent opportunity for Standard and Poor's to meet the Council's new Chief Executive Officer, and simultaneously conduct the more in-depth annual surveillance management meeting. Standard and Poor's have a comprehensive list of discussion topics, including organisational stability, demographics, financial planning and treasury matters. Discussions took place on some of the significant projects and growth that will occur in the city over the next few years, including New Lynn, Hobsonville and the Westgate area. It was also an opportunity to present the wealth of literature, prepared by the Council, encouraging private sector investment in the City. The presentation was received very well. The outcome on the Council's credit rating will not be available for approximately 8 weeks. The Council's current credit ratings are A-1 short term and A+ long term. Both ratings are considered stable by Standard and Poor's.

STRATEGIC CONTEXT

11. The management and use of borrowing and investments is aligned to all of the Council's strategic objectives, as adopted in both the LTCCP 2006-2016 and the Annual Plan 2008/2009.

CONSULTATION

12. This report includes data sourced by the Council's external treasury advisors, Asia Pacific Risk Management, and opinions or views sourced from various financial institutions.

RESOURCES

13. The Council, through its Annual Plan 2008/2009, provided for total new borrowings of \$224.915 million, including loans attributable to projects carried forward from previous years totalling \$105.488 million. Total interest cost has been provided in the Annual Plan 2008/2009 of \$27.292 million.

IMPLEMENTATION ISSUES

14. There are no implementation issues identified for this report.

Report prepared by: Bruce Wilkin, Group Manager: Funds Management.



8 PAYMENTS FOR APPROVAL

EXECUTIVE SUMMARY

The purpose of this report is to advise the Finance and Operational Performance Committee of payments made by the Council.

A7-A15

A summary schedule of payments made for the period 13 July 2008 to 16 August 2008 is attached at pages A7 to A8 of the agenda. A further schedule of all payments of \$5,000 and above, together with the reason for the payment, is attached at pages A9 to A15 of the agenda.

Payments have been provided for in accordance with approved budgets.

If a Committee member wishes to ask specific questions relating to any of these payments please direct them to the Director: Finance prior to the meeting. This will enable a response to be adequately researched.

RECOMMENDATIONS

It is recommended that the Finance and Operational Performance Committee resolve to:

1. **Receive** the Payments for Approval report.
2. **Approve** the contracts let and the payments made.

BACKGROUND

1. All payments made by the Council are presented to the Finance and Operational Performance Committee on a progressive monthly basis. Elected members are able to review the information provided and seek information or clarification in respect of any of those payments.

DECISION MAKING

2. The Finance and Operational Performance Committee must consider whether to approve the contracts let and the payments made for the period 13 July 2008 to 16 August 2008.

STRATEGIC CONTEXT

3. The Council makes various payments as provided for in its Long Term Council Community Plan and Annual Plans. The Council follows good practice for procurement of goods and services and ensures that funding has been provided from appropriate sources.

CONSULTATION

4. No consultation was required in respect of this report.

RESOURCES

5. This report has no resource implications.

IMPLEMENTATION ISSUES

6. There are no implementation issues in respect of this report.

Report prepared by: Alec Third, Group Manager: Financial Operations.



PART E - GENERAL

9 RELEASE OF FUNDS TO THE NETBALL WAITAKERE DEVELOPMENT BOARD

GLOSSARY

Netball Waitakere Development Board (the Board)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Finance and Operational Performance Committee to commence the release of funds allocated through the 2008/2009 Annual Plan process to the Netball Waitakere Development Board (the Board) upon invoice of certified and completed works in relation to the development of the new pavilion.

Council officers have been working closely with the Board and project managers, N-Compass Limited, and are satisfied that Council's tendering and procurement policy has been applied which was a condition of the funding.

This report does not include information on the construction of the covered court area which is being developed adjacent to the pavilion, as Council has not provided funding for this project and it is being tendered for separately in the later part of 2008.

RECOMMENDATIONS

It is recommended that the Finance and Operational Performance Committee resolve to:

1. **Receive** the Release of Funds to the Netball Waitakere Development Board report.
2. **Approve** the release of funds allocated through the 2008/2009 Annual Plan process to the Netball Waitakere Development Board for works completed as progress payments on invoice less retentions in relation to the development of the new pavilion are received, subject to an Access Agreement being agreed to and signed between Council and the Netball Waitakere Development Board.
3. **Agree** that the release of funds be made so that progress payments are shared equitably between the Council and the Netball Waitakere Board.
4. **Agree** that retentions are retained from approved progress payments to the Netball Waitakere Development Board in relation to the development of the new pavilion in accordance with contract documents with 50% being paid upon practical completion of the pavilion (that is upon issue of a Code Compliance Certificate or if a Code Compliance Certificate is not available at that time a certificate of public use under section 363A of the Building Act 2004) and with 50% being paid at the end of the defects liability period subject to satisfying any defected works.

BACKGROUND

1. The Board propose to build a new clubroom, known as the pavilion, in the south eastern corner of the existing court facility at Te Pai Park. The construction of the pavilion is in conjunction with the proposed development of an indoor court facility over the adjacent three netball courts. An update report was provided to the City Development Committee at the meeting of 2 August 2007 and the following resolution was passed:

"That the New Netball Pavilion and Covered Netball Courts report be received."

(3214/2007)

2. A total of \$2,286,000 has been allocated to the Board for the development of the pavilion, to be available as follows:

2006/2007	Detailed Design	\$ 200,000
2007/2008	Construction	\$1,029,000
2008/2009	Construction	\$1,057,000

3. The sum of \$200,000 has already been released to the Board during 2006/2007 for detailed designs.
4. In addition, advance monthly instalments towards professional services relating to the project were drawn down during 2007/2008 based on a forecasting model provided to Council. These instalments totalled \$418,794. Therefore a total of \$1,667,206 remains available to the Board.

DECISION MAKING

Issues

Tender Process

5. A review of the tender process has been undertaken by Council officers. The tender is for the construction of the pavilion. The construction of the covered courts is being tendered separately in the later part of 2008.
6. The review concluded that the tender process has been conducted in line with Council's tendering and procurement policy. Skyward Construction has been awarded the contract.

Regulatory Requirements

7. Both resource and building consent have been obtained for the construction of the pavilion.

Access Agreement

8. To secure a good outcome for Council's substantial financial investment into this project, an access agreement will be drawn up and agreed upon between Council and the Board. The agreement will include details on:
 - Annual reporting;
 - Hours of community use;
 - Management of the facility;
 - Promotion of community access;
 - Availability of the facility for Council use;
 - Hire charges;
 - Signage;
 - Naming rights; and
 - Relationship management.
9. The access agreement will also clearly set out the process to follow if disputes or differences arise between the Council and the Board in relation to the terms of the agreement. The access agreement will be linked to the lease and in the event of a termination of the lease all assets will revert to Council.

Consideration of Community Views

10. The application for funding came via the 2006/2007 Annual Plan process and as such it was granted through an open and transparent process.

STRATEGIC CONTEXT

11. Council has adopted a platform of 'Strong Communities', which addresses how the Council supports the health and wellbeing of the residents of Waitakere. The development of leisure facilities in Waitakere contributes to this platform by providing:
 - A positive impact on the social, cultural and environmental wellbeing of the City;
 - Places for healthy activity and recreation; and
 - Leisure facilities and services that people enjoy.

12. Waitakere is one of the least active cities in New Zealand. New leisure facilities support opportunities for residents to participate in sport and or physical activity and will complement the initiatives being implemented through the Active Waitakere 'Move It Waitakere' Action Plan. Direct financial assistance to organisations providing facilities and activities to get people more active, assists the Council's commitment to these policies.

CONSULTATION

13. Informal consultation has taken place between Council officers. External consultation was conducted as part of the 2006/2007 Annual Plan process.

RESOURCES

14. Funds have been allocated to this project through the 2006/2007 Annual Plan process. The Board and the ASB Community Trust have also made contributions to the project. The only additional resource required to implement the recommendation will be staff time to monitor the project and organise the release of funds as appropriate.
15. Monitoring of the project will consist of the weekly reports from N-Compass Limited, and a site visit(s) prior to the payment of each invoice.
16. Council officers have been informed by N-Compass Limited that additional costs of approximately \$260,000 are estimated relating to the escalation in the cost of building materials, fees for additional geotechnical investigations plus an estimated \$80,000 for additional piling. N-Compass Limited intend to undertake value management measures to achieve an estimated saving of \$99,000.
17. N-Compass Limited has recommended to the Board to raise additional funding during the construction phase of the contract. The amount of additional funding during the construction phase will depend on the rate of expenditure of the contingency budget which is set at \$203,572.
18. If additional funding is unable to be raised, N-Compass Limited have recommended to the Board that a negative variation be issued to the contract to remove some of the internal fit out elements as a last resort.
19. The following is a table showing a breakdown of costs:

Additional building costs	\$260,000
Piling	\$80,000
Less estimated savings	\$99,000
Shortfall	\$241,000
Less contingency	\$203,572
Potential shortfall	\$37428

IMPLEMENTATION ISSUES

20. It is important that Council officers continue to work closely with the Board and N-Compass Limited to ensure the successful completion of the construction project and a positive outcome for the community.

Report prepared by: Sarah Natac, Customer Liaison Officer, Parks and Open Space.



10 FINANCIAL CONTRIBUTION TO THE COMMUNITY ROOM AT LAINGHOLM SCHOOL

GLOSSARY

Laingholm Primary School (the School)
Laingholm Events Centre (the Events Centre)

EXECUTIVE SUMMARY

The purpose of this report is to amend the resolution agreeing to fund the Laingholm Primary School (the School) with \$100,000 to accurately reflect the intention of the original resolution that Councillors made in 2005.

The October 2005 resolution stated that Council was funding the Laingholm Events Centre (the Events Centre) when in fact Council's intention was always only to fund that part of a facility pertaining to a community room. It is necessary that this is accurately stated in an amended resolution.

RECOMMENDATIONS

It is recommended that the Finance and Operational Performance Committee resolve to:

1. **Receive** the Financial Contribution to the Community Room at Laingholm School report.
2. **Approve** that pursuant to Standing Order 27.15, resolution number 1922/2005:

“That the budget item of \$100,000 approved in the 2004/2005 Annual Plan and carried over into the 2005/2006 year pertaining to the Laingholm Events Centre be endorsed subject to the completion of the Funding Agreement or Memorandum of Understanding”.

be revoked and replaced with:

Approve the budget item of \$100,000 allocated in the 2004/2005 Annual Plan and carried over annually for the construction of a community room situated within the Laingholm School Hall, subject to signing of a suitable access agreement by Council's Chief Executive Officer.

BACKGROUND

1. Funding of \$100,000 was granted in the 2004/2005 Annual Plan process for the building of community rooms as part of the construction of an Events Centre that was planned for in the grounds of the School.
2. The Events Centre never eventuated as other funders did not support the venture and during the resource consent process there was significant community concern at the scale of the Events Centre. The proposal was scaled down to a smaller facility that incorporated a single community room.
3. A report was presented to the October 2005 City Development Committee advising of the scaling down of the facility from a large Events Centre with three community rooms to a smaller facility with one community room.
4. The subsequent resolution from the October 2005 meeting was a little ambiguous as it stated that the budget item of \$100,000 was approved to be carried over for the construction of an Events Centre, but did not specifically state that the funding was for the community room, although this was generally accepted by all at the time.

5. Over time the School further scaled down the proposed facility to a more modest school hall incorporating a community room. Council's investment was only ever for the community room portion of the facility, which is currently under construction.
6. A community access agreement was negotiated with the School and it was during the signing off of the access agreement that it was noted the inconsistency of the resolution. For Council to release the funding, which has been carried over each year in the Annual Plan since 2004/2005, it is necessary to have an accurate reflection of Council's investment in the community room only.

DECISION MAKING

A16-A26

7. Currently under construction at the School is a school hall that meets the needs of both the School and community users. Incorporated in this design is a community room that will be available for community use both during and after school hours, as set out in the access agreement attached at pages A16 to A26 of the agenda.
8. The School has worked closely with Council officers over the past year to work with a design that meets the needs of both the School and Council's desire for community access to a community room.
9. The School has signed the access agreement required by Council and are waiting for funding to be released so that payments can be made to the contractor for the construction of the facility.

Issues

10. Design of the facility took into consideration the agreed funding from Council and as such the building now incorporates a community room, which would not have been included had Council not agreed to fund it. Failure of Council to support this project would leave the School in a serious financial situation.

Options Identified

11. The Council has already agreed to fund the community room part of the facility. The only option is to amend the resolution to correctly reflect Council's intentions so as to provide for release of funding.

STRATEGIC CONTEXT

12. Through the Strong Communities platform, the Council outlines its commitment to undertaking initiatives that will contribute to making Waitakere a safe, informed and healthy place to live and to improving local leisure and recreation opportunities and choices. Through adoption of First Call for Children, the Council has also stated its commitment to proactively supporting children, young people and their families in Waitakere. Direct financial assistance to organisations providing facilities and activities to get people more active, assists the Council's commitment to these policies.

CONSULTATION

13. During the early stages of this project the community was engaged in consultation and at the resource consent stage of the Events Centre there was significant community consultation. It was at this stage that the decision was taken to reduce the design from an Events Centre to a scale more appropriate to the local community needs.

14. A report was brought to the City Development Committee in October 2005 discussing the change in scope, with the result of Council agreeing to continue to fund the community room as part of this project.

RESOURCES

15. The amount of \$100,000 has been approved as a carry forward into the 2008/2009 Annual Plan.
16. Funding has been secured for the balance of the project from the School's operational funding and grants from external agencies.

IMPLEMENTATION ISSUES

17. There are no implementation issues as plans have been drawn up and construction is underway, all that awaits is Council's financial contribution and the signing by Council of the access agreement.

Report prepared by: Jan Brown, Senior Community Liaison Officer.



11 NEW LYNN RAIL TRENCH: PUBLIC NOTIFICATION OF NEW ROAD LEVELS

GLOSSARY

Local Government Act 1974	(the Act)
Kilometres/hour	(km/hr)
Finance and Operational Performance Committee	(the Committee)

EXECUTIVE SUMMARY

The purpose of this report is to seek approval from the Finance and Operational Performance Committee (the Committee) to publicly notify intended changes to the levels of the Ward/Veronica and Portage rail-crossings in New Lynn. These changes are to enable the reinstatement of the crossings when the rail tracks are realigned by ONTRACK.

Under Section 330 of the Local Government Act 1974 (the Act) the Council may alter the level of a road subject to schedule 13 of that Act, which sets out the process for the public notification of any proposal to change the level of a road and to hear submissions in respect of that proposal.

The New Lynn topography, rising as it does from the Whau Creek to Titirangi Road, and the geometric requirements for rail and road traffic, are critical inputs to an affordable and acceptable outcome. There is practically no leeway for variation to the proposed road and rail alignments.

Portage Road is intended to be lowered by about 1.4 metres and Veronica and Ward Streets raised by about 0.36 metres at the rail trench. The consequent local re-alignment of these roads impacts variously on accesses to frontage properties.

A27-A69

ONTRACK's consultant has undertaken a detailed assessment of impact for each property affected, and has proposed works that will at least practically maintain the current standard of access. The consultant's report is attached at pages A27 to A69 of the agenda. It has been reviewed by Council officers with the finding that the impacts are manageable and reinstatements proposed are satisfactory.

Council should now proceed with public notification and deal with any submissions.

RECOMMENDATIONS

It is recommended that the Finance and Operational Performance Committee resolve to:

1. **Receive** the New Lynn Rail Trench: Public Notification of New Road Levels report.
2. **Approve** to publicly notify, in accordance with Section 330 of the Local Government Act 1974, the proposal to raise the level of Ward and Veronica Streets, New Lynn and to reduce the level of Portage Road, New Lynn in the vicinity of the rail corridor, to ensure their re-instatement when the rail tracks are lowered into ONTRACK's proposed rail trench.

BACKGROUND

1. Changes to the levels of the Ward/Veronica and Portage rail-crossings in New Lynn are required to enable the reinstatement of these crossings when the rail tracks are lowered by ONTRACK as part of the project to double-track the Western Line.
2. Portage Road is intended to be lowered by 1.40 metres and Veronica and Ward Streets raised by about 0.36 metres at the rail trench. The consequent local re-alignment of these roads impacts variously on accesses to the frontage of properties.
3. Under Section 330 of the Local Government Act 1974 the Council may alter the level of a road subject to schedule 13 of that Act, which sets out the process for the public notification of any proposal to change the level of a road and to hear submissions in respect of that proposal.
4. This process must be completed so that ONTRACK construction works can proceed on schedule.

DECISION MAKING

5. The rail re-alignment affects the alignments of the subject roads, and to the frontage of properties within the extent of the road re-alignments.
6. The decision now to be made is whether or not to initiate the public notification process. This will depend on whether or not the Committee considers:
 - the proposed road realignments meet appropriate design standards; and
 - the impacts on affected properties are acceptable for the purpose of notification.
7. Having decided to publicly notify the proposed changes the Committee remains in a position to require changes based on submissions received as a result of the notification.

Portage Road Alignment

8. There is no change to the horizontal alignment (the side-to-side bending of the line of a roadway).
9. Essentially the current crest curve of Portage Road across the rail corridor is proposed to be replaced with three shallow vertical curves (the up-and-down curving of the line of a roadway), two crest curves (a vertical curve going up to a crest then down) with a sag curve (a vertical curve going down to a trough then up) between, that lower the existing crest curve by up to 1.4 metres.

10. The design speeds achieved for a car-driver to see and stop for an obstruction 0.2 metres high on the road are 60 (kilometres/hour) km/hr and 50km/hr for the two crest curves. Although a minimum design speed of 60 km/hr is preferred the proposed alignment is an improvement on the current alignment. The sag curve has a suitable profile for car-occupants' comfort at speeds expected to prevail.
11. The design speeds achieved for a car-driver to see road markings at and stop at intersections are 50 km/hr and less than 40 km/hr for the two crest curves. However, in this particular case the intersection is a level rail-crossing and advance warning of the need to stop is given by alarms, flashing signals and the barrier arms.
12. It is considered that the proposed alignment is acceptable owing to the inflexibility of the rail-alignment, having regard to topography and affordability, and owing to the particular traffic environment that will prevail.
13. The driveways to properties numbered 34D, 35, 36, 37, and 41 are the only ones affected. The remedial works required are fully documented and include re-grading of driveways (and adjacent parking if any), repositioning of gates etc. It is proposed to replace like with like materials, and design pavements to meet the Council's Code of Practice requirements.
14. In regard to driveway geometry it is proposed to try and achieve Council's Code of Practice profiles where possible, but in any case to not practically worsen the existing profile. The author's interpretation of the geometric and drainage effects allowing for the remedial works is summarised in the table below:

Number	Driveway Geometry	Drainage	Comments
34D Portage Road	Acceptable Gradient	Less than minor effect	Effects to be mitigated by engineering works at ONTRACK's cost
35/36 Portage Road	Negligible Change	Less than minor effect	Effects to be mitigated by engineering works at ONTRACK's cost
37 Portage Road	Slight Improvement	Less than minor effect	Effects to be mitigated by engineering works at ONTRACK's cost
41 Northern Portage Road	Slight Worsening	Less than minor effect	Effects to be mitigated by engineering works at ONTRACK's cost
41 Southern Portage Road	Slight Improvement	Less than minor effect	Effects to be mitigated by engineering works at ONTRACK's cost

Ward and Veronica Streets Alignment

15. There is no change to the horizontal alignment.
16. Essentially the top of the existing crest vertical curve across the rail corridor is proposed to be raised by up to 0.36 metres and the vertical alignment is proposed to take the form of 2 sag vertical curves separated by a crest vertical curve.

17. The design speed achieved for a car-driver to see and stop for an obstruction 0.2 metres high on the road is 50km/hr for the crest curve. This speed is appropriate since the horizontal alignment has a fixed design speed of 45 km/hr. The 2 sag curves have suitable profiles for car-occupants' comfort at speeds expected to prevail owing to the restricted horizontal alignment.
18. It is considered that the proposed vertical alignment is acceptable, since the limiting horizontal alignment is fixed.
19. The driveways to properties numbered 11, 12, 13, and 14 Ward Street, and to number 1 Veronica Street are the only ones affected. The remedial works proposed are fully documented and include re-grading of driveways (and adjacent parking if any), repositioning of gates, drainage works, upgrading walls, etc. It is proposed to replace like with like materials, and design pavements to meet the Council's Code of Practice requirements.
20. In regard to driveway geometry it is proposed to try to achieve Council's Code of Practice profiles where possible, but in any case to not significantly worsen the existing profile. The author's interpretation of the geometric and drainage effects allowing for the remedial works is summarised in the table below:

Number	Driveway Geometry	Drainage	Comments
11/13 Ward Street	Negligible Change	Less than minor effect	Effects to be mitigated by engineering works at ONTRACK's cost
12/14 Ward Street	Significant Improvement	Less than minor effect	Effects to be mitigated by engineering works at ONTRACK's cost
1 Veronica Street	Slight improvement	In larger storms extra water to on-site catch-pit	Effects to be mitigated by engineering works at ONTRACK's cost

Assessment of Options

21. In arriving at solutions ONTRACK's consultant has considered options, and presented alternatives suggested by Council staff. Submissions from the public notification may identify further possible improvements.
22. The small magnitude of level changes will have less than minor social, economic, environmental, and cultural impacts.
23. No private land is required to implement the proposals.
24. Community views will be sought through the public notification proposed in this report.

STRATEGIC CONTEXT

25. The road level changes subject of this report stem from the detailed design requirements for the ONTRACK double tracking program and are consistent with the Council's current New Lynn Transit Oriented Development project, for which the Portage level-crossing and the Ward/Veronica bridged-crossing are Council approved components.

CONSULTATION

26. ONTRACK's double-tracking concept plan for New Lynn, and Council's New Lynn Transit Oriented Development concept plan have been widely publicised and consulted on.

RESOURCES

27. All remedial works proposed are ONTRACK works and will be implemented and funded by ONTRACK.

IMPLEMENTATION ISSUES

28. There are no implementation issues. Council staff are experienced in the implementation of public notification under Section 330 of the Act.

Report prepared by: Ross Hill, Program Manager: Transportation Development.



12 AUCKLAND REGIONAL TRANSPORT NETWORK LIMITED UPDATE

GLOSSARY

Auckland Regional Transport Network Limited	(ARTNL)
Auckland Regional Transport Authority	(ARTA)
Statement of Intent	(SOI)
Council Controlled Organisation	(CCO)

EXECUTIVE SUMMARY

The purpose of this report is to update the Finance and Operational Performance Committee on Auckland Regional Transport Network Limited's (ARTNL) activities and approve shareholder resolutions in relation to ARTNL's annual shareholders meeting and adoption of its Statement of Intent (SOI).

Waitakere City Council, together with the Manukau and Auckland City Councils, own the shares in ARTNL. ARTNL is in the process of transferring its Britomart assets to the Auckland Regional Transport Authority (ARTA) and will be liquidated when the transfer is complete. In the meantime, ARTNL remains a Council Controlled Organisation (CCO), and must comply with the Companies Act 1993 and the Local Government Act 2002 requirements, including holding annual meetings and providing an annual report and SOI to its shareholders.

ARTNL has provided its 2007 annual report to its shareholders for consideration. ARTNL performed well over the year ending 30 June 2007, and achieved, before interest, tax, depreciation and amortisation, and an earnings surplus of \$735,000, which is an improvement on the 2006 surplus of \$678,000. ARTNL proposes to hold its 2007 annual meeting by way of written resolution in lieu of a physical meeting.

ARTNL's shareholders must consider the annual report and vote on the annual meeting resolutions:

- To receive, consider and adopt the Company's and the group's consolidated financial statements for the year ended 30 June 2007; and

- To re-appoint the Controller and Auditor General as auditor of the ARTNL group and to authorise the directors to fix the auditors fees.

The directors of ARTNL have submitted the company's SOI for the three-year period from 1 July 2008 to 30 June 2011 for shareholders' approval.

RECOMMENDATIONS

It is recommended that the Finance and Operational Performance Committee resolve to:

1. **Receive** the Auckland Regional Transport Network Limited Update report.
2. **Agree** that Auckland Regional Transport Network Limited's 2007 annual report be adopted, noting that Auckland Regional Transport Network Limited made an earnings (before interest, tax, depreciation and amortisation) surplus of \$735,000.
3. **Approve** Waitakere City Council to vote as a shareholder in favour of the following resolutions for Auckland Regional Transport Network Limited's 2007 annual shareholders meeting, to be held by way of written resolution in lieu of a physical meeting:
 - i) to receive, consider and adopt the financial statements and reports for the year ended 30 June 2007; and
 - ii) to re-appoint the Controller and Auditor-General as the auditor and authorise the directors to fix the auditors fees.
4. **Approve** that the Chief Executive Officer be delegated authority to vote on behalf of Waitakere City Council and sign documents required to give effect to the proposed resolutions of Auckland Regional Transport Network Limited's annual shareholders meeting.
5. **Agree** to waive the requirement that the Shareholders Representative Group of Auckland Regional Transport Network Limited meet to recommend that the shareholders approve the new Statement of Intent.
6. **Approve** the new Statement of Intent in accordance with clause 7.2 of the Shareholders' Agreement and article 2.4.1(a) of the Auckland Regional Transport Network Limited's constitution.
7. **Approve** that the Chief Executive Officer be delegated authority to sign the relevant shareholders' resolution approving the new Statement of Intent on behalf of Waitakere City Council.

BACKGROUND

1. Waitakere City Council owns 13 per cent of the shares in ARTNL. The Auckland and Manukau City Councils hold the remaining shares of ARTNL, following a buy-out of the Franklin, Papakura and Rodney District Council shareholdings in 2006.
2. The original six councils established the ARTNL group of companies on 2 July 2001 as part of their commitment to improving public passenger transport in the Auckland region. The ARTNL group played a key role in providing integrated passenger transport infrastructure for the Auckland region, owning certain ferry and rail station assets in the Auckland region, and holding the lease to run the Britomart Transport Centre on behalf of Auckland City Council.

3. ARTNL's ferry and metro train station assets transferred to ARTA on 1 October 2007. Negotiations regarding Britomart were put on hold in 2006, pending completion of the ferry and metro station asset transfer. The shareholders negotiation team are in the process of resolving outstanding issues with ARTA and the Auckland Regional Council in relation to Britomart transfer and lease agreements. Once the Britomart transfer is completed, it is intended that the ARTNL group of companies will be liquidated.
4. In the meantime, ARTNL remains a CCO, and must comply with the Companies Act 1993 and the Local Government Act 2002 requirements, such as holding annual meetings, providing annual reports to its shareholders and submitting a draft SOI for approval.
5. ARTNL has provided its 2007 annual report and its draft SOI for 2008/09 to 2010/11 to its shareholders for consideration. ARTNL achieved satisfactory results in the year of operations to 30 June 2007.

DECISION MAKING

Annual Meeting of Shareholders

6. ARTNL is proposing to hold its 2007 annual shareholders meeting by way of written resolution in lieu of a physical meeting. The simple administrative nature of the business to be placed before the annual meeting means it is more efficient to pass written resolutions instead of holding a physical meeting. This practice is also followed for Metro Water Limited and Watercare Services Limited.
7. The ARTNL shareholders must vote on the annual meeting resolutions. Officers recommend that ARTNL's 2007 annual report be received and that Council recommends to ARTNL's directors that it be adopted. Officers further recommend that Council votes in favour of ARTNL's 2007 annual meeting resolutions:
 - i. *To receive, consider and adopt the Company's and the group's consolidated financial statements for the year ended 30 June 2007 together with the auditor's report and the director's report.*
 - ii. *To re-appoint by way of ordinary resolution the Controller and Auditor General as auditor of the company and the consolidated group until the conclusion of the next annual meeting, and to authorise the directors to fix the auditors fees.*

Annual Report

A70-A105

8. The 2006/2007 annual report provides financial and non-financial information about the ARTNL group, and is attached at pages A70 to A105 of the agenda. Highlights are summarised below.

Review of financial information

9. ARTNL performed well over the year ending 30 June 2007, and achieved, before interest, tax, depreciation and amortisation, and an earning surplus of \$735,000, which is an improvement on the 2006 surplus of \$678,000. Assets valued at \$10.7 million were written off, reflecting the board's prudent anticipation of the transfer of ARTNL's ferry and metro station assets in October 2007 for no consideration.

10. As at 30 June 2007, shareholders' equity comprised share capital of \$4.8 million, and an accumulated net surplus of \$939,000. The financial statements have been prepared on the basis that the ARTNL group is a going concern. The directors have reviewed budgets, projected cash flows and other relevant material and are confident that the group has adequate resources to continue operating in the foreseeable future.
11. Shareholders' equity in ARTNL's subsidiary ARTNL Metro Limited totals a deficit of \$5.018 million. This is because capital improvement works such as rail track de-stressing and signalling equipment carried out since the company's inception provide no economic benefit for ARTNL Metro Limited and the works were therefore written off. All other assets created by grants have also been written down to reflect the transfer for no consideration. The main write-off occurred on 30 June 2006. The shareholders have undertaken to provide financial assistance to the company, if necessary, to ensure the company meets its debts as they fall due. No request for funding assistance was received before the transfer on 1 October 2007. Officers consider that the risk to the shareholders from the equity deficit is very low.

Review of non-financial information

12. ARTNL and ARTA have worked in co-operation over the year, despite the complexities of responsibilities associated with the transfer process. The Papakura station and overbridge, Panmure station and Middlemore overbridge were completed during the year.
13. Ross Jewell retired as a director on 30 June 2006. Ross Keenan and George Green are the remaining directors and share the responsibility for chair.
14. The Auditor-General has issued a qualified opinion on the annual report, due to ARTNL not having a SOI for the period commencing 1 July 2006, which meant there were no performance targets by which ARTNL could be measured. Uncertainty surrounding the transfer arrangements contributed to a delay in issuing the SOI, and the SOI was issued and approved by the shareholders later in 2006. The SOI for the period commencing 1 July 2007 has subsequently been issued and approved. No particular penalties apply in relation to this breach (other than that it could be picked up in audit, as has happened).

Auditors

15. The Local Government Act 2002 requires that the Auditor-General is the auditor of CCOs and their subsidiaries. It is therefore recommended that the Council vote in favour of the resolution to reappoint the Controller and Auditor-General as auditor of the ARTNL group. Officers also consider it appropriate that the directors of ARTNL fix the auditors fees.

Statement of Intent

A106-A116

16. The directors of ARTNL have submitted the company's SOI for the three-year period from 1 July 2008 to 30 June 2011 for shareholders' approval. The SOI is attached at pages A106 to A116 of the agenda. The objectives and activities of the ARTNL group during the term of this SOI will include:
 - Managing the assets of the ARTNL group and ensuring continuity of operations until completion of the reorganisation;

- Cooperating with and assisting the shareholders to implement the Outline Agreement or any other proposal for reorganisation or disposition of the assets of the ARTNL group. This may include entering into transactions necessary to dispose of the ARTNL group's assets as contemplated by the Outline Agreement;
 - Cooperating with and assisting the shareholders, Auckland Regional Council and ARTA with the orderly transition of management of the ARTNL group to ARTA;
 - Cooperating with the shareholders in any voluntary liquidation of the Group; and
 - Performing services as may be contracted from time to time, from shareholders or other sources.
17. Management of the harbour berths and metro rail assets transferred to ARTA on 1 October 2007. The remaining performance measures relate to the running of the company itself and to the management of the Britomart transport centre. The SOI also notes that the company is likely to be reorganised, and that the activities forecast in the SOI may only be undertaken for a limited period.
18. The shareholding councils last year agreed to waive the requirement that the ARTNL Shareholders Representative Group meet to consider and subsequently recommend to the parties, the approval or otherwise of the SOI. Given the currently limited functions of ARTNL and its imminent reorganisation, officers consider a waiver of these requirements is again appropriate.
19. An ARTNL shareholders' resolution to approve the SOI has been drafted and officers consider it is appropriate that the Chief Executive Officer be authorised to sign this resolution on behalf of Council.

Issues

20. The Companies Act 1993 requires every company to hold an annual meeting of shareholders once in each calendar year. Generally, the meeting must be no later than six months after the end of the company's financial year, and no later than 15 months after the previous annual meeting. The Local Government Act 2002 requires CCOs to provide their annual reports to shareholders within three months of the end of the financial year.
21. ARTNL's financial year ended 30 June 2007. ARTNL gave notice of its annual meeting and provided its annual report to Auckland City Council, which receives information on behalf of the shareholding councils, in mid-December 2007, too late to arrange the appropriate resolutions from the three shareholding councils in the 2007 calendar year.
22. ARTNL is therefore in breach of the statutory timeframes for holding its annual meeting, and for providing its annual report to shareholders. No particular penalties apply for these breaches. Officers recommend that no action be taken given the stage ARTNL is at in the transfer process.

Options Identified

23. The options for shareholders are to hold a physical meeting of the ARTNL Shareholders' Representative Group or to sign a written resolution to vote on the annual report and considering the SOI.

24. ARTNL is limited in terms of its scope of business for the next three years because of the intention to transfer its remaining Britomart assets to ARTA.

Assessment of Options

25. ARTNL is essentially a holding company, with responsibility for operational management of the Britomart assets having been transferred to ARTA. Given ARTNL's reduced responsibilities, it would be more cost effective for a written resolution of shareholders rather than physical meeting of the ARTNL Shareholders' Representative Group. The only risk is that all shareholders must vote and sign the resolutions.

Consideration of Community Views

26. The community interest in ARTNL is to ensure that its assets remain in public ownership, the company is operated prudently and surplus funds are returned to shareholders on a liquidation. No consultation with the public is required.

Preferred Option

27. It is appropriate for the Chief Executive Officer to sign the proposed written shareholder resolutions rather than hold a physical shareholders meeting.

STRATEGIC CONTEXT

28. The matters in this report relate to the Council's Active Democracy platform. The Britomart assets owned by ARTNL are important public assets for the region. The financial management of ARTNL is important so that these assets can be transferred to ARTA and surplus cash can be returned to the shareholding councils.

CONSULTATION

29. No consultation is required to be undertaken in relation to the matters contained in this report as these relate to the exercise of statutory responsibilities of the Council as a shareholder.

RESOURCES

30. No financial resources are required in relation to the matters raised in this report, apart from time required of an officer. Given the present reorganisation of ARTNL, and ARTNL's reduced responsibilities, the ARTNL Shareholders' Representative Group no longer meets.

IMPLEMENTATION ISSUES

31. Signed shareholder resolutions would be provided to ARTNL and the ARTNL board could issue its final SOI.

Report prepared by: Kevin Wright, Manager Transport Strategy.



13 **WATERCARE SERVICES LIMITED FINAL STATEMENT OF CORPORATE INTENT 2008**

GLOSSARY

Statement of Corporate Intent	(SOI)
Watercare Services Limited	(Watercare)
Watercare Shareholder Representative Group	(SRG)
Officers Working Group	(OWG)
Waitakere City Council	(Council)

EXECUTIVE SUMMARY

The purpose of this report is to present the Watercare Services Limited (Watercare) final Statement of Corporate Intent for the Finance and Operational Performance Committee to approve.

RECOMMENDATIONS

It is recommended that the Finance and Operational Performance Committee resolve to:

1. **Receive** the Watercare Services Limited Final Statement of Corporate Intent 2008 report.
2. **Approve** the Watercare Services Limited Final Statement of Corporate Intent 2008.

BACKGROUND

1. Watercare is the bulk water and wastewater service provider for much of the Auckland region. Its main responsibilities are the collection, treatment and supply of drinking water and the collection, treatment and disposal of bulk wastewater. Watercare is classified as a "Council Organisation" and is governed by specific legislative provisions set out in the Local Government Acts 1974 and 2002.
2. Watercare's primary customers are six water and wastewater retailers, five of which (including EcoWater) are owned by, or are part of the local councils. United Water, which services the Papakura District, is a franchised operation.
3. The six local councils are Watercare's shareholders. The councils have appointed a Shareholders Representative Group (SRG) which appoints the Board of Watercare, provides input to Watercare's Statement of Corporate Intent (SOI) and monitors the performance of the Board against the SOI. Watercare negotiates the SOI with the SRG each year. The SOI is effectively the Board's Charter for running Watercare on the shareholders' behalf. It lays out the activities to be undertaken by Watercare and sets specific environmental, social and economic objectives for Watercare for a three year period. It also sets performance targets that will be used to measure Watercare's performance.
4. Waitakere City Council (Council) has two representatives on the SRG, Councillors Clews and Clow. An Officers Working Group (OWG) with representatives from the shareholder territorial local authorities supports the SRG. The Local Network Operators Group, comprising the six retailers, often provide advice to the OWG on matters of common interest.

5. The Watercare draft SOI 2008 was considered by the Finance and Operational Performance Committee at its meeting on 7 April 2008. The Finance and Operational Performance Committee resolved to:

- “1. **Receive** the Watercare Services Limited draft Statement of Corporate Intent 2008 report.
2. **Approve** that Council’s representatives on the Watercare Shareholders Representative Group be delegated authority to formalise Council’s feedback on the Watercare Services Limited draft Statement of Corporate Intent 2008.”

583/2008

6. Council’s representatives on the Watercare SRG and Council officers met on 14 April 2008 to discuss the Watercare draft SOI 2008 and did not identify any changes.
7. The other shareholding councils also did not identify changes to the Watercare draft SOI 2008.
8. The Watercare final SOI 2008 has been approved by the Watercare SRG and is presented to the Finance and Operational Performance Committee for approval.
- A117-A134 9. The Watercare final SOI 2008 is attached at pages A117 to A134 of the agenda.

DECISION MAKING

Issues

10. The Watercare final SOI 2008 is presented to the Finance and Operational Performance Committee for approval.

STRATEGIC CONTEXT

11. The Council’s strategic goal of sustainable management of the three waters (water supply, wastewater and stormwater) is integral to its relationship with Watercare, and to its role on the SRG.
12. The Council has two major roles in connection with Watercare, one as shareholder/owner, the other as customer. The extent to which this Council can add strategic input to the governance of Watercare through its ownership and governance role, heavily influences the extent to which it can supply retail services to the City’s citizens that meet the Council’s own strategic goals and at the most efficient price possible.

CONSULTATION

13. There is no consultation required.

RESOURCES

14. There are no resources required, other than officer’s time.

IMPLEMENTATION ISSUES

15. There are no implementation issues.

Report prepared by: Kingsha Changwai, Assurance Services Manager



14 WAITAKERE ENTERPRISE ACTIVITY PLAN 2008-2009

GLOSSARY

Waitakere Enterprise Trust	(Waitakere Enterprise)
Waitakere City Council	(Council)

EXECUTIVE SUMMARY

Under the terms of the Three Year Funding and Service Agreement between Waitakere City Council (Council) and Waitakere Enterprise Trust (Waitakere Enterprise) an annual Activity Plan is to be developed and submitted for Council approval. The Activity Plan sets out the specific activities that are funded by Council, with appropriate performance measures.

RECOMMENDATIONS

It is recommended that the Finance and Operational Performance Committee resolve to:

1. **Receive** the Waitakere Enterprise Activity Plan 2008 - 2009 report.
2. **Approve** the Waitakere Enterprise Activity Plan for 2008 - 2009.

BACKGROUND

1. Waitakere Enterprise is a Council Controlled Organisation as defined by section 6 of the Local Government Act 2002 and is wholly owned by Council. The Director: Strategic Planning manages the relationship between Council and Waitakere Enterprise.
2. Under the terms of the Three Year Funding and Service Agreement between Council and Waitakere Enterprise an annual Activity Plan is to be developed and submitted for Council approval. The Activity Plan should set out the specific activities that are funded by Council, with appropriate performance measures.

DECISION MAKING

Issues

3. The Waitakere Enterprise Statement of Intent 2008 was approved at the Finance and Operational Performance Committee meeting of 9 June 2008.

The Finance and Operational Performance Committee resolved to:

- “1. **Receive** the Waitakere Enterprise Statement of Intent 2008 report.
2. **Approve** the Waitakere Enterprise Statement of Intent 2008.”

A135-A149

4. The Activity Plan reflects the approved final Statement of Intent incorporating changes made as a result of consultation with Council. The table below shows a summary of the application of Council's funding to activities. The full Activity Plan with performance measures is attached at pages A135 to A149 of the agenda.

Activity	Programme	Council Funding	Other Funding	Total Funding
GOVERNANCE	Board Administration	72,000		72,000
	Administration and Overheads	566,000	314,389	880,389
	Communications	92,000		92,000
BUSINESS SUPPORT	New Business Start-Ups		81,900	81,900
	Early Stage Business		77,800	77,800
	Business Awards	62,000	173,550	235,550
	High Growth Programme	55,000		55,000
	Growth Business Advice	62,000	43,000	105,000
	Venture Capital Connection Service	30,000		30,000
BUSINESS ATTRACTION, EXPANSION AND RETENTION	Business Attraction Service Key Client Management Service Sustainable Business	117,000		117,000
BUSINESS NETWORKS		10,000	10,500	20,500
KEY INDUSTRY SUPPORT	Tourism	5,000		5,000
	Film		9,600	9,600
FOUNDATION SKILLS	Youth, ESOL, Adult, Computer		976,646	976,646
	IT Compass		45,000	45,000
POST SCHOOL TRANSITION			100,000	100,000
EDUCATIONAL ACHIEVEMENT AND ALIGNMENT		47,000		47,000
TOTAL		1,118,000	1,832,385	2,950,385

5. A feature of the Activity Plan is that for every dollar invested by Council in Waitakere Enterprise's activities, a further \$1.63 is obtained from other funding sources.

STRATEGIC CONTEXT

6. The Activity Plan reflects the objectives contained in the Waitakere Enterprise Statement of Intent that was approved by the Finance and Operational Performance Committee on 9 June 2008. These objectives had been amended to have a closer alignment with the Council's Strong Innovative Economy strategic platform.

CONSULTATION

7. The Chief Executive of Waitakere Enterprise has been consulted throughout the process of developing the Activity Plan.

RESOURCES

8. There are no resource implications other than staff time.

IMPLEMENTATION ISSUES

9. The performance of Waitakere Enterprise in achieving the performance measures identified in the Activity Plan will be reported quarterly to the Finance and Operational Performance Committee as part of regular financial and operational reporting by Waitakere City Holdings Limited.

Report prepared by: Steve Wilcox, Manager: Economic Development Strategy



15 MASSEY LEISURE CENTRE 2007/2008 END OF YEAR PERFORMANCE

GLOSSARY

YMCA of Auckland
Massey Leisure Centre

(the YMCA)
(the Centre)

EXECUTIVE SUMMARY

The purpose of this report is to update the Finance and Operational Performance Committee on the performance of the YMCA of Auckland (the YMCA) at the Massey Leisure Centre (the Centre) during the 2007/2008 financial year.

Visitor numbers to the Centre have again increased from previous years and have reached over 200,000, which easily exceeds the target. The YMCA continues to offer a range of programmes and services from the Centre and have recently completed an extension to the fitness centre which has added value to members.

RECOMMENDATION

It is recommended that the Finance and Operational Performance Committee resolve to:

Receive the Massey Leisure Centre 2007/2008 End of Year Performance report.

BACKGROUND

1. The Centre is a purpose built facility which has a fitness centre, two-court stadium, a crèche facility and a subdividable community meeting/activity room. The Centre is managed under contract by the YMCA for the operation of the facility. The agreement has been in place since the facility was opened in 1999.
2. Council officers negotiate the visitor targets annually with the YMCA. The operating subsidy is reduced over the nine year term. Council currently provides \$90,000 towards the operational costs. In addition, the YMCA agreed to deliver an increased level of youth programmes and services. As part of the funding a sum of \$40,000 is allocated from the subsidy for the delivery of youth programmes.

- The Centre provides a range of recreation, leisure and sport programmes, as well as providing hall/stadium hire and meeting space for community and user groups.

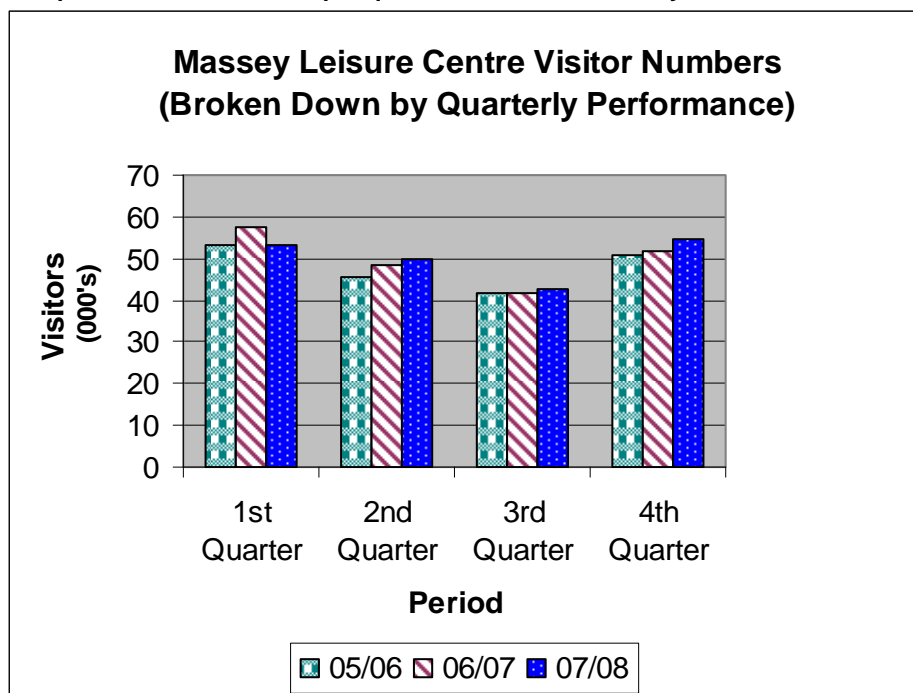
DECISION MAKING

Issues

Visitor numbers

- The YMCA has had another successful year with visitors to the Centre at a record high. 200,307 people visited the facility throughout the year which is slightly higher than the previous twelve month period and exceeded the target for the year by 2,149 visits.
- Over the past three years the number of people using the facility has steadily grown from 191,237 in 2005/2006 to 200,307 this year. Below is a graph that compares the growth per quarter over the last three years

Graph 1 – Visitor numbers per quarter over the last three years



Capacity

- There have been few opportunities to expand the services offered by the YMCA over the past twelve months due to the limited space available, particularly at peak times. Although there has been some growth in areas such as miniball, basketball leagues and stadium hire, that has had a corresponding effect on reducing the numbers for casual hirers and those people participating in soccer leagues. What this highlights is that the facility is reaching capacity and as a consequence visitor numbers are not expected to grow significantly in the coming years.

Fitness Centre Expansion

- Due to this capacity issue, the YMCA undertook to expand the fitness centre in an attempt to better utilise the space in the facility and enable membership to continue to grow. This work was completed in early May 2008 with minimal disruption to members. The expansion included an upgrade to state of the art fitness equipment which was fully funded by the YMCA. An added bonus has

been the much improved security now in place with having only one point of entry. The new reception now has a clear view shaft down past the Don Buck Room and towards the library and enables reception staff to see everyone entering and leaving the Centre. This expansion has added significant value to the members of the Centre and the YMCA is expecting to see membership increase over the coming months.

Youth Activities

8. The YMCA continues to place a strong focus on youth, particularly through the Raise Up N Represent programme. Activities are run every Friday night for youth and once a month an event is organised which attracts up to 450 youth from throughout Massey. A group of young leaders called the Crew work with YMCA staff to organise and run these events and this provides them with excellent leadership and development opportunities. Many of the Crew have gone into leadership roles within the community such as organising and running the successful Harbour Hangout programme in West Harbour.
9. The YMCA also continues to run the Raise Up N Represent programme in both Te Atatu Peninsula and New Lynn with good success and support from the youth in those areas.

Community Involvement

10. The YMCA continues to be strongly involved in a number of community initiatives. They have been a committed member of the Active Waitakere Collaboration Project and are heavily involved in the delivery of the new Move It Waitakere Action Plan.
11. The YMCA continues to support the Massey Matters project by hosting a number of community activities and meetings as well as providing advice and expertise when required.

Halberg Trust Sport Access Award

12. Recently the YMCA became the first YMCA facility in New Zealand to gain the Halberg Trust Gold Sport Access Award which is a quality assurance mark that identifies the Centre as being inclusive of the community and disabled people. In collaboration with the Halberg Trust Sport Opportunity Advisor, staff from the YMCA completed the Halberg Trust Sport Access Self Review. This determines where the Centre is currently at, identified any gaps, and sets out an Action Plan to rectify those gaps.
13. Waitakere is leading the way with three facilities, the Trusts Stadium, Waitakere Cricket Club and the Centre, having achieved the prestigious Gold award.

Overall Performance

14. The YMCA has had another extremely productive year and continues to be a hub for sport, recreation and the community in Massey. The Centre continues to be well managed and has an extremely friendly and effective team involved in running the facility.
15. The YMCA met all the targets for the 2007/2008 financial year.

STRATEGIC CONTEXT

16. The Council leisure facilities and activities contribute significantly to the wellbeing of the City's residents, by providing recreation opportunities that promote health and social cohesion. The Council's Leisure Strategy, Community Facility Plan, Parks Strategy, Youth Recreation Needs Assessment and the Funding Policy guide the provision of these facilities and activities to ensure that they are available to all residents, responsive to changing demands and provided efficiently.
17. The Council's strategic objective for leisure is that a comprehensive range of leisure, recreation and sports services and facilities are provided.
18. To improve the wellbeing of the City's people and communities, the Council provides and supports a diverse range of leisure opportunities through facility operation and development, direct funding, assistance to access other funding and support of activity initiatives.
19. The Council has adopted a strategic platform of 'Strong Communities' stating that in the next 10 years Council will develop the City as a renowned hub of social activity, arts, leisure, sports and recreation.

CONSULTATION

20. The YMCA regularly surveys their customers on their needs and design programmes around those needs.

RESOURCES

21. Through the 2007/2008 Annual Plan an operating subsidy of \$90,000 was provided to the YMCA in 2007/2008, of which \$40,000 was dedicated for youth programmes, with the remaining funds used for general operational costs and adult based programmes run at the Centre.
22. \$80,000 has been allocated in the 2008/2009 Annual Plan.

IMPLEMENTATION ISSUES

23. There are no implementation issues associated with this report.

Report prepared by: Rob McGee, Recreation Planner: Community Wellbeing



16 **ZEAL EDUCATION TRUST 2007/2008 END OF YEAR PERFORMANCE**

GLOSSARY

Zeal Education Trust	(Zeal)
Henderson Youth Facility	(Global Cafe)
Service Level Agreement	(the Agreement)

EXECUTIVE SUMMARY

The purpose of this report is to update the Finance and Operational Performance Committee on the performance of the Zeal Education Trust (Zeal) over the past twelve months.

Zeal has spent most of the last year connecting with youth, youth providers and schools to develop relationship with them prior to opening the Henderson Youth Facility (Global Cafe) in September 2008. Zeal has also had a strong input into the design and development of the Global Cafe and worked in partnership with Council throughout.

RECOMMENDATION

It is recommended that Finance and Operational Performance Committee resolve to:

Receive the Zeal Education Trust 2007/2008 End of Year Performance report.

BACKGROUND

1. In 2006 Council committed to retro fitting the former Henderson Library located at Alderman Drive, to develop a youth facility managed by a service provider. The Global Cafe will cater for youth aged 13-25 with a focus on music, performance and art. Global Cafe will have recording rooms, meeting spaces, a cafe, performance areas and a community room.
2. Officers carried out a process similar to public tender to find a suitable service provider. Proposals were measured against their experience in the operation of music/recording studios, their track record and management of a facility, their methodology for delivery and their financial support. Following the submission of proposals, organisations were required to do a formal presentation summarising their proposal followed by an interview session.
3. Subsequently Zeal was selected as the preferred supplier and a service agreement was entered into and delegation was given to the Director: City Services to authorise specific key performance indicators.
4. A Service Level Agreement (the Agreement) for the value of \$100,000 was entered into for the 2007/2008 financial year while the building is being constructed with the general objectives of having input into the design, accessing suitable funds for the fit out of the building and networking with existing users.

DECISION MAKING

Issues

Networking with educational institutes

5. Zeal has continued to build up contacts through the educational institutes in Waitakere and in particular they have spent a large amount of time liaising with high schools. Zeal has now made contact with all high schools in Waitakere and formed relationships which will hopefully lead to ongoing partnership once the Global Cafe opens.

Networking with youth service providers

6. As Zeal is relatively new to Waitakere it has been important for the organisation to link up with other youth service providers and to develop partnerships and networks with them. Zeal have not only been promoting the activities and services they will provide at the Global Cafe but also learning about the services other youth providers in the City deliver.
7. Over the past six months Zeal have met organisations such as McLaren Park Henderson South Community Initiative, Youth Serve, School of Rock, Salvation Army and Brothers in Arms plus others. This is important in building the understanding of the services Zeal will offer the youth of Waitakere and building the trust within the sector.

Working with Council in Partnership

8. Zeal has developed a strong relationship with the Youth Council including partnering with them to run events and a training weekend for Youth Council members. Zeal presented reports to the Youth Council on the progress of the Global Cafe and had regular communications with the Youth Council Chairman.
9. Over the past six months Zeal has also worked hard to engage with different units throughout Council. Strong working relationships have been developed with Leisure Services, Safe Waitakere and Project Services which will be important to the long term success once the facility is up and running.

Leadership

10. Zeal has continued discussions with local high schools around running leadership programmes. Zeal led a two day leadership programme for 30 prefects at Kelston Girls College and are in discussions with Henderson High School, Massey High School and Green Bay High School about running a similar programme in the 2008/2009 financial year.

Marketing and Promotion

11. A major focus for Zeal over the past twelve months has been the marketing and promotion of the Global Cafe and Zeal. Zeal setup a Waitakere specific website which youth can access to find out information about the facility and upcoming activities. Zeal has also made strong relationships with organisations such as Juice TV, Nui FM, Jam Out West and ALT TV who have existing links into the youth sector and who will provide valuable marketing and publicity once the Global Cafe is up and running.

Fit out

12. Finding funding for the fit out of the Global Cafe has been a major undertaking for Zeal particularly over the past six months. Zeal has done well in securing significant funding, totalling almost \$300,000, from a number of agencies, which has enabled Zeal to fit out the Global Cafe with high quality equipment. It is a sign of the interest in the Global Cafe that Zeal has been able to raise significant funding so quickly.

Facility Development

13. One of the most important roles for Zeal over the past year has been the involvement in the development of the Global Cafe. Zeal has been involved in the planning and development of the Global Cafe right from the outset and has ensured the Global Cafe remains youth focused. Initial feedback from youth who have seen the Global Cafe has been extremely positive.

Overall performance

14. This has been an extremely busy period for Zeal, with the development of the facility and connecting with providers and educational institutions. Zeal has been effective in balancing the two roles which now sees them well known within the youth sector and ready to open the Global Cafe officially on 26 September 2008.
15. Zeal met all of the targets in the Agreement for the 2007/2008 financial year.

STRATEGIC CONTEXT

16. Supporting youth providers and youth facilities contributes directly towards delivering the Council's First Call for Children Strategic Platform. The Global Cafe will provide youth of Waitakere a safe place to hang out and learn new skills.
17. Council's leisure facilities and activities contribute to the wellbeing of the City's residents, by providing recreation opportunities that promote health and social cohesion. Council's strategic objective for leisure is that a comprehensive range of leisure, recreation and sports services and facilities are provided.
18. To improve the wellbeing of the City's people and communities, the Council provides and supports a diverse range of leisure opportunities through facility operation and development, direct funding, assistance to access other funding and support of activity initiatives. Through the Long Term Council Community Plan Council has adopted a platform of 'Strong Communities' stating that in the next 10 years Council will develop a City where: "People are active, healthy and content. They feel safe and there is a strong sense of community".

CONSULTATION

19. In the development of the youth facility a wide range of consultation was undertaken with local youth and youth providers.

RESOURCES

20. There was \$100,000 budgeted in the 2007/2008 Annual Plan year for the Agreement. \$142,000 has been allocated in the 2008/2009 Annual Plan as part of the new Facility Management and Funding Agreement.

IMPLEMENTATION ISSUES

21. There are no implementation issues associated with this report.

Report prepared by: Rob McGee, Recreation Planner; Community Wellbeing.



17 SPORT WAITAKERE 2007/2008 PERFORMANCE

GLOSSARY

Partnering Agreement	(the Agreement)
Waitakere Physical Activity Strategy	(the Strategy)
Sport and Recreation New Zealand	(SPARC)
Active Waitakere Collaboration Project	(Active Waitakere)
Sport Club Taskforce	(the Taskforce)
Accident Compensation Corporation	(ACC)
Te Waka ki Mua Move it Waitakere	(Move it)

EXECUTIVE SUMMARY

The purpose of this report is to inform the Finance and Operational Performance Committee of the 2007/2008 annual performance of Sport Waitakere. The report also seeks the Finance and Operational Performance Committee's approval of the shared work programme for 2008/2009.

The Council and Sport Waitakere continued to work closely together on the shared work programme and met all the targets in the Partnering Agreement (the Agreement). Of particular note has been the completion of the Waitakere Physical Activity Strategy (the Strategy) and the successful application to Sport and Recreation New Zealand's (SPARC) Active Communities Fund. Sport Waitakere led both of these projects which would not have been possible without their leadership.

RECOMMENDATIONS

It is recommended that the Finance and Operational Performance Committee resolve to:

1. **Receive** the Sport Waitakere 2007/2008 Performance report.
2. **Approve** the 2008/2009 shared work programme between Waitakere City Council and Sport Waitakere.

BACKGROUND

1. The Council has been supporting Sport Waitakere by means of an annual Funding and Service Agreement to provide community sport and physical activity programmes since 1992.
2. Since 2006, the Council has moved away from tagging funding to individual programme delivery, to investing in Sport Waitakere's core strategic business. Sport Waitakere provides the Council with their six and 12 month SPARC reports which provide detail of their overall performance. The Council still, however, identifies a number of key projects, and monitor the performance of these projects more closely through regular meetings, additional measures and information provided by Sport Waitakere.
3. In May 2007, the Finance and Operational Performance Committee approved the development of a three year agreement:

“That the Finance and Operational Performance Committee approves the Chief Executive Officer negotiating a three year Funding and Service Agreement between Council and Sport Waitakere Trust, for the period 2007/2008 to 2009/2010.”

4. The Agreement outlines the relationship and shared outcomes between Sport Waitakere and the Council and the work programme to be implemented between July 2007 and June 2010.

DECISION MAKING

Issues

5. Below is a summary of the outcomes from the 2007/2008 shared work programme to which both Sport Waitakere and the Council contributed.

Active Waitakere Collaboration Project

6. The Active Waitakere Collaboration Project (Active Waitakere) remains a key focus for both Sport Waitakere and the Council. Since its inception in November 2006 both organisations have led the development of this collaborative initiative which now has 13 member organisations.
7. Sport Waitakere continues to employ and house the Active Waitakere Manager and Administrator who are both partially funded by the Council. Sport Waitakere has also taken the lead in a number of projects such as Active Massey and the development of the Strategy which are discussed later.

Sport and the community

8. Both Sport Waitakere and the Council have continued to work collaboratively through the Sport Club Taskforce (the Taskforce). The Taskforce meets monthly to discuss the issues facing sports clubs in Waitakere and to deliver the actions outlined in the Waitakere Sport Development Strategy.
9. Sport Waitakere has continued to run the Clubmark programme although Accident Compensation Corporation (ACC) has ceased funding while they undertake an evaluation of the programme. Sport Waitakere facilitated a workshop with all of the local football clubs to discuss the issues facing their sport; this was well received by the clubs who requested a second workshop to develop an action plan for their sport.
10. Sport Waitakere also continued their focus on building capacity and capability in sport in Waitakere and are working closing with four key sporting codes, Athletics, Basketball, Netball and Rugby League, to achieve this.

Push Play

11. This shared project has been reported on in the six month report as it took place in October 2007.

Active Communities

12. Sport Waitakere and the Council led the development of a funding application to SPARC's Active Communities fund on behalf of Active Waitakere. The application was successful in securing \$350,000 from SPARC to deliver a local community based sport and recreation initiative called Neighbourhoods Move It. This is a five year project and will start in late 2008 in the Kelston/Glendene community. As well as securing funding from SPARC both organisations were able to secure funding from the other Active Waitakere partners.

Active Massey

13. Sport Waitakere has continued to direct a number of projects into the Massey community as part of the Massey Matters Project. Sport Waitakere is delivering over 40 different projects in the area to increase physical activity levels and create social capital through sport and recreation. Sport Waitakere is leading the development of a wider project team called Active Massey and organised a successful community forum to discuss the opportunities and challenges in getting more people active in Massey.
14. The Council is represented on the Active Massey project team and has led the implementation of the Harbour Hangout programme being run in West Harbour. This initiative sees young leaders from the West Harbour community running free Hip Hop classes in the Moire Road Hall every Thursday night. This has been a successful programme in engaging with the youth of that area, getting them active and developing leadership skills.

Waitakere Physical Activity Strategy

15. One of the most significant achievements this year has been the development of the Strategy and subsequent Action Plan called Te Waka ki Mua Move It Waitakere (Move It). Sport Waitakere drove the development of this, including securing funding from SPARC to employ a consultant to write both documents.
16. Move It has now become the work plan for all the Active Waitakere partners over the next five years and ensures a focused and planned approach to increasing physical activity in Waitakere.

Shared Work Programme for 2008/2009

A150-A155

17. The shared work programme for 2008/2009, has the same overall objectives as the 2007/2008 programme, and is attached at pages A150 to A155. The key change is the focus on implementing both the Move It and the Neighbourhoods Move It projects, as opposed to last year which had a focus on the development of both of these initiatives. This is an important year and needs to build on the momentum created through the Strategy and the SPARC funding and ensure key actions are delivered on the ground.

Overall Performance

18. Although Sport Waitakere has had a strong focus on collaborative projects they are still delivering a number of other initiatives as well. Sport Waitakere work closely with schools and early childhood centres in developing fundamental movement skills. Sport Waitakere also delivers a series of workshops on coaching, strategic planning, leadership, governance to name a few and form part of the Waitakere Training Group. Sport Waitakere has expanded the Active Families programme which is now run out of Massey and Kelston (two of the City's least active communities) and run this in partnership with HealthWest.
19. Sport Waitakere met all the targets in the Agreement for the 2007/2008 shared work programme.
20. Sport Waitakere is a finalist in the Volunteer/Not for Profit Organisations Category of the Waitakere Business Awards which highlights the progress of this organisation over the last few years.

21. This has been another busy and successful year for Sport Waitakere who have shown real leadership in the sport and physical activity area and who continue to be the driving force behind a number of exciting collaborative projects.

STRATEGIC CONTEXT

22. New Zealanders of all cultures connect together through physical activity and sport. Social and leisure activities are strongly associated with physical movement of some sort, thereby increasing participation in physical activity. Sport creates opportunities for positive social connection, volunteerism, feelings of belonging and contribution to our society.
23. The Council continues to invest in Sport Waitakere because they directly influence a number of Community Outcomes through the services and activities they provide the residents within Waitakere. Below are the key Community Outcomes that Sport Waitakere can influence:
- **Strong Communities** – Sport Waitakere works to provide more opportunities for residents in Waitakere to participate in sport and physical activities which brings communities together and provides a platform for people to socialise, connect and build relationships.
 - **Healthy Lifestyles** – Sport Waitakere's key priority is to make residents more active more often. Increases in physical activity levels directly impact on the overall health and wellbeing (both physical and mental) of the residents in Waitakere.
 - **Working Together** – Sport Waitakere recognise the need to work together with a number of different organisations in a number of different sectors to improve the health and wellbeing of residents in Waitakere.

CONSULTATION

24. The shared programme was developed between Sport Waitakere and the Council. There was no consultation with other external parties.

RESOURCES

25. \$100,000 was allocated in the 2007/2008 Annual Plan for Sport Waitakere along with an additional \$5,000 for promotional activities. The allocation approved in the 2008/2009 Annual Plan is \$106,000 plus \$5,000 for promotional activities.

IMPLEMENTATION ISSUES

26. There are no implementation issues associated with this report.

Report prepared by: Rob McGee, Recreation Planner; Leisure Services and Paul Edwards, Recreation Partnership Projects Leader.



18 THE TRUSTS STADIUM 2007/2008 END OF YEAR PERFORMANCE

GLOSSARY

The Trusts Stadium	(the Stadium)
2007/2010 Trusts Stadium Funding Agreement	(the Agreement)
World Netball Championships	(WNC)
World Junior Badminton Championships	(WJBC)
Waitakere City Stadium Trust	(WCST)
Waitakere City Leisure Precinct Sports Complex Charter	(the Charter)
Basketball Waitakere City	(BWC)
International Association of Athletics Federations	(IAAF)

EXECUTIVE SUMMARY

The purpose of this report is to inform the Finance and Operational Performance Committee of the performance of the Trusts Stadium (the Stadium) in year one of the 2007/2010 Trusts Stadium Funding Agreement (the Agreement).

The Stadium has had a successful year hosting two major international events, the World Netball Championships (WNC) and the World Junior Badminton Championships (WJBC) in October and November 2007. The Stadium had 385,003 visitors throughout the year to both the Stadium and wider Precinct including the Douglas Track and Field and new Grandstand.

The Stadium met most of the targets in the Agreement, however some were unable to be met fully because of the impact of hosting major events as well as the extended closure of the Douglas Track and Field for maintenance and renovation.

RECOMMENDATION

It is recommended that Finance and Operational Performance Committee resolve to:

Receive the Trusts Stadium 2007/2008 End of Year Performance report.

BACKGROUND

1. The Stadium, on Central Park Drive, is owned and operated by the Waitakere City Stadium Trust (WCST). It was constructed in 2004 to provide the wider Waitakere community with a key multi-purpose venue for the local community to host sporting, leisure, trade and cultural activities and events. The Council provided the land and contributed \$12,865,000 of capital funding towards the total cost of the project to ensure ongoing affordable community access to the facility and to secure an alternative venue for the Waitakere Basketball Association.
2. The Waitakere City Leisure Precinct Sports Complex Charter (the Charter) exists between the WCST, the Council and two other partner organisations, Waitakere City Rugby Club and Waitakere Athletics Club. The Charter sets out in Schedule B the community objectives the Stadium is to meet and the principal objectives of the Council's contribution to the Stadium.
3. The Council recognises that the Stadium facilities are capable of hosting national and international events and providing economic benefits to Waitakere. The Council, however, wants to ensure wider community benefit by supporting the community's ability to use and enjoy the Stadium. Council recognised the need to provide some initial operational investment whilst the Stadium established itself and has continued to support the Stadium since opening.

4. At the Finance and Operational Performance Committee meeting on 7 May 2007, the Committee resolved:

“2. That a three year Funding and Services Agreement, from 2007/2008 to 2009/2010, between Council and the Waitakere City Stadium Trust for the operation of The Trusts Stadium be prepared and reported back to the Finance and Operational Committee for approval.”

836/2007

5. The Council worked closely with the Stadium to develop the Agreement which was officially signed off at the Council meeting on 27 February 2008.

DECISION MAKING

- A156 6. A list of definitions explaining terminology used in this report is attached at page A156 of the agenda.

Issues

7. In the Agreement ‘visitors’ have been broken down into five categories:
- Community Arena users;
 - Community Precinct users;
 - Arena Event visitors;
 - Precinct Event visitors; and
 - Functions users.
8. This provides greater detail as to who is using the Stadium and surrounding Precinct and for what purposes.

Impact of WNC and WJBC

9. When reviewing the Stadium’s performance it has been important to assess the impact the WNC and the WJBC made on the Stadium’s ability to meet specific community targets. Council supported the Stadium to bid for both of these international events as they were high profile and created excellent national and international exposure for Waitakere. The effect of hosting these two events is that many Community Arena users were unable to book courts for an extended period of time.
10. The Council needs to be aware that if the Council is to support the Stadium in bidding for and winning the rights to host events such as the WNC and WJBC, then such events may negatively impact on the Stadium’s ability to meet certain targets in the Agreement, as has been the case over the previous year. Particular targets will be discussed below.

Visitors

11. As table 1 shows, overall visitor numbers were below target and in particular the events visitors and users of the Precinct. The total target for Arena and Precinct event visitors was 190,000 and although the events held in the Arena attracted a large number of visitors the Precinct Event visitors were well below what was expected. The Community Precinct users also failed to meet target. Both of these results can be largely put down to the unavailability of the Douglas Track and Field for a large portion of the year.

Table 1 – Breakdown of visitors to the Stadium

Category	Actual		Target	Variance
Community Arena users	125,780		Min 110,000	+15,780
Community Precinct users	80,309		Min 100,000	-19,691
Arena Event visitors	145,399	161,479	190,000 event visitors	-28,521
Precinct Event visitors	16,080			
Functions users	17,435		No target	-----
Total visitors	385,003		Min 450,000	-64,997

12. The Council undertook some major renovations to the Douglas Track and Field which meant the field was unavailable for almost six months. It was agreed to undertake this work while the new grandstand was being completed but meant some events were unable to take place during that time as well as having to relocate Waitakere United games to another venue in the City. It is anticipated that the targets would have been met had the Douglas Track and Field and grandstand been available during that period.
13. The Stadium exceeded the target for Community Arena users largely because of a strong final four months that saw 65,680 users of the Stadium.

Community Hirers

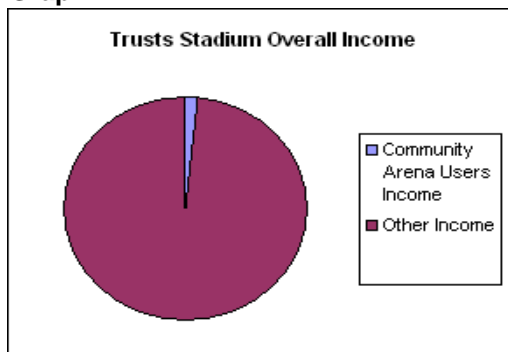
14. Community use is a key focus in the Agreement and a number of targets have been set to ensure community users continue to get priority bookings during peak hours. Peak hours are defined in the Agreement as Monday to Thursday from 4pm until 10pm and exclude school holidays.
15. The Stadium is expected to make available 80 percent (%) of peak hours for community bookings however the Stadium was only able to achieve 69% for the year (see table 2 for details). The main reason for this is due to the unavailability of the Arena during the WJBC and WNC. Of the 35 days that were made Unavailable by the Stadium throughout the year, 22 days were specifically due to these two events.

Table 2 – Peak hours available for Community use

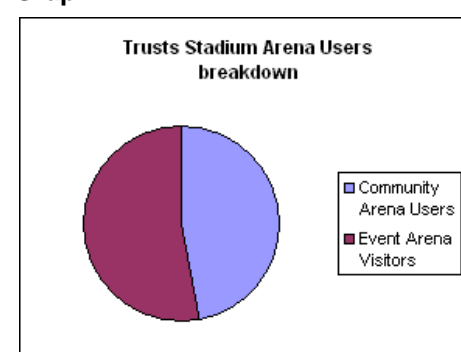
	Annual Peak hours	Annual Percentages
Total annual peak hours available	7,635	
Total peak hours unavailable due to events, maintenance, pack in and pack out.	2,404	31% of total peak hours were unavailable
Total peak hours available for community bookings	5,231	69% of Total peak hours were available for booking
Total peak hours used by Community Arena Users	2,859	54% of available peak hours were used by Community

16. Another target the Stadium was unable to meet because of the unavailability of the Stadium was a 5% increase in the number of peak hours used by Community Arena users. Council will be looking for the Stadium to work proactively to achieve this target in the coming year. As can be seen in Table 2 only 54% of available peak hours are actually utilised by the community so there is scope for growth in this area of the Stadium's business.
17. Basketball Waitakere City (BWC) utilised 1,789 of a possible 3,000 hours of preferential court bookings which the Stadium make available to BWC throughout the year. BWC were also affected by the WNC and WJBC as the organisation was unable to run leagues during that time. The final four months however saw a real increase in hours used, which is strong indication that BWC membership and programmes are growing.
18. The Stadium is currently working with BWC to see representative teams train at the Stadium outside of peak hours for a reduced rate. This initiative will see the Stadium utilised during traditionally quiet periods.
- A156 19. The Stadium had no Bumpings through the year however 35 days were made Unavailable for Community Arena users during peak hours (see A156 for definitions). As discussed above 22 of those Unavailable days were due to either the WJBC or WNC events.
20. It is worth noting that although Community Arena users make up 47% of the total users of the Arena, financially these users only contribute 2% of the Stadium's overall income. The two graphs below show clearly show this.

Graph 1



Graph 2



21. The Council's investment in the Stadium along with the Stadium's other business operations help to subsidise the Community Arena users and it is important in ensuring this continued level of access.

Events

22. The Stadium exceeded all targets in the Agreement in relation to events which includes high and medium profile events, conventions and community events. Not only did the Stadium host major sporting events but also a number of music concerts throughout the year which highlight the versatility of the Stadium. The Stadium was able to secure Crosby Still and Nash as well as MUSE who were voted the 'International Best Live Act of the Year' and had previously played in front of 150,000 people at Wembley Stadium.

Other areas of interest

23. The Stadium recently completed the construction of the Grandstand and officially opened it with an International Association of Athletics Federations (IAAF) event. This IAAF "Black Singlet Invitational" was the Auckland regions first international athletic meeting for several years. This Precinct is now the only boutique sized sporting facility in Auckland and will fill the gap in the outdoor sporting and events market as well as servicing the present needs of many community recreation users on site. WCST has developed a similar pricing schedule for the Grandstand as currently used in other areas of the Stadium's business which sees different pricing levels depending on the type, size and purpose of the activity. The Stadium has included a minimal fee for local schools and the charter clubs to use the grandstand for local community activities such as school athletics days, to ensure affordable community access.
24. The Stadium is in the process of developing an Asset Management Plan. This is due to be completed in the coming months and will form part of the ongoing performance measure of this Agreement.
25. Although the audited accounts have not been finalised the Stadium is showing a strong financial return for the year. All areas of the Stadium's operations appear to meet or exceed budget and in particular in the events area which was well ahead of budget. More details will be reported once the audited accounts are finalised.

STRATEGIC CONTEXT

26. The Council's support for the Stadium contributes to a number of key strategic platforms, namely Strong Communities, Strong Innovative Economy and Urban and Rural Villages. It also contributes to the Healthy Lifestyles Community Outcomes. The Stadium provides a venue for active and passive recreation, contributes to Henderson's recreation precinct, and provides a vehicle for employment and stimulation of the local economy.

CONSULTATION

27. The Agreement was developed in consultation with the management of the Stadium.

RESOURCES

28. The Council approved an operational subsidy of \$475,000 in the 2007/2008 Annual Plan.
29. The Council passed the following resolution on 27 February 2008 to fund the renewals costs of the building:

"2 *That the Council provide for renewals of The Trusts Stadium building only, in its Long Term Council Community Plan 2009-2019 with the funding of these renewals to be determined by the Council. This funding would be subject to the production of a full Asset Management Plan for The Trusts Stadium that is approved by the Council as part of the Long Term Council Community Plan 2009-2019 process and Waitakere City Stadium Trust meeting all commitments in respect to current and future Funding and Service agreements."*

188/2008

30. The allocation approved in the 2008/2009 Annual Plan is \$475,000.

IMPLEMENTATION ISSUES

31. There are no implementation issues associated with this report.

Report prepared by: Rob McGee, Recreation Planner, Leisure Services.



PART F - REPORTS FROM THE SUBCOMMITTEES

19 TENDERS SUBCOMMITTEE

**THE SUBCOMMITTEE SUBMITS THE FOLLOWING REPORTS OF ITS MEETINGS
HELD ON FRIDAY, 8 AUGUST 2008 AND FRIDAY, 22 AUGUST 2008**

MATTERS CONSIDERED

A157-A167

The Subcommittee dealt with a number of items for which it has delegated powers to act and a copy of the minutes of the meetings is attached at pages A157 to A167 of the agenda.

It is recommended that the Finance and Operational Performance Committee resolve to:

Receive the meetings reports of the Tenders Subcommittee held on Friday, 8 August 2008 and Friday, 22 August 2008.

RI Clow
CHAIRMAN

