

Date: Friday 9 February 2024
Time: 12.30pm
Meeting Room: Room 1, Level 26,
Venue: 135 Albert Street
Auckland 1010

Ngā Hui a te Rōpū Kaitohutohu Take ā-Taiwhenua / Rural Advisory Panel

OPEN ATTACHMENTS

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Compliance Monitoring Charging System

File No.: CP2023/17542

Te take mō te pūrongo Purpose of the report

1. To provide an update on the Compliance Monitoring team's Dairy Farm Discharge Monitoring charges

Whakarāpopototanga matua Executive summary

2. Compliance monitoring staff undertake compliance, monitoring and enforcement (CME) work on all dairy farms across the Auckland region.
3. Section 36 of the Resource Management Act 1991 (RMA) enables the Council to fix charges for its various functions including monitoring the effects of the environment as a result of giving effect to a resource consent.
4. Section 150 of the Local Government Act 2002 enables the Council to fix charges payable to recover the costs of responding to environmental incidents, and inspecting dairy farms operating under permitted activity rules for discharges to land.
5. This work is cost recoverable and charged out by officers at a fixed hourly rate
6. The sole purpose of these charges is to recover the reasonable costs incurred by the Council in respect of monitoring the dairy activity.
7. Actual and reasonable costs will be recovered from dairy farmers and/or consent holders
8. Attachment A is a letter from Federated Farmers seeking further information about the charges and the charging system while Attachment B is the response from Robert Laulala Manager Environmental Monitoring.

Ngā tūtohunga Recommendation/s

That the Rural Advisory Panel:

- a) tuhi ā-taipitopito / note the compliance monitoring dairy charging system
- b) whakaae / agree to disseminate the information to dairy servicing agencies and farmers that are not familiar with Council charges.

Ngā tāpirihanga Attachments

No.	Title	Page
A	Letter to AC from Federated Farmers 13.09.2023	
B	AC response to letter from Federated Farmers 13.10.2023	

Ngā kaihaina Signatories

Authors	Warren MacLennan - Manager Regional, North, West and Island
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Rural Advisory Panel
17 November 2023

Authorisers	Warren MacLennan - Manager Regional, North, West and Island
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FINANCE RESPONSE

Background on the process for monitoring monthly billing carried out by the Billing team:

The monitoring invoicing team receives billing reports from our Commercial Finance team each month. This report consists of all open / unbilled time recording entered by the environmental monitoring team.

The invoicing team uses this report and based on the business requirement, they work on the highest \$ value first. Priority is always given to the Dairy Farming and Forestry consents as requested by the environmental monitoring team.

Every month as soon the monthly billing report is received, one person is dedicated to just work on the Farming and Forestry consents. The business rule that is followed is to bill everything above \$50.

These were all under current billing until August 2023. The rest of the consents follow the business rule of >\$200 and once those are completed then the team looks at the lower \$ values.

Background of the delayed invoicing:

In July 2023, the environmental monitoring invoicing team discovered some consents which they came across in another report that are used for the semi-automation billing. This was raised with the Commercial Finance team to investigate as to why these consents were not captured in the previous reports, even though they fell within the business rules.

Upon investigation the invoicing team were advised that there were some filters applied to the **posting date completed field** and hence those consents that had those dates before **01/01/2010** were excluded from the reports.

The invoicing team immediately requested those filters be removed and a new report was sent to them in August 2023. That report captured all of the missing consents, which added up to approx. 2000.

Out of those 2000, there were **150 dairy and forestry consents**. 145 of these consents were billed as they had a value of more than \$50. Each invoice went out with an apology for the delay in invoicing. These charges were considered to be valid, and they were being sent late as the time charges were dated from August 2020 onwards.

Invoice wording for pay immediately:

This is a standard invoice template used by all of the business areas for non-rates billing. There are two payment terms:

- Pay immediately (payment is required as soon as invoice is sent out) and,
- Pay on the 20th of the following month (which is only for credit on account customers).

Payment arrangement:

If customers would like to make arrangement for payment, we ask that they contact our credit control team on creditcontrolnonrates@aklc.govt.nz and an instalment plan will be put in place accordingly.

Our invoicing team has sent the list of dairy farming customers who were billed late to the Credit Control Team Leader as a heads up.

From: [Robert Laulala](#)
To: [Jesse Brennan](#); [Alan Cole \(External\)](#)
Subject: RE: FFNZ letter - monitoring charges relating to farm dairy discharges
Date: Thursday, 19 October 2023 9:12:00 am
Attachments: [image006.png](#)
[image007.png](#)
[image008.png](#)
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[image018.png](#)

Kia ora Jesse and Alan

Firstly, let me apologise for the delay in responding back to your follow up email. The current environment is quite hectic and lot of things going on coming from different directions. No excuse but I assure you I did have you on my to do list to respond to, but I haven't been able to do so until now. I thank you for your patience and for following up with me.

My response as follows.

First point

Immediate payment requirement is the standard language used in all of Councils non rate invoices. This means they are due immediately however, the Council provides a grace period of 14 days before any collection action commences. In cases where customers contact us for more time, we do accept payment plans and direct them to our credit Control team to set those arrangements. In cases where the invoice was sent late, we can offer the payment plan option to those customers. Immediate payment terms are standard practise with the exception of key account customers, which they have a different payment term (one month to pay invoice).

Second point

Our dairy inspections are seasonal, usually between September to March. The average time officers are on a farm is about 2.5 hours. Depending on whether there are compliance issues or not, will depend on whether officers return to the farm for a follow up inspection. Of course, this will increase the time officers charge to that farm. For most farms in the Auckland region, we inspect only once in that season. I do not expect our officers to be inspecting farms on a weekly or daily basis unless there was a significant breach on a farm.

Third point

We understand the concerns of your members and I agree that more education on this is important. Every task that our staff undertakes, whether it's related to on-site work, consultation, travel time, or communication, is accounted for. The charging of officer's time allows us to ensure that each aspect of their work is transparently represented in our billing. Phone calls and other forms of communication are an essential component of the work our team carries out and crucial for maintaining effective and prompt customer service.

If you feel a meeting to discuss these matters in more detail is helpful for yourself and your members, I welcome the opportunity.

Ngā mihi | Kind regards,

**Robert Laulala | Manager Environmental Monitoring | Te aroturuki i te ū ki ngā ture tiaki taiao
Licensing & Regulatory Compliance**

Phone (09) 301 0101 | M: 027 480 9248

Auckland Council, Level 7, 135 Albert Street, Auckland Central

Visit our website: www.aucklandcouncil.govt.nz

Useful Council contact numbers:

24 hr Pollution Hotline: 09 377 3107

Call Centre: 09 301 0101

 Please consider the environment before printing this e-mail.

From: Jesse Brennan <jbrennan@fedfarm.org.nz>

Sent: Friday, September 29, 2023 8:25 AM

To: Robert Laulala <Robert.Laulala@aucklandcouncil.govt.nz>; Alan Cole (External) <aqcole@xtra.co.nz>

Subject: RE: FFNZ letter - monitoring charges relating to farm dairy discharges

Hi Robert,

Many thanks for your responses, we really appreciate the time and effort you have put into finding out these answers for us. FFNZ is really keen to build on the good relationship we have with Auckland Council and also help Council understand issues affecting our members and the wider rural sector.

We have a few additional follow up questions/comments we would appreciate a response to please:

- We appreciate you following up with the billings team and it is great to have the assurance that they delayed invoicing will not happen again. FFNZ would appreciate further clarification around why these invoices required 'immediate payment'. This causes a lot of undue stress for people, and many members have also said they received automated calls from AC requesting payment to be made. Can you please explain why 'immediate payment' was required? Can you also please clarify the standard payment terms for compliance monitoring charges? We would appreciate assurance that immediate payment will not be required on future invoices.
- Alan has calculated at the charge out rate for a Technical Level 1 (\$186), if one compliance officer charged for 30 monitoring hours a week (\$5,580) and multiplying this by 45 weeks (taking into account some weeks with no monitoring/leave etc), this equates to \$251,000 per Technical Level 1 compliance officer annually. This is a significant sum of money and while we appreciate it is part of the revenue stream for Council, it emphasises the need for education and rural engagement on the LTP.
- Some of our members have raised further concerns from their invoices, with some invoicing comments starting charges for phone calls to organise inspections, emails, etc. Some of our members have taken issue with this as they don't really see it as a compliance or enforcement matter, moreso a matter of work planning. Again, education in this space we think would be particularly helpful.

We look forward to continuing working with you more closely. Federated Farmers is also more than happy to distribute any education material through our communication channels when the time comes.

Cheers,



Jesse Brennan
Senior Policy Advisor

0272265585
jbrennan@fedfarm.org.nz
45 Grey Street, Tauranga



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From: Robert Laulala <Robert.Laulala@aucklandcouncil.govt.nz>
Sent: Wednesday, September 27, 2023 2:52 PM
To: Alan Cole (External) <aqcole@xtra.co.nz>; Jesse Brennan <jbrennan@fedfarm.org.nz>
Subject: FW: FFNZ letter - monitoring charges relating to farm dairy discharges
Importance: High

Dear Mr Cole and Ms Brennan,

Thank you for your letter, dated 13 September 2023 relating to concerns from members on Auckland Councils monitoring charges for permitted activity dairy farming.

In response to the requested information, my response has been provided below;

How many dairy discharges into or onto land are captured as deemed permitted activities (and therefore can be charged under s36(1)(ae) of the RMA)?

The majority of farms in the Auckland region are operating as permitted activities. The total number of dairy permitted activities in the Auckland region is 213. As there is no NES for Dairy farm activities, we are not able to set an administrative charge under RMA s36(1)(cc) and 43A(8). However, section 150 of the LGA provides Council the powers to charge for what is reasonable for recovering costs on inspections and sets out the process that needs to be followed to prescribe those fees and charges.

How does AC go about collecting information to determine dairy discharges as a deemed permitted activity?

We are reliant on notifications being provided to us from owners / operators advising that dairy farming activities are being undertaken in accordance with the current Auckland Unitary rules. For dairy farming to be a permitted activity, PA standards are required to be adhered to. Our monitoring inspections determines whether a dairy farm activity meet the permitted activity standards or not.

Why has it taken AC in excess of two years in some cases to invoice for monitoring costs? FFNZ would appreciate referral to the appropriate Council policy that allows for retrospective charging in this respect.

We appreciate that some of your members may not have received their invoices in timely manner and I apologies for the inconvenience this has caused. We have checked with our

