



NOTICE OF MEETING

FINANCE AND OPERATIONAL PERFORMANCE COMMITTEE

I hereby give notice that an Ordinary Meeting will be held on:-

DATE: **Thursday, 14 February 2002** **TIME:** **9.00 am**

VENUE: **Civic Centre, 6 Waipareira Avenue, Lincoln, Waitakere City**

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

11 February 2002

Sharon Simiona
COMMITTEE SECRETARY

Telephone (09) 836 8000 extn 8820

MEMBERSHIP:

Councillors	JM	Clews, QSO, JP (Chairperson)
	BA	Brady, JP (Deputy Chairperson)
	DQ	Battersby, JP
	RP	Dallow, QPM, JP
	AC	Fenton
	OE	Hoskin, JP
	PA	Hulse
	JP	Lawley
	GE	Nash, JP
	VS	Neeson, JP
	GB	Presland
	GW	Russell
	CA	Stone
	DA	Yates, JP

Mayor, Bob Harvey, QSO, JP (ex officio)

(Quorum 5 members)

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(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 AN ORDINARY MEETING OF THE FINANCE AND OPERATIONAL
PERFORMANCE COMMITTEE TO BE HELD IN THE CIVIC CENTRE,
6 WAIPAREIRA AVENUE, LINCOLN, WAITAKERE CITY,
ON THURSDAY, 14 FEBRUARY 2002
COMMENCING AT 9.00 AM.**

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1 APOLOGIES



2 URGENT BUSINESS

Section 46A(7) and (7A) 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 item is a minor matter; and
- (ii) the Chairperson has explained at the beginning of the meeting (when open to the public) that the item will be raised for discussion, why the item is not on the agenda, and why it cannot be delayed until a subsequent meeting; and
- (iii) the Committee resolves to deal with the item.

No resolution, decision, or recommendation may be made in respect of the item except to refer the item to a subsequent meeting for further discussion.

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



3 CONFIRMATION OF MINUTES

Ordinary - Thursday, 13 December 2001

RECOMMENDATION

That the minutes of the Ordinary Meeting of the Finance and Operational Performance Committee held on Thursday, 13 December 2001, as circulated, be taken as read and now be confirmed.



4 TOURISM AUCKLAND - HALF YEARLY REPORT

PURPOSE OF THE REPORT

The purpose of this report is to introduce Tourism Auckland and present a report on the activities and achievements of the organisation for the half year ending 31 December 2001. This report is a requirement of the Funding and Service Agreement between Council and Tourism Auckland.

The Chief Executive Officer of Tourism Auckland, Mr Graeme Osborne, will make a presentation firstly providing an overview of the organisation's major activities followed by highlights and issues of the first six months of this financial year. This will include the latest information on the impact of the 11 September 2001 terrorist attacks in New York on tourism in New Zealand.

A1 - A26

The Half Year Report submitted by Tourism Auckland is attached at pages A1 to A26.

BACKGROUND

Tourism Auckland, a charitable trust established in 1995, is one of 26 Regional Tourism Organisations in New Zealand.

Tourism Auckland's primary responsibility is the destination marketing of the Auckland region. Their main activities include domestic and international marketing, events marketing, visitor information centres, convention bureau services, communications and media services.

Tourism Auckland is primarily funded by Territorial Local Authorities in the Auckland Region. In 2001/2002, Territorial Local Authorities have committed the following contributions;

Auckland City Council	\$1.7m
Franklin District Council	\$ 20,000
Manukau City Council	\$300,000
North Shore City Council	\$100,000
Rodney District Council	\$ 10,000
Waitakere City Council	\$100,000

The relationship between Tourism Auckland and Waitakere City Council is governed through the Tourism Auckland Trust Deed, which specifies a position on the Trust Board for Council, and through a Funding and Service Agreement. Councillor Russell is Waitakere City Council's appointed Trustee with Councillor Fenton as an alternate.

In addition, at an operational level, Tourism Auckland has a direct working relationship with Council's economic development delivery agency, Enterprise Waitakere. In 2001/2002, Enterprise Waitakere are funded \$225,000 for local tourism product development and marketing.

The presentation by Tourism Auckland relates to the Funding and Service Agreement. This Agreement specifies general and Waitakere specific activities to be undertaken by Tourism Auckland as well as the key relationships and level of communication that is expected by Council. In recognition of the small contribution made by Waitakere to the overall activities of Tourism Auckland (4.6% of total funding), overall performance targets for Tourism Auckland are not set through this Agreement. Clearly, Council does have an opportunity to influence these objectives through membership of the Tourism Auckland Board.

The level of funding and specificity of the Tourism Auckland contract are issues identified for consideration through Annual Plan and Strategic Review processes.

STRATEGIC CONTEXT

The creation of a strong local economy and more local jobs is a strategic priority for Council. The total impact of inbound tourism on the Auckland Region was estimated at \$1.63 billion in 1999 and sustained 32 805 full time equivalent jobs. This accounts for 5% of regional GDP. Waitakere City experienced an estimated value added economic impact of \$120 million in 1999, sustaining 2 648 full time equivalent jobs.

Tourism Auckland is the regional mechanism for Council to fund the delivery of tourism marketing services.

ISSUES

Performance of Tourism Auckland

A strengthening operational working relationship between Tourism Auckland, Enterprise Waitakere and Council has been a feature of the first half of the 2001/2002 financial year. Staff changes at both Tourism Auckland and Council has required additional time re-building working relationships and communication mechanisms. These are now in place and operating actively and well.

The first half-year has also featured a number of new, key initiatives. These include:

- the development of a new, comprehensive 88 page marketing brochure titled 'Discover Auckland'
- the appointment of a Manager – Major Events and an America's Cup Project Manager to provide a greater strategic focus on attracting, supporting and leveraging from major events
- the planning for a new domestic marketing campaign to be launched in late February
- the undertaking of two comprehensive visitor perception research
- the introduction of 'Industry Update' forums

Tourism Auckland are working closely with Enterprise Waitakere's Tourism Development Manager to link Waitakere tourism businesses into these new opportunities. These new activities are in addition to Tourism Auckland's ongoing activities.

Key Tourism Indicators

Tourism Auckland activities contribute to a number of key tourism indicators. Other influences include the activities of competitor destinations, global tourism trends, domestic and international economic prosperity, the work of Tourism New Zealand and the actions taken by individual tourism businesses. Therefore, while not a direct measure of Tourism Auckland's performance, they are key to understanding the Auckland's place and key trends in the tourism industry.

Some key indicators highlighted in the Tourism Auckland report are;

- total international visitor arrivals in the month of November 2001 fell 6.2% compared with the month of November in 2000
- total international visitor arrivals for the year ended November 2001 increased by 11.4% on the previous year ending November 2000
- Auckland's % share of visitor arrivals fell 3.2% from 1997-2001, although regained 1.88% in 2000/2001

- Commercial guest nights in Auckland have increased 6.17% for the years ended October 2001 for the years 1999-2001, compared to a national increase of 7.87%
- In the year ending October 2001, accommodation guest nights in Waitakere fell 13.1%. This has been the largest fall in a consistently downward trend seen since 1997.

CONCLUSION

An overview of the major activities of Tourism Auckland and a half yearly report will be presented for the Committee's consideration.

RECOMMENDATION

That the information be received.

Report prepared by: John Wadsworth, Partnerships and Advocacy Leader: Economic Development.



PART I - DEPUTATION

5 JOHN EDGAR - WAITAKERE RANGES PROTECTION SOCIETY

Pursuant to Standing Order 37.1 the Chairperson has agreed to receive a Deputation from Mr John Edgar of the Waitakere Ranges Protection Society regarding 71 Turanga Road, Waiatarua.

For the guidance of Community Board Members, Standing Orders have the following provisions in regard to deputations.

- 1) Unless the meeting determines otherwise in any particular case, a limit of ten minutes is placed on a speaker making a presentation, or five minutes each if there are two members of the deputation addressing the meeting.
- 2) Except with the approval of the Board, not more than two members of a deputation may address the meeting.
- 3) After a presentation is received members may put to the deputation any question pertinent to the subject heard, but not member shall express an opinion upon or discuss the subject until the deputation has completed making its submissions and answering questions.
- 4) The Chairperson may terminate a presentation in progress which is disrespectful or offensive, or where the Chairperson has reason to believe that statements have been made with malice.



PART II - PROPERTY

6 LEASE OF PART GROUND FLOOR LOPDELL HOUSE

PURPOSE OF THE REPORT

The purpose of this report is to obtain the Finance and Operational Performance Committee's approval to grant a new lease of part of the ground floor of Lopdell House, 418 Titirangi Road, to G.A. & D.G. Flutey trading as *A Tavola Breads*.

BACKGROUND

A27

A Tavola Breads, a specialist bakery shop and cafeteria, has operated on the ground floor of Lopdell House since 1996 when Mr and Mrs Flutey took an assignment of an existing lease from Council. That lease expired on 22nd December 2001 and they have now applied to Council for a new lease. A diagram of the leased area is attached at page A27.

During their occupancy they have proved to be reliable tenants. Their application for a new lease has been warmly supported by fellow tenants at Lopdell House - the Titirangi Business Association and two local schools - who have all written to Council to that effect.

It is proposed to grant a new lease for two years, with a right of renewal for a further two years. The rent has been set at \$22,711.00 per annum inclusive of GST. The tenant will also pay an agreed proportion of the outgoings of the entire building.

RECOMMENDATIONS

1. That the information be received.
2. That part of the first floor of Lopdell House as set out on the attached plan be leased to G.A. & D.G. Flutey.
3. That the Deed of Lease be executed by Council under seal.

Report prepared by: Maurice Hieatt, Property Officer.



7 GLEN EDEN LIBRARY DEVELOPMENT

PURPOSE OF THE REPORT

This report is intended to update the Finance and Operational Performance Committee on progress on the Glen Eden library redevelopment, obtain approval for the current plans, and seek the Committee's guidance on related issues. The report also addresses the issue of temporary accommodation for the Library.

BACKGROUND

At its meeting of 13 December 2001 this Committee passed the following resolutions:

- “1. *That the information be received.*
2. *That the Chief Executive be delegated authority in consultation with Waitakere Properties Limited to negotiate and execute the entitlement to a Principal Unit ownership (with the related accessory Units) suitable for the Glen Eden Library and Citizens Advice Bureau upon terms he considers to be most favourable to Council, and subject to satisfactory negotiation of financial, design and building quality issues, and that the execution of all documentation to achieve that outcome be authorised.*
3. *That the Chief Executive report back to the Finance and Operational Performance Committee on implementation of the proposed library solution including short-term continuity options during the construction phase.*
4. *That the Chief Executive report on funding for the Library proposal as outlined and any other Library development options as necessary.*
5. *That Council direct Waitakere Properties Limited not to proceed with negotiations to sell its site on the corner of Glendale Road and Glenmall Place.”*

2924/2001

Since that time Council officers have begun a process to research and deal with a number of issues related to the proposal. These are:

Operational

The library lease expires on 31 March 2002. If Council and Westview Medical fail to agree terms for a joint development, there is a possibility that the library will have to relinquish its current location on 1 April (or some time thereafter) and cease operation. A contingency plan needs to be in place to re-locate the library in March if this is necessary.

Financial

Until such time as the parties agree to the financial parameters and the legal structure surrounding the proposal, there is no certainty that the joint development proposal will proceed. This agreement could be jeopardised by the parties failing to agree on valuations of respective assets, or Westview may not be prepared to fund the quality of building required by Council. In addition, due diligence is still required to convince staff that Westview is financially able to meet the full costs of the project.

Building Concept Design

The design of the building needs to accommodate two very different sets of needs on a highly constrained site. At present Council has contracted Architectus to investigate the proposed design, and suggest alternatives that will meet Council's design criteria. There is a risk that these may not be acceptable to Westview.

District Plan Issues

The site located at the corner of West Coast Road and Glendale Road that is required for the joint development currently has a district Plan Designation as "open space". In order to proceed with the intended development a variation to the Proposed District Plan will need to progress to change the designation to Community Environment. This process is expected to take a minimum of six months.

Resource Consent Issues

The current design proposal from Westview Medical has a number of features that contravene planning regulations. These include:

- Distance to boundary on two western faces of the building
- Height to boundary on one western face
- Overall site coverage
- Lack of right of way to parking

Parking

The proposal to jointly locate a major medical centre, an expanded library and a Citizens' Advice Bureau will put severe pressure on car parking at the western end of Glen Eden retail centre. The proposal itself at present does not comply with the parking requirements under the District Plan. In view of this, the resource consent process could be delayed, the project may not receive consent, or the project design may be compromised.

Community Relations

Loss of community perceived open space (corner site) may engender community opposition to the development which could seriously delay the project. This will need careful management of communication.

ISSUES

The above issues were presented to Westview Medical at a meeting with Council staff on 17 January 2002. Staff made it clear that the resolution of some of these issues would take time, and that this could jeopardise Westview Medical's deadline to commence operations. Cost issues were also raised in terms of Westview's willingness to contribute to high-quality design criteria. However Westview Medical assured Council that they were willing to proceed with the development in spite of these issues, and therefore staff have continued to progress Council's involvement, on the basis they still need to be resolved to Council's satisfaction, or Council will withdraw from the project. In resolving these issues, staff have instigated the following actions:

Operational

In the event that agreement is not reached with Westview Medical, the library may need to relocate by 1 April 2002 or at some time thereafter. Staff are negotiating to enter into a lease for premises at 277c West Coast Road to provide short-term accommodation (see below). Concurrently staff are exploring the opportunity of negotiating a short-term extension of the current lease with Westview Medical that will enable the library to remain at its current location until construction begins. These issues are addressed in more detail below.

Financial

A report has been received from Waitakere Properties Limited based on independent valuations that recommends that Council pay \$350,000 to Westview Medical for the value of their building that the library will occupy long-term. Staff are investigating the basis of this, and will be making counter-proposals to Westview Medical.

Building Concept Design and Resource Consent Issues

Council has contracted Architectus to undertake very preliminary work to investigate the proposed design, and suggest alternatives that will meet Council's design criteria and resource consent regulations. Negotiations have begun to obtain a right of way from Our Lady Of Lourdes Catholic Church to parking at the Tyne Building. This may involve designating the current access as a service lane. This work will be of use in providing for legal access to the site and the Glen Eden RSA regardless of Council's decisions in relation to this proposal.

District Plan Issues

Staff have begun a process to change the designation of the land on the corner of West Coast Road and Glendale Road from "Open Space" to "Community" Environment. This process is expected to take a minimum of six months.

Parking

There are a number of suggestions for overcoming this, including:

- Negotiating an agreement with the Glen Eden Playhouse Trust for sharing of car parking facilities between the medical centre/library and the theatre in such a way that shared use is maximised at peak and off-peak times for each facility.
- Investigating joint use carparking arrangements with the Our Lady Of Lourdes Catholic Church.
- Providing for future parking at the site currently occupied by the Citizens' Advice Bureau (and vested in Waitakere Properties Limited).

Staff are investigating the first two options with urgency as part of the work to establish whether the joint development proposal is achievable.

Community Relations

A communication strategy is being produced to address the issues related to this proposal. It may be desirable to designate an alternative piece of open land in Glen Eden to replace that which is being lost to this development. Initial work will test the strength of community feeling in this regard. Work will be done within the broader context of the development of Glen Eden to identify a suitable piece of land.

LIBRARY LOCATION – NEXT TWO YEARS

The location of the library over the next two years while Council is determining and then implementing its longer-term solution for the Glen Eden Library is an issue that requires immediate attention.

The Lease for the current premises expires on 31 March 2002. It is possible for Council to extend this lease period while it works with the Doctors to establish whether a joint development of library and medical centre and related facilities is possible.

However this presents a range of issues for the Council to consider:

1. If the negotiations are unsuccessful the library will have to move from its location and Council will be forced to seek alternative accommodation at that time. Suitable facilities are not abundant in Glen Eden.
2. This situation could potentially give the other parties to the joint development proposal an opportunity to apply pressure to the Council through the investigation/negotiation process.
3. Having an alternative lease arrangement in place would strengthen Council's negotiating position and lessen its exposure to pressure from other parties through the process.

A study of premises available in the Glen Eden Town Centre which are suitable for library occupation has identified 277c West Coast Road (formerly the "Nationwide" building) as being the most appropriate for the Library's needs. This site is currently vacant and available for immediate occupation.

The advantages of this site are:

- Lease costs are comparable with current lease costs for the present library site so that there would be no impact on the library's occupancy budget. There are two lease options:
- **Option 1** proposes a lease period of one year with two annual rights of renewal.
 - This option has a the disadvantage that the lessor has set the condition that at each annual renewal of contract a 5% addition will be made to lease cost.
 - The advantage to this option is the flexibility that it gives to extract from the lease contract if a more desirable long term location for the Glen Eden Library becomes available in less than 3 years.
- **Option 2** proposes an initial lease period of one year with a second right of renewal for a two year period.
 - This option will incur a penalty if the Library were to extract from the lease contract in less than 2 years after the first right of renewal.
 - An advantage is that the lease costs are lower than option 1 in second and subsequent years.
 - The site is close to the current location and in proximity to the town centre
 - The building is designed as a clear span building and the large open space would allow effective operational functioning.
 - Operating costs would be similar to the current premises.
 - Minimal refurbishment or reconstruction work would need to be undertaken.
 - There is opportunity for a flexible lease period of one year with either annual or biennial rights of renewal can be negotiated
 - On site carparking with public carparking in close proximity.

The disadvantages of this site are:

- The building presents an 'industrial' image which would not be able to be significantly altered if the lease is short term because of the lease agreement building restoration clauses.
- Traffic access to the off street parking is from West Coast Road at the junction with Glendale Road. This is difficult to negotiate especially during peak traffic flows.

On the advice of Ross Hill, Service Manager: Transport Assets there are several options that are available to mitigate this situation. These are:

Vehicle Access

There are 2 vehicle crossings. The one at the proposed library is marked for out-traffic only. It is physically possible to turn in and out by left turns. Right turns are obstructed by a central traffic island. It is not possible to remove this island, owing to arterial road operational and safety requirements.

The other crossing, 130m westward, is for 2 way traffic, and is suitable for left and right turns in and out. A central painted median in West Coast Road facilitates right turning.

The trouble with this access is that it appears to be physically separate from the library site. This disadvantage could be overcome by erecting a suitable sign at the remote access, and signs at the library access and the library itself, also by posting out a site plan to all library registrants. The plan should clearly show the vehicle and pedestrian access points, isle-way, and parking arrangements.

Parking

There is no convenient on-road parking. West Coast Road has no-stopping controls along the near side and some on the far side.

There are generally about a dozen vacant spaces in the public off-road car park on the corner of West Coast Road and Glenview Road. The average walking distance between these spaces and the proposed library reception point is about 90m, with no road crossings.

The building and its parking forecourt being proposed for lease is situated in West Coast Road, directly opposite Glendale Road. The forecourt has 5 marked parking spaces and room for 2 more in front of the roller doors, should one door not be required for library purposes. 1 or 2 of these 7 parking spaces should be converted, for use by disabled drivers. The building and forecourt extend westwards providing for other factory units with forecourt parking. The vehicle isle connects to the next property to the west, where there is a larger parking area. This area is about 85m by 12m with capacity for about 30 cars and is not much used. Library staff should park here and visitors could park here, given an agreement for this parking to be shared by the library.

Pedestrian Access

Access from the west is good, as there are signal controlled pedestrian crossings over Glenview and West Coast Roads. Access from the Glendale Road and the southern side of West Coast Road from the west is very poor, owing to the busy arterial nature of West Coast Road and the absence of pedestrian facilities.

This situation is mitigated by the painted median in West Coast Road westwards from a point 40m west of Glendale Road. This could be enhanced by building a solid island in the painted median to emphasise a safe location to cross, and to provide a secure refuge in the busy 3-lane road. The island should be centred about 65m from the centre of the Glendale Road intersection.

Summary

The premises at 277c West Coast Road, would, with minor modification, provide the most suitable location to accommodate the Library Service until, such time as long term site for the Library is secured.

Additional funding will need to be secured for the reconstruction and relocation costs to make the premises suitable for occupation by the Library, this should be considered during the half-yearly review.

Only minor steps would need to be taken to improve pedestrian and traffic access. The proposed temporary library should be subject to the following conditions, implemented to the satisfaction of the Service Manager; Transport Assets:

- (1) remarking of parking spaces in the forecourt to provide 7 spaces, including 2 disabled-driver spaces.
- (2) providing suitable signs to ensure the safe operation of the 2 vehicle crossings associated with the site.
- (3) posting to all library registrants a plan covering parking, and access by vehicles and pedestrians.
- (4) providing a pedestrian refuge in West Coast Road about 65m west of Glendale Road.

With these conditions the library will have adequate although not ideal parking, and access for vehicles and pedestrians.

RESOURCING AND FUNDING

In order to continue negotiations with Westview Medical (and indeed to proceed with the development of any option for the construction of a library), some certainty is required that the proposal for a new library in Glen Eden will be funded by the Council. At its meeting of 13 December 2001 figures were tabled that showed indicative costs for a library development in Glen Eden to lie between \$2.45 million (shared facility with Westview Medical) and \$2.65 million (new build). It is therefore recommended at this stage, and without the benefit of detailed design, that this Committee recommend to Council (for consideration during the Annual Plan process that funding of \$2.55 million be provided in the 2002/2003 budgets for provision of a library in Glen Eden). This expenditure is already provided for in the Draft Library Budgets currently being prepared for Council's consideration.

At this stage this figure is indicative only, and represents the mid-point of the two estimates made to date. Further work will be done in support of this figure for the Annual Plan meetings based on design and quantity survey work.

In addition there needs to be a provision of funding for initial studies that need to be completed before a deal can be agreed with Westview Medical. It is expected that these studies will total some \$25,000, to be expended as follows:

- Financial advice - \$5000
- Legal advice - \$5000
- Parking advice - \$5000
- Architectural fees - \$10,000

If the Committee is happy to resolve as outlined above, it could approve the commitment of this expenditure now, to be funded against the provision for the Glen Eden Library in the 2002/2003 Annual Plan. Alternatively, the work could be funded from the 2001/2002 budget from the money set aside by Council at its meeting of 11 October 2001 to carry out planning work on the Glen Eden Town Centre.

CONCLUSION

Council officers are continuing their investigations of the feasibility of a joint development of a medical and library with Westview Medical. Various issues have been identified which require resolution in order to proceed. Westview have indicated that they are aware of all issues identified to date, and are prepared to work with Council to resolve them. At this stage definitive agreements have not been made with Westview and negotiations are continuing. Council needs to expend approximately \$25,000 to identify its position and proceed to an agreement with Westview. In addition, Westview needs an indication of a commitment from Council that funding will be forthcoming in 2002/2003 to proceed with the development.

A decision as to short-term accommodation is also required. Staff feel that the lease of the premises at 277c West Coast Road would provide short-term certainty over accommodation and a stronger negotiating position in discussions relating to development proposals.

RECOMMENDATIONS

1. That the information be received.
2. That the Finance and Operational Performance Committee endorses and approves the actions taken to date to resolve issues surrounding the joint development of a library and medical centre with West View Property Holdings Limited.
3. That it be recommended to Council that \$25,000 for initial studies as a commitment against the 2002/2003 Annual Budget be provided.
4. That it be recommended to Council that \$2.55 million be provided in the 2002/2003 Annual Budget for the provision of a new library in Glen Eden.
5. That the Chief Executive be given authority to negotiate and conclude a lease with the owner of 277c, West Coast Road under Section 601 of the Local Government Act 1974, and that the lease be executed as negotiated.
6. That funding for the relocation of Glen Eden Library and the fitout of 277c West Coast Road be considered in the half yearly review.
7. That recommended actions required to improve pedestrian and traffic access be referred to the New Lynn Community Board for their consideration.

Report prepared by: Steve Wilcox, Project Manager – Strategic Projects, Su Scott Manager Library and Information Services and Ross Hill, Service Manager Transport Assets.



8 LOT 22 DP 8400 - 1 RATANUI STREET, HENDERSON

PURPOSE OF REPORT

The purpose of this report is to advise the circumstances now identified as applicable to the above property, and to discuss a basis to seek to resolve consequential issues.

BACKGROUND

A28 - A29 Lot 22 DP 8400 is contained in Certificate of Title Volume 299 folio 201, copy attached at pages A28 to A29. The land is situated on the corner of Ratanui Street and Great North Road, in the heart of the Henderson Commercial Centre. Historically, a small portion on the Great North Road frontage has been caused to vest by gazette notice as legal road. A substantial commercial building utilised as the Henderson Branch of the Bank of New Zealand has been constructed on the corner, and the rear of the site is utilised as a public carparking area and provides vehicle access to the building's underground basement level.

A30 - A33 In 1983 the predecessor Henderson Borough Council and the then registered proprietor, Bank of New Zealand, entered into a Deed of Settlement, copy attached at pages A30 to A33. The Deed was an agreement whereby the Council acquired 355m², being the rear portion of the allotment, for a public carpark in lieu of the Bank's obligation as a developer to provide 25 carparking spaces in conjunction with the erection of the building. In fact, 16 carparks have been laid out on the land concerned and utilised for public parking since that time, currently with a 30 minute parking restriction applied and enforced by Council officers. The cost of removal of an old dwelling-house at that time and the subsequent sealing and maintenance of that area were borne by the former authority.

That land is contiguous to other land in Council ownership also applied as public parking serving the Henderson commercial area. The Transitional District Plan (Henderson Section) contained a designation for parking applied to the rear portion of the three adjoining commercial premises having frontage to Great North Road. That designation has not been continued under the Proposed District Plan issued by the Waitakere City Council, although there is a current Council project intended to evaluate the future development and utilisation of this area as part of the overall Henderson Commercial Centre revitalisation exercise. Completion of this work has not been able to be prioritised because of the resources presently applied towards the comparable New Lynn and Glen Eden revitalisation projects.

A34 Council was also intended to acquire pursuant to the Deed a right-of-way easement over part of the further portion of Lot 22 intended to be retained in the ownership of the Bank of New Zealand, as shown marked "A" (attached at page A34) on the plan attached to that document.

The files relating to the transaction indicate there were delays in implementing the required subdivision and subsequent conveyancing necessary to cause the land concerned to be vested in the then Council, and the right-of-way easement to be created. The exercise did not achieve finality prior to the comprehensive Local Government Reorganisation in 1989. However, in 1990 the matter was the subject of further communication between the former Borough's Solicitors, Martelli McKegg Wells & Cormack, and the Bank's Solicitor, Buddle Weir & Co. The subdivision plan was prepared and lodged under No.139297 at the Land Transfer Office, and the pencilled notation evidencing that lodgement was entered on the particular Certificate of Title. Nevertheless, it is evident that the final steps to cause the plan to deposit, the easement to be created, and the new Certificate of Title to issue, and transfer to the Waitakere City Council of Lot 2 shown on the said plan, were not finally implemented via the solicitors then involved in the transaction on behalf of the parties.

In 1991, and contrary to the terms of the Deed of Settlement, the Bank of New Zealand acted to transfer the landholding concerned to BNZ Branch Properties Limited, a wholly owned subsidiary company. In 1999, and in further contradiction of that agreement, BNZ Branch Properties Limited has caused the property to be transferred to PMD Nola Limited subject to a lease back arrangement entitling the BNZ to continue in occupation and use the commercial premises for banking purposes. It is plain that the purchaser entity will contend it has acted bona fide and obtained indefeasible title to the entire property under the Land Transfer Act.

While the BNZ's lease is reasonably long term, and encompasses all the residue of Lot 22 DP 8400, the actual entitlement under the lease has not been fully appreciated and the Bank has not sought in the intervening period to interfere with the continued application of land for public parking. As tenant, BNZ has utilised the carparking located in the basement of the premises, and further, in recognition of its parking requirements for staff, has separately leased five carparks from the private owner of the immediately adjoining property, also on a longstanding basis. Now that the situation extant has been drawn to the Bank's attention it has agreed, without prejudice to its position, to a continuation of the casual public carparking, limited in duration to 30 minutes, pending further notice.

COMMENT

While the status quo has been facilitated to continue, the situation which has arisen is not readily addressed unless with the active co-operation of the present registered proprietor, without recourse to the provisions of the Public Works Act 1981. That party will obviously be concerned, for example, that the original arrangement did not in fact guarantee practical legal access to the building's basement level, and further, that there is some obvious uncertainty at the moment with respect to the future application/utilisation of the proximate lands under Council control and ownership.

There are a number of options as to how to "step on". Because the continued application of the land concerned for public parking is not under any immediate threat, the best course of action seems to be to formalise continued use by means of a sub-lease (which suggests the Council needs to commit to reimburse an appropriate proportion of the ongoing land rates levy) and to complete the Strategic Project's Group analysis and decision-making exercise before further review.

RECOMMENDATIONS

1. That the information be received.
2. That authority be given to enter into a sub-lease with the BNZ for public carparking purposes on terms and conditions satisfactory to the Corporate Solicitor, providing for continued access to and utilisation of the existing 16 carparking spaces, with a 30 minute time limitation for such casual parking.
3. That the circumstances outlined in the agenda report, and future application of the land concerned, be given further consideration as part of the Henderson Commercial Centre Revitalisation project analysis and be the subject of a further formal report to the Finance and Operational Performance Committee in due course.

Report prepared by: Graham Wakefield, Manager: Legal Services.



9 LOT 3 DP 152489 - AMBRICO PLACE, NEW LYNN

PURPOSE OF THE REPORT

To identify the current circumstances applicable to the above property, and to obtain authority to acquire the land by purchase.

BACKGROUND

A35

Land at 5 Ambrico Place, shown on the plan attached at page A35, is presently vested in Ambrico Apartments Limited (In Liquidation) and is subject to a Notice of Requirement under S.168A of the Resource Management Act 1991 for "Proposed Reserve". The Requirement has been publicly notified by Council, and submitters have been heard by Commissioner Bhana at a formal hearing on 31 January 2002. There were 21 submissions in support and 1 in opposition. Commissioner Bhana has reserved his decision but is expected to compile his formal Notice of Recommendation for presentation to Council later this month.

The property is subject to mortgages and the registered proprietor is in default. The first mortgagee, Lovegroves Solicitors Nominee Co Limited, has sought that a sale be conducted by Registrar of the High Court, by public auction on Wednesday, 27 February 2002. The formal 'Conditions of Sale' does specifically identify that the land is subject to the "Proposed Reserve" designation. The principal effect of the designation, if confirmed, is to prohibit any works contrary to that intent. Because of that constraint, there is unlikely to be third party interest in acquiring the property.

COMMENT

The sale process offers a formal basis for Council to transact other than pursuant to the Public Works Act 1981, to acquire and apply the land for the designated purpose.

Accordingly, it is desirable that the Chief Executive is authorised to seek to purchase the property on that occasion, utilising monies from the land subdivision reserve fund or such other source as may be identified by the Director: Finance.

RECOMMENDATIONS

1. That the information be received.
2. That the Chief Executive be delegated authority to seek to acquire by purchase Lot 3 DP 152489, the purchase price and any associated costs to be charged to the land subdivision reserve fund or any alternative source of funding identified.

Report prepared by: Graham Wakefield, Manager: Legal Services.



10 TRANSFER OF LAND TO WAITAKERE PROPERTIES - LOT 1 DP 209062

This report has been circulated separately with the agenda.



PART III - LEGAL AND CONSTITUTIONAL

11 AFFIXATION OF COMMON SEAL

EXECUTION OF DOCUMENTS: 3 December 2001 - 25 January 2002

Nº	NAME	PARTICULARS
2152	WCC – Satellite Investments Limited	Deed of Variation of Lease re Tenancy – 131 Lincoln Road – re air conditioning unit
2153	WCC – O Kessell & LA Boyce	Withdrawal of Caveat A.112038 – CT.1662/7
2154	WCC – KW Aspinall	Memorandum of Transfer – CT.55A/1079 – 80 Crows Road, Swanson
2155	WCC – Waitakere AFC Inc	BNZ Term Loan Agreement, as guarantor – resolution 2324/2001
2156	WCC – BNZ	Guarantee of Waitakere AFC Inc term Loan dated 26/11/01 – resolution 2324/2001
2157	WCC – Craig Lupton, Auckland Regional Council	Temporary Warrant of Appointment as an Enforcement Officer
2158	WCC – Andy Pedersen, Auckland Regional Council	Temporary Warrant of Appointment as an Enforcement Officer
2159	WCC – Stuart Leighton, Auckland Regional Council	Temporary Warrant of Appointment as an Enforcement Officer
2160	WCC – John Wilson, Auckland Regional Council	Temporary Warrant of Appointment as an Enforcement Officer
2161	WCC – David Bell, Enforcement Officer	Warrant of Appointment & Evidence of Identity No.146
2162	WCC – Feliti Key, Enforcement Officer	Warrant of Appointment & Evidence of Identity No.147
2163	WCC – Grant Mitchell, Enforcement Officer	Warrant of Appointment & Evidence of Identity No.148
2164	WCC – Iuso Puheke, Enforcement Officer	Warrant of Appointment & Evidence of Identity No.149
2165	WCC – Jonathan Akapo, Enforcement Officer	Warrant of Appointment & Evidence of Identity No.150
2166	WCC – Joshua Paito, Enforcement Officer	Warrant of Appointment & Evidence of Identity No.151
2167	WCC – Malakai Tameilau, Enforcement Officer	Warrant of Appointment & Evidence of Identity No.152
2168	WCC – Michael Letele, Enforcement Officer	Warrant of Appointment & Evidence of Identity No.153
2169	WCC – Philip Larmer, Enforcement Officer	Warrant of Appointment & Evidence of Identity No.154
2170	WCC – Robert Haffeki, Enforcement Officer	Warrant of Appointment & Evidence of Identity No.155
2171	WCC – Will Ualika, Enforcement Officer	Warrant of Appointment & Evidence of Identity No.156
2172	WCC – Goeff England, Enforcement Officer	Warrant of Appointment & Evidence of Identity No.157
2173	WCC – Waitakere Playhouse Theatre Trust, Playhouse Theatre Inc	Deed of Agreement re Glen Eden Playhouse Theatre
2174	WCC - Waitakere Playhouse Theatre Trust	Acquisition Agreement
2175	WCC – Playhouse Theatre Incorporated	Deed of Surrender of Lease of premises – Glen Eden Playhouse Theatre

Nº	NAME	PARTICULARS
2176	WCC -Waitakere Playhouse Theatre Trust/Playhouse Theatre Incorporated	Licence to Use Glen Eden Playhouse Theatre, Council consenting
2177	WCC – Joe Alefaio, Enforcement Officer	Warrant of Appointment & Evidence of Identity – No.158
2178	WCC – Isaiah Kalava, Enforcement Officer	Warrant of Appointment & Evidence of Identity – No.159
2179	WCC – Vineet Sharma, Enforcement Officer	Warrant of Appointment & Evidence of Identity – No.160
2180	WCC – Anthony Salter, Enforcement Officer	Warrant of Appointment & Evidence of Identity – No.161
2181	WCC – K Taylor	Discharge of Charging Order No.D573810.1 – 65 Kauri Point Road – CT. Volume 837 folio 255
2182	WCC – Collett Taylor, Sale of Liquor Inspector	Warrant of Appointment & Evidence of Identity – No.162
2183	WCC – Kevin Fan, Drainage Network Modeller	Warrant of Appointment & Evidence of Identity – No.163
2184	WCC – Karen Page, Planner	Warrant of Appointment & Evidence of Identity – No.164
2185	WCC – Paul Patcher, Bylaws/ Swimming Pool Officer	Warrant of Appointment & Evidence of Identity – No.165
2186	WCC – Hamish Anderson, Planner	Warrant of Appointment & Evidence of Identity – No.166
2187	WCC – Rochelle Edwards, Planner	Warrant of Appointment & Evidence of Identity – No.1627
2188	WCC – Roskill Properties Limited	Deed of Lease of premises being Unit 4B, 64 Henderson Valley Road – resolution 2884/2001
2189	WCC – CN Trigg	Deed of Settlement re 653 Huia Road, Huia – Lot 1 DP 60879, CT No.16C/124
2190	WCC – Rodney District Council	Agreement re provision of Principal Rural Fire Officer services

RECOMMENDATIONS

1. That the information be received.
2. That the action taken in affixing the Common Seal on the documents as set out in the agenda report be adopted.

Report prepared by: Graham Wakefield, Manager: Legal Services.



12 LEGAL CONTINGENCY 2001/2002

This report has been circulated separately with the agenda.



PART IV - FINANCE

13 BUDGET REVIEW 2001/2002 - TRANSPORT ASSETS AND PARKS ASSETS

PURPOSE OF THE REPORT

The purpose of this report is to obtain approval from the Committee prior to the six monthly review, to increase the agreed 2001/2002 budget for four projects, following strong community representation and to fund these from the net savings from another approved 2001/2002 project. The overall impact is neutral on the 2001/2002 Annual Plan budget.

BACKGROUND

The Transport Assets and the Park Assets section of City Services are currently reviewing their capital works projects as part of the six monthly review. With detailed design and estimates now complete, each project is interrogated for efficiency savings or project increases.

STRATEGIC CONTEXT

These projects conform with Objective 3 "Access and Travel Choice" of the Urban Villages pathway to a sustainable city: *People can get easily and safely to where they need to go by walking, cycling, passenger transport, or private vehicle, and businesses can efficiently move their goods and services.*

The Green Network pathway links open spaces, streams and bush environments whilst providing passive and active sporting opportunities for all people.

ISSUES

Amriens Road

Rodney District Council is currently carrying out work to seal 1200 metres of unsealed road within their boundary (6 week contract duration). The commitments for the seal extension programme for Waitakere City Council do not include the remaining 300metre section on Amriens Road (within Waitakere City Boundary). Strong community representation has been received from both Councils to seal this remaining section. Project cost \$60,000.

- **Seal Extension Priority**

Cornwallis Road and Gum Road were committed for the Seal Extension programme in the 2001/02 year prior to the approach from Rodney District Council. The commitment was based on the priority rankings, and requests through the Annual Plan process. Amriens Road did not form part of this programme. Amriens Road is ranked 3rd on the current seal extension priority list.

- **Cost Estimation**

Rodney District Council has provided an estimate for the physical works of \$45,000, but this does not include design or professional fees. Transport Assets estimate for these items is \$15,000 making the total cost for the project \$60,000.

- **Joint Contract Venture**

Unfortunately due to timing, budget commitments and the requirement to seek more funds a joint venture with Rodney District Council cannot be achieved. However Waitakere City Councils Consultancy Services are currently preparing design and contract documents for two other roads proposed for seal extension this financial year. Amriens Road if approved would become a variation to this Waitakere City Contract.

The increase can be funded from the project efficiencies for the Lincoln Road Widening Project.

Lincoln Road Widening Project

This work involves the road widening on the eastern side of Lincoln Road between Buscombe Avenue and Sel Peacock Drive. The improvements will improve the capacity and safety issues along this section of road.

- **Re-evaluation of Project**

Due to the final project definition allowing value added efficiencies, the final project costs, following completion of the tender process, are below the approved budget. The new project cost for Lincoln Road Widening is \$597,216, leaving a surplus of \$328,784.

Don Buck Road/Triangle Road

This work involves the establishment of a roundabout, undertake road widening on the western and eastern side of Don Buck Road. The improvements will reduce the accidents, reduce delays during the peak periods and improve the overall safety of the intersection.

- **Re-evaluation of Project**

Public consultation has played a crucial role in the design for this intersection. As a result the original design has been altered to reflect the needs of the community. The revised project cost is \$287,300, the increase being \$64,300. The increase can be funded from the project efficiencies for the Lincoln Road Widening Project.

Alderman Drive/Sel Peacock Roundabout

This proposal is to improve the geometric design and the capacity of the existing roundabout. The improvements will improve the deflection through the roundabout, reduce the accidents, reduce the delays during the peak periods and improve the overall safety of the intersection.

- **Re-evaluation of Project**

As a result of public consultation and the input from the Henderson Charette the original design for this intersection has been changed to maximise future traffic and pedestrian growth. The alterations reflect the needs of the community, the Charette, and meet traffic engineering design standards. The revised project cost amounts to \$153,000, the increase being \$33,000. The increase can be funded from the project efficiencies for the Lincoln Road Widening Project.

Olympic Park

The Olympic Park Management Plan allows for the construction of the new club facility and the Park Strategy identifies Olympic Park as a city- wide sports park.

- **Carpark and Path Linkages**

The Bay Olympic Soccer Club has made a considerable investment in a new club facility at Olympic Park and has requested funding assistance from Council to carry out paving work necessary to complete the car park and path linkages. The funding required to carry out this work amounts to \$25,000. No provision was made for this work in the 2001/2002 Annual Budget.

Other work programmed for Olympic Park this financial year include, extensive planting, footpath renewal, stream bank stabilisation and reinstating the velodrome track. Providing the funding necessary to complete the car park and path linkages would result in a more complete park development. The increase can be funded from the project efficiencies for the Lincoln Road Widening Project.

BUDGET SUMMARY

PROJECT	ORIGINAL BUDGET	REVISED BUDGET	INCREASE	SURPLUS
Seal Extension	\$200,000	\$260,000	\$ 60,000	Nil
Lincoln Road Widening	\$926,000	\$597,216	Nil	\$328,784
Don Buck Triangle Intersection	\$223,000	\$287,300	\$ 64,300	Nil
Alderman/Sel Peacock Intersection	\$120,000	\$153,000	\$ 33,000	Nil
Olympic Park Carpark	nil	\$ 25,000	\$ 25,000	Nil
TOTAL			\$182,300	\$328,784
Balance available for Council to Consider at the six monthly review				\$146,484

CONCLUSION

The saving of \$328,784 developed through the design/tender process from the Lincoln Road widening can be used to fund the increase in the Roading and Parks projects mentioned above. The use of the remainder of the surplus can be considered at the half yearly review.

RECOMMENDATIONS

1. That the information be received.
2. That \$182,300 is transferred from savings within the Lincoln Road Widening budget to fund the following project cost increases:
 - Seal Extension \$60,000 required.
 - Don Buck Road/Triangle Intersection \$64,300 required.
 - Alderman/Sel Peacock Intersection \$33,000 required.
 - Olympic Park Carpark \$25,000 required.

Report prepared by: Reg Cuthers, Transportation Engineer Asset Development.



14 OPERATING AND CAPITAL EXPENDITURE SUMMARIES

PURPOSE OF THE REPORT

The purpose of this report is to inform the Finance and Operational Performance Committee as to the level of the year to date operating and capital expenditure by Unit, compared to budget.

BACKGROUND

This Unit summary report is produced on the months falling between the more formal "quarterly" reporting. Quarterly reporting is produced for the periods ending 30 September, 31 December, and 31 March within each financial year.

This report covers expenditure for the 5 months ending 30 November 2001.

A36 - A37

The financial summaries are attached at pages A36 to A37.

Forecasts and forecast variances shown in the Full Year analysis column are preliminary only reasonably consistent with those reported in the 1st Quarter review. A full review of the current years expenditure/revenue is currently taking place with the results/forecasts being presented as part of the 2002/2003 draft Annual Plan process.

If you require any further information in respect of this report, other than of a general nature, please contact either the writer or the Director: Finance prior to the meeting to enable the query to be researched.

RECOMMENDATION

That the information be received.

Report prepared by: Alec Third, Chief Management Accountant.



15 **STATUS OF SPECIAL FUNDS**

PURPOSE OF THE REPORT

The purpose of this report is to keep the Finance and Operational Performance Committee informed as to the status of Special Funds.

FUNDS

A38

The summary of balances, transactions to 30 November 2001 and commitments for the balance of the year in respect of Special Funds is attached at page A38.

If you require any further information in respect of this report, other than of a general nature, please contact either the writer or the Director: Finance prior to the meeting to enable the query to be researched.

RECOMMENDATION

That the information be received.

Report prepared by: Alec Third, Chief Management Accountant.



16 **UPDATE - FINANCIAL ASSISTANCE TO WAITAKERE RANGES PROTECTION SOCIETY - LAND PURCHASE 71 TURANGA ROAD**

PURPOSE OF THE REPORT

The purpose of the report is to advise the Finance and Operational Performance Committee of funding options to assist the Waitakere Ranges Protection Society in the purchase of 71 Turanga Road and provide preliminary guidance on parks acquisition criteria.

BACKGROUND

A39 - A42

The Waitakere Ranges Protection Society purchased 71 Turanga Road in July 2001. The Society acquired the property for \$75,000 and bridging finance of \$50,000 was required. The Society had sought financial assistance through the Annual Budget for 2001/2002 but was unsuccessful. The matter was again raised at the Finance, Policy and Property meeting in July 2001 and a further report was tabled at the November meeting of the Finance and Operational Performance Committee. That report and attachments are attached at pages A39 to A42. The Committee further asked that draft terms of reference for parks acquisition be brought back to the Finance and Operational Performance Committee.

STRATEGIC CONTEXT – 71 TURANGA ROAD

The Parks Strategy identifies priorities for acquisition of land in relation to the Green Network and providing additional passive space within the City. While the bush on the site is of high quality, it is not identified as a priority for acquisition for Waitakere City and is not associated with any existing Waitakere City parks.

DEVELOPMENT OF PARKS POLICY WORK

There are two pieces of policy work for parks and reserves being undertaken this year. One is an encroachment policy, which will be presented for discussion to the 11 March 2002 City Development Committee meeting. The other major work is for a Parks Acquisition Plan. A discussion document is in preparation to determine the procedure and criteria for acquisition decision-making and to compile a list of possible acquisitions. Once the procedure, criteria and acquisition list have been agreed funding options can be further explored.

A complementary project is currently being completed to review the reserve contribution requirements in the Proposed District Plan. This work is being completed by Landscape Development and Green Assets with the assistance of Hill Young Cooper Ltd, and will contribute towards the funding section of the parks acquisition plan. It is anticipated at this stage that a final draft acquisition plan will be presented to the June 2002 committee meetings.

PRELIMINARY GUIDANCE - PARKS ACQUISITION PLAN

If the Committee wishes to further consider financial assistance to the Society the following preliminary guidance for parks acquisition is provided:

An acquisition plan should contain an evaluation procedure setting out the criteria, which Council will use to prioritise acquisitions, and a list of potential acquisitions that are consistent with the Parks Strategy, and which can be assessed in accordance with these criteria.

It is proposed that land identified for acquisition would need to meet one or more of the following criteria, with priority given to acquisition of land, which meets multiple criteria:

- The land is in an area, or provides for a circumstance, that has been identified for acquisition in the Parks Strategy
- The land is Auckland Regional Parkland which is more appropriately owned or managed by Waitakere City Council;
- The land is such that it provides a one-off 'opportunity' to be added to the reserve network (examples of this in the past have normally been bush areas such as the Austin block in Green Bay, Pae-O-Te-Rangi in the Waitakere Valley and the Manchester Unity block in Laingholm);
- The land is required in order to meet the strategic objectives of Council;
- The land is required to meet the environmental objectives of Council;
- The land is needed to facilitate public access to the coast and along waterways;
- The land is needed for the protection of archaeological sites, including waahi tapu;
- The land is needed to protect significant landscape values, for example, landforms and trees.

In addition, the following *bottom line* criteria need to be met in order for land to be acquired for the parks network:

- The land needs to be a suitable site for the proposed use - in terms of size, topography, aspect to sun and prevailing wind, proximity to hazards and surveillance from adjacent properties;
- The land needs to have adequate road frontage and be accessible;
- The degree of development required is acceptable;
- The degree of ongoing maintenance required is acceptable.

FUNDING OPTIONS

The November report to the Committee indicated the various funding options. There are 3 options available to assist the Society:

Option 1 – Use of Waitemata Acquisition Fund

This fund was established for the purchase of community assets within the former Waitemata area. The fund has a forecast uncommitted balance of \$127,149 at 30 June 2002 and could be used as a source of available funding.

Option 2 - Loans Funding with or without interest

The Council if it chooses, could offer a loan to the Society of \$50,000 in order to offset the bridging finance that the Society has raised. The loan offer could be similar to the approach taken with the Karekare Residents and Ratepayers Trust who assisted the Auckland Regional Council in the acquisition of land in the Karekare community to form part of the Waitakere Ranges regional parkland. An interest free loan was provided, repayable by yearly instalments on an agreed timeframe.

Option 3 - Grant

The Council could provide a grant to the Society, however any such action would fall outside the Annual Plan process.

CONCLUSION

The purchase of 71 Turanga Road at this time is still not considered of strategic value in terms of priority land acquisition for the Green Network or passive reserves. If the Committee wishes to provide financial assistance it is recommended that a loan be provided as the most appropriate action.

RECOMMENDATION

That the information be received.

Report prepared by: Andrew Pollock, Director: Finance and Carol Bergquist, Senior Analyst Environmental.



17 ANALYSIS OF MOVEMENTS IN LAND VALUE

PURPOSE OF THE REPORT

The purpose of the report is to provide information on the rating impacts of the new land valuations.

BACKGROUND

Quotable Value New Zealand released new property valuations in November 2001. These property valuations must be used to share the rate requirement between rateable properties in the City from the 2002/2003 financial year commencing 1 July 2002.

INDICATIVE RATES 2002/2003

In order to provide indicative rates showing the impact of the new property valuations, a number of assumptions have been made in calculating the models included in this report. These are :

- The same rate requirement as for the 2001/2002 year,
- A Uniform Annual General Charge of \$510,
- A Uniform Annual Charge of \$22 for Refuse,
- A Uniform Annual Charge of \$78 for Rural Sewerage,
- A Uniform Annual Charge of \$9 for the Peoples' Park,
- The same rate requirement from the Business Sector (21% of the total rate requirement),
- Amendments to the stepped differentials in both the land values at which they apply and the differential rating factors applied to reflect the movements in land values.
- An allowance has also been made for growth in the rating base between 1 July 2001 and the date on which the new values were assessed.

The new stepped differentials have been applied at land values of \$90,000, (being the new average land value of a single dwelling), and \$240,000, (being the approximate new land value at which rates would be double the rates on the \$90,000 valued property assuming no stepped differential).

The differential rating factors used in the model are suggested ones only with the purpose of attempting to minimise the difference in rates on the old and new average single dwelling land value, and higher valued properties many of which had a higher than average increase in land value. A property with an old land value of \$300,000 and a new land value of \$330,000 has been used as a benchmark for a high valued property.

SUMMARY OF CHANGES IN LAND VALUES

A43 - A46

The attached tables at pages A43 to A46 provide a summary of changes in land values on residential and other properties in the Inner and Outer Areas, excluding Business Sector, Multi-unit Residential, and special category properties. The tables show the approximate number of properties within bands of new land values and their % movement in land values.

The average increase in land value properties in this category over the whole city was 6%.

INDICATIVE CHANGES IN RATES

A47 - A48

Attached at pages A47 to A48 are tables showing indicative rates based on the new land values, with rates levied in the 2001/2002 year on the old land values for comparison. The new land values shown have been calculated on the average increase in land values for all properties in the residential and other properties differential category, including single dwellings, cross-lease type properties, vacant land, subdivisible land, and rural land. However in many cases the land values have increased by more or less than the average. Therefore a comparison between the rates on the old land value and the corresponding new land value on the same line will not be valid in many or most cases.

The indicative rates that would be levied on the new land values without a stepped differential rating system are also shown.

SUMMARY OF PERCENTAGE MOVEMENTS IN RATES RESULTING FROM NEW LAND VALUES

- A49 - A52 Attached at pages A49 to A52 are tables showing movements in rates in percentage terms within bands of new land values based on the differential factors suggested in this report. Of the approximate 49,467 residential and other properties in the Inner Area, 24,783 will have a reduction in rates, whilst 24,684 will have an increase in rates 5,168 properties having an increase in rates of over 5%. In the Outer Area of the approximate 5,519 properties, 973 will have a reduction in rates, whilst 4,546 will have an increase in rates, with 1,190 having an increase in rates of over 5%.
- A53 - A54 Also attached at pages A53 to A54 are tables corresponding to the tables in the previous paragraph showing the indicative range of amounts of increases in rates and the total number of assessments in bands of % increases in rates.

CONCLUSION

Approximately 32% of residential and other properties have had an increase in valuation above the city average. Rates movements on properties are unavoidable in the first year after revaluation, with some receiving increases in rates and others receiving decreases in rates. The rates modelling shows that approximately 53% of residential and other properties may have an increase in rates solely as a result of property value movements and consequential adjustments to the stepped differential rating system.

RECOMMENDATION

That the information be received.

Report prepared by: Andrew Pollock, Director: Finance.



18 PRINGLE PARK BOWLING CLUB REQUEST FOR POSTPONEMENT OF RECREATION AND SPORT FUND LOAN REPAYMENT

PURPOSE OF THE REPORT

The purpose of the report is to request a postponement of loan repayments for 12 months for the Pringle Park Bowling Club.

BACKGROUND

The Club was given a Recreation and Sport Fund loan of \$100,000 in 1999. Payments have been made on a monthly basis and the balance outstanding as at 31 December 2001 was \$52,395. Loans from the Recreation and Sport Fund are financed through allocations from the Hillary Commission and Clubs are normally required to repay loans over a 5 year term, however Councils have the flexibility to adjust terms to suit particular circumstances.

STRATEGIC CONTEXT

The use of the Recreation and Sport Fund assists qualifying organisations to have access to funding to improve or build new facilities for community participation. The Fund provides loans at a zero interest rate for the first year, then at a rate of 2%.

ISSUES

A55 - A56

Attached at pages A55 to A56 is a request from the Club seeking a postponement of their current loan repayments. The matter has been further discussed with the President of the Club and he has indicated that a 12 month postponement of principal and interest would be their favoured option.

A deferment of repayments into the Recreation and Sport Fund should not impact upon the ability of the Fund to provide loans to other qualifying organisations.

CONCLUSION

To assist the Club over the next 12 months a postponement of loan repayments should be considered. It is expected that the Club will be in a more favourable financial position to complete all payments from that time.

RECOMMENDATIONS

1. That the information be received.
2. That loan repayments from the Pringle Park Bowling Club be postponed for a period of 12 months.

Report prepared by: Andrew Pollock, Director: Finance.



19 PAYMENTS FOR APPROVAL - 13 OCTOBER 2001 TO 17 JANUARY 2002

PURPOSE OF THE REPORT

The purpose of this report is to advise of payments made by the Council. This is in accordance with Council policy and the Public Bodies Contracts Act.

BACKGROUND

The public Bodies Contracts Act requires the reporting to the Council of payments made under delegation. This report provides details of payments made to external suppliers in excess of \$5,000. In addition there is a summary listing, which aggregates payments made to various organisations and suppliers for the Committee's information. These payments have already been processed as allowed by delegations approved by the Council. If any Councillor requires information regarding the nature of any payment, that information can be provided.

PAYMENTS

A57 - A58

A summary schedule of payments made for the period 13 October 2001 to 17 January 2002 is attached at pages A57 to A58.

A59 - A66

A further schedule of all payments of \$5,000 and above, together with the reason for the payment is attached at pages A59 to A66. If a committee member wishes to ask specific questions relating to any of these payments, prior to the meeting, then such questions can be directed to the Director: Finance.

RECOMMENDATION

That the information be received and that the contracts let, and the payments made, be approved.

Report prepared by: Andrew Pollock, Director: Finance.



20 BORROWING AND INVESTMENT REPORT

This report has been circulated separately with the agenda.



PART V - GENERAL

21 JUSTICE AND ELECTORAL COMMITTEE INQUIRY

PURPOSE OF THE REPORT

To provide the Council with information that will assist its consideration to making a submission to the Justice and Electoral Committee's inquiry into the 2001 Elections.

BACKGROUND

The Justice and Electoral Committee is conducting an inquiry into the 2001 Local and Health Board Elections which took place on 13 October 2001. The Committee decided to conduct this inquiry when it considered the Local Electoral Bill earlier in 2001 because of the complexity of the issues involved and the innovative nature of some of the provisions.

The Terms of Reference for the Inquiry are: *"To examine the law and administrative procedures for the conduct of the 2001 Local Elections, with particular reference to the Local Electoral Act 2001."*

Whilst the Committee will focus on the provisions in the new Local Electoral Act implemented for the 2001 local elections, other matters, particularly those contained in the Local Government Bill 2001 relating to representation and elections are also of interest to the Committee.

The Justice and Electoral Committee require any comments by 15 February 2002 and the usual procedures for making submissions on a Bill are to be followed. Hearings are to be conducted from late February 2002 and the Council should indicate whether it wishes to appear before the Committee to present its submission and it must also indicate whether any or all of its comments are to be heard in private/secret.

STRATEGIC CONTEXT

Participation in the electoral process is an important part of the system of local democracy. The participation rates have varied since 1992:

- 1992 44.7%
- 1995 41.4%
- 1998 45.4%
- 2001 38.0%

These results and the average turnout of 44% of registered voters for metropolitan authorities in New Zealand is disappointing. The level of participation will be affected by both the "system" and citizens perception of this system so this inquiry should be supported for its potential to improve rates of participation.

SPECIFIC ISSUES

1. Candidate Profile Statements

Issues already identified by the Justice and Electoral Committee include: the limitation of 150 words for each statement; provision for the use of Maori or other languages; administrative requirements and feasibility; accuracy of the statements; when the statements are delivered to electors; explanation of skills involved in positions up for the election.

There was a lot of administrative work in Reviewing/checking and collating the candidates' profile statements and there were clearly differences in quality that indicated some candidates may have benefited from some assistance. From the point of view of running a sound electoral process, the provision of candidate profile statements is a good innovation, which may be further enhanced by the provision of a template to guide candidates. If the Council is to be involved in distributing the profile statements then it should continue to send them with voting papers rather than separately as was envisaged at one time for the 2001 elections. The 150 word limit seems about right – allowing the candidate to give sufficient information to be able to be identified without providing so much information that a 'book' is produced for the information of Electors. Some candidates may benefit if a template and some guidelines as to content were provided.

2. Limits on candidates' electoral expenses and disclosure expenses and donations including the level expenses are set at; what is an 'electoral activity' in terms of expenses, including possible loopholes; use of Trusts.

The Council experienced considerable difficulty in having candidates file their expense returns and clearly some candidates did not fully understand what an 'electoral activity' was in terms of expenses. There are still some returns outstanding and the matter is now in the hands of the Police for any further action. From an administrative point of view there is potentially some concerns where either candidates or the public challenge the statements and disclosures and if that occurs, there would no doubt be considerable media interest.

3. Advertising, including signs; accuracy; authorisation; lack of offence provisions regarding Section 135; when advertising is permitted; and internet advertising.

There are no administrative issues with respect to advertising. The responsibility is the candidates, although it was noticeable that a number of advertising signs were not taken down before midnight on the night before Election Day.

4. Increased Postal Voting Period From Two To Three Weeks

Council did not experience any difficulties with this and from an administrative point of view, the extension to three weeks worked very well.

5. Early announcement of results after the close of poll

Council did not experience any difficulties with early announcement of results.

6. Fines and Offences, including requirement for Electoral Officers to report complaints to the Police

Council had no administrative problems with this particular issue.

7. Increased nomination deposits from \$100 to \$200, including issues about refunds and return of deposits

There are no administrative comments relating to deposits. The deposit is so small that doing away with it altogether may not cause problems yet it would do away with a further administrative step in the process. The Council may have some comments on this issue.

8. Legality of collecting votes from households.

Postal voting has been with us for a long time now and the collection of votes has not been an issue. Anything that assists people to vote and to have their vote counted is a positive.

9. Filling extraordinary vacancies: Requirement for bi-elections.

The Council may wish to consider if it would be preferable that there were a return to the former rules that allowed the Council the discretion to make appointments at any time rather than just within the 12-month period before the next elections.

10. Definition of Local Authority

There are no administrative concerns with this particular issue.

11. Voting documents, including format and use of honorifics.

12. There are no administrative concerns with this issue. Role of, and comments regarding, scrutinizers, including appointment and provision of roles.

There are no administrative concerns with this issue.

13. Opinion polling during the voting period.

There are no administrative concerns with opinion polling during the voting period.

OVERALL ISSUES

The Committee is also to review overall/generic issues including: the balance achieved between statutory provisions and the use and extent of regulation-making powers; overall, whether the principles and purposes expressed in Sections 3 and 4 of the Act have been met; enrolment; postal voting, in particular issues about integrity and systems of collecting votes; voter participation rates and turnout, does this affect the legitimacy of the mandate of the Local Authority?; whether voting should be compulsory; whether the size of wards is too big; any effects of the new campaign spending limits and offence provisions surrounding communication with voters on the intensity, quality and the media coverage of election debate and on the turnout; whether STV would have increased voter participation, success rates of Maori or Pacific Islanders, young candidates etc.; for Local Authorities, an early indication of which areas may introduce STV for 2004; whether there should be a national body promoting local elections; and, new technologies for voting and counting.

CONCLUSION

There are no administrative issues that are of such moment that the Council needs to bring them to the attention of the Justice and Electoral Committee but the Council may wish to make comment on either the underlying policies or anything of concern regarding the overall issues raised in the preceding section. Any submission must be lodged by 15 February 2002 consequently there is some urgency for a Council decision.

RECOMMENDATIONS

1. That the information be received.
2. That the Council consider making a submission to the Justice and Electoral Select Committee on any issues that it considers appropriate.

Report prepared by: Darryl Griffin, Manager, Democracy and Support Services.



22 INFRASTRUCTURE AUCKLAND DRAFT STATEMENT OF CORPORATE INTENT

PURPOSE OF THE REPORT

The purpose of this report is to present the Infrastructure Auckland draft Statement of Corporate Intent (SCI) to councillors, prior to discussion by the Electoral College at its forthcoming meeting of 22 February and for any recommendation to be provided to this council's representative on the Electoral College.

The report also provides an update on the process being followed by the Electoral College, in seeking an amendment to Infrastructure Auckland's Deed. An item related to this matter previously appeared on the Council's 19 December 2001 agenda.

A67 - A85

The draft Statement of Corporate Intent supplied by Infrastructure Auckland to the Electoral College is attached at pages A67 to A85.

BACKGROUND TO INFRASTRUCTURE AUCKLAND

Infrastructure Auckland was established under the provisions of the Local Government Act and the divestment of assets from the Auckland Regional Services Trust in October 1998. Its principal function is to contribute funds, by way of grants, for projects (or parts thereof) within the Auckland Region, in the areas of:

- Land transport
- Any passenger service
- Any transport operation
- Stormwater infrastructure

where there are identifiable benefits to the general community arising from the grants process. Funding is primarily granted for capital project costs.

Waitakere City's quasi-governance role in Infrastructure Auckland is facilitated through the Deputy Mayor's representation on the Electoral College. The Electoral College is a regional body that appoints the Infrastructure Auckland board of directors and is assisted by an Officers' Advisory Group.

The functions of the Electoral College as set out in the legislation are;

- To comment on Infrastructure Auckland's statement of corporate intent:
- To monitor the performance of Infrastructure Auckland:
- To appoint the chairperson and directors of Infrastructure Auckland:
- To consult with the Minister from time to time about amendments to the Infrastructure Auckland deed:

STRATEGIC CONTEXT OF THE STATEMENT OF CORPORATE INTENT

The Statement of Corporate Intent is the most important document that documents the relationship between the Electoral College (in its governance role) and Infrastructure Auckland's Board (in their strategic management role). At the beginning of the performance period, it documents the organisational direction and the targets and measures by which the organisation will be measured. At the close of the performance period, it forms the basis of the Electoral College's performance monitoring function.

Although Statements of Corporate Intent are designed with a 3-year duration, in practice they are updated annually.

A draft Statement of Corporate Intent has been presented by Infrastructure Auckland to the Electoral College for comment. The document is also being reviewed by the Officers' Advisory Group and is intended to appear on the Electoral College agenda of 22 February 2002.

SUMMARY OF THE CONTENT OF INFRASTRUCTURE AUCKLAND'S DRAFT STATEMENT OF CORPORATE INTENT

The Company's Desired Outcomes

Despite a change in the way the information is presented, the broad Outcomes have changed only slightly from the current (operational) Statement of Corporate Intent. The desired outcomes identified by the organisation in the draft document include:

- A complete and integrated road, rail and ferry network that promotes effective access to transport for people and goods;
- An integrated passenger transport system that provides a viable and regionally agreed alternative to the use of private vehicles;
- Preserving or enhancing water quality in and around the region; and
- Preserving or enhancing stormwater quality to contribute to the people of Auckland having the ongoing ability to:
 - Swim in the region's rivers and at beaches; and
 - Catch fish at our harbours

The organisation measures transport outcomes by both travel time and the modal share increase for passenger transport. It measures stormwater outcomes by both treatment of road run-off and the preservation or improvement of water quality (ARC water quality indicator).

Nature and Scope of the Organisation's Activities

Infrastructure Auckland confirms in the document that its principal function is to contribute funds, by way of grants, in respect of projects carried out in the Auckland region.

It prioritises a requirement for clear, regionally agreed plans, in order to ensure that overall regional benefits are optimised. It intends to focus on those projects that the region has prioritised within integrated network plans, in particular focussing on transport projects for which priority has been set within regional plans and strategies.

Performance Targets and Measures

The performance targets and measures have been developed by the Board itself and will form part of the overall governance and Board performance monitoring process by the Electoral College.

Specific targets and measures are provided in the attached document. Broad targets include:

Granting Objectives:

The targets in this section drive the organisation's granting process. The organisation has signalled its intention to be measured on:

- The development of a prioritisation process for regional transport and stormwater projects;
- Completion of a prioritised list of projects;
- Independent benchmarking and audit of the evaluation process against 'best practice';
- Grants that facilitate the maximum possible benefits to the community;
- Prioritised projects completed in advance of existing timelines.

Investment Objectives:

A single target, to manage the investment portfolio using sound business practice.

Organisational Objectives:

Targets related to the Local Government Act requirements to minimise the scale of operation and conduct affairs using sound business practice. These targets relate to the Human Resource policies of the organisation, together with regular audits as appropriate.

The organisation indicates that it will conduct its affairs in a transparent manner and one that can be monitored by the Electoral College. Specific targets include:

- Records of briefings taking place;
- Records of workshops taking place;
- Reports made public;
- Majority of comments from applicants and general public are supportive;
- Unqualified audit opinion confirms 'best practice'.

Disposal of Investment Assets

Infrastructure Auckland is bound by current legislation to follow strict criteria before disposing of any investment assets (other than treasury investments).

SUGGESTED COMMENTS REGARDING THE DRAFT SCI

There are three areas of concern that should be addressed prior to preparing the final document and which may form the basis of this council's recommendations to the Electoral College and Infrastructure Auckland.

Regional Priorities Versus Organisational Priorities

Infrastructure Auckland states in the draft document that it is only one of many players working towards the achievement of desired transport and stormwater outcomes (section 2 of the draft). However, each of the many players has a unique function. In the case of Infrastructure Auckland, this is to provide some of the funding requirement.

The organisation does not have sufficient capital to completely meet the region's funding requirements and therefore needs to prioritise its grants to achieve the maximum benefit from the funds available. One of its performance targets is to support the development of a prioritisation process and to utilise this process to complete project prioritisation.

The region is developing priorities based around regionally developed strategies (notably the Growth Strategy and Land Transport Strategy). It is critical that Infrastructure Auckland's priorities are identical to those of the region and that Infrastructure Auckland does not develop a prioritisation process that leads to two different sets of project priorities.

It is recommended that suitable wording be included throughout the Statement of Corporate Intent that confirms Infrastructure Auckland's commitment to and adoption of the regionally developed strategies, including Regional Growth Strategy and Regional Land Transport Strategy, particularly when prioritising projects.

Investment Activity

Infrastructure Auckland holds an extremely large pool of assets and investments. Primarily, these investments, together with the interest that they generate, are intended to facilitate regional infrastructure development.

These funds, which include a large Treasury Fund, also have the potential to assist the region and nation when used as investment capital.

The draft Statement of Corporate Intent includes targets that primarily relate to the performance of the investment portfolio. It is recommended that a further target be included to - within the context of optimising risk and return - prioritise regional and national development when considering investment opportunities.

Information to be provided to the Electoral College

The draft document sets down (in Section 7) the legal requirement for consultation between itself and the Electoral College. Although the organisation is currently legally required to consult with the Electoral College, there are no requirements regarding the timing of consultation or the use that is to be made of Electoral College feedback.

It is recommended that Infrastructure Auckland provide a further undertaking under Section 7, to consult with the Electoral College at least 2 months in advance of any major policy change and to respond to the College, explaining the reasons for adopting/not adopting any feedback that has been received as a result of consultation.

ELECTORAL COLLEGE APPLICATION FOR DEED CHANGE

Large organisations such as Infrastructure Auckland are sometimes compared to ocean liners and a similar comparison can be drawn with an appropriate governance process.

The role of the Electoral College can be compared to that of a holding company Board, which happens to have a shipping line in its portfolio. Although the Board of the shipping line determine the routes which the ship will ply, the destinations and ports served by the shipping line are selected within the context and framework of the goals and objectives set by the holding company itself.

In the case of Local Authority Trading Enterprises such as Watercare Services Limited (for example), the final determination of the 'destinations' is the responsibility of the Shareholders Representative Group, which, as well as being accountable for monitoring the performance of the Watercare Services Limited board, has the responsibility and authority to finally determine the Statement of Corporate Intent.

In the case of Infrastructure Auckland, however, the Board is currently responsible for the development and final determination of its Statement of Corporate Intent and not only 'plot the course' of the organisation, but also finally determine the 'destinations'. The Electoral College is seeking to address this anomaly in the governance process.

A submission made by the Electoral College to the Minister of Local Government in October 2001 to allow the College to finally determine the content of the Statement of Corporate Intent has received positive feedback, no change to the status quo has yet been made.

The Deed change is being sought to help resolve broad governance issues currently being experienced by the Electoral College, namely to balance the authority to direct the broad corporate direction with the accountability for the organisation's effectiveness in the community.

CONCLUSION

The Statement of Corporate Intent has been supplied to the Electoral College for comment however, as outlined above, the final decision on whether to adopt any comments or suggestions that the Electoral College may have rests with the Board of Infrastructure Auckland.

The draft document has been considered by the Officers Advisory Group, which supports the Electoral College. The group considers that, although many of the performance statements and targets reflect the legislation, in general they are quite broad, flexible and not sufficiently detailed to necessarily meet the desired direction of the Electoral College.

The Officers' Advisory Group is currently developing suggested measures, in the event that Ministerial approval to change the Deed is granted prior to the final adoption of the 2002 document.

However, in the event that approval cannot be obtained within the timeframe of the 2002 document development, the Electoral College representatives will be required to accept the document, with any changes that have been suggested by the Electoral College and which may have been adopted by the Infrastructure Auckland Board.

RECOMMENDATIONS

1. That the information be received.
2. That it be recommended to the Electoral College that it include in its comments on the Infrastructure Auckland Statement of Corporate Intent that:
 - a) Infrastructure Auckland's commitment to and adoption of regionally adopted strategies (including Regional Growth Strategy and Regional Land Transport Strategy) be included in the Infrastructure Auckland's SCI;
 - b) Infrastructure Auckland incorporate into the final Statement of Corporate Intent a further performance target to prioritise (within the context of optimising risk and return) regional and national development when considering investment opportunities
 - c) Infrastructure Auckland incorporate into the final Statement of Corporate Intent a further undertaking to consult with the Electoral College at least 2 months in advance of any major policy change and to respond to the College, explaining the reasons for adopting/not adopting any feedback that has been received as a result of consultation.
3. That the Finance and Operational Performance Committee provides any other feedback in relation to Infrastructure Auckland's draft Statement of Corporate Intent to its Electoral College representative, Councillor Stone.

Report prepared by: Michael Riley, Partnerships and Advocacy Leader: Governance and Infrastructure.



23 SECOND QUARTER REPORT

PURPOSE OF THE REPORT

This report enables the Finance and Operational Performance Committee to monitor achievement performance targets in the 2001/2002 Annual Budget.

BACKGROUND

The performance measures in the Annual Budget relate to the Council's strategic objectives for the City. These performance measures are reported when available on a quarterly basis.

STRATEGIC CONTEXT

The performance measures in the Annual Budget relate to strategic objectives and provide a way of measuring the extent to which the objectives are being achieved. This report provides an opportunity for the Committee to identify any issues on progress towards meeting performance targets or the strategic objectives.

ISSUES

A86 - A94

The performance results for the second quarter of 2001/2002 are attached at pages A86 to A94. The key results reported are a reduction in jobs and businesses from 2000 to 2001.

CONCLUSION

Of the performance results reported, 24 are on track to meet target and 8 are tracking below target.

RECOMMENDATION

That the information be received.

Report prepared by: Kevin Wright, Strategic Planner Monitoring.



24 WATER ISSUES - CITIZENS AGAINST PRIVATISATION

PURPOSE OF THE REPORT

The purpose of this report is to provide the Finance and Operational Performance Committee with:

- The proposed process for addressing the issues raised by Citizens Against Privatisation relating to water and resourcing issues; and
- The proposed process for consulting on a range of water pricing options as part of the 2002/2003 Annual Plan process.

BACKGROUND

A95 - A100

On 14 December 2001 a meeting was held with Citizens Against Privatisation (CAP) to listen to their concerns regarding water issues and for Council to share information on water and to facilitate a way forward. A paper was presented by Citizens Against Privatisation to Councillors requesting the formal adoption of a series of recommendations as outlined in the attachment at pages A95 to A100.

At the ordinary meeting of 19 December 2001, Council was updated on the meeting of 14 December 2001 with Citizens Against Privatisation. Council subsequently resolved:

“That the matter of ‘Water Issues - Discussions with Citizens Against Privatisation and Related Issue’ be referred to the Finance and Operational Performance Committee meeting scheduled to be held on Thursday, 14 February 2002, accompanied by a report from the Chief Executive; the report to address;

- *the proposed process for addressing issues relating to water and resourcing issues related thereto;*
- *preparation and inclusion of the range of options for water pricing for the 2002/2003 Annual Plan consultation process.”*

2978/2001

STRATEGIC CONTEXT

Council has a number of strategic objectives in providing water, wastewater and stormwater services which include:

- Safety and reliability
- Managing the network to best practice standards while encouraging conservation
- Maintaining harmony with the natural water cycle
- Keeping pace with the growth of the City

The recommendations of the Citizens Against Privatisation need to be evaluated against these objectives and consideration given to alternatives for achieving the City's goals while working with groups such as Citizens Against Privatisation.

ISSUES

1. Responses to the Recommendations Raised by Citizens Against Privatisation

Citizens Against Privatisation Recommendation One

That the Council indicates through resolution a preference to finance water through the rating base. Pending public consultation and the draft Annual Plan and the long term strategic plan process.

Response to Recommendation One:

Council's Funding Policy is set within the framework of Part 7 of the Local Government Act. Currently Council's funding policy for water is to fully fund the service through user charges. Economic analysis behind the funding policy shows an estimate of 30% public good and 70% private good in the consumption of water. This analysis is then further modified in consideration of Council's environmental aims (demand management) to suggest full 'user pays' is necessary to achieve these aims.

If Council wishes to revisit the funding policy in this area it is suggested that three water pricing options be explored as part of the Annual Plan consultation process: User pays for water (status quo).

- To fully finance water through the rating base (the Citizens Against Privatisation proposal).
- To partially finance water through the rating base (perhaps on the 30/70 split, or similar as indicated by the updated economic analysis).

Should Council choose to consult on the three water pricing options, serious consideration should be given to achieving a representative public view on the three options. The Annual Plan process usually attracts approximately 800 submissions. Particular interest groups on this issue would probably be well represented, but for such an important decision further effort would be required to achieve a broad and representative view. This might well be achieved by utilising Community Boards and wider community groups.

If Council wishes to proceed in this direction it is recommended that a further report be brought back to the March Finance and Operational Performance Committee meeting outlining a range of consultation options available and their respective estimated costs.

Citizens Against Privatisation Recommendation Two

That the Council indicates through resolution that it is opposed to Option 3 (Auckland Water Review), that is one large L.A.T.E for the whole of Auckland, and commits to be public in that opposition.

That the Council indicates through resolution that they define the franchise that exists between Papakura and United Water to be privatisation and therefore oppose it.

Response to Recommendation Two:

A separate process is currently underway regarding this matter. A series of workshops and meetings are planned for February and March 2002 to discuss and obtain Council's direction on the Auckland Regional Water Industry Review. It is recommended that this issue, raised by Citizens Against Privatisation, be considered as part of the existing process that is currently underway.

The Local Government Bill currently under consideration is examining the possible prevention of councils from commercialising their water services. Council's submission to the Bill will state Council's policy and stance on this matter.

Citizens Against Privatisation Recommendation Three

That the Council indicate through resolution that they perceive water to be a basic human right, not a commercial commodity, and therefore should be removed from the Commerce Act, and commits to lobby central government.

Response to Recommendation Three:

Citizens Against Privatisation advocates that the provision of water services is an essential public service that should be affordable to everyone. The Commerce Act prohibits a range of anti-competitive commercial behaviour, such as price fixing. Such behaviour is not in the public interest as it results in consumers paying more than is necessary for goods and services. Contrary to the statement in the Citizens Against Privatisation document the majority of health provision within New Zealand remains within the ambit of the Act. Citizens Against Privatisation has concerns that water is deemed a saleable commodity, its supply a commercial activity, and that profit-making models (i.e. LATE's) are not acceptable for essential services such as water.

It is recommended that this issue, raised by Citizens Against Privatisation, be considered as part of the separate process relating to the Auckland Regional Water Industry Review, which has been previously outlined above in response to Recommendation Two.

Citizens Against Privatisation Recommendation Four

That the Council indicates through resolution that they no longer will disconnect residents from their water supply.

Response to Recommendation Four:

Approximately 55,036 customers are billed every six months in arrears. The average household (3 people) in Waitakere City consumes approximately 180 cubic meters of water per annum, which costs \$266.40; or \$5.12 weekly. For a larger household, e.g. 6 people, the average cost for water consumed would be approximately \$10.25 weekly.

Customers are provided with a range of payment options and are encouraged to contact the Water Billing Department if they are having payment difficulties so that regular mutually acceptable payment options can be worked out. Analysis of arrears collection processes for the last six months indicate that:

- 73% of customers pay by the due date on the water account
- 14% of customers pay when they receive a reminder account
- 10% of customers pay when they receive a final account
- 2.5% of customers pay when they receive a disconnection notice
- 0.5 % result in a physical disconnection

Physical disconnection is an absolute last resort procedure that usually follows 4 months of arrears notices. Council is currently evaluating the idea of officers meeting personally with householders facing this final option. This evaluation will be presented during the Annual Plan. Of the physical disconnections that occur the majority of customers pay their outstanding account and are reconnected within a 24-48 hour period. If Council's Health Officers assess that there is a potential health risk at the property a water restrictor can be installed.

It is recommended that the status quo remain.

Citizens Against Privatisation Recommendation Five

That further dialogue occurs around various rating models and the annual plan process. That further discussion occurs with regards the Peoples Option and that consideration is given to adopting its major tenants. That consideration is given to adopting international declarations that reflect the general vision.

Response to Recommendation Five:

The first part of the request from Citizens Against Privatisation in Recommendation Five relates to consultation on water pricing as part of Council's Annual Plan process. A response to this request has been covered previously under "Recommendation One" in this report.

It is recommended that the second part of the request in Recommendation Five, be addressed as part of the separate process that is under way on the Auckland Regional Water Industry Review refer to response to Recommendation Two).

2. **Next Steps - Citizens Against Privatisation**

Council Officers and Councillors are involved in continued dialogue with Citizens Against Privatisation. A subsequent facilitated workshop is proposed for March 2002.

3. **Inclusion of Water Pricing Options in the 2002/2003 Annual Plan Consultation Timetable**

If Council wishes to proceed with consultation on water pricing options a detailed timeline will be prepared to ensure that the relevant information will be prepared in time for inclusion into the 2002/2003 Annual Plan consultation process.

RESOURCES

Budget has not been allocated for public consultation on pricing options. Estimated costs on different consultation options will be reported back to the Finance and Operational Performance Committee meeting in March should Council wish to proceed with such a consultation.

CONCLUSION

Citizens Against Privatisation has presented a number of recommendations (please refer Issues section of this report) to Council. Council is requested to review these recommendations, and related responses, and advise what further action is to be taken on each of the recommendations.

RECOMMENDATIONS

1. That the information be received.
2. That Council provide direction regarding consultation relating to the water pricing options outlined in the report.
3. That the issues raised by Citizens Against Privatisation relating to the Auckland Regional Water Industry Review be considered as part of the existing Council process currently underway.
4. That the issues raised by Citizens Against Privatisation relating to the Commerce Act be considered as part of the separate process within Council that is currently underway for the Auckland Regional Water Industry Review.
5. That the status quo remain in relation to the disconnection of water meters.

Report prepared by: Allan Rutledge, Director: City Enterprises.



PART VI - SPECIAL COMMITTEE AND SUBCOMMITTEE REPORTS

25 EMERGENCY SERVICES SPECIAL COMMITTEE

THE SPECIAL COMMITTEE SUBMITS THE FOLLOWING REPORT OF ITS ORDINARY MEETING HELD ON TUESDAY, 5 FEBRUARY 2002

MATTERS CONSIDERED

A101 - A102 The Special Committee dealt with a number of items for which it has delegated powers to act and a copy of the minutes of the meeting is attached at pages A101 to A102.

The Special Committee Recommends:

That the Ordinary Meeting report of the Emergency Services Special Committee be received.

DQ Battersby, JP
CHAIRPERSON



26 TENDERS SUBCOMMITTEE

THE SUBCOMMITTEE SUBMITS THE FOLLOWING REPORT OF ITS ORDINARY MEETINGS HELD ON FRIDAY, 21 DECEMBER 2001, FRIDAY, 18 JANUARY 2002 AND FRIDAY, 1 FEBRUARY 2002

MATTERS CONSIDERED

A103 - A113 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 A103 to A113.

The Subcommittee Recommends:

That the Ordinary Meeting reports of the Tenders Subcommittee be received.

JM Clews, QSO, JP
CHAIRPERSON



Finance and Operational Performance Committee

**Thursday, 14 February 2002
Commencing at 9.00 am**

- Item 10: Transfer of Land to
 Waitakere Properties -
 Lot 1 DP 209062**

- Item 26a: Request For Loan Guarantee
 - Laingholm Fishing Club**

SUPPLEMENT TO AN ORDINARY MEETING OF THE FINANCE AND OPERATIONAL PERFORMANCE COMMITTEE TO BE HELD IN THE CIVIC CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN, WAITAKERE CITY, ON THURSDAY, 14 FEBRUARY 2002, COMMENCING AT 9.00 AM.

10 TRANSFER OF LAND TO WAITAKERE PROPERTIES - LOT 1 DP 209062

PURPOSE OF THE REPORT

The purpose of the report is to authorise the transfer of land in the vicinity of No.39 Totara Avenue, New Lynn to Waitakere Properties Limited under the usual Deed of Trust mechanism to facilitate development of a two level café/restaurant amenity building comprehensively designed to complement and be compatible with the New Lynn Community Centre and the associated paved forecourt area.

BACKGROUND

In conjunction with the re-establishment of the New Lynn Community Centre at Totara Avenue, the land holdings involved, including the adjoining "Potters Post" property, have been re-subdivided. The effect of the subdivision is to vest in Council as part of the New Lynn Community Centre property Certificate of Title land surrounding the "Potters Post" building footprint, and to create a new Certificate of Title No.137A/710 comprising a parcel of land containing 151m² suitable for commercial development. Acquisition has been undertaken in accordance with the Public Works Act 1981, on the basis that the residual 92m² comprising the Potters Post building footprint remains in a separate Certificate of Title vested in A & S Patel, and the required compensation has been paid.

Council has previously determined (1872/2001 and 1981/2001) that subject to completion of the subdivision process, Lot 1 on (now) DP 209062 be authorised to be transferred to Waitakere Properties Limited under the usual Deed of Trust mechanism, subject to compliance with s.230 Local Government Act 1974, on the basis that Waitakere Properties Limited then proceed to achieve the development outcome anticipated. Concurrently, a Letter of Direction is to be provided to Waitakere Properties Limited confirming that the Potters Post building can be acquired by way of exchange, and further, that any legal agreement relating to the divestment of Lot 1, whether or not involving acquisition of the Potters Post, be subject to Council endorsement prior to final commitment.

A114

A copy of DP 209062 is attached to page A114. The necessary public notice to comply with S.230 Local Government Act 1974 has been given in the NZ Herald on 21 January 2002, on the basis that this meeting will consider a resolution that Council vest in Waitakere Properties Limited, pursuant to a certain Deed of Trust, all that piece of land as follows:-

- 151m² being Lot 1 Deposited Plan 209062 and being all the land comprised and described in Certificate of Title No.137A /710 (North Auckland Registry)

and being situated at or in the vicinity of No. 39 Totara Avenue, New Lynn, Waitakere City, to enable the Company to manage, develop, administer and/or dispose of the lands in accordance with the Principal Objectives of the Company as set out from time to time in it's Statement of Corporate Intent and any Letter of Direction which may be issued by the Council, for the benefit of the Council as a public work pursuant to Part XXXII of the said Act.



RECOMMENDATIONS

1. That the information be received.
2. That Council vest in Waitakere Properties Limited, pursuant to the usual Deed of Trust mechanism, all that piece of land situation at or in the vicinity of No. 39 Totara Avenue, New Lynn, Waitakere City comprising 151m² being Lot 1 Deposited Plan 209062 and being all the land comprised and described in Certificate of Title No.137A /710 (North Auckland Registry) to enable the company to manage, develop, administer and/or dispose of the lands in accordance with the Principal Objectives of the company as set out from time to time in its Statement of Corporate Intent, and any Letter of Direction which may be issued by the Council, for the benefit of the Council as public work pursuant to Part XXXII of the said Act.
3. That the Chief Executive be authorised to issue the appropriate Letter of Direction as outlined above.

Report prepared by: Graham Wakefield, Manager: Legal Services.



26a REQUEST FOR LOAN GUARANTEE - LAINGHOLM FISHING CLUB

PURPOSE OF THE REPORT

The purpose of the report is to seek a decision from the Finance and Operational Performance Committee regarding the Council providing a loan guarantee to the Laingholm Fishing Club.

BACKGROUND

The Council provides loan guarantees to organisations on a case by case basis. This is provided for in the Council's Community Assistance Policy. The Club is situated on Council land and requires a Council guarantee to meet borrowing requirements. This is normal practice for financial institutions when lending money to various sporting organisations within the City situated on Council land.

LOAN GUARANTEE SOUGHT

A115 - A116

A loan guarantee of \$10,000 is being sought. The letter of request is attached at pages A115 to A116.

The ASB Bank has requested a Council guarantee and the term of the loan is for 5 years. The Club has upgraded its building and has used all available funds \$70,000 to date, and requires the borrowing to complete the interior refurbishment.

A review of the financial information received and from discussions with representatives of the Club, shows that the Club can meet the estimated repayments of approximately \$200 per month.

CONCLUSION

The Club is able to service the loan repayment programme and has been able to meet all its financial obligations.



RECOMMENDATIONS

1. That the information be received.
2. That a loan guarantee to the Laingholm Fishing Club to a maximum of \$10,000 be approved and that the term of the guarantee be for a 5 year term.

Report prepared by: Andrew Pollock, Director: Finance.



Finance and Operational Performance Committee

**Thursday, 14 February 2002
Commencing at 9.00 am**

Part IV: Finance

**Item 20: Borrowing and Investment
Report**

SUPPLEMENT TO AGENDA FOR AN ORDINARY MEETING OF THE FINANCE AND OPERATIONAL PERFORMANCE COMMITTEE TO BE HELD IN THE CIVIC CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN, WAITAKERE CITY, ON THURSDAY, 14 FEBRUARY 2002 COMMENCING AT 9.00 AM.

PART IV - FINANCE

20 BORROWING AND INVESTMENT REPORT

PURPOSE OF THE REPORT

Waitakere City Council enters into treasury related financial contracts in the ordinary course of its business. It is the role of Council's funds management function to manage such contracts and the impact that they have on the organisation. All funds management transactions are governed by the Borrowing and Investment Policy prepared in compliance with the Local Government Act 1974. As a requirement of the Borrowing and Investment Policy, this report informs Council on the current and future movements of Council's debt and cash investments and provides a general commentary of financial market conditions.

SUMMARY OF BORROWING AND INVESTMENT MOVEMENTS, DECEMBER 2001

The Council's gross term debt position has increased by \$2.6 million since November with a closing balance at December month end of \$105 million. Working capital borrowing of \$10.4 million at 31 December 2001 has been entirely funded using the Council's special fund reserves.

SIGNIFICANT FUNDING TRANSACTIONS ENTERED INTO DURING DECEMBER 2001

- Sinking Fund re-invested, ANZ term investment of 29 days, invested \$2,300,000 accruing interest at 4.89%.
- Sinking Fund re-invested, WestpacTrust term investment of 29 days, invested 1,550,000 accruing interest at 4.87%.
- Sinking Fund re-invested, ASB Bank term investment of 29 days, invested 1,516,000 accruing interest at 4.87%.
- ARST Fund re-invested, ANZ term investment of 29 days invested \$1,056,930.86 accruing interest at 4.89%

FINANCIAL MARKET COMMENTARY

Interest Rate Overview

After the Reserve Bank of New Zealand's (RBNZ) substantial official cash rate (OCR) decrease of 0.50% in November 2001 to 4.75% the 90 day bank bill has traded relatively stable with a range between 4.845% to 4.88%. This gives a good indication of where the market is likely to move in the future. As such the RBNZ's decision to maintain the OCR at 4.75% at its OCR review on 23 January came as no surprise. The RBNZ Governor, Dr Brash, made the following comments "This decision reflects a balancing of risks between a domestic economy that seems rather more buoyant than we expected at the time of the November 2001 Monetary Policy Statement and continuing weakness offshore".

"As expected in November, growth in the economies of our trading partners has continued to be sluggish. Notwithstanding a widespread expectation that a global recovery is imminent, there remains a material risk that the situation could deteriorate further. The outlook in Japan is of particular concern. Commodity prices for New Zealand's exports have fallen quite substantially, and rather earlier than expected".

"However, domestically, a combination of factors suggests that activity is currently running quite strongly. Consumer spending appears more buoyant than expected previously, and indications are that business investment is also holding up better than expected. The housing market has strengthened in recent months, and the labour market continues to be relatively tight. As foreshadowed in November, CPI inflation for the year to March 2002 is likely to be well above 2 per cent, which would become a concern if any resultant increase in inflation expectations were reflected in price and wage setting behaviour. "These factors are pushing inflation in opposite directions. In the weeks and months ahead, the Bank will be watching closely to detect which set of pressures is beginning to predominate," Dr Brash concludes.

Likewise, the Reserve Bank of Australia have maintained a hold on their cash rate at 4.25% since December 5, 2001, and the US Federal Reserve on 30 January 2002 also held their cash rate of 1.75%. The outcome from the current hold, wait and see policy lends itself to the likelihood that we are at the end of the easing cycle and that the US is likely to snap out of its recession, if it has not done so already. The markets have long since favoured a global recovery over the course of the first half of this year, and long term interest rates have been priced to reflect such a recovery.

Interest Rate Expectations

If the global economy is in the position of sustained growth over the coming year then we have seen the last of interest rate decreases. As such, expectations off-shore suggest a tightening policy to develop during the second and third quarters of this year. The level of monetary policy tightening will be dependent on how resilient this global recovery is. There is far less talk now of a rapid US lead recovery, a more prolonged trend is expected.

Locally, New Zealand commentators are expecting the first round of OCR increases to begin in March 2002. The most likely move will be an increase of 0.25%, bring the OCR to 5.0%. Then further increases over the third and fourth quarters, likely to end the year with a range of 5.50% to 6.0%. This of course is dependent on a sustained international growth trends, and no further major surprises from terror, or country scale economic crashes.

Up coming dates

Monetary Policy Review	20 March 2002
Official Cash Rate Review	17 April 2002

CONCLUSION

All transactions covered by this report have complied with the requirements of Council Policy. Council's current net term debt is within the limits approved in the 2001/2002 Annual Budget.

RECOMMENDATION

That the information be received.

Report prepared by: Bruce Wilkin, Funds Accountant.



**WAITAKERE CITY COUNCIL DEBT PORTFOLIO AT
31 December 2001**

	TERM DEBT (to fund long term assets)		(\$000's)
<i>Budget year end term debt position per 2001/2002 Annual Plan</i>	Budget term debt	165,598	
	Further term debt approved by Council during 2001/2002	-	
	Budget 2001/2002 year end gross term debt	165,598	
	Forecast year end Sinking Fund Commissioner assets	5,520	
	Anticipated 2001/2002 Year End Net Term Debt	160,078	

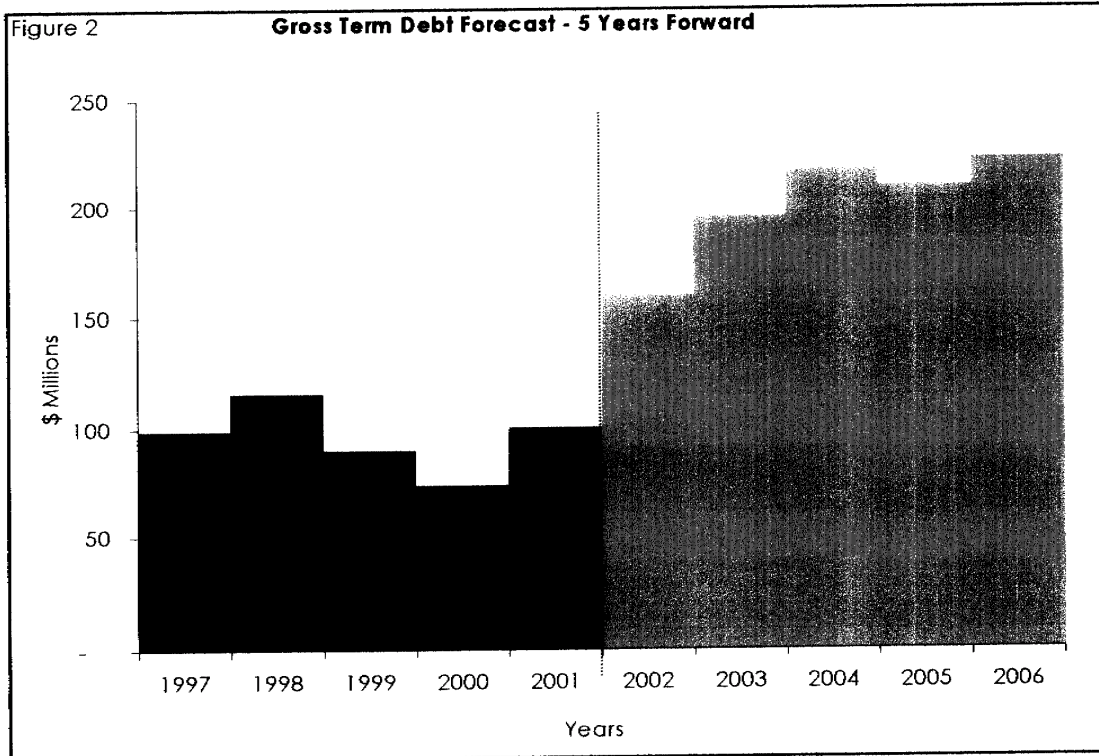
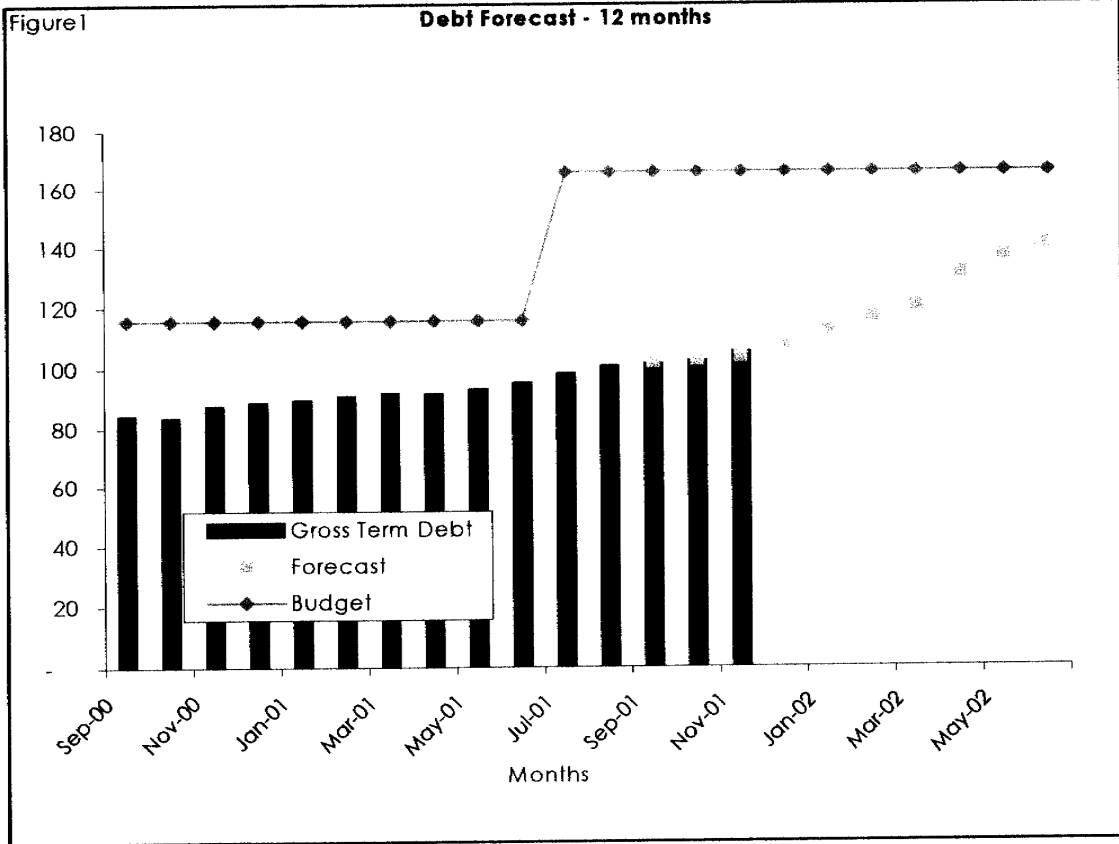
	TERM DEBT PORTFOLIO		December 01	November 01
		(\$000's)	(\$000's)	
<i>Term debt position at 31 December 2001</i>	Term debt borrowed externally	103,598	96,107	
	Special funds (used to reduce Council's external borrowing)	1,349	6,240	
	Gross term debt	104,947	102,347	
	Total Sinking Fund Commissioner assets	5,319	5,031	
	Net term debt	99,628	97,315	

<i>Term debt - source of funds at 31 December 2001</i>	Debenture stock - fixed rate (security: Debenture Trust Deed)	58,496	58,496
	Debenture stock - floating rate (security: Debenture Trust Deed)	35,025	35,025
	Secured bank loans (security: Debenture Trust Deed)	-	-
	Unsecured bank loans	10,000	2,500
	Finance Leases (security: associated asset)	77	86
	External borrowing	103,598	96,107
	Special funds (used to reduce Council's external borrowing)	1,349	6,240
	Gross term debt requirement	104,947	102,347

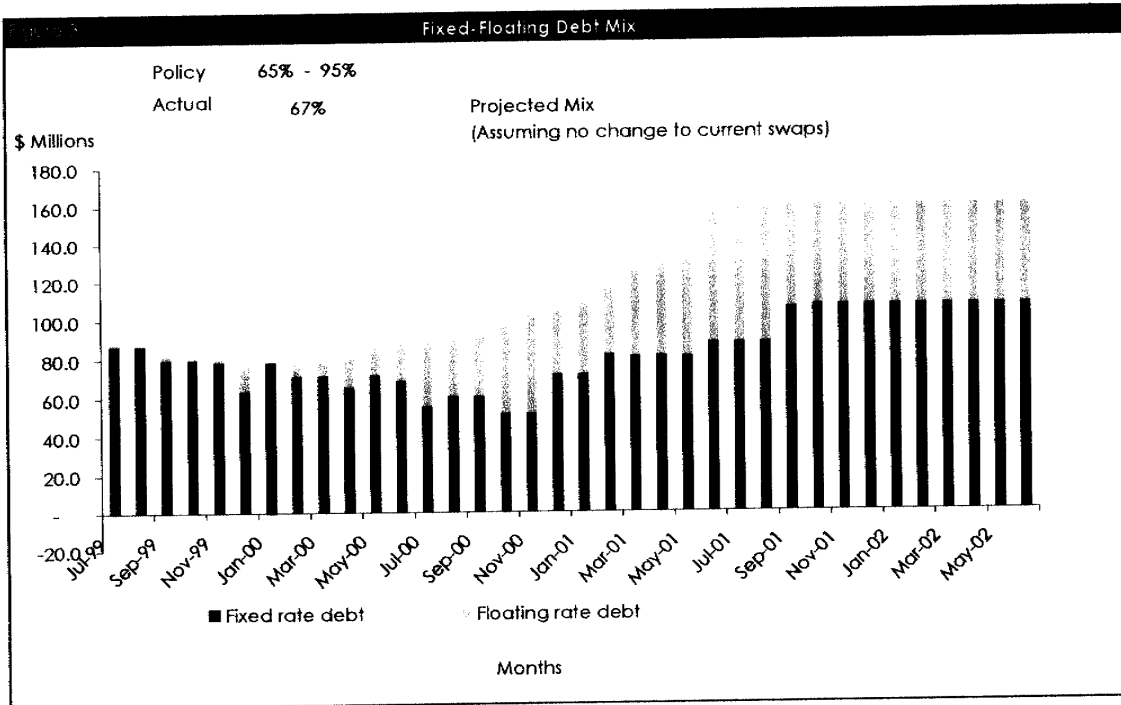
	WORKING CAPITAL		(\$000's)	(\$000's)
<i>Working capital borrowing at 31 December 2001</i>	Unsecured bank loans	-	-	
	Special funds (used to reduce Council's external borrowing)	10,381	5,230	
	Council working capital borrowing requirement	10,381	5,230	

	CASH INVESTMENTS		(\$000's)	(\$000's)
<i>Cash investments held in trust 31 December 2001</i>	Debt repayment fund	-	-	
	ARST fund (excluding fund allocations)	1,059	1,055	
	Total cash investments	1,059	1,055	
	Invested for 90 days - Current investment interest rate	4.89%	4.89%	

Debt Forecast



Fixed-Floating Debt Mix



Net Interest Rate Repricing Risk Profile

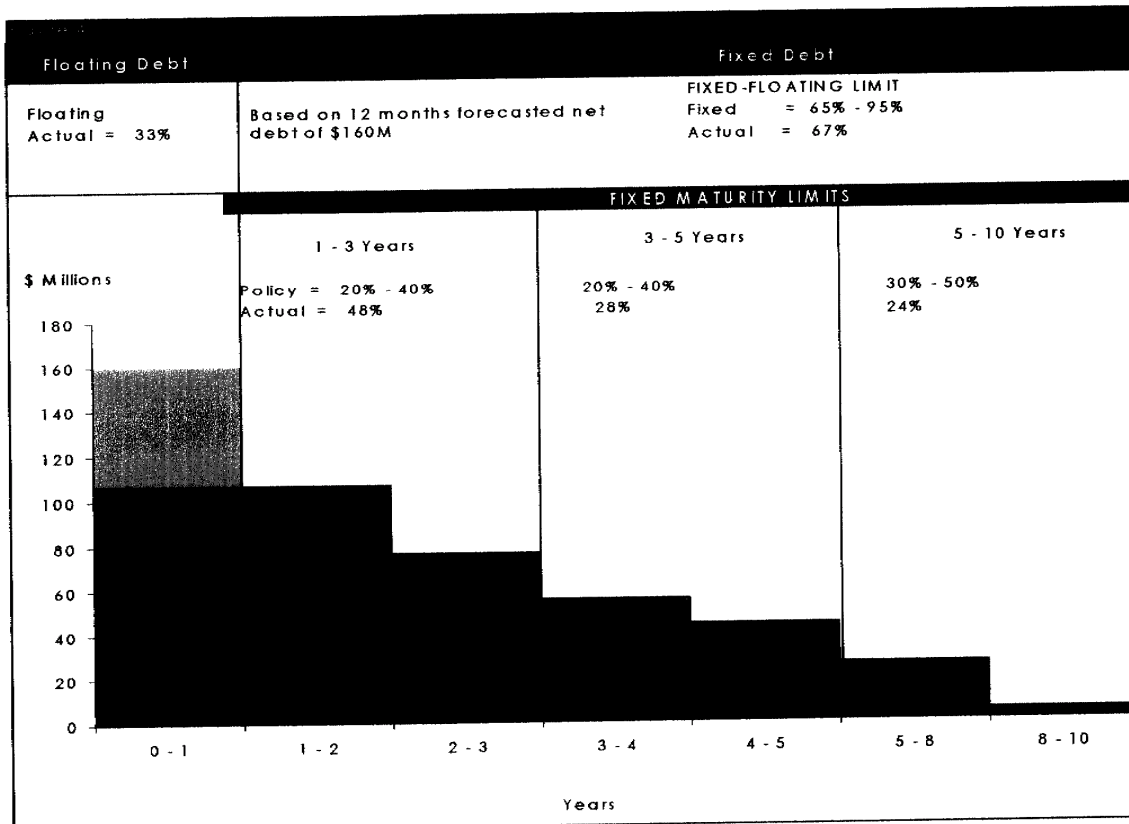
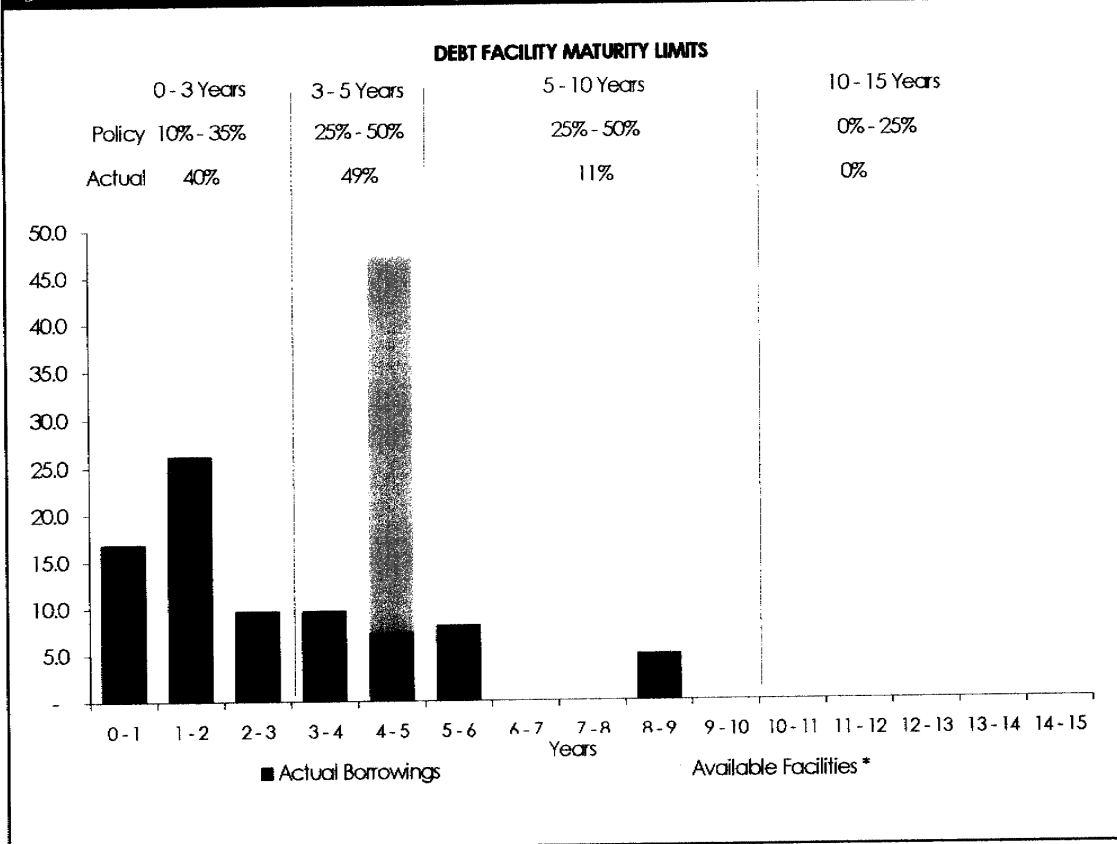


Figure 5

Funding Risk: Debt Maturity Profile



* Note: (1) Available facilities net of 10m uncommitted borrowings
 (2) Council is in the unique position of having a \$50 million committed funding facility at zero cost for the non utilised portion of the facility. The nature of this facility may, depending on the utilisation, result in a breach of the funding maturity limits. As this facility is very much in Council's favour this is an acceptable breach of policy.

Summary of Debt Sources

Council Approved Debt Sources	Total		
	Committed Funding Sources	Usage	Available
Bank Loans			
Short Term (uncommitted)	\$0.0	\$10.0	\$0.0
Long Term (committed)	\$50.0	\$0.0	\$40.0
Commercial Paper			
Bank Overdraft	\$1.0	\$0.0	\$1.0
Senior Bonds			
Retail	\$20.4	\$20.4	\$0.0
Wholesale	\$73.2	\$73.2	\$0.0
Other	\$0.0	\$0.1	\$0.0
TOTAL	\$144.5	\$103.6	\$41.0

Notes:

Working capital borrowing is necessary due to fluctuations in the timing of operating revenue and expenditure. The working capital borrowing requirement also includes internal deficits relating to prior years. External working capital borrowing is reduced by the use of internal special funds with any surplus requirement funded by way of unsecured bank loans.

Gross Term debt is the borrowing relating to long term loan funded capital works projects. External borrowing to fund term debt is reduced by the use of internal special funds with the surplus requirement funded by way of secured or unsecured short term bank loans, fixed or floating medium or long term bonds and finance leases.

The managed debt portfolio refers to the portion of Council's total debt portfolio that is managed to reduce interest rate risk, liquidity/funding risk, counterparty risk and operational and legal risk as defined in the Borrowing and Investment Policy. The portfolio is managed on the external net term debt requirement excluding finance leases. i.e. it is net of the special funds that have been used to reduce the external term debt requirement and the sinking fund balance. Working capital is not included in the managed debt portfolio.

Special Funds are cash funds either collected through rates or vested to Council that have been 'set aside' for specific future spending. The funds are used in the interim to reduce Council's requirement to borrow externally. The fund is managed via accounting entries and a monthly interest allocation is made to the funds based on the Council's weighted average cost of borrowing for that period.

Description of Graphs:**Figure 1**

Gross term debt (blue) is the actual gross term debt position of Council as defined in the notes above. The Forecast (orange) is the projected gross term debt level per month in the current financial year, the figures are obtained from capital works timing forecasts (provided by budget managers on a monthly basis) and the current debt maturity profile. The Budget (green) line represents the gross public debt as approved in the 2001/2002 Annual Plan.

Figure 2

The prior year gross term debt figures (blue section) are obtained directly from the 'Term Liabilities' disclosure in published Annual Reports. The orange section is the projected gross term debt as forecast in the Annual and Strategic Plan 2000/2001 - 2009/2010.

Figure 3

The fixed (blue) and floating (orange) interest rate mix, both historic and projected, based on the 12 month rolling forecast net debt requirement. The Borrowing and Investment Policy minimum is 65% fixed and maximum 95% fixed. The positioning of the portfolio between policy minimum and policy maximum is dependent on the current and forecast financial market outlook.

Figure 4

Interest rate risk profile. Figure 4 shows, given the current fixed/floating rate mix and the debt forecast (assuming no changes to current swaps), the percentage of current fixed rate debt that will mature in future years. This enables Council to recognise and reduce significant concentrations of interest rate risk that may arise in future years. As debt forecasts change the amount of fixed cover in place may have to be adjusted to comply with the policy limits.

Figure 5

Funding and liquidity risk. Figure 5 varies from figure 4 in that it shows the actual maturity profile of current debt on issue as opposed to the profile of Council's exposure to interest rate risk arising when debt either reprices (in the case of floating rate debt or hedges) or matures. The debt maturity profile enables Council to identify significant concentrations of maturing debt and debt facilities. Where there are significant concentrations of debt maturing Council is at risk of not being able to re-borrow from the market at favourable rates.

Figure 6

In order to ensure Council has the ability to borrow from the market when funding is required committed funding facilities are arranged with approved debt sources. Figure 6 shows Council's committed funding sources and the current usage of these funds. In addition to the committed sources Council also uses uncommitted lines of funding as seen in short term bank loans and bonds, uncommitted funding is at times less expensive than committed funding however its availability is not guaranteed.

Wholesale Market Interest Rates and the Trade Weighted Index

