



CHRISTCHURCH CITY COUNCIL AGENDA

THURSDAY 11 MAY 2006

AT 9.30AM

IN THE COUNCIL CHAMBER, CIVIC OFFICES

Council: The Mayor, Garry Moore (Chairperson).
Councillors Helen Broughton, Sally Buck, Graham Condon, Barry Corbett, David Cox, Anna Crighton,
Carole Evans, Pat Harrow, Bob Parker, Bob Shearing, Gail Sheriff, Sue Wells and Norm Withers.

ITEM NO	DESCRIPTION
1.	APOLOGIES
2.	CONFIRMATION OF MINUTES - COUNCIL MEETING OF 4.5.2006
3.	DEPUTATIONS BY APPOINTMENT
4.	PRESENTATION OF PETITIONS
5.	CORRESPONDENCE
6.	ELECTED MEMBERS' REMUNERATION 2006/07
7.	CHRISTCHURCH CITY HOLDINGS LIMITED - STATEMENTS OF INTENT FOR SUBSIDIARY COMPANIES
8.	TRANSWASTE CANTERBURY LIMITED - STATEMENT OF INTENT
9.	COUNCIL MEETING DATE TO APPROVE FINAL LTCCP
10.	DOG REGISTRATION FEES
11.	NOMINATION OF REPLACEMENT CHRISTCHURCH CITY COUNCIL DIRECTOR FOR THE CANTERBURY DEVELOPMENT CORPORATION BOARD
12.	NOTICES OF MOTION
13.	QUESTIONS
14.	RESOLUTION TO EXCLUDE THE PUBLIC

11. 5. 2006

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1. **APOLOGIES**

2. **CONFIRMATION OF MINUTES - COUNCIL MEETING OF 4.5.2006**
Attached.

3. **DEPUTATIONS BY APPOINTMENT**

4. **PRESENTATION OF PETITIONS**

5. **CORRESPONDENCE**

6. ELECTED MEMBERS' REMUNERATION 2006/07

General Manager responsible:	General Manager Regulation and Democracy Services, DDI 941-8549
Officer responsible:	Secretariat Manager
Author:	Max Robertson, Council Secretary

PURPOSE OF REPORT

1. The purpose of this report is to enable the Council to reach a decision on its preferred arrangement for the remuneration of elected members for the 2006/07 financial year, taking into account the proposals recommended by each of the eight Community Boards.

EXECUTIVE SUMMARY

2. The Remuneration Authority has advised that the remuneration pool for the elected members of the Christchurch City Council and its eight community boards has been fixed at \$1,529,250 for the 2006/07 financial year and that the Mayor's gross salary has been fixed at \$151,330. This provides a pool of \$1,377,920 for distribution amongst councillors and community board members. In the case of the Mayor this figure represents the gross amount to be debited against the pool - the Mayor's net salary will be adjusted to reflect the fact that he has full private use of a car provided by the Council.
3. This represents an increase of \$59,306 in the 2005/06 pool of \$1,469,944. Owing to the timing of the notification of the increase in the pool, no provision for this increase was made in the 2006-16 LTCCP. This increase of \$59,306 will need to be added to the 2006/16 LTCCP.
4. Based on the rules and principles set by the Remuneration Authority the Council is now required to decide how it proposes to allocate the pool of \$1,377,920 amongst its elected members for the 2006/07 financial year and, once agreed, to submit its proposal to the Remuneration Authority for approval. It should be emphasised that the Remuneration Authority expects the pool to be fully allocated, and it is thus incumbent on the Council to revise the current salaries to reflect the full amount of the pool.
5. The Council's proposal must be approved by the Remuneration Authority before any amended salaries proposed by the Council can be implemented.

FINANCIAL AND LEGAL CONSIDERATIONS

6. The principal statutory provisions which apply in this instance are the Seventh Schedule of the Local Government Act 2002, and the Remuneration Authority Act 1977. Once this Council's 2006/07 remuneration proposal (or any variation thereof) has been approved by the Remuneration Authority, it will be gazetted via the Local Government Elected Members' Determination 2006.
7. Once the allocation of the increased pool has been decided by the Council and approved by the Remuneration Authority, it will be necessary to reflect the resulting expenditure in the nine different budget provisions for this item (Councillors and eight community boards).
8. There are some budgetary and rating implications associated with some of the salary options postulated in this report, ie:

Option	Additional Expenditure over and above draft LTCCP provision	Resulting Rate Increase
1	\$66,856	+0.036%
2	\$73,880	+0.040%
3	\$71,356	+0.038%
4	\$81,356	+0.044%
5	\$382,180	+0.204%
6	\$461,509	+0.247%
7	\$156,205	+0.084%
8	\$156,205	+0.084%
9	\$188,468	+0.100%
10	\$180,912	+0.097%

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9. In the draft LTCCP that went before the Council on 9 March 2006, the former Banks Peninsula District Council budgets were added to the CCC numbers at a global level, and were not separated out in any detail - this was due to the timing associated with the abolition of BPDC from 6 March 2006 and the release of the combined LTCCP on 28 March 2006. Since this report was sent to Community Boards, the budgets have been fully combined and information has now come to staff's attention that an amount of \$190,550 was provided in the CCC 2006/16 LTCCP for elected member remuneration from BPDC. The table below reflects the updated financial budgets.
10. The amounts shown in the second column below represent the total additional increase/decrease required over and above the amount currently provided in the draft LTCCP, and the associated rating implications.

Option	Additional Expenditure/Reduction to the draft LTCCP	Resulting Rate Increase/Decrease
1	-\$123,694	-0.066%
2	-\$116,670	-0.062%
3	-\$119,194	-0.064%
4	-\$109,193	-0.058%
5	\$191,630	+0.102%
6	\$270,959	+0.145%
7	-\$34,345	-0.018%
8	-\$34,345	-0.018%
9	-\$2,082	-0.001%
10	-\$9,638	-0.005%

11. Whilst the budgeted amount in the LTCCP is important, the critical determination is that of the Remuneration Authority which will determine the final amount the Council is able to spend and this will be the amount that we need to provide for in the 2006/16 LTCCP. The sum currently provided in the LTCCP exceeds the amount required to fund elected member salaries in 2006/07, within the available pool established by the RA. Therefore, the current provision may need to be reduced, unless the RA grants approval for more than 50% of the community board salaries to be paid outside the pool.
12. Some further additional expenditure (which is currently unbudgeted) will also be incurred if the present mileage and/or communications allowances are increased, ie:

Communications Allowance

- If the allowance is increased to \$150 per month for those elected members who currently receive it (councillors and community board chairs), there will be an increase of \$7,560 per annum.
- If the allowance is retained at the present level of \$120, but extended to include all elected members, there will be an increase of \$46,080 per annum.
- If the allowance is increased to \$150 per month, and is extended to include all elected members, there will be an increase of \$65,160 per annum.

Mileage Allowance

- The likely budget impact of the proposed increase in the mileage allowance to a flat rate of 70 cents per kilometre is difficult to predict, given that only one mileage claim has been submitted to date by an elected Banks Peninsula community board member. It should also be noted that some councillors and community board members do not claim mileage. Mileage payments totalling \$22,366 were made to councillors and community board members during the year ended 31 March 2006. As the Banks Peninsula Ward councillor and some Banks Peninsula community board members will incur substantial mileage in attending meetings etc, it is estimated that total mileage payments could increase to \$80,000, ie an increase of some \$58,000 per annum. This would require an increase of some \$17,000 in the 2006/07 budget provision for this item.

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CONCLUSION

13. It is recommended that the Council decide:
- (a) Which salary option it wishes to recommend to the Remuneration Authority.
 - (b) Whether or not it also wishes to recommend to the Remuneration Authority the proposed changes to mileage allowances and the communications allowance set out in the schedule attached to this report, or any variation thereof to permit a communications allowance to be paid to all community board members.

STAFF RECOMMENDATIONS

It is recommended that the Council:

- (a) Receive the information.
- (b) Adopt the salary only model as its basis of remuneration for elected members of the Christchurch City Council for the 2006/07 financial year.

Note: The remuneration framework requires all community board members to be paid an annual salary (ie there is no provision for the payment of meeting fees to community board members).

- (c) Agree that the remuneration pool for the 2006/07 financial year be allocated to elected members in accordance with the figures outlined in Option (*insert preferred option*) of this report.
- (d) Agree with the proposed rules and policies for the reimbursement of elected member expenses described in Appendix B of this report and refer them to the Remuneration Authority for approval.
- (e) Note that the Remuneration Authority must be advised of any dissent expressed by members of the Council or its community boards in relation to the Council's final proposal.

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BACKGROUND ON ELECTED MEMBERS' REMUNERATION 2006/07

14. The Remuneration Authority is responsible for setting the salaries of elected local government representatives (clause 6 of Schedule 7 of the Local Government Act 2002 refers).
15. A brief summary of the remuneration framework and the rules and principles which the Remuneration Authority works under is attached as Appendix A.
16. The Remuneration Authority revises remuneration pools annually, and each council is thus required to review its levels of remuneration prior to the start of each financial year, based on the new pool. Therefore, this report has been submitted to allow the Council to consider the allocation of the increased pool for the 2006/07 financial year. The salaries proposed will thus apply from 1 July 2006.
17. The Authority has now released the Christchurch City indicative pool for 2006/07, which amounts to:

Total pool	\$1,529,250
less Mayor's gross salary	\$151,330

Net pool available for Deputy Mayor, 12 Councillors, eight community board chairs and 32 community board members	\$1,377,920

18. This represents a total increase of **\$59,306** in this Council's remuneration pool.
19. Although included within the pool, the Mayor's salary is independently set by the Remuneration Authority.
20. It should also be noted that 50% of the total remuneration paid to community board chairs and elected (not Councillor appointments) community board members is paid outside the pool.
21. The pool is fixed by the Remuneration Authority relative to other councils and has regard to population, expenditure and assets. The merging of Christchurch City and Banks Peninsula does not produce a remuneration pool equal to the sum of the two separate pools.
22. Although the Mayor's salary is set by the Remuneration Authority, it is included within the pool. Where a Mayor has partial or full private use of a car provided by the Council (as is the case in Christchurch), the Mayor's gross salary is reduced by an amount which reflects both the extent of private use and the value of the car supplied.

DISCUSSION

Decisions to be Made

23. In preparing its proposal the Council is required to make the following decisions:
 - To decide whether the remuneration pool should be allocated on a salary only basis, or whether it should be a mix of salary and meeting fees.
 - To agree appropriate levels/rates for the different positions/roles on the Council and its community boards and, using that information, develop an option for the allocation of the money within the remuneration pool.

Basis of Remuneration

24. Although it is possible for the Council to recommend the payment of a mixture of salary and meeting fees to Councillors, community board members must be paid on a salary only basis, without meeting fees.

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Distribution Options

25. The allocation of the increased pool was discussed with Councillors and community board members at a seminar held on Thursday 16 March 2006. Three possible options for the allocation of the 2006/07 pool were presented at the seminar. Although the members present at the seminar did not indicate a preference for any of the three options presented, staff were requested to prepare some further options which:
- Provided for the chairs and members of the Banks Peninsula community boards to receive a salary equivalent to 80% of the salaries payable to the chairs and members of the metropolitan community boards.
 - Assumed that 75% (rather than the present 50%) of the salaries payable to the chairs and members of community boards can be paid outside the remuneration pool (this option being based on oral advice from two elected members that the Remuneration Authority had recently indicated that it might be possible for 75% of the community board salaries to be paid outside the pool, if the Council were to submit such a remuneration proposal).
26. In response to an earlier enquiry, the Chairman of the Remuneration Authority advised in May 2005 that:
- “Any increase in the pool arising from combining the two councils is unlikely to, in itself, be sufficient to meet the salary of a new councillor (at existing Christchurch rates) plus the salaries currently payable to the Banks Peninsula community boards. It may be necessary therefore for the Authority to consider, for example, allowing the funding of the two community boards to be met entirely from outside the pool. All this will require some detailed discussions with your council in due course.”*
27. The Chairman of the Remuneration Authority has since orally confirmed that, in recognition of Christchurch's unique situation with the recent dissolution of Banks Peninsula District, the Authority is prepared to consider making “special arrangements” on a transitional basis for 2006/07, including the possibility of a greater proportion than 50% of the community board remuneration being paid outside the pool, or, alternatively adjusting the pool to reflect the additional payments resulting from the inclusion of Banks Peninsula.
28. The Chairman has indicated that any such “special arrangement” would be for 2006/07 and would not be permanent. Given that any such proposal for an increased amount of community board remuneration to come outside the pool is for one year only and that in 2007/08 (assuming minimal change in the pool figure) the elected members will be facing the same situation as now with having to operate within the 50/50 split, the question needs to be asked why members reach an arrangement for 2006/07 which needs to be reviewed again for 2007/08. Members could decide now to reach a decision for 2006/07 based on the 50/50 split which means the formula arrived at will have long term stability and any difficulty in arriving at that formula will be for this year only.
29. Staff were also requested to confirm the amount of the total pool figure. Staff retained Mr John Mackey from Deloitte to review the setting of the pool figure. Following a comprehensive review, Mr Mackey has advised that the Remuneration Authority's calculation of the indicative remuneration pool for Christchurch City for the year ending 30 June 2007 appears to substantially comply with the legislation, and is materially correct.

Principles Applicable to this Remuneration Review

30. Given that the Council is required to make a recommendation to the Remuneration Authority as to how the pool is to be divided it is considered appropriate that before considering options elected members consider the principles which should guide them in their deliberations on this topic.

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31. It is considered that the following principles could be taken into account.

Principle: Remuneration for any elected position should be such as to attract people to hold office within the Council's governance structure so that remuneration should not limit the diversity of representation for councillor and community board positions.

Principle: Members with similar responsibilities should receive similar remuneration.

Principle: A differential rate of remuneration between the same class of elected member within the Council (e.g. councillor, community board chair or community board member) should exist only where it can be justified by reference to relevant differences.

Principle: Remuneration should be set at a level that acknowledges the impact that performing the role of an elected member has on personal lives and careers.

Principle: Remuneration should not be reduced part way through a three year electoral term, when that risk was not known to a candidate at the preceding election unless there are circumstances outside the Council's control.

Councillor Remuneration

32. At its meeting on 5 May 2005 the Council resolved to have a differential for the Deputy Mayor in recognition of her high workload and additional responsibilities.

33. At its meeting on 8 December 2005 the Council resolved that the Banks Peninsula Ward Councillor be remunerated at the same rate as the other Councillors on the basis that that Councillor has city wide responsibilities as well as the other Councillors.

34. The options below assume that the Council will not be changing its May and December 2005 resolutions in respect of these two positions.

Community Board Remuneration

35. At its meeting on 2 December 2004 the Council adopted a proposed remuneration structure which provided for the payment of salaries of \$32,500 and \$20,000 for community board chairs and members, respectively. Following representations to the Remuneration Authority, the Authority increased these salaries to the amounts shown below:

Position	2004 Salaries Proposed by CCC	2004 Salaries Fixed by Remuneration Authority
Community Board Chairs	\$32,500	\$35,000
Community Board Members	\$20,000	\$22,000

36. At the time, the Remuneration Authority advised that in approving these increases, it had been mindful of the following factors:

1. *The need to equitably distribute the pool following the reduction in the number of councillors.*
2. *The consequential increase in representational activities for community boards.*
3. *The role of the community boards as established by government policy and the Local Government Commission's determination regarding the Christchurch City representation review.*
4. *Representations made to the Remuneration Authority by community board members.*

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37. The Authority also went on to say that Christchurch is seen as a model for how the two arms of local representation can work effectively at the macro and micro levels, and that the adjustments made by the Authority were not major, but established a slightly more rational relativity.
38. An issue that arose at the seminar on 16 March 2006 was that of a differential between "City board members and chairs" and "Peninsula board members and chairs." At present City board members are paid \$22,450 per annum while Peninsula board members receive \$6,273 per annum. The figures for community board chairs are \$35,850 and \$11,412, respectively. These are relativities of 28% and 32% respectively.
39. Community boards have their respective roles set by the Local Government Act 2002 and the other legislation administered by the Council.
40. S. 52 of the Act provides that the role of a community boards is to:
- represent, and act as an advocate for, the interests of its community; and*
 - consider and report on all matters referred to it by the territorial authority, or any matter of interest or concern to the community board; and*
 - maintain an overview of services provided by the territorial authority within the community; and*
 - prepare an annual submission to the territorial authority for expenditure within the community; and*
 - communicate with community organisations and special interest groups within the community; and*
 - undertake any other responsibilities that are delegated to it by the territorial authority.*
41. That provision applies equally to all eight community boards. In addition the Council has given the same level of delegations to all eight boards. The Council's expectation of the workload of community boards as far as their delegated authorities is the same.

Land Area and Representation Ratios within each Community

42. At the seminar on Thursday 16 March 2006, I was asked to provide information relating to the land area of each community, and the number of residents represented by each community board member. The following table sets out this information:

Community	Land Area in Hectares	No of Members (including both elected and appointed members)	Population 2001 Census	No of Residents per member
Akaroa/Wairewa	94,320	6	3,027	505
Burwood/Pegasus	4,540	7	52,944	7,563
Fendalton/Waimairi	10,610	7	51,210	7,316
Hagley/Ferrymead	5,800	7	52,515	7,502
Lytelton/Mount Herbert	21,480	6	5,397	900
Riccarton/Wigram	9,800	7	54,939	7,848
Shirley/Papanui	9,660	7	53,304	7,615
Spreydon/Heathcote	4,490	7	51,306	7,329

43. Certainly while there are population differences between the Boards the question needs to be asked whether the democratic responsibilities and the Local Government Act responsibilities of a Peninsula Board member are any less because they represent fewer people. Apart from having more people to represent, a City board member does not have any greater governance responsibilities than a Peninsula board member.
44. The question also needs to be asked whether the responsibilities associated with the role of democratic representation is dependent on the number of constituents represented? If Christchurch is truly one city, the starting point surely would be equality of remuneration, except where a differential can be rationally justified. All Board members, regardless of the size of the population served by the Board need to have members fully engaged in their role and able to commit time to that role. Complex and contentious issues for a community board can arise from an area with a small population just as easily as an area with a large population. That can be more so where the small population area is developing and geographically is more challenging to administer.

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45. Regarding a perception that a larger population results in a higher workload, thereby justifying a higher level of remuneration, it must be borne in mind that at the present time the Council does not have any empirical data as to the workloads of elected members so that the "workload factor" should not be taken into account when the Council is setting remuneration. It has not been established with any certainty that having a greater population than another community board means the workload of a member of a board with a larger population is greater. In the absence of reliable data there is no rationale for a differential rate of payment for this reason.
46. Another factor to be borne in mind in setting remuneration is the geographical area of the community board areas. As can be seen from the table above the Lyttelton/Mt Herbert community is twice as large as the biggest City community while Akaroa/Wairewa is nine times larger. The travelling time for a Board member on the Peninsula in serving their constituents is greater than in a built up urban area. The ability to claim mileage is available equally to all Board members but should not recognition be given to the time physically spent travelling in addition to being present at meetings and engaging in Board business?

Auckland and Dunedin situations

47. Auckland City and Dunedin City have both urban and island/rural areas, and it is considered appropriate to look at the remuneration systems used by those two Councils.
48. In Auckland City, there are extremely small differences between the salaries paid to the chairs and members of the eight Isthmus community boards, compared with the salaries paid to the chairs and members of the two Hauraki Gulf community boards, despite the significant differences in their respective land area and population, as the following table discloses:

Position	Number of Positions	Current Salary
Isthmus Chairs	8	\$19,197
Isthmus Members	34	\$9,411
Waiheke Island Chair	1	\$18,070
Waiheke Island Members	4	\$8,690
Great Barrier Island Chair	1	\$18,070
Great Barrier Island Members	4	\$8,690

49. There are eight Isthmus community boards, and two Hauraki Gulf community boards, with the following land area and population:

Board/s	Land Area	Population
Isthmus	658 square km (total)	401,000 (total)
Waiheke Island	22 square km	7,000
Great Barrier Island	285 square km	1,100

50. The Chairman of the Remuneration Authority has orally advised that the small differentials which apply in the case of the Auckland City community boards are partly attributable to the fact that members of the two Hauraki Gulf community boards are required to spend considerable time travelling by ferry to attend meetings etc.
51. A similar situation applies in Dunedin City, where identical salaries are paid to the chairs, deputy chairs and members of all six Dunedin community boards, despite the substantial disparities in their land area and population, as the following table discloses:

Board	Land Area	Population	Number of Board Members	Salaries Applicable
Chalmers	78 square km	5,400	6	Chair \$17,303 Deputy Chair \$12,214 Member \$8,142
Mosgiel/Taieri	677 square km	15,100	6	
Waikouaiti Coast	515 square km	3,270	6	
Otago Peninsula	121 square km	4,230	6	
Saddle Hill	40 square km	5,130	6	
Strath Taieri	1,836 square km	650	6	

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Remuneration Options

52. Ten options are attached to this report, comprising:

Fully Compliant Options

53. The following four options are all fully compliant, in that they do not exceed the available pool:

- Option 1, which envisages a range of reductions for the positions of Deputy Mayor, Councillors, the chairs and members of metropolitan community boards and increases for the chairs and members of the Banks Peninsula boards.
- Option 2, which is based on the same percentage allocations of the pool as in 2005/06, with the same salaries being paid for the chairmen and members of all community boards.
- Option 3, which assumes that 50% of the pool is allocated to Councillors, and 27% to community board members, with the ratio between metropolitan and Banks Peninsula community board positions maintained near their present levels.
- Option 4, which is based on the assumption that the chairs and members of the Banks Peninsula community boards will be paid 80% of the salaries applicable in the case of the metropolitan boards (with 50% of the applicable salaries being paid outside the pool, as at present).

Non-Complying Options

54. The remaining six options listed below all exceed the available pool, by the amount shown in each case:

- Option 5 - this assumes the same relativities between all positions as shown in Option 3, and has been prepared on the basis that 75% of all community board salaries are paid outside the pool. Exceeds pool by \$233,274.
- Option 6 - this assumes that 75% of community board salaries are paid outside the pool, with the Banks Peninsula chairs and members being paid 80% of the metropolitan board salaries, with the salaries for the Deputy Mayor and Councillors being adjusted so that the pool is fully allocated. Exceeds pool by \$259,717.
- Option 7 - this assumes the continuation of the present (2005/06 salaries and 2006/07) but with more than 50% of the community board salaries being paid outside the pool. Exceeds pool by \$60,395.
- Option 8 - this assumes reductions of \$2,000 for Councillors, \$1,500 for metropolitan community board chairs and \$1,000 for metropolitan community board members, with the total amount resulting from these reductions being distributed to the chairs and members of the Banks Peninsula community boards, and with more than 50% of the Banks Peninsula community board salaries being paid outside the pool. Exceeds pool by \$48,395.
- Option 9 - this reflects the option recommended by the Akaroa/Wairewa Community Board. Exceeds pool by \$78,612.
- Option 10 - this reflects the mixed option recommended by both the Burwood/Pegasus and Hagley/Ferrymead Community Boards. Exceeds pool by \$74,833.

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Elected Member Allowances and Expenses

55. As part of its amended remuneration proposal, the Council is also required to seek the Remuneration Authority's approval for any amendments to the Schedule of Elected Member Allowances and Expenses previously approved by the Authority. The schedule attached as Appendix B is similar to the schedule previously approved by the Authority for 2005/06, with the following amendments:
- It provides for the payment of mileage allowance at a flat rate of 70 cents per kilometre for all qualifying travel, and clarifies the type of travel which qualifies for payment of mileage allowance.
 - It proposes an increase in the communications allowance from \$120 to \$150 per month.

Mileage Allowance

56. In September 2005, the Inland Revenue Department came out with new rules on mileage reimbursements for employees. Elected members are not, however, considered employees, but rather as "self employed" persons under the withholding tax regime. The IRD has indicated that it is reviewing mileage rates for self employed persons.
57. In the meantime, self employed persons may use the mileage rates published by the IRD, but only up to a maximum of 5,000 kilometres per year. If this is exceeded, the self employed person has the option of either using the specified rates up to 5,000 kilometres or, alternatively, claiming actual running expenses, apportioned for the percentage of business use. The mileage rates published by the IRD are:

Banded rate

1 to 3,000 kms	62 cents per km
3,001 kms and over	19 cents for each km over 3,000 (limited to 5,000 kms)

Flat rate

Any distance	28 cents per km (limited to 5,000 kms)
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58. It has been noted that these rates could disadvantage the Banks Peninsula Councillor and Banks Peninsula Community Board members, who are required to travel greater distances than their urban counterparts to attend Council meetings and other related events.
59. Subject to the approval of the Remuneration Authority, it would be possible for the Council to amend its expenses policy to provide for the payment of up to 70 cents per kilometre for **all** qualifying travel incurred by elected members in any one year (ie the 70 cent rate would be paid for all travel, and would not be reduced after the member/s concerned had travelled 3,000 kilometres in any one year, or stopped completely after the member/s had travelled 5,000 kilometres in any one year). In this instance, the term "qualifying travel" refers to travel associated with attendance at the meetings or events set out in the Schedule of Elected Member Allowances set out in Appendix B to this report. Before the Local Government Act 2002 came into force, members could only claim for attendance at formally convened council, committee or subcommittee meetings, which they were required to attend. However, subject to the approval of the Remuneration Authority, mileage allowance can now be paid for attendance at a wider range of meetings or events, and the list of meetings or events set out in Appendix B has therefore been expanded to recognise this.
60. A number of other councils (eg ECan) pay their members at the rate of 70 cents per kilometre, with no limit, in recognition of the long distances their members are required to travel on the local authority's business.

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61. The revised schedule of elected member allowances and expenses attached has therefore been amended to:
- Provide for the payment of a flat rate of 70 cents per kilometre for all qualifying travel.
 - Clarify the type of travel which qualifies for payment of the allowance of 70 cents per kilometre.

Communications Allowance

62. At present, a flat communications allowance of \$120 per month is payable to the Deputy Mayor, Councillors and community board chairs as a contribution towards:
- Home telephone line rental
 - Monthly cellphone base rental charge
 - Council related toll calls made from home telephone line
 - Call charges for Council related calls made from cellphone
63. It has been suggested that there is justification for an increase in the standard allowance of \$120, to reflect (inter alia) the high number of Council related cellphone calls made by elected members, and the fact that at least two Councillors have wireless cards for their laptops, enabling them to stay in touch while on the move. It has also been pointed out that every phone call from Akaroa to the city is a toll call.
64. In these circumstances, there appears to be ample justification for the communications allowance to be increased from \$120 to \$150 per month. If the payment of this allowance continues to be limited to the deputy mayor, councillors and the chairs of the eight community boards, such an increase would result in the following additional expenditure:

Total annual payments at \$150 a month	\$37,800
Present annual payments at \$120 a month	\$30,240
Additional expenditure	\$7,560 per annum

65. At the recent seminar, some community board members gave their opinion that payment of the communications allowance should be extended to include all community board members, rather than being limited to community board chairs. The following schedule sets out the additional expenditure which would result if this suggestion were to be adopted:

Amount of Monthly Allowance	Annual Expenditure if Limited to Deputy Mayor, Councillors and Community Board Chairs (21 positions)	Annual Expenditure if Extended to Include all Community Board Members (53 positions)
\$120	\$30,240	\$76,320
\$150	\$37,800	\$95,400

66. Any increase in communications allowance from \$120 to \$150 per month, and any increase to include community board members, is currently unbudgeted.

COMMUNITY BOARDS' RECOMMENDATIONS

67. The following table summarises the preferred option/s recommended by each community board, and some brief staff comments on each Board's preferred proposal:

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Akaroa/Wairewa Community Board

Board's Recommended Option/s regarding Salaries and Expenses	Board's Comments	Financial Implications								
<p>Has developed its own preferred option, referred to as Option 9 which envisages the payment of the following salaries:</p> <table> <tr> <td>Metro Community Board Chairs</td> <td>\$32,500</td> </tr> <tr> <td>Metro Community Board Members</td> <td>\$20,000</td> </tr> <tr> <td>Banks Peninsula Community Board Chairs</td> <td>\$26,000</td> </tr> <tr> <td>Banks Peninsula Community Board Members</td> <td>\$16,000</td> </tr> </table> <ul style="list-style-type: none"> Supports payment of mileage allowance at 70 cents per kilometre, with no upper limit, and the proposed increase in the communications allowance to \$150 per month, for the Deputy Mayor, Councillors and community board chairs. 	Metro Community Board Chairs	\$32,500	Metro Community Board Members	\$20,000	Banks Peninsula Community Board Chairs	\$26,000	Banks Peninsula Community Board Members	\$16,000	<ul style="list-style-type: none"> Considers that members of two Banks Peninsula boards should receive approximately 80% of the salaries paid to their metropolitan counterparts, given that all boards have the same delegations and responsibilities, and taking into account the fact that many Banks Peninsula board members will need to travel considerable distances to attend meetings, and constituent enquiries etc. 	<ul style="list-style-type: none"> Option 9 results in pool being over-expended by \$78,612. See paragraph 12 for estimated impact of increase in monthly communications allowance. See paragraph 12 for estimated impact of increase in mileage allowance to 70 cents per kilometre.
Metro Community Board Chairs	\$32,500									
Metro Community Board Members	\$20,000									
Banks Peninsula Community Board Chairs	\$26,000									
Banks Peninsula Community Board Members	\$16,000									

Burwood/Pegasus Community Board

Board's Recommended Option/s regarding Salaries and Expenses	Board's Comments	Financial Implications
<p>Option 7 for Mayor, Deputy Mayor, Councillors and metropolitan community boards</p> <p>Option 5 for Banks Peninsula Community Board chairs and members</p> <ul style="list-style-type: none"> Recommends that the status quo be retained for communications allowances (ie payment of an allowance of \$120 per month to Deputy Mayor, Councillors and community board chairs). Supports payment of a flat rate of 70 cents per kilometre for all qualifying travel. 	<ul style="list-style-type: none"> Considers that there should be no or a minimal reduction in the present salaries, given that the possibility of reductions was not known when the present members stood for election in 2004. 	<ul style="list-style-type: none"> Mixed option recommended by Board (Option 10) would result in total expenditure of \$2,027,805 for 2006/07, with more than 50% of the respective Board salaries being paid outside the pool. See paragraph 12 for estimated impact of increase in mileage allowance to 70 cents per kilometre.

Fendalton/Waimairi Community Board

Board's Recommended Option/s regarding Salaries and Expenses	Board's Comments	Financial Implications
<p>Option 7 (first preference)</p> <p>Option 8 (second preference)</p> <p>Option 1 (third preference)</p> <ul style="list-style-type: none"> Supports increase in mileage allowance to 70 cents per kilometre, with no upper limit. Supports increase in communications allowance to \$150 per month for Deputy Mayor, Councillors and community board chairs. Recommends that all community board members be provided with a jetstream connection by the Council. 	<ul style="list-style-type: none"> Considers that there should be no or a minimal reduction in the present salaries, given that the possibility of reductions was not known when the present members stood for election in 2004. 	<ul style="list-style-type: none"> Option 7 results in pool being over-expended by \$60,395. Option 8 results in pool being over-expended by \$48,395. Option 1 is fully compliant, and fully allocates the available pool. See paragraph 12 for estimated impact of increase in monthly communications allowance. See paragraph 12 for estimated impact of increase in mileage allowance to 70 cents per kilometre. Provision of a jetstream connection at \$40 per month for all community board members would involve additional expenditure of approximately \$15,360 per annum.

6 Cont'd

Hagley/Ferrymead Community Board

Board's Recommended Option/s regarding Salaries and Expenses	Board's Comments	Financial Implications
<p>Option 7 for Mayor, Deputy Mayor, Councillors and metropolitan community boards</p> <p>Option 5 for Banks Peninsula Community Board chairs and members</p> <ul style="list-style-type: none"> Recommends that the communications allowance remain at the present level of \$120 per month, but that the payment of such allowance be extended to include all elected community board members, bearing in mind the significant benefits which instant electronic communication provides for both Council staff and elected members. Supports payment of a flat rate of 70 cents per kilometre for all qualifying travel. 	<ul style="list-style-type: none"> Considers that there should be no or a minimal reduction in the present salaries, given that the possibility of reductions was not known when the present members stood for election in 2004. 	<ul style="list-style-type: none"> Mixed option (Option 10) recommended by Board would result in total expenditure of \$2,027,805 for 2006/07, with more than 50% of the respective Board salaries being paid outside the pool. See paragraph 12 for estimated impact of increase in monthly communications allowance. See paragraph 12 for estimated impact of increase in mileage allowance to 70 cents per kilometre.

Lyttelton/Mt Herbert Community Board

Board's Recommended Option/s regarding Salaries and Expenses	Board's Comments	Financial Implications
<p>Supports Akaroa/Wairewa proposal (Option 9)</p> <ul style="list-style-type: none"> Supports increase in mileage allowance to 70c per kilometre, with no upper limit. Recommends that communications allowance remain at \$120 per month, but that it be extended to include all elected community board members. 	<ul style="list-style-type: none"> Considers that members of two Banks Peninsula boards should receive approximately 80% of the salaries paid to their metropolitan counterparts, given that all boards have the same delegations and responsibilities, and taking into account the fact that many Banks Peninsula board members will need to travel considerable distances to attend meetings, and constituent enquiries etc. 	<ul style="list-style-type: none"> Option 9 results in pool being over-expended by \$78,612. See paragraph 12 for estimated impact of increase in monthly communications allowance. See paragraph 12 for estimated impact of increase in mileage allowance to 70 cents per kilometre.

Riccarton/Wigram Community Board

Board's Recommended Option/s regarding Salaries and Expenses	Board's Comments	Financial Implications
<p>Option 7</p> <p>Did not discuss or comment on proposed increases in mileage allowance and communications allowance</p>	<ul style="list-style-type: none"> Considers that there should be no or a minimal reduction in the present salaries, given that the possibility of reductions was not known when the present members stood for election in 2004. 	<ul style="list-style-type: none"> Option 7 would result in the pool being over-expended by \$60,395.

Shirley/Papanui Community Board

Board's Recommended Option/s regarding Salaries and Expenses	Board's Comments	Financial Implications
<p>Option 8</p> <ul style="list-style-type: none"> Requests that consideration be given to the payment of a monthly communications allowance to all Board members. 	<ul style="list-style-type: none"> Considers that there should be no or a minimal reduction in the present salaries, given that the possibility of reductions was not known when the present members stood for election in 2004. 	<ul style="list-style-type: none"> The adoption of Option 8 would result in the pool being over-expended by \$48,395. See paragraph 12 for estimated impact of increase in monthly communications allowance.

6 Cont'd

Spreydon/Heathcote Community Board

Board's Recommended Option/s regarding Salaries and Expenses	Board's Comments	Financial Implications
<p>Option 8</p> <ul style="list-style-type: none"> • Requests a redistribution of the communications allowance to include all elected members. • Requests the Council to "turn its mind" to enabling elected members to choose between receiving the mileage and/or communications allowances, depending on their needs and circumstances. 	<ul style="list-style-type: none"> • Considers that there should be no or a minimal reduction in the present salaries, given that the possibility of reductions was not known when the present members stood for election in 2004. 	<ul style="list-style-type: none"> • The adoption of Option 8 would result in the pool being over-expended by \$48,395. • Assumed that Board is requesting that present payments for communications allowance be redistributed to all members, so that total expenditure on this item remains at the present level of \$30,240 per annum. If this sum were to be shared amongst 51 (rather than 19 elected members) this would result in the payment of a reduced communications allowance of \$49.41 per month to the Deputy Mayor, Councillors, community board chairs and community board members. • Remuneration Authority is unlikely to approve an expenses policy that enabled elected members to choose whether they received a mileage allowance and/or communications allowance.

68. In summary, there is no consensus amongst the community boards on this remuneration issue. Taking each Board's first preferences where stated the Board's views are:

Akaroa/Wairewa: Option 9
 Burwood/Pegasus: Option 7 (Councillors + metro community Boards) and Option 5 for Peninsula Community Boards - Presented as Option 10.
 Fendalton/Waimairi: Option 7
 Hagley/Ferrymead: Option 7 + 5 (same as Burwood/Pegasus) - Presented as Option 10.
 Lyttelton/Mt. Herbert: Option 9
 Riccarton/Wigram: Option 7
 Shirley/Papanui: Option 8
 Spreydon/Heathcote: Option 8

69. Regarding monthly communications allowances the Board's views are:

Akaroa/Wairewa: Increase to \$150 for councillors and boards chairs. No allowance to Board members.
 Burwood/Pegasus: Status quo retained.
 Fendalton/Waimairi: \$150 for councillors and chairs only. Jetstream connection for Board members.
 Hagley/Ferrymead: \$120 extended to all Board members.
 Lyttelton/Mt. Herbert: \$120 to all Board members.
 Riccarton/Wigram: No change.
 Shirley/Papanui: Payment to all board members.
 Spreydon/Heathcote: Elected members choosing between mileage and communications.

6 Cont'd

Unanimity of the Council's Decision

70. In submitting its proposal the Council is required to notify the Remuneration Authority of:
 - (i) details of any dissent at Council, and
 - (ii) details of any dissent from its community boards.
71. Community boards and individual community board members (or any other person) also have the ability to express any opposing views they might have on the Council's final proposal direct to the Remuneration Authority.
72. If the Council's recommendations are unanimous and reasonable it is unlikely that the Commission will withhold its approval. It does, however, have the power to amend any proposal if the level of dissatisfaction is high or if the proposal is considered unreasonable.

CONCLUSION

73. The new salaries and expenses approved by the Remuneration Authority will apply from 1 July 2006.

7. CHRISTCHURCH CITY HOLDINGS LIMITED - STATEMENTS OF INTENT FOR SUBSIDIARY COMPANIES

General Manager responsible:	Bob Lineham, CEO, CCHL
Officer responsible:	As above
Author:	Richard Simmonds

PURPOSE OF REPORT

1. The purpose of this report is to seek the approval of the Council of draft Statements of Intent received from Council subsidiary companies Christchurch City Facilities Ltd ('CCFL') and Jade Stadium Ltd ('JSL'), and CCHL associate company Selwyn Plantation Board Ltd ('SPBL'), and to briefly comment on their year to date results.
2. The Sols of Lyttelton Port Company Ltd and Transwaste Canterbury Ltd will be presented to the Council for approval at a later meeting.

EXECUTIVE SUMMARY

Statements of Intent

3. The Council's subsidiary companies are required by statute to submit an annual Statement of Intent ('Sol') to their shareholders. An Sol must set out the entity's objectives and performance measures, as well as certain other information, and must be approved by the shareholder.
4. CCHL is required by the terms of its own constitution to forward the Sols of the trading companies to the Council for final approval. CCHL has, however, performed an initial review of these documents.
5. The draft Sols of all the above companies are attached.

RECOMMENDATIONS

It is recommended:

1. That the Council approve the draft Sols of Christchurch City Facilities Ltd, Jade Stadium Ltd and Selwyn Plantation Board Ltd
2. That CCHL be authorised to approve any subsequent minor changes to these Sols arising from the business planning and budgeting processes of the subsidiary companies (any major changes will be brought back to the Council for approval).

7 Cont'd

BACKGROUND ON CHRISTCHURCH CITY HOLDINGS LIMITED - STATEMENTS OF INTENT FOR SUBSIDIARY COMPANIES

6. The Local Government Act 2002 has imposed the following reporting and approval process for draft Sols. Schedule 8 of the Act provides:

“2. Statements of Intent for council-controlled organisations

The board of a council-controlled organisation must deliver to its shareholders a draft statement of intent on or before 1 March each year.

3. Completion of Statements of Intent

The board must:

(a) *Consider any comments on the draft statement of intent that are made to it within 2 months of 1 March by the shareholders or by any of them; and*

(b) *Deliver the completed statement of intent to the shareholders on or before 30 June each year.”*

7. Because of the timing requirements of the Act, only those CCTOs with March balance dates had completed their business planning and financial forecasts by the time they were required to submit their draft Sol. There is therefore a possibility that some CCTOs may seek to make changes to their draft Sol after they have been submitted to the Council but before the final Sol has been formally delivered to the shareholder.
8. If changes are made, and are considered to be material to the Council as ultimate shareholder, they will be brought back to the Council for further approval. If the changes are minor, it is recommended that CCHL be authorised to approve them.

CHRISTCHURCH CITY FACILITIES LTD STATEMENT OF INTENT

9. The format of the CCFL Sol has changed to reflect the increasing integration of its operations with sister company JSL. The main changes are:

Page 4 Amended introduction, and removal of an objective that is no longer applicable (to oversee the operations of NCC (New Zealand Ltd)).

Page 5 New section on ownership, governance and management.

Page 7 New section on nature and scope of activities.

Page 8 Reference to the adoption of international financial reporting standards from the 2007 financial year onwards. The resulting revaluation of land and buildings will lead to higher depreciation charges and higher non-cash deficits than previously forecast.

Page 9 Some new performance targets in respect of cultural event days, food and beverage spend per capita, occupancy percentages and event days.

10. Reference is made on page 11 to a valuation recently undertaken of the Council's investment in CCFL and its subsidiary companies (including Jet Engine Facility Ltd). The independently assessed fair value of the shares as at 30 June 2005 is \$92 million.

11. CCFL has had a successful half year to 31 December 2005, with revenues broadly consistent with the previous year (itself an exceptionally good year), although the large numbers of concerts held in the third quarter of the previous financial year were not repeated this year.

7 Cont'd

JADE STADIUM LTD STATEMENT OF INTENT

12. As noted above, the format of the JSL Sol has been amended in a manner consistent with CCFL's. The main changes are:
- Page 5 New section on ownership, governance and management.
 - Page 7 New section on nature and scope of activities.
 - Page 9 New performance targets include completion of feasibility and business case planning for redevelopment/expansion of east side stands, development of business plan for future cricket fixtures in Christchurch, winding up of Victory park Board by June 2007 and the securing of profitable and secure long term access agreements with the two anchor tenants CRFU and CCA.
13. The company has continued to operate successfully in the year to date, with revenue consistent with the previous year and a reduction in interest and depreciation costs. However, last year's result was significantly boosted by the All Blacks v Lions test in June 2005, and the full year is unlikely to match the overall result for the 2005 financial year.

SELWYN PLANTATION BOARD LTD STATEMENT OF INTENT

14. The main changes of significance in the Sol compared with the previous year are:
- Page 3 Updated paragraph included under "Nature and scope of activities" regarding the planned conversion of plains land to a form of pasture and/or cropping, and to allow for land disposal.
 - Page 3 New performance objectives to convert 800 hectares of land in 2006/07 and 400 in the following year.
15. Forestry trading conditions continue to be difficult, particularly as SPBL is only harvesting its plains forests (in line with its overall land conversion strategy) which yield lower grade and value logs. This, coupled with the high NZ/US exchange rate, high shipping rates and oversupplied log markets, has had a negative impact on revenues and profits. On the other hand, the land conversion process is going very well, with over 700 hectares in various stages of conversion.
16. As noted in CCHL's own Sol, the investment by CCHL in SPBL is not regarded as strategic, and options for divestment are being explored.

8. TRANSWASTE CANTERBURY LIMITED - STATEMENT OF INTENT

General Manager responsible:	Bob Lineham, Director of Strategic Investments
Officer responsible:	As above
Author:	Richard Simmonds

PURPOSE OF REPORT

1. The purpose of this report is to seek the approval of the Council of the draft Statement of Intent (attached) received from Transwaste Canterbury Ltd ('TCL') and to briefly comment on their year to date results.

RECOMMENDATION

It is recommended that the Council recommend to its representatives on the Canterbury Waste Subcommittee that they approve the draft Sol of Transwaste Canterbury Ltd.

BACKGROUND ON TRANSWASTE CANTERBURY LIMITED - STATEMENT OF INTENT

2. The Council owns a 37.85% shareholding in Transwaste Canterbury Ltd ('TCL'), a company established by a combination of local councils and two private sector companies to develop and operate a regional landfill.
3. The local councils, including Christchurch City Council, have established a Canterbury Waste Subcommittee ('CWSC') which, amongst other roles, monitors the activities of TCL. The CWSC comprises representatives from each of the council shareholders. However, this report is specifically directed to Christchurch City Council in its role as a 37.5% shareholder in TCL.

TRANSWASTE CANTERBURY LTD STATEMENT OF INTENT

4. Other than for the updating of the company's financial projections and dividends, there are no changes of substance compared with the previous year's SOI.
5. The company has prepared a new financial model in order to determine an appropriate level of charging and an appropriate return on investment for the shareholders.
6. The following table compares the current projections with those contained in last year's Sol:

Financial performance (\$'000s)

	2006/07	2007/08	2008/09
<i>Current forecast:</i>			
Revenue	23,730	26,717	28,565
EBIT	7,494	10,159	11,677
<i>Last year's forecast:</i>			
Revenue	20,503	20,872	-
EBIT	6,420	6,607	-

7. Forecast revenues and profits have improved, reflecting increased volumes and also the recently announced increase in gate prices.

8 Cont'd

8. The following table compares forecast dividends to all councils with last year's Sol:

Indicative dividends (\$'000s)			
	2006/07	2007/08	2008/09
Current forecast:			
Council dividends	2,005	2,889	3,354
Last year's forecast:			
Council dividends	2,005	2,876	1,801

9. Note that the above dividends are in respect of the councils' 50% share only – total dividends paid by TCL will be twice this amount. The Christchurch City Council's share of the currently forecast dividends is \$1,519K, \$2,189K and \$2,541 respectively.
10. It is noted that there are no significant changes in forecast dividends in the first two years, but a substantial increase in the third year (the earlier forecasts had been based on free cash flows rather than net profits, which meant that whenever TCL was faced with significant capital expenditure, the cash available for dividends fell sharply. The revised model effectively smooths out these fluctuations in dividends by basing them on forecast profit rather than cash flows).
11. The forecast equity ratio (shareholders funds to total assets) of 31% to 32% represents a relatively high level of debt (it currently stands at \$33 million). However, TCL's steady revenues and costs enable this level of gearing to be maintained. Additionally, the potential realisation of surplus farmland in future years would enable debt to be retired.
12. Paragraph 3.3 refers to the contracting out of the landfill and transport operations to Canterbury Waste Services Ltd ('CWS'). The ability of TCL to monitor and control these contracts, and ensure the level of return to CWS is not excessive is a critical element in TCL's ability to protect the interests of its shareholders. We are advised that CWS's reports are independently audited by appropriately qualified people as well as receiving detailed review by the TCL Board and advisers, and that the relationship is working well.
13. The company has operated successfully in its first half year of trading, with both revenues and waste volumes 2% higher than initially budgeted.

9. COUNCIL MEETING DATE TO APPROVE FINAL LTCCP

General Manager responsible:	General Manager Corporate Services, DDI 941-8540
Officer responsible:	General Manager Corporate Services
Author:	Roy Baker

PURPOSE OF REPORT

1. The purpose of this report is to clear up confusion regarding the date for the Council meeting to approve the final LTCCP, and to ensure that Activity Management Plans can be amended to reflect the final 2006-16 LTCCP.

EXECUTIVE SUMMARY

2. Two dates (Thursday 29 June and Friday 30 June) have been given for the Council meeting to approve the final LTCCP. It is recommended that Friday 30 June be the date to finalise the LTCCP as this will maximise the time staff have to finalise the LTCCP following the Council deliberations on 8 and 9 June.
3. The meeting set down for Thursday 29 June can be cancelled.
4. The Council is also requested to grant the General Manager Corporate Services delegated authority to amend Activity Management Plans on an ongoing basis, both to ensure alignment with the final LTCCP as well as ongoing quality control and alignment with any Council decisions after 1 July 2006.

STAFF RECOMMENDATIONS

It is recommended:

1. That the Council reschedule the Council meeting set down for 29 June to 30 June 2006 to make a decision on the 2006/16 LTCCP.
2. That the General Manager Corporate Services be delegated authority to amend Activity Management Plans on an ongoing basis, both to ensure alignment with the final LTCCP as well as ongoing quality control and alignment with any Council decisions after 1 July 2006.

10. DOG REGISTRATION FEES

General Manager responsible:	General Manager Regulation and Democracy Services, DDI 941 8549
Officer responsible:	Acting Inspections and Enforcement Manager
Author:	Mark Vincent, Team Leader Animal Control

PURPOSE OF REPORT

1. The purpose of this report is to consider proposed dog registration and related fees to recover the cost of dog and stock control and enforcement for the 2006/07 financial period.

EXECUTIVE SUMMARY

2. The Dog Control Act 1996 requires that:
 - 2.1 All dogs of greater age than three months be registered by 1 July each year with the authority in whose district the dog is ordinarily kept and, in the case of a young dog reaching registerable age after 1 July, before it attains the age of three months.
 - 2.2 The fees for dog registration set by an authority be publicly notified in a newspaper circulated within its district at least once in the month prior to the commencement of the registration year. (Reference Appendix 1 attached)

10 Cont'd

3. It has been the common practice of territorial authorities to send to each known dog owner in their area, an application form for dog registration by way of a reminder that registration is due. In Christchurch these forms are pre-printed with the dog and owner details, and also show the dog registration fees and other owner information required by the Dog Control Act 1996.
4. While the responsibility to register a dog rests with its owner and the Council is not required to post application forms, it is considered an advantage to do so in the effort to have dogs registered by 1 July each year.
5. It is intended that the total dog registration fee payable by each owner continue to be printed on the registration application form, and that dog registration information and the owner's legal responsibilities be also sent with the application form.
6. The Government's introduction of the national dog database and the micro-chipping of certain dogs, together with issues relating to the previous Banks Peninsula District Council, are included within the body of this report.

FINANCIAL AND LEGAL CONSIDERATIONS

7. The Dog Control Act 1996 requires dog owners to have their dogs micro-chipped in accordance with Section 36A, and in accordance with section 69A of the same Act the territorial authority shall micro-chip dogs prior to release from the dog shelter. Financial provision of \$25,000 in the 2005/06-capex budgets has been provided for the purchase of micro-chip equipment.
8. Section 35b of the Dog Control Act 1996 imposes a levy on territorial authorities in each financial year to fund the costs of maintaining the national dog database. This levy is currently calculated at \$32,888 for the Christchurch City Council for the 2006/07 period. This amount has already been provided for in the 2006/07 expenditure budget and with approximately 30,000 dogs this equates to \$1.10 per dog.
9. The Fourth Schedule of the Act lists the breeds and types of dogs that are banned from importation and which must wear a muzzle. Section 33C of the Act requires the Council to classify such breeds and types of dogs as menacing. Dogs classified as either dangerous or menacing from 1 December 2003 must be implanted with a micro-chip transponder within two months of 1 July 2006, as do dogs registered for the first time from 1 July 2006.
10. The Act also requires territorial authorities to micro-chip unregistered dogs that have been impounded on two or more occasions prior to their release from the shelter.
11. The period of 2002/03 was the last time the Council approved an increase in dog registration fees, this increase was \$10 per dog.

STAFF RECOMMENDATION

It is recommended that the Council adopt Option 1 as outlined in the report.

10 Cont'd

BACKGROUND AND ISSUES ON DOG REGISTRATION FEES

Dog Registration Policy

12. The Council on 23 April 1997 resolved:
- (a) That the Responsible Dog Ownership category be continued with a suitable concessionary fee as resolved by the Council from time to time.
 - (b) That the Council consider a considerable concessional neutering or spaying fee annually. This fee to be less than the standard registration fee, but greater than the Responsible Dog Owner fee. This to be a sufficiently large concession on the standard registration fee to give a strong incentive to neuter or spay the dog. The concession is to be provided from the Dog Control Account.
 - (c) That where a dog is released from the Council's dog shelter to a new owner, the new owner no longer be required to pay a standard release fee, but be required to pay the cost of registration (see note below).
 - (d) That where a dog is claimed by its owner from the Council's dog shelter, the dog will not be released from the shelter until all fees and charges have been paid or appropriate arrangements for payment made.

Note: Subsequently the Council at its meeting on 26 August 1999 adopted the recommendation to restore the standard release fee to release a dog to a new home. A standard release fee has been submitted as part of the recommended fee structure for 2006/07.

Banks Peninsula District Council policies

13. The previous Banks Peninsula District Council had a number of dog-related policies. For continuity and ease of administration, these should be discontinued after 30 June 2006. These include:
- (a) Selected Owner Policy – The criteria for being granted this status was set by the Council based on a good record of compliance with legislative requirements over at least two years, ownership of a dog in the district for at least one year and a means of containment of the dog(s) on the owner's property. This policy is very similar to the Christchurch City Responsible Dog Owner policy.
 - (b) Neutering dog policy – This policy provided a reduced fee for neutered and spayed dogs. This reduction acted as an incentive for owners to neuter dogs as neutering and spaying reduces the tendencies towards wandering and aggressive behaviour. A veterinarian's certificate will be required to establish proof of neutering or spaying. The Christchurch City Council provides an annual fee reduction of \$10 for dogs that have been neutered or spayed.
 - (c) Rural dogs – A reduced fee was set for dogs outside settlement areas in the district. This has been because historically most complaints have been generated by the actions of dogs at large in urban or semi urban areas. The rural dog fee, for the enlarged Christchurch City Council, is added for information in the body of this report.

Responsible Dog Ownership

14. Provision has again been made to allow for concessionary fees for those persons having been granted responsible dog owner status, in accordance with the criteria previously adopted by the Council. (Reference Appendix 1 attached)
15. The fee structure suggested rewards those granted the above status with a generous financial concession, with the second and subsequent dogs registered by the same owner receiving a greater concession than the first. To claim the concessionary fees, owners are required to register their dogs by 30 June each year.

10 Cont'd

16. There was insufficient time from the date of amalgamation, 6 March 2006, to have every Banks Peninsula dog owner complete the responsible dog ownership application form. Therefore, each Banks Peninsula dog owner with "Selected Owner Policy" status can (when the SOP status is deleted) be automatically granted "Responsible Dog Owner" Status (as specified under the current Christchurch City dog control policy) and receive the financial benefits that these other dog owners receive. These dog owners will be requested to complete a responsible dog owner application form. This application form requires the owner to correctly complete a questionnaire of dog ownership knowledge and agree to the status conditions (refer Appendix 2 attached).
17. Notwithstanding the fee advantage they may receive, a dog owner holding the responsible dog owner status who does not register their dog by the date required, has breached a status condition and stands to lose their status for up to two years.

Neutering/Spaying Concession

18. Of the 28,608 dogs currently on record, 16,678 are recorded as being neutered or spayed. While some owners may have been encouraged by the concession to have their dog neutered, the concession has mainly been a bonus for dog owners who may have had this procedure conducted on their dog anyway. No additional concession is offered to holders of responsible dog owner status where their dog/s are neutered or spayed.

Funding Policy

19. The Council continues to apply the 8% funding contribution from rates that reflects the "community good" towards the control and enforcement of dogs within the city. Considering the impact some high profile dog attacks have had on the community, it is appropriate this funding continue.

Micro-chipping of Dogs

20. As at 1 July 2006, in accordance with section 36A of the Dog Control Act 1996, a micro-chip transponder must be implanted in a dog that:
 - (a) is classified as dangerous under section 31 on or after 1 December 2003; or
 - (b) is classified as menacing under section 33A or section 33C on or after 1 December 2003; or
 - (c) is registered for the first time on or after 1 July 2006.

Dogs registered before 1 July 2006 are not required to be micro-chipped.

21. Additionally, in accordance with section 69A of the Dog Control Act 1996, dogs impounded must be micro-chipped and registered before release:
 - (1) A registered dog that has been impounded by a territorial authority under this Act may not be released to any person (other than for the purposes of destroying it) without first being implanted with a functioning micro-chip transponder of the prescribed type and in the prescribed manner.
 - (2) Subsection (1) does not apply to a registered dog that has been impounded by the territorial authority for the first time.

Cost of Non-Compliance

22. Section 36A of the Act requires a dog that has been classified as dangerous under section 31 of the Act to be micro-chipped. Where the owner of this dog fails to comply with this requirement and does not have the dog micro-chipped within the two months, there is a cost in terms of enforcement action against that owner for that non-compliance.
23. Like most enforcement issues, the cost of non compliance is very high and estimates show that the cost of non compliance of a breach of this section of the Act (micro-chipping of dogs) which are unrecoverable from this owner, are approximately \$100 per dog.

10 Cont'd

24. These costs are derived from: Administrative roles including - the extraction of data identifying the non compliance, posting of non compliance letters, follow up letters – including postage, allocation of officers' investigation, field officers' time to complete a property visits ensuring compliance is/isn't being met, issue of infringement notices, typing of infringement notices and follow up enforcement action of notices in the courts.
25. Similar costs would be involved in dealing with non-compliance of menacing dogs and dogs registered for the first time. Animal control officers are currently being trained as micro-chip inserters and will be able to offer this service to dog owners.

Working Dog Fee Category

26. The Christchurch City Council has not had a working dog fee category for 15 years.
27. The Banks Peninsula District Council provided a 50% subsidy from rates to fund the dog control activities. The expanded Christchurch City Council should adopt the same funding policy as mentioned in paragraph 19 and fund the Dog Control account by 8%. This will lead to an increase in fees charged to dog owners of the former Banks Peninsula District Council.

Working dogs – extract from the Dog Control Act 1996

28. The Dog Control Act 1996 refers to a working dog in relation to farms as: *(ii) Kept solely or principally for the purposes of herding or driving stock.*
29. Because of the rural nature of the previous Banks Peninsula District Council, it seems appropriate that the Council consider a new "working dog fee" category to address the needs of all rural dog owners.
30. There was insufficient time from the date of amalgamation, 6 March 2006, to have every farm property within the new Christchurch City Council area inspected to identify which dogs were "working dogs" and which dogs were pet dogs living in rural areas.
31. Therefore, dog registration data was examined and dog identified as likely to be used for "working" purposes, this data was extracted and these dogs can be granted a "working dog" status. Other owners whose dogs may qualify will be able to apply for this category at registration time.
32. In order to equate the benefits applied to former Banks Peninsula "rural" dogs with the Christchurch City fee structure, all former Banks Peninsula "rural" dogs not used exclusively as a "working dog" will assume the Responsible Dog Owner Status category.
33. Dogs in the "working dog" (a) category – guide dog, hearing ear dog or companion dogs. The Council's policy has been to exempt these dogs from any fees.
34. Over the next two years, officers will conduct annual property (farm or other premises) inspections to clearly establish those dogs used exclusively for working purposes (as defined by the Act) and those that are in fact pet dogs, which are outside of these criteria.
35. Estimates show that approximately 100 dogs within the Christchurch City Council area and 700 dogs within the Banks Peninsula District area could be affected by this category change. Because these figures are estimates, it is anticipated that only a small financial impact in revenue would result. This impact is 100 dogs @ \$47.00 = \$4700 and 200 dogs @ \$22.00 = \$4400 and 500 dogs @ \$16.00 = \$8000, a total of \$17,100 revenue.
36. Based on the same figures at the approved option 1 fees of 230 dogs @ \$25.00 = \$5750 and 570 dogs @ \$20.00 = \$11400, a total of \$17150 revenue.

10 Cont'd

Dog Registration Fee Comparisons

	Current				Proposed	
	CCC		BPDC		New CCC	
	Fees	Numbers	Fees	Numbers	Fees	Numbers
Standard dog fee	\$80	4356	\$50	471	\$85	4827
Desexed dog fee	\$70	6535			\$75	6535
Responsible dog owner						
1st dog	\$47	13911			\$52	13911
2nd and subsequent dog fee	\$32	3382			\$37	3382
Selected owner policy fee						
1st dog			\$30	131	\$52	131
2nd and subsequent dog fee			\$20	54	\$37	54
Rural dog fee						
1st dog			\$22	356	\$25	356
2nd and subsequent dog fee			\$16	513	\$20	513
Dangerous dog fee	\$120	47	\$75	2	\$120	49

Dangerous Dog Registration fee

37. Section 32(1)e of the Dog Control Act 1996 requires that the fee for a dog classified as "dangerous" shall be 150% of the fee that would apply if the dog were not classified as a dangerous dog. The Council currently has 49 dogs on its records that are classified as dangerous.

Stock Control

38. The cost of undertaking stock ranging and stock pound activities are required to be paid from rates and the net cost budgeted for the 2005/06-year was \$45,694.00. For the 2006/07 year this is budgeted to be \$45,000
39. Costs associated with stock ranging and the stock pound cannot be charged to the Dog Control Account.

ASSESSMENT OF OPTIONS

Option 1

- Provides for a **\$5 increase** across every known dog in the city for the 2006/07 period.
 - This increase includes the \$1.10 levy that the Council collects from dog owners for the maintenance of the national dog database.
 - This increase also covers the anticipated additional fuel costs, inflation and the additional costs of animal control and enforcement.
 - This increase meets the 2006/07 expenditure budget requirements.
- **Micro-chipping** – This increase will enable the Council to also provide free micro-chipping of those dogs that are required to be micro-chipped in accordance with sections 36A and 69A of the Act and any other dogs as owners require.
- **Penalty fee** - For the 2006/07 year it is proposed to apply a penalty fee to the registration of a dog that should have been registered by 1 July, but is not registered more than one month later (after 1 August). The penalty fee is limited to a maximum of 50% of the fee that would have been payable on the first day of the registration year. For 2006/2007 a penalty fee of \$30.00 per dog is recommended.

10 Cont'd

- **Working dog** - This category fee for those dogs as defined in the Dog Control Act 1996 "working dog" - subsection (b). This category has not been a component of the Council's fee structure in recent times, however, owing to the large increase in "working dogs" in the previous Banks Peninsula District Council's area. This category is recommended. Dogs in the Banks Peninsula District Council previously paid \$22 for the first dog and \$16 for subsequent dogs under the "rural dog" category. It is recommended that the registration fee for working dogs be \$25 for the first dog and \$20 for subsequent dogs under the "working dog" category.

Option 2

- Provides for a **\$3 increase** across every known dog in the city for the 2006/07 period.
 - This increase includes the \$1.10 levy that the Council collects from dog owners for the maintenance of the national dog database.
 - This increase also covers the increase in fuel costs, increase in corporate overheads, inflation and the additional costs of animal control and enforcement.
 - This increase excludes (micro-chipping) of dogs, which will have to be met directly by those dog owners affected by this legislation change.
 - This increase meets the 2006/07 expenditure budget requirements.
- **Micro-chipping** - Trained animal control officers can insert micro-chips in dogs and will be able to provide this service at \$20 for the first dog and \$12 each subsequent dog on a cost recovery bases.
- **Penalty fee** - For the 2006/07 year it is proposed to apply a penalty fee to the registration of a dog that should have been registered by 1 July, but is not registered more than one month later (after 1 August). The penalty fee is limited to a maximum of 50% of the fee that would have been payable on the first day of the registration year. For 2006/07 a penalty fee of \$30 per dog is recommended.
- **Working dog** - This category fee for those dogs as defined in the Dog Control Act 1996 "working dog" - subsection (b). This category has not been a component of the Council's fee structure in recent times, however, owing to the large increase in "working dogs" in the previous Banks Peninsula District Council's area. This category is recommended. Dogs in the Banks Peninsula District Council previously paid \$22 for the first dog and \$16 for subsequent dogs under the "rural dog" category. It is recommended that the registration fee for working dogs be \$25 for the first dog and \$20 for subsequent dogs under the "working dog" category.

Option 3

- Provides for a **\$1.10** increase across every known dog in the city for the 2006/07 period.
 - This increase is the Government levy that the Council collects from dog owners for the maintenance of the national dog database.
 - In addition to this increase, another increase of \$5.75 for the standard dog category registration fee, this will mean a total increase of \$6.85 for "standard dog" category owners for the period.
 - This increase also covers the increase in fuel costs, increase in corporate overheads, inflation and the additional costs of animal control and enforcement.
 - This increase excludes (micro-chipping) of dogs, which will have to be met directly by those dog owners affected by this legislation change.
 - This increase meets the 2006/07 expenditure budget requirements.

10 Cont'd

- **Micro-chipping** - Trained animal control officers can insert micro-chips in dogs and will be able to provide this service at \$20 for the first dog and \$12 each subsequent dog on a cost recovery bases.
- **Penalty fee** - For the 2006/07 year it is proposed to apply a penalty fee to the registration of a dog that should have been registered by 1 July, but is not registered more than one month later (after 1 August). The penalty fee is limited to a maximum of 50% of the fee that would have been payable on the first day of the registration year. For 2006/07 a penalty fee of \$30 per dog is recommended.
- **Working dog** - This category fee for those dogs as defined in the Dog Control Act 1996 "working dog" - subsection (b). This category has not been a component of the Council's fee structure in recent times, however, owing to the large increase in "working dogs" in the previous Banks Peninsula District Council's area. This category is recommended. Dogs in the Banks Peninsula District Council previously paid \$22 for the first dog and \$16 for subsequent dogs under the "rural dog" category. It is recommended that the registration fee for working dogs be \$25 for the first dog and \$20 for subsequent dogs under the "working dog" category.

Preferred option

40. It is recommended that the Council adopt Option 1, with all dog owners having an increase in dog registration fees for the period 2006/07 of \$5.00 per dog from 1 July 2006.

ASSESSMENT OF OPTIONS**The Preferred Option – Option 1**

	Benefits (current and future)	Costs (current and future)
Social	Provides a robust application of the legislation to effectively manage and achieve an outcome Meets the needs of dog owners as a result of new legislation changes	It is not likely legislation will change significantly to increase costs any further.
Cultural	As above	As above
Environmental	There are no identified environmental impacts	There are no identified environmental impacts
Economic	The financial burden for the cost of animal control and enforcement is shared amongst all dog owners.	Costs continue to increase as legislation changes.
<p>Extent to which community outcomes are achieved:</p> <p>Impact on Council's capacity and responsibilities:</p> <p>Effects on Maori: There are no specific impacts on Maori that are different to those to be experienced by other ethnic groups</p> <p>Consistency with existing Council policies: The Council has resolved that the animal control section be financially funded from rates by 8% which is recognition as resulting in the community benefits.</p> <p>Views and preferences of persons affected or likely to have an interest: This report has been prepared with the knowledge that many in the Council's farming community may have reservations and resistance to having their dogs micro-chipped, as a result of these new laws, and the financial impacts imposed on them, option 1 may dispel these reservations.</p> <p>Other relevant matters: There are no other relevant matters identified.</p>		

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Option 2 (If Not Preferred Option)

	Benefits (current and future)	Costs (current and future)
Social	Provides a robust application of the legislation to effectively manage and achieve an outcome Meets the needs of dog owners as a result of new legislation changes	It is not likely legislation will change significantly to increase costs any further.
Cultural	As above	As above
Environmental	There are no identified environmental impacts	There are no identified environmental impacts
Economic	The financial burden for the cost of animal control and enforcement is shared amongst all dog owners.	Costs continue to increase as legislation changes.
<p>Extent to which community outcomes are achieved:</p> <p>Impact on Council's capacity and responsibilities:</p> <p>Effects on Maori: There are no specific impacts on Maori that are different to those to be experienced by other ethnic groups</p> <p>Consistency with existing Council policies: The Council has resolved that the animal control section be financially funded from rates by 8% which is recognition as resulting in the community benefits.</p> <p>Views and preferences of persons affected or likely to have an interest: This report has been prepared with the knowledge that many in the Council's farming community may have reservations and resistance to having their dogs micro-chipped as a result of these new laws, and the financial impacts imposed on them, option 2 may increase these reservations and result in non compliance.</p> <p>Other relevant matters: There are no other relevant matters identified.</p>		

10 Cont'd

Option 3

	Benefits (current and future)	Costs (current and future)
Social	Provides a robust application of the legislation to effectively manage and achieve an outcome Meets the needs of dog owners as a result of new legislation changes	It is not likely legislation will change significantly to increase costs any further.
Cultural	As above	As above
Environmental	There are no identified environmental impacts	There are no identified environmental impacts
Economic	The financial burden for the cost of animal control and enforcement is shared amongst all dog owners.	Costs continue to increase as legislation changes.
<p>Extent to which community outcomes are achieved:</p> <p>Impact on Council's capacity and responsibilities:</p> <p>Effects on Maori: There are no specific impacts on Maori that are different to those to be experienced by other ethnic groups</p> <p>Consistency with existing Council policies: The Council has resolved that the animal control section be financially funded from rates by 8% which is recognition as resulting in the community benefits.</p> <p>Views and preferences of persons affected or likely to have an interest: This report has been prepared with the knowledge that many in the Council's farming community may have reservations and resistance to having their dogs micro-chipped, as a result of these new laws.</p> <p>Other relevant matters: There are no other relevant matters identified.</p>		

11. NOMINATION OF REPLACEMENT CHRISTCHURCH CITY COUNCIL DIRECTOR FOR THE CANTERBURY DEVELOPMENT CORPORATION BOARD

General Manager responsible:	General Manager Strategic Development, DDI 941-8474
Officer responsible:	General Manager Strategic Development
Author:	Ian Hay

PURPOSE OF REPORT

1. The purpose of this report is to seek a Christchurch City Council nomination for a replacement director on the Canterbury Development Corporation (CDC) Board, to fill the vacancy created by the recent resignation of Councillor Broughton.

EXECUTIVE SUMMARY

2. Under the CDC Trust constitution the Christchurch City Council has the right to nominate for appointment three of the seven directors of the CDC. The trustees then review and ratify appointments taking into account the balance and mix of skills required for the Board.
3. The current Christchurch City Council nominated directors are the Mayor and Councillor Harrow, with the third Christchurch City Council position vacant owing to the recent resignation of Councillor Broughton.
4. The Christchurch City Council nominated directors do not need to be elected members but a close relationship and understanding of how the CDC contributes to the broader city economic and community outcomes is useful.
5. The CDC Trust has a duty to ensure that an appropriate and broad range of skills is available to the board to enable it to discharge its obligations in the economic and workforce development areas.
6. Practical business experience in operating and managing a company and understanding of employment development issues is useful in enabling directors to quickly come up to speed and contribute to the wide range of issues dealt with by the board.

FINANCIAL AND LEGAL CONSIDERATIONS

7. The nomination of a Christchurch City Council representative has no financial implications for the Christchurch City Council.

STAFF RECOMMENDATIONS

It is recommended that the Council consider and nominate an appropriate Councillor to the CDC Trust for appointment to the CDC Board.

MAYOR'S AND DEPUTY MAYOR'S RECOMMENDATION

That Councillor Shearing be nominated as the third Council representative.

12. NOTICES OF MOTION

13. QUESTIONS

14. RESOLUTION TO EXCLUDE THE PUBLIC

Attached.