

**Date:** Tuesday, 20 June 2017  
**Time:** 9.30am  
**Meeting Room:** Reception Lounge  
**Venue:** Auckland Town Hall  
301-305 Queen Street  
Auckland

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## **Finance and Performance Committee**

### **OPEN ATTACHMENTS**

**ADDITIONAL ATTACHMENTS  
UNDER SEPARATE COVER**

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## Memo

To: Finance and Performance Committee members  
From: Deborah Acott, Head of Rates, Valuations and Data Management  
cc: Sue Tindal, Group Chief Financial Officer  
Date: 31 May 2017  
Subject: Fifth Quarterly Report on Non-Rateable Property Rating Treatment

### 1. Purpose

The purpose of this memo is to inform the Finance and Performance Committee on the progress of the programme of work to review the rating treatment of current non-rateable properties across Auckland. This quarterly update has previously been presented at the Finance and Performance Committee. However, as we are now on our fifth update and the work is on track, the update will continue to be provided by memorandum until December, when a full report will be presented to the committee.

### 2. Executive Summary

The programme of work to review more than 10,500 non-rateable properties is on track to be completed by February 2018. The Local Government (Rating) Act 2002 (LGRA) defines a range of properties as non-rateable including churches and educational institutions. However, any portion of these properties used for other purposes is liable for rates.

The table below shows the work which needs to be undertaken and what has been completed so far, along with the nett difference in rates after adjustments are made. As at 24 May 2017, 8,986 properties have been reviewed, with 6,947 confirmed as non-rateable and 24 confirmed as fully rateable. Of the properties reviewed 2,015 require more detailed investigation. The total nett change in rates amounts to an increase of \$397,610.

Legacy	Non-rateable properties	Total reviewed	Confirmed non-rateable	Confirmed rateable	Require more investigation	Balance for review	Nett \$ rates changes
ACC*	3,811	3,011	2,140	10	861	800	12,792
MCC	2,496	2,299	1,835	5	459	197	62,404
NCCC	1,666	1,563	1,304	3	256	103	314,717
RDC	1,412	1,083	894	1	188	329	963
WCC	1,123	1,030	774	5	251	93	6,734
<b>Total</b>	<b>10,508</b>	<b>8,986</b>	<b>6,947</b>	<b>24</b>	<b>2,015</b>	<b>1,522</b>	<b>397,610</b>

\*ACC includes the former Franklin and Papakura District Councils

### 3. Progress Update

Since the last report in March 2017, the review has focussed on 959 properties used for religious purposes. The assessment of the rateability of these properties is more complex than many of the other types of property being considered so progress has not been as immediately visible as has previously been the case.

At 24 May 2017 a total of 219 properties had been reviewed. We have been able to confirm that:

- 50 are correctly non-rateable, and
- 169 require further investigation (with 21 potentially part or fully rateable)

**4. Religious Worship**

Properties used for religious purposes can only be non-rateable where the land is used for worship, theological training or education (e.g. a Sunday school). Our legal advice is that areas used for administration, meeting rooms, opportunity shops and residences are not being used for worship and should be rateable.

Assessing non-rateability for religious worship requires an analysis of land use and, in many cases, can only be confirmed by an on-site inspection. Other categories of non-rateable land are more straightforward to review as they require an overall assessment of land use and/or the entity using it.

We commenced this phase of the review by requesting information about types of land use through a form sent to the owners of properties that are currently non-rateable for religious purposes. This data is being analysed in conjunction with floor plans and publicly available information about activities on these properties. Where rateability is not able to be confirmed, an inspection is arranged.

**5. Commercial Properties**

Following discussion on businesses operating at residential properties at the Finance and Performance Committee meeting in May 2016, our contract valuers, during the course of their inspections, have been specifically looking for houses with signage indicating a property may be used for purposes other than a residence. This occurs most frequently in 'mixed use' locations, often on the fringe of commercial town centres and along main arterial roads.

As at 31 December 2017, we had identified a total of 39 properties which fit the above criteria. Due to these changes, we identified approximately \$19,000 of additional rates revenue.

We have now identified at least 32 further properties which should have a split business and residential rating. The increase in revenue from correctly rating them will be approximately \$18,600.

**6. Local Government Rating Conference**

A rates team member gave a presentation on the non-rateable project at the recent Local Government Rating Conference which was attended by rates staff from more than 50 local authorities. It provided an opportunity to discuss issues in the way non-rateability is currently applied across the country.

**7. Conclusion**

The body of work being undertaken to review the treatment of Auckland Council's non-rateable properties is on track to be completed by February 2018. If there are any queries on the subject, please contact me via email on [deborah.acott@aucklandcouncil.govt.nz](mailto:deborah.acott@aucklandcouncil.govt.nz) or mobile phone on 021-636-046.

7 June 2017

To: Mayor Goff and Councillors  
From: David Gurney, Manager Corporate Performance and Reporting  
Subject: Queries from Finance and Performance Committee 26 May 2017  
Agenda item - Auckland Council Performance Report

## Background

On 26 May we presented the Quarterly Performance Report to the Finance and Performance Committee. The report provided the committee with a high-level review of performance across the parent organisation.

Some questions asked by councillors could not be answered at the meeting as a subject matter expert was not present or further investigation was required. The purpose of this memo is to provide responses to these questions.

Often this quarterly report generates significant discussion from councillors about a particular subject (for example, trends in library usage – see item 3 below). Where this occurs, we generally look to provide a follow up as part of the next quarterly report that includes a short presentation on the performance area in question to frame more detailed analysis and discussion of the issues affecting those areas.

## Detailed responses to queries

### 1. LGOIMA requests

Councillors asked about the responsiveness of Auckland Council to LGOIMA requests, specifically how many responses to LGOIMA requests were provided outside of statutory timeframes, and how many LGOIMA requests had been referred to the Ombudsman.

In the third quarter, six LGOIMA requests (two per cent of the total of 282 requests received during the period) were responded to outside of the statutory timeframe, and six requests were referred to the Ombudsman for investigation.

### 2. 2016/2017 net international migration to Auckland (March 2016 to March 2017)

Councillors discussed the annual total net migration number, noting that net migration

for the year to March 2017 was 35,000 people. Councillors were interested in where migrants to Auckland were coming from.

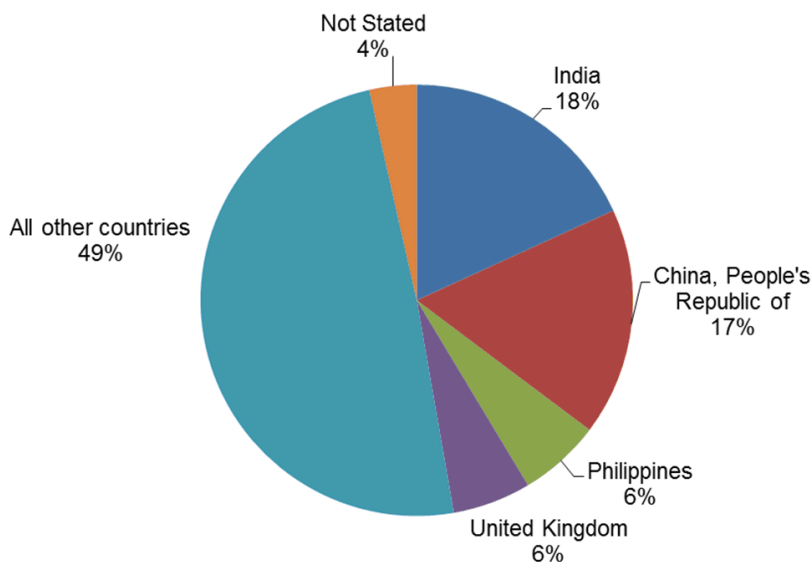
We only have up-to-date information for international migration population changes. Reliable data for natural population change and domestic migration will be available after the next national census.

Net migration is calculated by measuring people arriving at Auckland Airport who intend to live in New Zealand for 12 months or more, less people departing New Zealand with the intention of being overseas for 12 months or more. Auckland migration is determined by the addresses provided on arrival and departure cards.

Migration data for the year to March 2017 is only able to be split out to Australia and all other countries. For the year to March 2017 Auckland had a net loss of 2216 migrants to Australia. However, there was a net gain of 37,529 migrants from other countries. This resulted in a net overall gain of 35,313 migrants.

From a one-off custom data order last year, we do have the split by country for the previous 12 months (March 2015 to March 2016), which is shown below.

**Net permanent and long term migrants to Auckland,  
Top four source countries (2015-16)**  
12-month period ending March 2016  
Source: Statistics NZ (Custom Auckland Council data order)



### 3. Libraries

Councillors were interested in the trends affecting the future of libraries and the future management of library services. Trends included the increase in electronic books, the length of time visitors are staying and changes to how customers are using libraries.

Libraries are adopting a new service model, Fit for the Future, which responds to many of these trends. A presentation on the Fit for the Future model will be provided to the Finance and Performance Committee as part of the first quarter 2017/2018 Performance Report in October 2017.

### 4. Building and resource consents issues

Councillors had a number of questions about building and resource consents, including:

- the percentage of resource and building consents that lead to building activity
- volumes of applications and length of time to process resource and building consents
- the success of improvements to consenting processes from the Consenting Made Easy programme, and the perceptions of staff using it
- customer satisfaction results for building and resource consents.

For the first three questions, answers will be provided in next quarter's report. Over Queen's Birthday weekend the latest stage of NewCore consolidated regulatory data into one system, which will improve ease of reporting. A new suite of reports will be developed in coming months, which will address many of the queries raised.

The following table shows customer satisfaction results for building and resource consenting.

YTD quarter 3	Building consents	Resource consents
Very satisfied (5)	55%	57%
Quite satisfied (4)		
Neutral (3)	20%	21%
Quite dissatisfied (2)	25%	22%
Very dissatisfied (1)		



The timeframes, complexity of process, and quality of communication relating to the consenting process were issues that drove dissatisfaction. The Consenting Made Easy programme addresses many of these issues.

#### 5. High-risk alcohol premises

Councillors were interested in the geographical location of high-risk alcohol premises, which is shown in the table below.

	Central	North	South	West	Total
High risk	272	98	164	60	594
Medium risk	483	299	326	89	1197
Low risk	697	516	433	241	1887
Total	1452	913	923	390	3678

	Central	North	South	West	Total
High risk	18.7%	10.7%	17.8%	15.4%	16.2%
Medium risk	33.3%	32.7%	35.3%	22.8%	32.5%
Low risk	48.0%	56.5%	46.9%	61.8%	51.3%

#### 6. Changes as result of the Food Act 2014

Councillors were interested in understanding the pressures in licensing areas to meet the workload required due to the Food Act 2014, which came into force on 1 March 2016.

For existing businesses, verifications now take up to three hours to complete, where previously an audit was completed within 1.5 hours. This represents an increase of 10,000 hours when calculated across the total number of required inspections (seven FTEs).

The Food Act requires an additional 20 per cent of Auckland's businesses (from 9000 to 11000) to be registered by 2019. The additional 2000 registrations equates to a further 3000 hours of time, and ongoing verifications will equate to an additional 5000 hours (three FTEs).

Staff will continue to focus on high-risk food businesses, and by doing so consider the impact on food safety through the transition period will be negligible.

#### 7. Performance of the Veolia water contract in Papakura

Councillor Newman asked for greater transparency and insight into Veolia's provision of water and wastewater services to Papakura.



BE THE HOW.  
WHAKAMAUA KIA TĪNA!



The Veolia water contract is administered by Watercare, who will liaise directly with Councillor Newman on this issue.

If you have any further queries, or suggestions about how to improve performance reporting in general, please free to contact us directly.

Kind regards

David Gurney  
Manager, Corporate Governance and  
Reporting

Kevin Ramsay  
General Manager, Corporate Finance  
and Property