

Auckland Regional Council

Financial Management Report

March 2010

TABLE OF CONTENTS

1.	Executive Summary	1
1.1.	Operating Result	1
1.2.	Rates Collection (all figures include GST)	1
SECTION 1:	FINANCIALS	3
2.	Financial Performance and Financial Position	5
2.1.	Financial Performance by Department	5
2.2.	Financial Performance by Revenue and Expenditure Type	7
2.2.1.	Occupancy Costs	8
2.2.2.	Revenue	8
2.2.3.	Expenditure	9
2.3.	Financial Position	10
2.4.	Stormwater and Transport Grant Liabilities	11
2.5.	Capital Expenditure (Net of Disposals)	11
2.6.	Accounts Receivable	12
2.6.1	Rates	12
2.6.2	Other Debtors (Excluding rates).....	13
2.7	Treasury	14
2.8	Overview of Performance by Department / Programme	15
2.8.1	Policy and Planning	15
2.8.2	Transport and Urban Development.....	16
2.8.3	Regulatory Services	17
2.8.4	Programmes and Partnerships.....	18
2.8.5	Parks.....	19
2.8.6	Human Resources.....	20
2.8.7	Corporate Services.....	21
2.8.8	Chief Executive’s Office.....	22
3	Financial Appendices	23
3.6	Appendix A – Consents	23
3.7	Appendix B – Debtors with Balances over \$5,000 and 4+ Months Overdue	24
3.8	Appendix C – Additional Treasury Tables.....	29
3.8.1	Return on investments.....	29
3.8.2	Cost of Funds.....	29
3.8.3	Counterparty Credit Risk.....	29
3.8.4	Funding Facilities.....	30
3.8.5	Cashflow statement and forecast.....	31

SECTION 2: PERFORMANCE BY PROGRAMME / DEPARTMENT. 33

4.	Overview of Performance by Department / Programme.....	35
4.1.	Policy and Planning.....	35
4.1.1.	Environmental Policy Programme.....	35
4.1.2.	Monitoring and Research Programme.....	36
4.1.3.	Regional Strategy Programme.....	37
4.1.4.	Regional Policy Programme.....	37
4.2.	Transport and Urban Development.....	38
4.2.1.	Transport Policy.....	38
4.2.2.	Policy Implementation.....	38
4.2.3.	Urban Development.....	38
4.3.	Regulatory Services.....	39
4.3.1.	harbourmaster programme.....	39
4.3.2.	Compliance.....	40
4.3.3.	Investigation and Enforcement.....	42
4.3.4.	consents.....	43
4.3.5.	Emergency Management.....	45
4.4.	Programmes and Partnerships.....	45
4.4.1.	Environmental Programmes.....	45
4.4.2.	Partnerships and Community Programmes.....	47
4.4.3.	Heritage Programme.....	49
4.4.4.	Biosecurity Programme.....	49
4.4.5.	Economic Development Programme – AucklandPlus.....	50
4.4.6.	Tourism Programme.....	50
4.4.7.	Maori Relations Programme.....	51
4.5.	Parks.....	51
4.5.1.	Northern Sector Programme.....	51
4.5.2.	Southern Sector Programme.....	52
4.5.3.	Western Sector Programme.....	52
4.5.4.	Botanic Gardens Programme.....	53
4.5.5.	planning & Research programme.....	53
4.5.6.	Acquisition & Property Management Programme.....	54
4.5.7.	Asset Management Programme.....	55
4.5.8.	Visitor Services Programme.....	55
4.5.9.	Capital Expenditure.....	56
4.5.10.	farming Programme.....	57
4.5.11.	mt smart programme.....	57
4.6.	Human Resources.....	58
4.6.1.	Health and Safety.....	58
4.7.	Corporate Services.....	59
4.7.1.	Communications and Marketing.....	59
4.7.2.	Contact Centre.....	60
4.7.3.	Information and Communications Technology.....	61
4.7.4.	revenue, planning and operations programme.....	61

4.7.5.	Finance	62
4.8.	Chief Executive's Office	63
4.8.1.	Organisational Policy and Strategy.....	63
4.8.2.	Democracy Services	63
4.8.3.	ccos	64
4.8.4.	arta opex and capex	64

1. EXECUTIVE SUMMARY

1.1. OPERATING RESULT

The year to date net operating surplus for the nine months ending 31 March 2010 is \$21.5 million compared with the amended plan net operating surplus of \$7.3 million.

Key contributors to the \$14.2 million year to date favourable position are:

- ARTA's operating expenditure is favourable to plan by \$7.6 million, which is offset by the below plan drawdowns of \$7.6 million from ARH.
- A 0.4 million favourable variance in Grants & Subsidies due to the timing of the actual drawdowns compared to plan.
- A 0.8 million favourable variance in Sundry Operating Income compared to plan, mainly due to the timing of receipts compared to timing envisaged in the plan.
- A \$0.7 million favourable variance in human resources costs mainly due to higher levels of vacancies than assumed in the plan.
- A \$2.0 million favourable variance in Professional Fees against plan, mainly in Policy & Planning, Regulatory Services, Parks and Corporate Services.
- A \$0.6 million favourable variance in Printing & Office Supplies compared to plan, due mainly to more documents being printed in-house.
- A \$0.7 million lower than plan spend on Repairs & Maintenance, mainly in Parks.

1.2. RATES COLLECTION (ALL FIGURES INCLUDE GST)

A net total of \$175.2 million has been invoiced in respect to rates since 1 July 2009 (March 2009: \$166.65million) with a total of \$160.7 million (91.7%) having been collected year to date.

At 31 March 2010, total rates outstanding are \$17.7 million. However after allowing for agreed future payment commitments, the net total reduces to \$11.5 million (current year \$8.0 million; previous years \$3.5million) (March 2009: \$16.6 million).

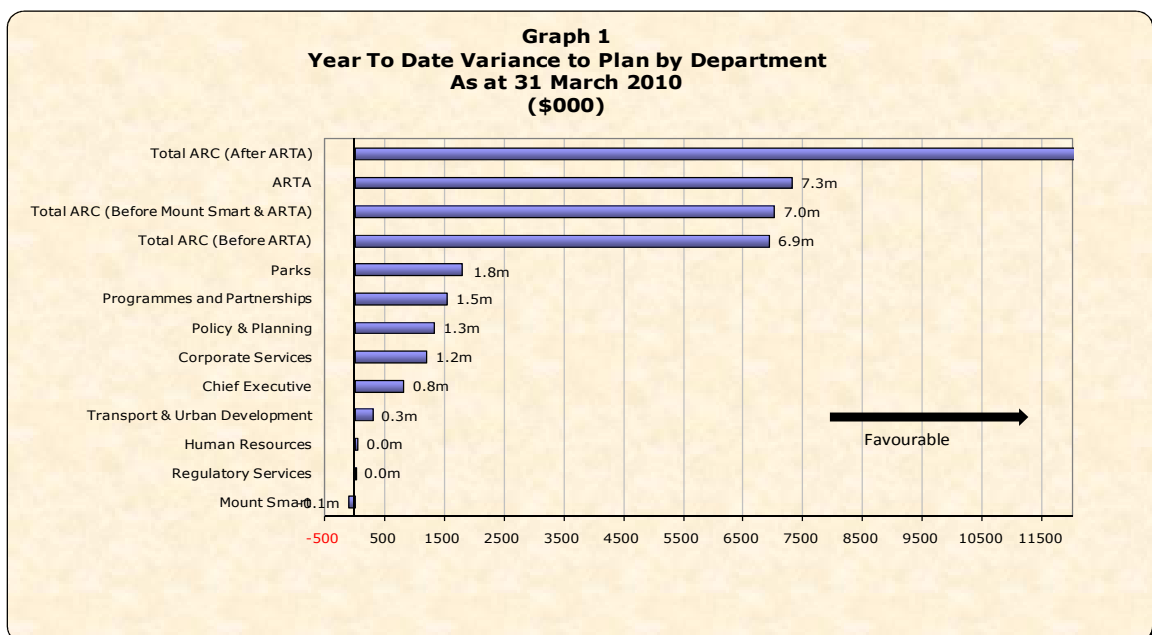
The current year net outstanding rates after future payment commitments represents 4.5% (March 2009: 4.6%) of the invoiced amount.

SECTION 1: FINANCIALS

2. FINANCIAL PERFORMANCE AND FINANCIAL POSITION

2.1. FINANCIAL PERFORMANCE BY DEPARTMENT

	Month			Year To Date			Full Year	
	Actual	Amended Plan	Variance Fav/(Unfav)	Actual	Amended Plan	Variance Fav/(Unfav)	Amended Plan	Original Plan
Policy & Planning								
Revenue	24	119	(95)	779	518	261	772	524
Expenditure	1,428	2,012	584	10,804	11,874	1,070	17,808	17,472
Net Operating Surplus/(Deficit)	(1,404)	(1,893)	489	(10,025)	(11,356)	1,331	(17,036)	(16,948)
Transport & Urban Development								
Revenue	75	49	26	20,597	20,436	161	20,583	20,451
Expenditure	569	651	82	3,771	3,899	128	5,919	4,919
Net Operating Surplus/(Deficit)	(494)	(602)	108	16,826	16,537	289	14,664	15,532
Regulatory Services								
Revenue	976	1,044	(68)	8,591	9,553	(962)	12,748	12,748
Expenditure	1,282	1,345	63	10,423	11,389	966	15,245	15,354
Net Operating Surplus/(Deficit)	(306)	(301)	(5)	(1,832)	(1,836)	4	(2,497)	(2,606)
Programmes and Partnerships								
Revenue	497	238	259	2,975	2,042	933	4,150	5,895
Expenditure	1,538	2,210	672	11,941	12,549	608	18,932	20,296
Net Operating Surplus/(Deficit)	(1,041)	(1,972)	931	(8,966)	(10,507)	1,541	(14,782)	(14,401)
Parks								
Revenue	847	731	116	5,861	5,713	148	8,604	8,604
Expenditure	2,964	2,832	(132)	21,398	22,950	1,552	31,053	30,733
Net Operating Surplus/(Deficit)	(2,117)	(2,101)	(16)	(15,537)	(17,237)	1,700	(22,449)	(22,129)
Human Resources								
Revenue	-	-	-	-	-	-	-	-
Expenditure	3	112	109	427	466	39	1,112	959
Net Operating Surplus/(Deficit)	(3)	(112)	109	(427)	(466)	39	(1,112)	(959)
Corporate Services								
Revenue	14,036	14,056	(20)	126,804	126,477	327	168,679	169,000
Expenditure	2,712	2,975	263	24,226	25,103	877	33,449	33,473
Net Operating Surplus/(Deficit)	11,324	11,081	243	102,578	101,374	1,204	135,230	135,527
Chief Executive								
Revenue	88	75	13	50,465	58,066	(7,601)	60,666	60,666
Expenditure	12,942	14,345	1,403	111,592	127,320	15,728	188,501	188,561
Net Operating Surplus/(Deficit)	(12,854)	(14,270)	1,416	(61,127)	(69,254)	8,127	(127,835)	(127,895)
Net Operating Surplus/(Deficit)	(6,895)	(10,170)	3,275	21,490	7,255	14,235	(35,817)	(33,879)



The year to date net operating surplus for the nine months ending 31 March 2010 is \$21.5 million compared with the amended planned net operating surplus of \$7.3 million.

Key departmental variances against year to date plan are as follows:

- A \$8.1 million favourable variance in the CEO's office, due primarily to ARTA capex and opex under-spends against plan, partially offset by a lower than planned opex drawdown from ARH.
- A \$1.2 million favourable to plan in Corporate Services, mainly attributable to below plan spend on Professional Fees, Printing & Office Supplies and Other Expenditure.
- A \$1.3 million favourable to plan in Policy & Planning due to lower than plan spend on Professional Fees and Human Resource Costs and unplanned Sundry Operating Income.
- A \$1.5 million favourable variance in Programmes & Partnerships, due mainly to timing differences in some of the programmes, in particular landfills and Biosecurity and the uplift of grants (EIF, Coastal).
- A \$1.7 million favourable variance in Parks due to Waitawa logging operation being postponed because of unfavourable timber prices, a reduction in interest and principal servicing expenses due to the unspent capital expenditure on Park acquisition and lower repairs and maintenance costs against planned works across sectors, delays in expenditure on the Mt Smart Management Plan and Regional Parks Management Plan, lower than planned professional services costs associated with visitor services and property management activities.

2.2. FINANCIAL PERFORMANCE BY REVENUE AND EXPENDITURE TYPE

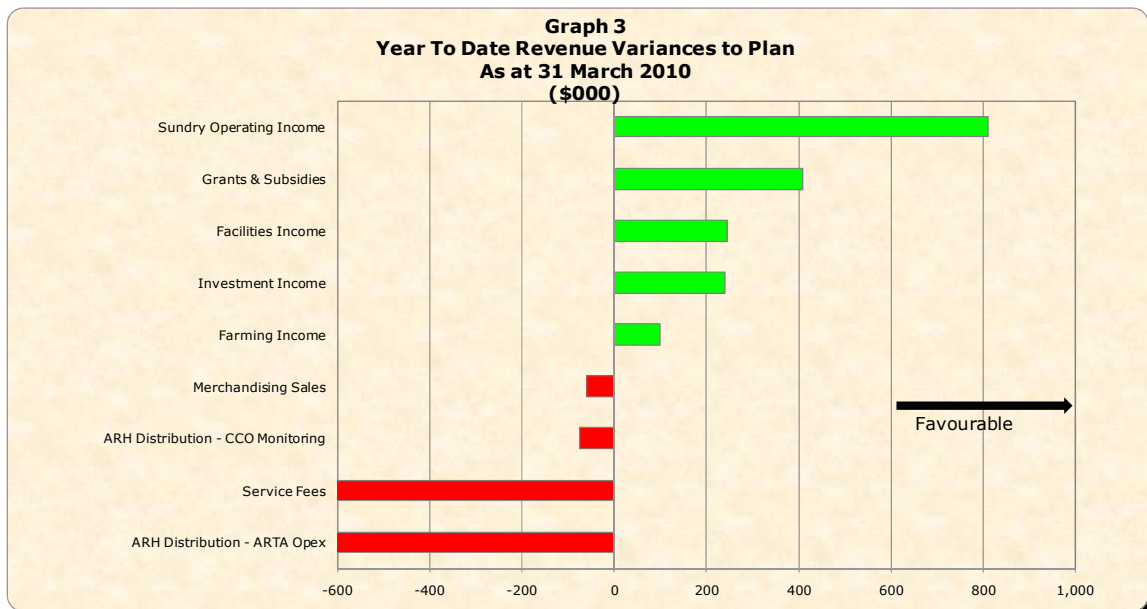
	Month			Year to Date			Full Year	
	Actual	Amended Plan	Variance Fav/(Unfav)	Actual	Amended Plan	Variance Fav/(Unfav)	Amended Plan	Original Plan
Revenue								
Rates Income	12,924	12,924	-	116,313	116,313	-	155,085	155,085
ARH Distribution - ARTA Opex	-	-	-	20,610	28,138	(7,528)	28,138	28,138
ARH Distribution - ARTA Capex	-	-	-	23,968	23,968	-	25,912	25,912
ARH Distribution - CCO Monitoring	88	75	13	887	961	(74)	1,615	1,615
ARH Distribution - Stormwater	190	190	-	1,603	1,603	-	3,514	3,514
ARH Distribution - Other	-	-	-	20,000	20,000	-	20,000	20,000
Investment Income	425	446	(21)	4,122	3,882	240	5,245	5,245
Service Fees	1,120	1,191	(71)	9,774	10,649	(875)	14,272	14,182
Facilities Income	732	701	31	6,416	6,172	244	8,376	8,443
Grants & Subsidies	255	345	(90)	8,285	7,875	410	8,869	10,581
Farming Income	260	150	110	679	580	99	961	961
Merchandising Sales	12	19	(7)	97	156	(59)	186	186
Sundry Operating Income	323	57	266	1,386	576	810	1,451	1,447
Total Revenue	16,329	16,098	231	214,140	220,873	(6,733)	273,624	275,309
Expenditure								
Technical Services	838	1,033	195	4,778	4,678	(100)	7,975	7,687
Professional Services	582	982	400	3,833	5,125	1,292	8,062	7,230
Contracted Services	1,017	1,624	607	8,434	9,228	794	13,607	14,402
Total Professional Fees	2,437	3,639	1,202	17,045	19,031	1,986	29,644	29,319
ARTA Funding Grants - Opex	7,674	8,928	1,254	65,968	74,829	8,861	102,393	102,393
ARTA Funding Grants - Capex	4,968	4,888	(80)	42,745	48,723	5,978	79,893	79,893
Funding Grants - Stormwater	10	20	10	41	20	(21)	1,387	1,387
Grants & Subsidies - Other	15	211	196	327	609	282	774	724
Human Resources	4,422	4,524	102	37,545	38,221	676	50,996	51,301
Development & Travel Expenses	63	87	24	677	765	88	983	1,229
Farming Cost of Sales	203	55	(148)	187	200	13	249	249
Materials	128	135	7	791	932	141	1,400	1,402
Printing and Office Supplies	119	323	204	895	1,487	592	2,033	2,047
Fuel and Power	69	61	(8)	508	551	43	756	753
Repairs and Maintenance	644	618	(26)	3,592	4,280	688	5,795	5,757
Communications	106	118	12	1,020	1,144	124	1,483	1,483
Information Systems	285	349	64	3,025	3,256	231	4,553	4,575
Occupancy Costs	537	458	(79)	4,674	4,128	(546)	5,526	5,446
Other Expenditure	377	524	147	2,919	3,725	806	5,318	4,983
Merchandising Cost of Sales	9	10	1	56	74	18	100	100
Vehicle Expenditure	101	120	19	896	1,048	152	1,408	1,398
Interest & Bank Charges	401	467	66	3,686	3,917	231	5,794	5,794
Depreciation	656	739	83	6,057	6,681	624	8,955	8,955
Total Expenditure	23,224	26,274	3,050	192,654	213,621	20,967	309,440	309,188
Net Operating Surplus/(Deficit)	(6,895)	(10,176)	3,281	21,488	7,252	14,236	(35,816)	(33,879)

2.2.1. OCCUPANCY COSTS

Occupancy Costs Breakdown As at 31 March 2010 (\$000)						
	Month			Year to Date		
	Actual	Amended Plan	Variance Fav/(Unfav)	Actual	Amended Plan	Variance Fav/(Unfav)
Pitt St Occupancy Breakdown						
Rent	325	234	(91)	2,727	2,102	(625)
Operating Expenses	116	116	-	1,044	1,044	-
Cleaning	13	14	1	131	128	(3)
Building Security	2	2	-	16	20	4
Other Occupancy Costs	(18)	-	18	4	5	1
Total Pitt St Occupancy Costs	438	366	(72)	3,922	3,299	(623)
Non Pitt St Occupancy Breakdown						
Rent	18	20	2	168	177	9
Operating Expenses	6	7	1	71	67	(4)
Cleaning	12	21	9	155	168	13
Building Security	10	8	(2)	92	93	1
Water Rates	37	13	(24)	120	149	29
Other Occupancy Costs	17	22	5	146	175	29
Total Non Pitt St Occupancy Costs	100	91	(9)	752	829	77
Total Occupancy Costs	538	457	(81)	4,674	4,128	(546)

Occupancy costs for Pitt Street is unfavourable for the nine months ended 31 March 2010, due primarily to the rent increase of 354k. Arbitration is planned for June 2010 to resolve this issue.

2.2.2. REVENUE

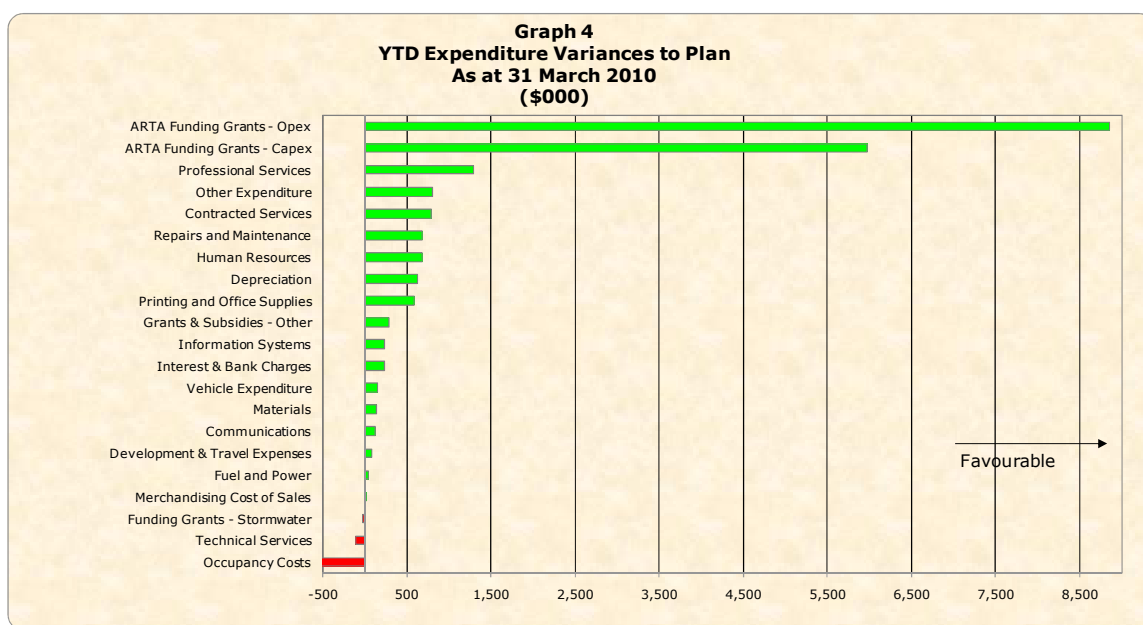


The total year to date revenue for the nine months ending 31 March 2010 is \$214.1 million compared with the year to date amended plan of \$220.9 million. Key contributors to the \$6.7 million variance against amended plan are:

- A \$7.5 million beneath plan drawdown from ARH for ARTA's operating expenses as a result of ARTA's opex being below plan.

- A \$0.4 million favourable variance in Grants & Subsidies due to earlier than planned receipt of funds for economic development programmes within Auckland Plus.
- A \$0.8 million favourable variance in Sundry Income mainly due to earlier than planned receipt of sponsorships and other income for various programmes within Programmes and Partnerships.
- A \$0.9 million unfavourable variance in Services Fees due to reduced consent lodgement activity within Regulatory Services resulting from the economic environment.

2.2.3. EXPENDITURE



The total year to date expenditure for the nine months ending 31 March 2010 is \$192.7 million compared to the year to date amended plan of \$213.6 million. Key contributors to the \$21.0 million variance are:

- ARTA's Opex is favourable to plan by \$8.9 million and ARTA's Capex by \$6.0 million.
- Human Resources are \$0.7 million favourable due to higher levels of vacancies than assumed in the plan.
- A \$2.0 million favourable variance in Professional Fees against plan, mainly in Policy & Planning, Regulatory Services, Parks and Corporate Services.
- A \$0.3 million favourable variance in Grants & Subsidies, due to lower than planned drawdown.
- Printing and Office Supplies spend being \$0.6 million favourable against planned expenditure, due to more printing being done in-house.
- A \$0.7 million favourable variance in Repairs & Maintenance due to lower than planned costs against planned works across sectors in Parks.

2.3. FINANCIAL POSITION

Opening Jun-09		Mar-10	Feb-10	Net Change	Opening Jun-09		Mar-10	Feb-10	Net Change
	Current Liabilities					Current Assets			
11,992	Creditors and other payables	4,247	4,168	79	272	Cash and cash equivalents	38,493	46,962	(8,469)
4,426	Income in advance	45,874	58,955	(13,081)	2,623	Debtors	1,130	1,927	(797)
48,794	Related party payables	40,338	37,475	2,863	7,227	Rates receivable	17,731	22,329	(4,598)
24,155	Other financial liabilities	10,490	10,581	(91)	48,793	Related party receivables	18,270	17,831	439
-	Derivative financial instruments	0	0	-	4,578	Other receivables	3,438	4,895	(1,457)
5,504	Employee entitlements	4,665	4,074	591	-	Derivative financial instruments	-	-	-
8,864	Provisions	8,901	8,901	-	666	Prepayments	3,072	4,443	(1,371)
-	Finance leases	0	0	-	-	Inventories	-	-	-
103,735	Total Current Liabilities	114,515	124,154	(9,639)	64,159	Total Current Assets	82,134	98,387	(16,253)
	Non-Current Liabilities					Non-Current Assets			
450	Loan	20,342	20,261	81	1,031	Livestock assets	968	1,155	(187)
16,271	Other financial liabilities	15,677	15,677	(0)	217	Other financial assets	218	218	-
1,152	Related party payables	1,563	1,563	-	815,479	Related party receivables	17,240	17,240	(0)
1,108	Employee entitlements	1,057	1,057	-	254,285	Investment in subsidiaries	815,479	815,479	-
4,174	Provisions	4,137	4,137	0	1,860	Property, plant and equipment	268,680	268,880	(200)
						Intangible assets	3,951	3,951	-
23,155	Total Non-Current Liabilities	42,776	42,695	81	1,072,872	Total Non-Current Assets	1,106,536	1,106,923	(387)
126,890	Total Liabilities	157,292	166,849	(9,557)					
	Rate Payers' Equity								
966,056	Retained earnings	986,523	993,757	(7,234)					
3,627	Specific activity reserves	3,627	3,627	(0)					
14,934	Special fund reserve (Int bearing)	14,922	15,027	(105)					
813	Special fund reserve (Non-Int bearing)	1,113	911	202					
24,513	Project Boston	24,995	24,940	55					
29	Trust and bequest reserves	29	29	0					
169	Revaluation reserve	169	170	(0)					
1,010,141	Total Equity	1,031,379	1,038,461	(7,081)					
1,137,031	Total Equity and Liabilities	1,188,671	1,205,310	(16,639)	1,137,031	Total Assets	1,188,671	1,205,310	(16,639)

The key movements in the Statement of Financial Position during March were:

- A decrease in Income in Advance reflecting the equal transfer of total rates income on a monthly basis from the Statement of Financial Position to the Statement of Financial Performance.
- An increase in Related Party Payables relating to the intercompany account with ARTA.
- A decrease in Rates Receivable reflecting the collection of rates debt from the public.
- A decrease in Cash and Cash Equivalents as a result of net working capital requirements of the organisation.
- A decrease in Other Receivables due to GST Refund received.
- A decrease in Prepayments relating to ARTA's quarterly Veolia payment.

2.4. STORMWATER AND TRANSPORT GRANT LIABILITIES

Applicant	Current No of grants	Original Grant Approval Amount	Adjustment due to grant amount written off after final settlement	Cumulative Paid to 28-Feb-10	Paid in March 2010	Remaining Grant Liability 31-March-10
Auckland City Council	7	23,648		12,890		10,758
Franklin District Council	0	3,170		3,170		0
Manukau City Council	3	5,616	154	2,836		2,626
North Shore City Council	2	2,715	50	1,699		966
Other Applicants	3	3,684	156	3,135		393
Papakura District Council	0	3,494		3,494		0
Rodney District Council	0	246		246		0
Waitakere City Council	5	40,562	103	29,416		11,043
Stormwater Total	20	83,135	463	56,886	0	25,786
Auckland City Council	4	24,467		22,439		2,028
ARTA (ex-ARTNL)	0	30,350		30,350		0
ARTA (ex-NSCC)	1	1,756		1,449		307
Manukau City Council	1	4,103		2,253		1,850
North Shore City Council	1	40,277	4	40,241		32
Other Applicants	0	894	300	594		0
Waitakere City Council	1	5,202		4,247		955
Transport Non-rail Total	8	107,049	304	101,573	0	5,172
ARTA (ex-ARTNL grants)	0	50,619	497	50,122		0
Manukau City Council	1	6,800		2,202		4,598
The Crown (Project Boston)	0	23,200		23,200		0
Transport Rail Total	1	80,619	497	75,524	0	4,598
Transport Total	9	187,668	801	177,097	0	9,770
All Grants Total	29	270,803	1,264	233,983	0	35,556

There were no Grants paid in March 2010.

2.5. CAPITAL EXPENDITURE (NET OF DISPOSALS)

	Month			Year to Date			Full Year	
	Actual	Amended Plan	Variance Fav/(Unfav)	Actual	Amended Plan	Variance Fav/(Unfav)	Amended Plan	Original Plan
Transport & Urban Development	-	-	-	20,000	20,000	-	20,000	20,000
Policy & Planning	-	23	23	108	174	66	519	519
Regulatory Services	-	-	-	50	-	(50)	35	35
Parks	370	700	330	1,857	3,926	2,069	21,298	21,298
Corporate Services	73	61	(12)	728	1,120	392	1,471	1,556
Chief Executive	-	-	-	-	13	13	25	25
Mount Smart	-	10	10	-	10	10	320	320
Total Capital Expenditure	443	794	351	22,743	25,243	2,500	43,668	43,753

Year to date total capital expenditure is \$22.7 million. This compares with the year to date amended plan of \$25.2 million. The majority of the capital expenditure was the purchase of Queens Wharf for \$20.0 million.

Corporate Services is \$0.4 million favourable due to delay in purchasing IT hardware, whilst councils and ATA requirements are aligned. It is expected that the next few months will see increased spending as core servers in the main data centre and the Albany data centre are replaced/upgraded.

Parks recorded a favourable variance of \$2.1 million year to date. This variance is due to deferred negotiations affecting the forecasted timing of acquisition expenditure.

2.6. ACCOUNTS RECEIVABLE

2.6.1 RATES

	Prior Years 2003/04 to 2008/09	Current Year 2009/10	Total
Outstanding Rates as at 40268	\$3,535	\$14,507	\$18,042
Invoiced Value	\$836,283	\$175,180	\$1,011,463
Percentage Collected	99.6%	91.7%	98.2%
Percentage Outstanding excl. Commitments to Pay	0.4%	8.3%	1.8%
Less Commitments to Pay	0.0%	3.7%	0.6%
Percentage Outstanding after Commitments to Pay	0.4%	4.6%	1.2%

All amounts are reported inclusive of GST.

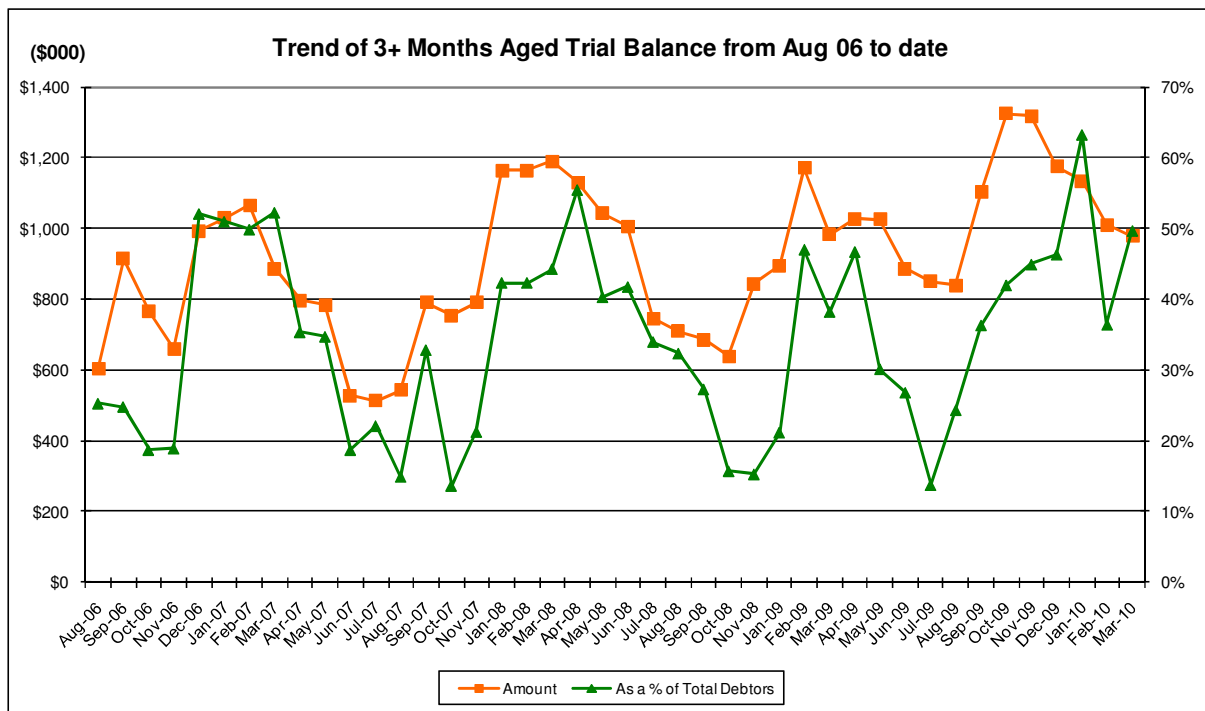
At 31 March 2010, total rates outstanding are \$17.7 million. However after allowing for agreed future payment commitments, the net total reduces to \$11.5 million (current year \$8.0 million; previous years \$3.5million) (March 2009: \$16.6 million).

The current year net outstanding rates after future payment commitments represents 4.5% (March 2009: 4.6%) of the invoiced amount.

2.6.2 OTHER DEBTORS (EXCLUDING RATES)

	Total	Current	1 Month	2 Months	3 Months	4+ Months
Total For March 2010	1,971	717	273	1	55	923
Spread	100%	36%	14%	0%	3%	46%
Total For February 2010	2,774	1,619	19	127	22	988
Spread	100%	58%	1%	5%	1%	36%
Total For January 2010	2,936	969	466	181	206	1,113
Spread	100%	33%	16%	6%	7%	38%
Total For October 2009	3,154	1,195	383	252	317	1,007
Spread	100%	26%	19%	19%	11%	26%

Non-rates overdue debts for four months or more are at \$923,000 at the end of March, a decrease of \$65,000 from the end of February. Of this balance, \$721,810 (78.2%) relates to debts greater than \$5000; a detailed report of which is provided in Appendix B. The remaining balance mostly comprises smaller unpaid annual fee accounts, pollution incidents and consent processing fees.



The combined total of debts overdue for 3 months or more is \$978,000 or 49.6% of total debtors at the end of March, a decrease of \$803,000 from February.

2.7 TREASURY

	Mar-10	Feb-10	Net Change
Funds Applied to Internal Loans			
Parks	53,669	53,795	(126)
Civil Defence	287	294	(7)
Corporate Services	614	636	(22)
Mt Smart	24,905	25,103	(198)
Total Internal Loans	79,475	79,828	(353)
Cash Funds	393	162	231
Funds Applied to Market Investments			
Call	8,600	9,300	(700)
Term Deposits	29,500	37,500	(8,000)
Total Market Investments	38,100	46,800	(8,700)
Total Funds Available for Investments	117,968	126,790	(8,822)
External Loans			
NZTA Term Debt	(19,705)	(19,705)	-
Total External Loans	(19,705)	(19,705)	-
Total External Loans	0	0	0

At the end of March, the total funds available for investment compared to the end of February had decreased by \$8.8 million to \$118.0 million. Treasury had \$8.6 million on call deposit and \$29.5 million on term deposit returning an average interest rate of 2.83%.

Maturity Date	Term Deposits (\$000)	Rate %
07 Apr 10	15,000	3.04
07 Apr 10	5,000	2.55
20 Apr 10	9,500	2.93
	29,500	2.92

The Official Cash Rate remained at 2.50% throughout March.

Interest rates are predicted to remain on hold until at least mid 2010.

The 30 day rate is currently 2.63%, down from 2.7% in February. Further Treasury information and tables are included in Appendix C.

2.8 OVERVIEW OF PERFORMANCE BY DEPARTMENT / PROGRAMME

2.8.1 POLICY AND PLANNING

General Manager Policy & Planning							
Department Statement of Financial Performance							
As at 31 March 2010							
(\$000)							
	Month			Year to Date			Full Year
	Actual	Amended Plan	Variance Fav / (Unfav)	Actual	Amended Plan	Variance Fav / (Unfav)	Amended Plan
Revenue							
Service Fees	29	36	(7)	229	143	86	250
Grants & Subsidies	(67)	83	(150)	316	371	(55)	512
Sundry Operating Income	63	-	63	235	4	231	10
Total Revenue	25	119	(94)	780	518	262	772
Expenditure							
Professional Services - Other	101	426	325	1,187	2,011	824	3,142
Contracted Services	19	1	(18)	187	42	(145)	48
Technical Services	603	790	187	3,323	3,272	(51)	5,735
Total Professional Fees	723	1,217	494	4,697	5,325	628	8,925
Human Resources	593	640	47	5,014	5,214	200	6,981
Development & Travel Expenses	3	11	8	25	43	18	59
Materials	2	2	-	36	24	(12)	39
Printing & Office Supplies	10	17	7	94	184	90	298
Fuel & Power	1	-	(1)	9	5	(4)	6
Repairs & Maintenance	2	4	2	16	30	14	41
Communications	2	2	-	13	23	10	39
Information Systems	5	10	5	78	76	(2)	111
Occupancy	3	3	-	26	25	(1)	33
Other Expenditure	4	11	7	37	82	45	156
Finance	-	-	-	(3)	-	3	-
Vehicle Expenditure	7	6	(1)	57	55	(2)	71
Depreciation	29	46	17	332	414	82	552
Total Expenditure	1,426	2,011	585	10,806	11,875	1,069	17,810
Net Operating Surplus/(Deficit)	(1,401)	(1,892)	491	(10,026)	(11,357)	1,331	(17,038)
	Month			Year to Date			Full Year
	Actual	Amended Plan	Variance Fav / (Unfav)	Actual	Amended Plan	Variance Fav / (Unfav)	Amended Plan
CAPEX							
Environmental Policy	-	13	13	25	73	48	408
Monitoring Research	-	10	10	83	101	18	111
Total Capex	0	23	23	108	174	66	519

The Policy & Planning department recorded a net operating deficit of \$10.0 million for the nine months ending March 2010. This compares to the amended planned net operating deficit of \$11.4 million, resulting in a favourable variance of \$1.3 million. An explanation of the key factors driving this variance is included in Section 2.1.

2.8.2 TRANSPORT AND URBAN DEVELOPMENT

General Manager Transport & Urban Development Department Statement of Financial Performance As at 31 March 2010 (\$000)							
	Month			Year to Date			Full Year
	Actual	Amended Plan	Variance Fav / (Unfav)	Actual	Amended Plan	Variance Fav / (Unfav)	Amended Plan
Revenue							
ARH Distribution - Other	-	-	-	20,000	20,000	-	20,000
Facilities Income	12	8	4	62	64	(2)	88
Grants & Subsidies	65	41	24	535	371	164	495
Sundry Operating Income	(2)	-	(2)	1	-	1	-
Total Revenue	75	49	26	20,598	20,435	163	20,583
Expenditure							
Professional Services - Other	273	209	(64)	1,153	918	(235)	1,492
Contracted Services	16	105	89	66	363	297	693
Total Professional Fees	289	360	71	1,424	1,494	70	2,599
Human Resources	253	238	(15)	1,959	1,990	31	2,650
Development & Travel Expenses	2	6	4	27	33	6	40
Materials	-	1	1	-	3	3	4
Printing & Office Supplies	-	17	17	26	54	28	147
Repairs & Maintenance	-	-	-	2	-	(2)	40
Communications	-	-	-	-	-	-	1
Information Systems	-	2	2	22	12	(10)	15
Occupancy	-	-	-	24	32	8	61
Other Expenditure	-	4	4	62	59	(3)	65
Vehicle Expenditure	1	-	(1)	5	2	(3)	4
Depreciation	25	25	-	221	221	-	294
Total Expenditure	570	653	83	3,772	3,900	128	5,920
Net Operating Surplus/(Deficit)	(495)	(604)	109	16,826	16,535	291	14,663
CAPEX							
Urban Development	-	-	-	20,000	20,000	-	20,000
Total Capex	0	0	0	20,000	20,000	0	20,000

The Transport & Urban Development department recorded a net operating surplus of \$16.9 million for the nine months ending March 2010, which is marginally better than the amended planned spend. An explanation of the key factors driving this variance is included in Section 2.1.

2.8.3 REGULATORY SERVICES

General Manager Regulatory Services							
Department Statement of Financial Performance							
As at 31 March 2010							
(\$000)							
	Month			Year to Date			Full Year
	Actual	Amended Plan	Variance Fav / (Unfav)	Actual	Amended Plan	Variance Fav / (Unfav)	Amended Plan
Revenue							
ARH Dist -Stormwater Grants	37	37	-	330	330	-	440
Service Fees	813	875	(62)	7,103	8,020	(917)	10,712
Facilities Income	77	77	-	696	710	(14)	942
Sundry Operating Income	8	13	(5)	87	118	(31)	155
Internal Revenue	42	42	-	375	375	-	499
Total Revenue	977	1,044	(67)	8,591	9,553	(962)	12,748
Expenditure							
Professional Services - Other	56	47	(9)	285	349	64	473
Contracted Services	301	394	93	2,661	3,195	534	4,304
Technical Services	1	4	3	63	47	(16)	86
Total Professional Fees	358	445	87	3,009	3,591	582	4,863
Human Resources	793	775	(18)	6,396	6,631	235	8,843
Development & Travel Expenses	10	19	9	145	204	59	255
Materials	4	8	4	34	93	59	103
Printing & Office Supplies	2	11	9	51	110	59	146
Fuel & Power	-	6	6	-	29	29	59
Repairs & Maintenance	1	1	-	15	26	11	39
Communications	16	6	(10)	24	51	27	67
Information Systems	2	3	1	12	25	13	33
Occupancy	15	19	4	157	171	14	230
Other Expenditure	54	20	(34)	155	166	11	220
Finance	(9)	3	12	139	23	(116)	30
Vehicle Expenditure	12	12	-	105	106	1	136
Depreciation	23	18	(5)	182	166	(16)	221
Total Expenditure	1,281	1,346	65	10,424	11,392	968	15,245
Net Operating Surplus/(Deficit)	(304)	(302)	(2)	(1,833)	(1,839)	6	(2,497)
CAPEX							
Harbourmaster's Office	-	-	-	50	-	(50)	35
Total Capex	0	0	0	50	0	(50)	35

The Regulatory Services department recorded a net operating deficit of \$1.8 million for the nine months ending March 2010, which was in line with amended plan.

2.8.4 PROGRAMMES AND PARTNERSHIPS

General Manager Programmes & Partnerships Department Statement of Financial Performance As at 31 March 2010 (\$'000)							
	Month			Year to Date			Full Year
	Actual	Amended Plan	Variance Fav / (Unfav)	Actual	Amended Plan	Variance Fav / (Unfav)	Amended Plan
Revenue							
ARH Dist -Stormwater Grants	153	153	-	1,273	1,273	-	3,074
Service Fees	29	32	(3)	277	270	7	364
Facilities Income	25	20	5	159	130	29	180
Grants & Subsidies	48	-	48	450	60	390	130
Sundry Operating Income	243	32	211	814	301	513	393
Merchandising Sales	-	1	(1)	3	8	(5)	10
Total Revenue	498	238	260	2,976	2,042	934	4,151
Expenditure							
Professional Services - Other	23	39	16	215	280	65	353
Contracted Services	349	698	349	3,277	2,733	(544)	3,951
Technical Services	192	146	(46)	957	855	(102)	1,269
Total Professional Fees	564	883	319	4,449	3,868	(581)	5,573
Human Resources	621	583	(38)	4,981	4,977	(4)	6,632
Development & Travel Expenses	15	11	(4)	181	125	(56)	152
Materials	55	54	(1)	297	365	68	519
Printing & Office Supplies	20	42	22	184	238	54	321
Fuel & Power	-	-	-	1	2	1	3
Repairs & Maintenance	48	109	61	353	414	61	708
Communications	-	1	1	2	7	5	10
Information Systems	16	9	(7)	52	93	41	118
Occupancy	6	3	(3)	30	26	(4)	35
Grants & Subsidies Expenditure	15	211	196	292	574	282	739
Funding Grants - Stormwater	10	20	10	41	20	(21)	1,387
Other Expenditure	155	259	104	887	1,656	769	2,472
Finance	1	6	5	52	25	(27)	43
Vehicle Expenditure	7	11	4	63	84	21	115
Total Expenditure	1,539	2,211	672	11,943	12,552	609	18,930
Net Operating Surplus/(Deficit)	(1,041)	(1,973)	932	(8,967)	(10,510)	1,543	(14,779)

The Programmes and Partnerships department recorded a year to date net operating deficit of \$9.0 million for the nine months ending March 2010. This compares against a planned net operating deficit of \$10.5 million resulting in a favourable variance of \$1.5 million. An explanation of the key factors driving this variance is included in Section 2.1.

2.8.5 PARKS

General Manager Parks							
Department Statement of Financial Performance							
As at 31 March 2010							
(\$'000)							
	Month			Year to Date			Full Year
	Actual	Amended Plan	Variance Fav / (Unfav)	Actual	Amended Plan	Variance Fav / (Unfav)	Amended Plan
Revenue							
Service Fees	9	6	3	22	43	(21)	50
Facilities Income	485	483	2	4,346	4,248	98	5,806
Grants & Subsidies	1	-	1	1	-	1	-
Sundry Operating Income	12	5	7	91	67	24	774
Merchandising Sales	12	18	(6)	94	148	(54)	176
Farming Income	260	150	110	679	580	99	961
Total Revenue	849	732	117	5,861	5,714	147	8,604
Expenditure							
Professional Services - Other	77	92	15	374	607	233	835
Contracted Services	134	129	(5)	980	1,058	78	1,569
Technical Services	37	43	6	205	229	24	314
Total Professional Fees	248	264	16	1,559	1,894	335	2,718
Human Resources	967	928	(39)	8,204	8,008	(196)	10,619
Development & Travel Expenses	13	20	7	101	121	20	169
Farm Cost of Sales	203	55	(148)	187	200	13	249
Materials	68	64	(4)	411	387	(24)	655
Printing & Office Supplies	28	49	21	217	271	54	373
Fuel & Power	38	29	(9)	230	248	18	345
Repairs & Maintenance	589	496	(93)	3,163	3,732	569	4,834
Communications	1	3	2	15	21	6	34
Information Systems	-	4	4	1	12	11	24
Occupancy	72	62	(10)	485	550	65	735
Grants & Subsidies Expenditure	-	-	-	25	25	-	25
Other Expenditure	55	64	9	342	392	50	523
Merchandising Cost of Sales	6	9	3	56	74	18	100
Finance	311	337	26	2,751	2,915	164	4,117
Vehicle Expenditure	30	32	2	232	267	35	371
Depreciation	249	315	66	2,470	2,867	397	3,869
Internal Expenditure	87	105	18	948	967	19	1,292
Total Expenditure	2,965	2,836	(129)	21,397	22,951	1,554	31,052
Net Operating Surplus/(Deficit)	(2,116)	(2,104)	(12)	(15,536)	(17,237)	1,701	(22,448)
CAPEX							
Parks							
GM Parks	133	181	48	831	2,826	1,995	18,592
Northern Sector	125	39	(86)	125	67	(58)	209
Southern Sector	12	94	82	142	182	40	514
Western Sector	42	237	195	322	471	149	1,371
Botanic Gardens	49	159	110	430	390	(40)	612
Total Capex for Parks	361	710	349	1,850	3,936	2,086	21,298
Mount Smart Stadium	6	-	(6)	6	-	(6)	320
Total Capex	367	710	343	1,856	3,936	2,080	21,618

The Parks department recorded a net operating deficit of \$15.5 million for the nine months ending March 2010. This compares to the amended planned net operating deficit of \$17.3 million, resulting in a favourable variance of \$1.7 million. An explanation of the key factors driving this variance is included in Section 2.1.

2.8.6 HUMAN RESOURCES

General Manager Human Resources Department Statement of Financial Performance As at 31 March 2010 (\$000)							
	Month			Year to Date			Full Year
	Actual	Amended Plan	Variance Fav / (Unfav)	Actual	Amended Plan	Variance Fav / (Unfav)	Amended Plan
Expenditure							
Professional Services - Other	11	43	32	49	164	115	293
Contracted Services	68	9	(59)	259	74	(185)	424
Total Professional Fees	79	52	(27)	308	238	(70)	717
Human Resources	(73)	44	117	111	172	61	289
Development & Travel Expenses	(6)	(1)	5	(44)	(29)	15	(31)
Materials	-	-	-	-	1	1	2
Printing & Office Supplies	-	1	1	1	5	4	8
Information Systems	-	5	5	1	15	14	30
Occupancy	3	2	(1)	25	24	(1)	34
Grants & Subsidies Expenditure	-	-	-	10	10	-	12
Total Expenditure	4	112	108	427	466	39	1,112
Net Operating Surplus/(Deficit)	(4)	(112)	108	(427)	(466)	39	(1,112)

The Human Resources department recorded a net operating deficit of \$0.4 million for the nine months ending March 2010, which was in line with the amended plan.

2.8.7 CORPORATE SERVICES

General Manager Operations & Chief Financial Officer - Corporate Services
Department Statement of Financial Performance
As at 31 March 2010
(\$'000)

	Month			Year to Date			Full Year
	Actual	Amended Plan	Variance Fav / (Unfav)	Actual	Amended Plan	Variance Fav / (Unfav)	Amended Plan
Revenue							
Rates Income	12,924	12,924	-	116,313	116,313	-	155,085
Service Fees	240	242	(2)	2,143	2,173	(30)	2,896
Facilities Income	133	113	20	1,153	1,020	133	1,359
Grants & Subsidies	210	220	(10)	1,983	2,072	(89)	2,733
Investment Income	115	106	9	1,348	936	412	1,086
Internal Interest Income	310	340	(30)	2,774	2,946	(172)	4,160
Sundry Operating Income	1	8	(7)	158	85	73	120
Internal Revenue	103	103	-	931	931	-	1,241
Total Revenue	14,036	14,056	(20)	126,803	126,476	327	168,680
Expenditure							
Professional Services - Other	41	49	8	184	367	183	512
Contracted Services	130	287	157	1,378	1,755	377	2,165
Technical Services	4	3	(1)	15	56	41	125
Total Professional Fees	175	339	164	1,577	2,178	601	2,802
Human Resources	1,004	1,021	17	8,715	8,732	17	11,633
Development & Travel Expenses	19	8	(11)	152	158	6	190
Materials	(1)	6	7	8	55	47	73
Printing & Office Supplies	57	186	129	309	617	308	730
Fuel & Power	30	25	(5)	267	267	-	342
Repairs & Maintenance	3	8	5	41	70	29	94
Communications	85	106	21	953	1,031	78	1,318
Information Systems	261	319	58	2,866	3,024	158	4,221
Occupancy	437	367	(70)	3,922	3,299	(623)	4,398
Other Expenditure	101	134	33	946	1,184	238	1,510
Finance	100	15	(85)	748	540	(208)	878
Vehicle Expenditure	39	54	15	397	487	90	650
Depreciation	339	319	(20)	2,742	2,869	127	3,825
Internal Expenditure	65	65	-	589	589	-	786
Total Expenditure	2,714	2,972	258	24,232	25,100	868	33,450
Net Operating Surplus/(Deficit)	11,322	11,084	238	102,571	101,376	1,195	135,230

	Month			Year to Date			Full Year
	Actual	Amended Plan	Variance Fav / (Unfav)	Actual	Amended Plan	Variance Fav / (Unfav)	Amended Plan
CAPEX							
Operations	30	36	6	(54)	318	372	436
Information Services & Technology	43	25	(18)	773	802	29	1,035
Pool Vehicles - ARC	-	-	-	9	-	(9)	-
Total Capex	73	61	(12)	728	1,120	392	1,471

The Corporate Services department recorded a net operating surplus of \$102.6 million for the nine months ending March 2010. This compares to the amended planned net operating surplus of \$101.4 million, resulting in a favourable variance of \$1.2 million. An explanation of the key factors driving this variance is included in Section 2.1.

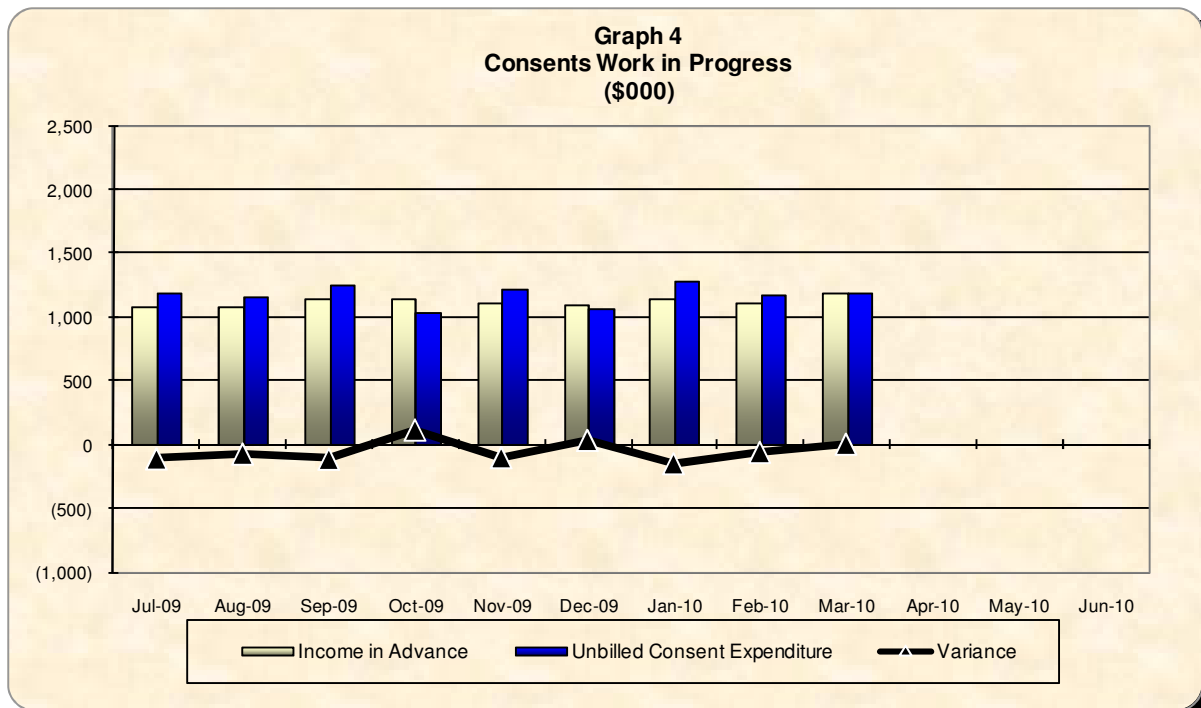
2.8.8 CHIEF EXECUTIVE'S OFFICE

Executive Manager Chief Executive							
Department Statement of Financial Performance							
As at 31 March 2010							
(\$'000)							
	Month			Year to Date			Full Year
	Actual	Amended Plan	Variance Fav / (Unfav)	Actual	Amended Plan	Variance Fav / (Unfav)	Amended Plan
Revenue							
ARH Distribution - ARTA Opex	-	-	-	20,610	28,138	(7,528)	28,138
ARH Distribution - ARTA Capex	-	-	-	23,968	23,968	-	25,912
ARH Distribution - CCO Unit	88	76	12	887	960	(73)	1,616
Grants & Subsidies	-	-	-	5,000	5,000	-	5,000
Total Revenue	88	76	12	50,465	58,066	(7,601)	60,666
Expenditure							
Professional Services - Other	-	76	76	388	429	41	1,010
Contracted Services	-	2	2	2	8	6	453
Technical Services	1	1	-	9	8	(1)	10
Total Professional Fees	1	79	78	399	445	46	1,473
Human Resources	264	294	30	2,136	2,497	361	3,348
Development & Travel Expenses	7	12	5	90	111	21	149
Materials	-	-	-	3	4	1	5
Printing & Office Supplies	2	1	(1)	9	8	(1)	11
Repairs & Maintenance	-	1	1	1	7	6	10
Communications	1	1	-	11	11	-	15
ARTA Funding Grants - Capex	4,968	4,888	(80)	42,745	48,723	5,978	79,893
ARTA Funding Grants - Opex	7,674	8,928	1,254	65,968	74,829	8,861	102,393
Other Expenditure	15	18	3	134	132	(2)	283
Finance	-	110	110	-	439	439	769
Vehicle Expenditure	4	5	1	40	46	6	61
Depreciation	5	8	3	55	68	13	91
Total Expenditure	12,941	14,345	1,404	111,591	127,320	15,729	188,501
Net Operating Surplus/(Deficit)	(12,853)	(14,269)	1,416	(61,126)	(69,254)	8,128	(127,835)
	Month			Year to Date			Full Year
	Actual	Amended Plan	Variance Fav / (Unfav)	Actual	Amended Plan	Variance Fav / (Unfav)	Amended Plan
CAPEX							
Democracy - Council & Committees	-	-	-	-	13	13	25
Total Capex	-	-	-	-	13	13	25

The Chief Executive's Office recorded a net operating deficit of \$61.1 million for the nine months ending March 2010. This compares to the amended planned net operating deficit of \$69.3 million, resulting in a favorable variance of \$8.1 million. An explanation of the key factors driving this variance is included in Section 2.1.

3 FINANCIAL APPENDICES

3.6 APPENDIX A – CONSENTS



The graph illustrates both the level of deposits received and unbilled costs over the financial year. The level of deposits received (income in advance) is less than the costs yet to be recovered (unbilled consent expenditure) for March 2010.

Consents Work in Progress As at 31 March 2010			
	Mar-10	Feb-10	Net Change
Number of jobs with unbilled expenditure greater than \$5,000	25	26	(1)
Value of all consents with unbilled expenditure greater than \$5,000	\$549,459	\$551,867	(\$2,408)
Number of all jobs with unbilled expenditure	2,557	2,703	(146)
Number of jobs completed but not costed	233	313	(80)
Number of jobs in progress	3,308	3,363	(55)

The value of consents with unbilled expenditure that is greater than \$5,000 decreased by \$2,408 in March 2010. The total number of consents with unbilled expenditure also decreased over the same period.

3.7 APPENDIX B – Debtors with Balances over \$5,000 and 4+ Months Overdue

ACTION	NO OF ACCOUNTS	CURRENT MONTHS AMOUNT \$	PREVIOUS MONTHS AMOUNT \$	VARIANCE \$
Financial	1	5,898	nil	5,898
Collections	4	84,273	84,273	nil
Legal Action	9	224,066	224,066	nil
Other Action	12	339,664	342,232	(2,568)
Local Councils	3	67,910	72,534	(4,624)
TOTAL	29	721,810	723,105	(1,294)

A table detailing more information is attached.

ARC DEBTORS WITH BALANCES OVER \$5,000 AT 4+ MONTHS OVERDUE AS AT 31 MARCH 2010							
1.0 New Accounts added since last report:							
1.1. Financial Action:							
Customer Name	Date	Current Amount	Cust #	Previous Amount	Details	Actions	Finance Recommendations
Evan Andrew Trust	Nov-09	5,898	15976		This relates to a contaminated site discharge for a commercial development at Takapuna.	The customer has lodged a S357 objection to costs. ARC staff are reviewing the charges prior to making a decision and advising the customer accordingly.	
Total New Accounts Added		5,898					
2.0 Accounts Previously reported:							
2.1 Sent to Collections:							
Customer Name	Date	Current Amount	Cust #	Previous Amount	Details	Actions	Finance Recommendations
Bayswater Marina Management Limited	Oct-07	10,660	340	10,660	Consent annual fees for various coastal consents.	The debt has been sent to collection and Notice of Proceedings are currently being filed at the District Court.	
Orapiu Bay Villas Limited	Sep-08	56,897	18259	56,897	Stormwater consent processing costs.	The account has now been sent to collection with instructions to collect on this and previous invoices placed on hold due to the objection to costs. The customer has advised he is holding funds to pay the account, but is still working with ARC staff regarding conditions of the consent.	
Peter Barnett Master Builder Ltd	Jun-09	8,728	12972	8,728	This account has accumulated since August 2008 and has been in dispute since this time.	Council staff have responded to all queries and all charges have now been sent to collection. The customer continues to dispute the debt. ARC staff are reviewing the costs incurred.	
Tall Pines Ltd	Feb-05	7,988	12885	7,988	Consent processing costs and annual fees on a development on the site. Customer is disputing charges.	Funds are being held by the company solicitor pending satisfactory resolution of the charges. Notice of Proceedings has now been issued.	
Total Sent to Collections		84,273		84,273			

2.2 Under legal action:							
Customer Name	Date	Current Amount	Cust #	Previous Amount	Details	Actions	Finance Recommendations
Cash for Scrap Limited	Jun-05	61,025	12336	61,025	Pollution incident, and costs were awarded by the Environment Court to the ARC.	ARC has filed documents in the High Court to commence bankruptcy proceedings against the company directors. The company directors have been found guilty of 28 charges.	Awaiting outcome of the trial and the bankruptcy proceedings.
Cowes Holdings Ltd	Jun-07	9,336	15576	9,336	Consent processing costs on a development on Waiheke Island. Customer advised inability to pay debt. Account referred to debt Collection Agency with instruction to commence Legal Action.	Company was placed in liquidation 10 July 2009. The liquidators 1st 6 monthly report was received 04 February 2010. The property was not sold by mortgagee sale in February 2010 due to offers not being accepted by mortgagee holder. The next report is due August 2010.	The debt be written off on receipt of the liquidator's 2nd report as there will be no funds available for payment to unsecured creditors.
Matakana Estate Limited	Jun-07	7,726	3417	7,726	Pollution incident at Matakana. The matter is now going through the Court.	A Notice of Proceedings has been filed and a statement of Defence has been lodged. The debt is now being handled through the Court system with the court requiring further information from the ARC on our legal rights and processes for recoveries of pollution incidences.	
Morning Star Developments Limited & Private Customer	Sep-08	6,204	18391	6,204	Consent Processing Costs for an earthwork and stormwater discharge.	Civil action is being taken to recover this debt. A revised proposal for consent conditions regarding a land use issue is currently being drafted. This is subject to payment of the outstanding costs in full.	
Morning Star Development Limited	Sep-08	25,942	12268	25,942	Stormwater and wastewater consent processing costs.	Civil action is being taken to recover this debt. A revised proposal for consent conditions regarding a land use issue is currently being drafted. This is subject to payment of the outstanding costs in full.	
Morning Star Enterprises (Farm Estates Limited)	Sep-08	31,914	18635	31,914	Stormwater and earthwork interim processing costs and hearing deposit.	Civil action is being taken to recover this debt. A revised proposal for consent conditions regarding a land use issue is currently being drafted. This is subject to payment of the outstanding costs in full.	
Netheravon Holdings Ltd	Aug-07	30,384	17309	30,384	Consent Processing Costs for the Luge. Customer has advised inability to pay debt and account was forward to debt Collection Agency. Company has now been placed into liquidation.	A charging order has been registered with the Land Transfer Office and Collections advise that there is probability of receiving payment. A claim has been filed with the Liquidator for subsequent costs not covered by the charging order. The first debenture holder has applied to have the charging order released as they wish to sell the property by mortgagee sale.	The debt be written off on confirmation of the mortgagee sale as there will be no funds available due to the number of debenture holders and monies owed to them.
Shefco Ltd	Oct-07	6,587	12534	6,587	Consent Processing costs for wastewater discharge and Consent annual fees. The matter had been referred to a court hearing, but customer has still refused to pay the charges.	The account has been referred to the debt collection agency with instructions to commence legal action. Statutory Demand issued 31 March 2010.	
Waiheke Island Airpark Resort Ltd	Sep-08	44,947	17503	44,947	Consent processing and hearing costs.	Debt has been referred to debt Collection Agency with instruction to commence legal action due to non-payment of the outstanding account. The customer has filed a Statement of Defence advising they are waiting on a S357 objection to costs. A S357 hearing was held on 22 March 2010 and costs were awarded against the ARC. An appeal is to be made against the decision.	
Total Under Legal Action		224,066		224,066			

2.3 Other action:							
Customer Name	Date	Current Amount	Cust #	Previous Amount	Details	Actions	Finance Recommendations
Auckland Maritime Foundation t/a Half Moon Bay Marina	Oct-08	9,276	200	9,276	Annual coastal charges for financial years 2007 - 2010	Debt has been referred for recovery action to commence due to non-payment of the outstanding account. The customer has disputed the charges again, with correspondence sent to the chair. Instructions will be issued to the collection agency to commence legal action to recover the debt on receipt of the correspondence in reply to the dispute	
Private Customer	Oct-09	32,175	21069	32,175	This refers to salvage of a vessel.	The customer is disputing the costs and work involved. Regulatory Services management are investigating legal avenues to collect the debt.	
Ministry of Economic Development	Mar-09	60,035	16709	60,035	Digital Content Project Expenses	Customer is objecting to the outstanding charges which result from Programmes and Partnership work, advising that a contract was not signed. The client's position has not changed despite further follow up from ARC	
Moore's Bay Holdings Ltd	Oct-09	13,422	19923	13,422	This refers to processing costs for a development at Kawau Island for which costs were belatedly charged.	The customer has committed to a repayment proposal, with \$5,000 having been received in February	
Neil Construction Ltd	Jun-07	9,318	3985	9,273	Unpaid water take annual fees back to 2005 and stormwater consent monitoring costs charged in June 2007. The customer advised they no longer own the sites.	ARC is working with the relevant Local Authorities for transfer of the consents. When transfer is achieved the charges will need to be reviewed to establish which party is liable for payment. Some progress has been made to transfer consents and resolve the outstanding charges. However, further costs continue to be charged and disputed.	
New Zealand Blues Festival Ltd	Aug-09	-	20603	7,863	This refers to an application for the holding of a festival at Ambury Park	The customer had initially objected to costs but has met with officers to resolve the outstanding issues. Resolution has been obtained early March and payment is due accordingly.	
North Eastern Developments Ltd	Jul-09	56,613	18496	54,213	This relates to processing costs for a development at Fairview Heights, North Shore.	A S357 hearing on conditions has been held. A further hearing on costs is now due to be held in March 2010. The total outstanding amount due is \$56,613	
Nuplex Industries Ltd	Sep-09	20,000	4095	20,000	This refers to pre-lodgement costs for a contaminated site discharge consent.	\$20,000 of the original \$40,000 invoice has been paid, with the balance to be paid in April 2010 as agreed with ARC management.	
Pine Harbour Marina Ltd	Jul-09	80,398	4448	77,548	This relates to a marina development in Beachlands. A hearing has been held, but is adjourned until April 2010	The customer has also objected to additional costs and has requested a hearing for the cost objection which is currently being arranged. A good faith payment of \$16,875 has been received early March	
Sandspit Yacht Club & Marina Society	Aug-09	14,332	19413	14,332	This relates to an application for a coastal consent, specifically a marina development at Sandspit	The customer has objected to costs, a hearing is scheduled for 27 April 2010. Outstanding costs to date are \$70,478	
T R Group Ltd	Oct-09	37,803	7087	37,802	This is for processing costs on a development in Penrose	The customer has issued an objection to costs to which a reply was sent in February 2010. Further queries raised by the customer have been answered but a meeting is now to be held at the customer's request.	
Waiuku Recycling Ltd	Aug-09	6,292	20045	6,293	This relates to annual fees and monitoring costs on an air quality consent which was transferred from Envirowaste in December 2008	The customer has advised that he is contractor to FDC who advised him the consents should be in their name. FDC have declined to take over the consent. The debt has now been referred to the collection agency.	
Total Other Action		339,664		342,232			

2.4 Local Councils:							
Customer Name	Date	Current Amount	Cust #	Previous Amount	Details	Actions	Finance Recommendations
Auckland City Council	Jun-09	23,917	210	23,917	This amount relates to consent processing costs on various coastal consents for which invoices were raised in Jun 09	Payment of the account is being pursued by ARC Finance and discussions have been held with ACC accounts team and business unit. Payments are being made	
Franklin District Council	Jun-09	9,756	1669	9,030	This refers to earthworks annual charge for the 2008/2009 financial year as well as various consent costs that are in dispute	All outstanding invoices are under query. A meeting was held early December between ARC and FDC staff to provide relevant information and resolve issues raised. FDC has agreed to pay invoices for which information was provided. Disputed charges are under review and some will be credited as per the December meeting.	
Manukau City Council	Jun-07	34,237	3320	39,587	Interim processing costs and monitoring costs 2007/08. It also includes annual fees for the financial year 2007/08. The Manukau City Council (MCC) has requested copies of consents and monitoring reports - these continue to be provided.	This account is under action by ARC at General Manager level directly with MCC Director Environment. ARC Officers continue to provide copies of information requested by MCC. Further payment has been made of some of the outstanding charges. The outstanding amount is reduced on an on-going basis as information is provided to MCC.	
Total Local Councils		67,910		72,534			
Grand Total at 31 March 2010		721,810		723,105			
Net Movement				(1,294)			

3.8 APPENDIX C – ADDITIONAL TREASURY TABLES

3.8.1 RETURN ON INVESTMENTS

Return on Investments For the Nine Months Ended 31 March 2010			
	Actual Yield (%)	Budget Yield (%)	Average Daily Principal (\$000)
Internal Loans	4.60%	4.60%	80,230
<u>External Deposits:</u>			
Call Deposits	2.51%	2.60%	8,094
Short Term Deposits	3.56%	2.60%	44,284
Total External Deposits	3.39%	2.60%	52,378
Total	4.12%	3.81%	132,608

The overall year to date Return on Investments is slightly ahead of budget.

3.8.2 COST OF FUNDS

Cost of Funds For the Nine Months Ended 31 March 2010			
	Actual Cost (%)	Budget Cost (%)	Average Daily Principal (\$000)
Call Borrowings	3.35%	4.60%	(591)
Short Term Borrowings	3.21%	4.60%	(1,450)
Total	3.25%	4.60%	(2,041)

Cost of Funds is ahead of budget due to the Official Cash Rate of 2.50% being lower than originally budgeted.

3.8.3 COUNTERPARTY CREDIT RISK

Counterparty Credit Risk As at 31 March 2010					
	Short Term Rating	Long Term Rating	Investments (\$000)	Limits (\$000)	Surplus Limits (\$000)
ANZ	A1+	AA-	25,000	50,000	25,000
BNZ	A1+	AA-	9,000	50,000	41,000
Westpac	A1+	AA-	5,000	50,000	45,000
Total			39,000	150,000	111,000

3.8.4 FUNDING FACILITIES

Funding Facilities As at 31 March 2010			
	Borrowings (\$000)	Limits (\$000)	Surplus Facilities (\$000)
ANZ	-	-	-
BNZ	-	-	-
Westpac	-	-	-
Total	-	-	-

The ARC had no call borrowings as at 31 March 2010. When the Council moves into a debt situation in the financial year, presently projected to occur in June, the Council will borrow through the mechanisms implemented by the Integrated Treasury Group. The Council will not enter into further funding facilities with banks in this financial year, nor in the four month period from 1 July to 31 October of the 2010/11 year.

3.8.5 CASHFLOW STATEMENT AND FORECAST

Cashflow Statement and Forecast for 2009/10 and 2010/11
(\$ million)

	Jul-09 Actual	Aug-09 Actual	Sep-09 Actual	Oct-09 Actual	Nov-09 Actual	Dec-09 Actual	Jan-10 Actual	Feb-10 Actual	Mar-10 Actual	Apr-10 Forecast	May-10 Forecast	Jun-10 Forecast	2009/10 Forecast
Opening Balance	(10.4)	5.1	38.2	85.9	64.2	70.0	64.9	51.8	47.0	38.5	12.1	3.4	(10.4)
Rates	6.6	68.6	59.0	9.9	4.6	3.9	2.5	3.0	3.9	1.1	1.1	1.1	165.1
ARH Receipts	39.9	2.0	10.6	4.2	17.2	0.3	7.1	0.0	0.7	0.0	3.9	7.5	93.5
Recoveries and User Charges	2.9	6.6	1.3	2.6	2.7	2.3	2.4	1.8	3.0	2.5	2.5	2.5	33.0
Other Operating Receipts	0.0	0.0	0.0	0.0	0.0	15.7	0.0	4.0	0.0	0.0	5.1	0.0	24.8
Payments for Operational Services, Employees and Capex	(33.8)	(44.0)	(23.3)	(38.4)	(18.9)	(27.5)	(25.3)	(13.9)	(16.2)	(29.9)	(21.3)	(37.9)	(330.4)
Interest	(0.0)	0.0	0.1	0.1	0.1	0.1	0.3	0.3	0.2	(0.1)	(0.1)	(0.2)	0.8
Closing Balance	5.1	38.2	85.9	64.2	70.0	64.9	51.8	47.0	38.5	12.1	3.4	(23.6)	(23.6)
	Jul-10 Forecast	Aug-10 Forecast	Sep-10 Forecast	Oct-10 Forecast	Nov-10 Forecast	Dec-10 Forecast	Jan-11 Forecast	Feb-11 Forecast	Mar-11 Forecast	Apr-11 Forecast	May-11 Forecast	Jun-11 Forecast	2009/10 Forecast
Opening Balance	(23.6)	(23.5)	34.3	81.8	78.2	68.4	44.9	32.1	19.4	15.1	(0.7)	(14.4)	(23.6)
Rates	6.9	72.1	61.9	10.3	1.9	1.6	1.6	1.6	1.6	1.6	1.6	1.5	164.1
ARH Receipts	12.2	1.7	1.1	12.3	10.1	2.8	1.2	1.5	10.4	0.3	0.5	0.7	54.8
Recoveries and User Charges	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	5.9
Other Operating Receipts	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.1
Payments for Operational Services, Employees and Capex	(20.4)	(16.5)	(16.2)	(27.0)	(22.5)	(28.5)	(16.2)	(16.2)	(16.9)	(18.1)	(16.2)	(46.5)	(261.4)
Interest	(0.1)	0.0	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.0	(0.0)	(0.1)	0.7
Closing Balance	(23.5)	34.3	81.8	78.2	68.4	44.9	32.1	19.4	15.1	(0.7)	(14.4)	(58.3)	(58.3)

Maximum projected debt for the next 12 months is \$23.6 million.

SECTION 2: PERFORMANCE BY PROGRAMME / DEPARTMENT

4. OVERVIEW OF PERFORMANCE BY DEPARTMENT / PROGRAMME

4.1. POLICY AND PLANNING

4.1.1. ENVIRONMENTAL POLICY PROGRAMME

The Environmental Policy and Planning programme involves the work of four teams: Air Quality Policy, Land and Water Policy, Hazards Management and Coastal Policy. It includes all areas of environmental policy development, regional plan changes, regional plan appeals, and input into the regional policy statement. A major part of the group's work is contributing to the Regional Policy Statement review, the State of the Environment Report, and associated work streams.

National Policy Instruments

Legislation review and delays in the process of a number of national level policy instruments is affecting progress in some areas of policy development. These include significant review of aquaculture legislation, the delayed release of a revised NZ Coastal Policy Statement and the National Policy statement on Freshwater. Anticipated phase two review of the RMA is also causing uncertainty. Monitoring of government progress concerning relevant legislation review continues.

Submissions

A draft submission to the National Environmental Standard for Assessing and Managing Contaminants in Soil has been prepared for the consideration of the Regional Strategy and Planning Committee.

Resolution of Appeals

Resolution of appeals remains a top priority for the group this month. A number of other programmes have slowed as a result of the team concentrating on appeal resolution. During March officers have continued to focus on the resolution of the appeals to the Proposed Auckland Regional Plan: Air, Land and Water (PARP: ALW), including making significant progress on Chapters 5 (stormwater) and 8 (financial contributions). Parts of the PARP: ALW is being assessed to determine which might be made operative in the coming months, as we progressively resolve the appeals. Negotiations with appellants on the air quality chapter continue. Progress also continues to be made with resolving appeals to Chapter 10 of the ARP:C that are related to ALWP provisions for waste and stormwater. Plan change 3 (Wynyard Quarter) matters are coordinated with ARC's appeal to ACCs plan change 4 to their district plan. Further mediation is scheduled for early April. Further progress on the other Wynyard appeals awaits the outcome of resource consent processes and progress with the NZTA private plan change for the new Waitemata Harbour Crossing. Mediation over a remaining matter of appeal to plan change 4 (mangrove management) was abandoned following clarification with hearing commissioners of the ARC's position.

Plan Changes

Work on changes to the ARP:C continues. Plan Change 2 (coastal occupation charging) remains on hold. Work is underway to update the Urban Air Quality Management Areas (UAQMAs) due to the shift of the MUL at Hobsonville and Massey North. Necessary changes will be made to Map Series 1 and Map Series 1A of the PARP: ALW to reflect this.

In the coastal area, work continues to contribute to a coordinated response to moorings' issues, including overseeing development of a clean mooring spatial data set and scoping possible moorings plan changes.

Hazards

In the hazards area, work continues to coordinate research on Auckland's tsunami risk and coastal cliff hazards.

The hazards management risk profile and risk reduction chapters are being written for the Auckland Civil Defence Group Plan which is currently being updated.

Reports

Two new technical reports on economic aspects of aquaculture have been released. Aquaculture pages of the ARC's website have been updated.

The report on entitled "Truck Emissions Predictions Model: Summary Report" has been received from Auckland Uniservices. This report includes an international review of truck emissions models and outlines a recommended way forward for estimating truck emissions for the Auckland region.

4.1.2. MONITORING AND RESEARCH PROGRAMME

The three programmes in Monitoring and Research are on track for delivery. The highlight for March was:

The 2009 State of the Auckland Region report was formally published on 16 March 2010 at an event held in the Auckland Regional Council, Council Chamber, hosted by Cr Walbran. The event was positively received by the large contingent of attendees and was followed with substantial coverage in print media and radio. Copies of the summary document and supporting DVD have been widely distributed with the comprehensive technical report available on request.

Senior staff continue to be involved in the ATA transition process with work progressing on detailed design of the proposed centralised research and monitoring function.

4.1.3. REGIONAL STRATEGY PROGRAMME

A number of papers and presentations are being prepared for the 5 May 2010 Regional Economic Development Forum. Research was undertaken on Auckland's manufacturing sectors, with the results of this research being presented to members of the Employers and Manufacturers Association (Northern). Research continues on issues related to the region's Bioscience sector. A grant was obtained from New Zealand Trade and Enterprise's Regional Strategy Fund (worth \$375,000) which will be used to fund three significant regional projects (Knowledge Auckland, Marine Sector, and Productivity and Skills).

A seminar on infrastructure is being planned in conjunction with the National Infrastructure Group and the Regional Strategy and Policy Group. Work was also undertaken on policy related to the transition to a new planning framework and spatial plan. A work programme to integrate environmental sustainability issues (in particular energy and climate change) is being progressed. A report outlining progress made to date on the One Plan programmes of Action was drafted for the Regional Strategy and Development Forum to be held on 30 April 2010.

Progress is being made on the Knowledge Auckland project. Work continues to support the development of the research function by the ATA for the new council. Good progress has been made on a range of regional projects including: completing a set of integrated regional indicators (54 in total), completing the development of a regional spatial mapping tool (Intreprets), and drafting the land capacities report. A report outlining a brief history of the Auckland region's spatial form was completed. A number of regional surveys such as the Environmental Awareness Survey are being progressed and work is being undertaken on the Auckland Business and Economy

4.1.4. REGIONAL POLICY PROGRAMME

Regional Policy Statement (RPS) Review

A redrafted reviewed ARPS will be presented to the April 2010 committee for consideration with the expectation that at the subsequent May RSP meeting the committee will agree to undertake targeted consultation.

LGAAA appeals

Appeals to the LGAAA (changes to the Regional Policy Statement) process are progressing. A revised position responding to mediation on the appeals relating to rural provisions and countryside living provisions will proceed to an Environment Court hearing in August this year. Witnesses and legal counsel have been engaged to defend these appeals.

Changes requested to the RPS

A MuL request from Papakura District Council related to areas at Takanini has been notified with the time for submissions having closed. These have been summarised and further submissions have now been called for.

Other changes to the RPS

Officers are currently managing appeals to the Change 8 Volcanic Cones and Heritage provisions.

The Strategy Development work programme is progressing well with work concentrating on refining the regional landuse scenario currently contained in the Regional Growth Strategy Sector Agreements. The results of the scenario work have been reported to the Committee with a further report proposed in May/June .

4.2. TRANSPORT AND URBAN DEVELOPMENT

4.2.1. TRANSPORT POLICY

The draft Regional Land Transport Strategy (RLTS) 2010 - 2040 was approved by the Regional Transport Committee (RTC) on 21 October 2009 for the purpose of consultation.

Submissions on the draft RLTS closed on 18 December 2009. Hearings on submissions commenced on 4 February 2010 and were completed on 21 February. Deliberations commenced 25 February and concluded 17 March. The Hearings Sub-committee has prepared a report on the consultation process, recommending to the Regional Transport Committee (RTC) a number of changes to the RLTS. The RTC will consider the Hearings Sub-committee report at the RTC meeting on 21 April.

It is expected that at the 21 April meeting the RTC will recommend a new RLTS to the ARC for consideration at the ARC meeting of 26 April.

4.2.2. POLICY IMPLEMENTATION

Policy Implementation continues its focus on the resolution of appeals before the start of the new Council, with attention on making plans operative. Consequently, there is increased activity to reach settlement on outstanding matters or to look for resolution through mediation or Environment Court action.

Key activities relate to Court action and the finalisation of consent orders in Rodney District (Omaha Park, Weiti and significant enhancement planting), Waitakere City (Swanson, Massey North and Hobsonville), North Shore (Long Bay) and Franklin (PC14).

In addition, officer negotiation continues relating to the Hauraki Gulf Islands and Wynyard Quarter and the finalisation of consent orders for Whitford Maraeti and for Papakura PC 6.

4.2.3. URBAN DEVELOPMENT

Auckland Waterfront

Cruise Ship Terminal

The ARC and the New Zealand Government have announced that Queens Wharf will be used to host a live site for the Rugby World Cup in 2011. After the event, the wharf will be used as the location for Auckland's primary cruise ship terminal and an area of open space. A joint venture agreement, which outlines how the joint owners will manage the asset, and implement the obligations in the sale and purchase agreement, has been signed. Officers are working closely with government representatives on the details of short and long term redevelopment plans and wharf repairs.

Bulk Liquids Infrastructure Project

The Bulk Liquid Working Group, which comprises representatives of the bulk liquid operators and their supply chain, Auckland City Council, Sea+ City Projects Ltd and the ARC have completed the analysis of the economic impact of the sector. Work is continuing on a risk study, and on viable alternative locations for the sector. The group has provided a helpful forum to discuss and share information on the bulk liquid sector and the plans to regenerate the Wynyard Quarter.

Onehunga

A development framework to guide the redevelopment of land owned by the ARC at Onehunga for a railway station and appropriate land uses has been approved by the Transport and Urban Development Committee. ARC officers are working closely with officers from ARTA and Ontrack on plans to reopen the Onehunga Branch Line, and a station at Onehunga by July.

4.3. REGULATORY SERVICES

4.3.1. HARBOURMASTER PROGRAMME

February 2010

- A Recreational and General Harbour Users meeting was held at the Marine Rescue Centre Trust building on 2 February 2010. Various items of interest regarding Navigational Safety were discussed.
- A master from the Fullers ferry company was examined for a Pilotage Exemption Certificate (PEC) on 4 February 2010. One of the Fullers ferries is over 500 tons gross and therefore requires either a qualified harbour pilot, or a master with an exemption certificate.
- During the month the opportunity was taken to discuss with the Auckland Sailing Club the interaction of sailing skiffs with other recreational craft on the inner Waitemata harbour. Several reports had been received from vessel owners regarding close quarters situations. To that end the Commodore of the club has circularised all of his members reminding them of their obligations.
- Various meetings were held with the Royal New Zealand Yacht Club and Emirates Team New Zealand regarding arrangements for the Louis Vuitton Trophy Auckland series.
- A meeting was held with John White of Viaduct Harbour Holdings over the design of the temporary bridge over the Viaduct Harbour. It is expected that the construction of this will take place in the latter half of this year.
- A port security meeting was held on the 23 February 2010.

- Beach Haven Wharf – in December 2009, complaints were received by the Harbourmaster’s Office regarding the possibility of significant rubbish in the form of bicycles etc being dumped off the end of the Beach Haven wharf. A letter was received from the local Birkdale Residents Association secretary who expressed concern that young swimmers at the wharf may injure themselves. The Harbourmaster’s Office communicated with the North Shore City Council and they undertook to erect a sign to warn swimmers.

In January, with assistance from a borrowed underwater camera, Harbourmaster staff verified that there was a collection of rubbish immediately off the end of the wharf. Soon after that, qualified divers from within the Auckland Regional Council (ARC) assisted the Harbourmaster’s team in the removal of the obstructions. In all, about two cubic metres of metal and fabric were removed and disposed of.

March 2010

- From 2 – 8 March 2010, the Harbourmaster assisted the Marlborough District Council’s locally appointed commissioners dealing with submissions to their navigation safety bylaw.
- On 6 March 2010, a meeting was held with all the crews and organisers of the Louis Vuitton Auckland World series to explain the navigation safety rules that would be in place by way of the special legislation signed off by the Minister of Transport. The regatta which attracted seven international teams ran from 9 to 21 March 2010.
- During the February Tsunami, a number of communication issues arose involving the VHF and single side band radios. As a result, meetings have been held with Maritime New Zealand, NZ Police, Coastguard, Emergency Management and the commercial ferry operators to clarify roles and responsibilities during emergency events.

4.3.2. COMPLIANCE

Within the period 18 January 2010 to 21 March 2010 the Pollution Response Team (PRT) dealt with a total of 847 incidents. Of these, 555 were Air Quality complaints (of which 415 were backyard fires) and 292 were water and land pollution incidents. These included the following:

- On 10 March 2010, PRT attended an incident at the Puhinui Stream, Papatoetoe where a large number of dead eels had been found. At the time no evidence of a discharge could be found and tests revealed no contaminants in the stream. Manukau City Council and Waicare removed up to 350 dead eels. PRT conducted an investigation in the stormwater catchment area immediately after the incident and the following week. At the time of the incident, a local business was found to have spilled oil into a stormwater catchpit but this was not believed to be the cause. The following week discharges to the stormwater system from a nearby concrete works site were identified. Local catchpits still held relatively high alkaline water. Whilst it was established that these discharges were done at the same time of the eel deaths, no direct link could be established. However, the company was requested to clean up the site, flush out the stormwater line and provide a written explanation.

- On 16 March 2010, PRT received a request from the Fire Service to attend an incident where a resident collapsed after inhaling fumes coming from a stormwater drain at their property. The source of the fumes was identified as emanating from the relining of a stormwater line by Pipeworks on Edmonton Road, Te Atatu South. The odour was caused by the process of hardening resin in stormwater lines when hot water is flushed down the line. The Fire Service detected levels of styrene toxic and flammable levels. PRT officers issued Pipeworks with a field letter requesting that discharges to air stop. The Auckland Regional Public Health Service and the Department of Labour are also involved in this incident. The incident will be followed up in relation to consenting and compliance requirements.
- PRT have attended some major discharges to the stormwater system related to concrete works and other discharges.
- Traffic Systems Ltd was responsible for a discharge from concrete works in Massey. A clean-up was followed by PRT using ARC factsheets to educate their staff at a toolbox meeting.
- James Hardie Ltd, Penrose had a spill of 1,000 litres of highly alkaline water. Late notification of the incident resulted in the discharge being washed through to the Manukau Harbour. The company has been required to change their spill procedures and ensure all incidents are notified immediately.
- PRT have also received a variety of odour complaints during this period including odour from cocoa product manufacture, LPG gas odour, animal waste and shellfish processing. All complaints were followed up and appropriate action taken.
- PRT have completed a re-edit of the Pollution Response Manual. The manual was last updated in 2004 and has been simplified and updated in relation to present day pollution response protocols and processes.
- PRT are currently planning their next Pollution Awareness Exercise (PAE). The exercise will take place in April in the New Lynn area. This will take place over two days visiting about 130 industrial sites auditing for potential and actual pollution issues.

Industry and community education and liaison included the following:

- On 28 January 2010, PRT staff were involved in a meeting at the New Zealand Fire Service, Mt Wellington station to discuss control measures for foam fire fighting exercises. The meeting was also attended by engineers and Watercare. The Fire Service currently has no facility in the Auckland Region to train staff in foam fire fighting techniques due to concerns in relation to containment and discharge controls. Advice was given by the PRT and a possible solution was reached to implement discharge controls. A recommendations report will be written by the engineers to be considered by the PRT and other parties.
- On 10 February 2010, PRT completed the last of their presentations to Firth Concrete drivers at their city depot on Hamer Street. The presentations included information on how to prevent and respond to spills. PRT have completed six presentations in all to the delivery drivers.

- PRT has completed a re-edit of the Paint Pollution factsheet which is available to industry and the public. The factsheet includes information on pollution prevention methods, waste disposal and spill clean-up. The factsheet is available on the ARC website.
- On 19 March 2010, PRT gave a presentation to Site Safe NZ on good environmental practices in the construction industry, what to look for on site, spill response plans and environmental management plans. Site Safe are a non profit organisation set up by the construction industry to provide leadership, nationwide training, develop best practice and work with the government to provide incentives for health and safety. The presentation was well received and should provide another useful resource to educate the construction industry and others.

The Rural Compliance Team:

The Rural Compliance Team continued the 2009/2010 dairy inspection season with 83 inspections and follow-ups completed.

- One new dairy discharge consent was issued.
- Fourteen rural pollution incidents were investigated (7x agrichemical spray drift, 3x effluent in waterways, 3x sediment from cultivated land in waterway, 1x odour from poultry manure spreading).
- Members of the Rural Team attended the monthly meeting of the Pukekohe Vegetable Growers Association, and also met with representatives of the Waiheke Winegrowers Association to discuss spray use on the Island.
-

4.3.3. INVESTIGATION AND ENFORCEMENT

The status of the current prosecutions is:

- Avalanche Coffee Ltd has entered guilty pleas. A restorative justice meeting will be held on 20 April and sentencing will be on 28 April 2010.
- The owners of the Thor Spring were fined \$30,000.
- The parties responsible for the sediment discharges at Bayside Drive in Browns Bay were fined a total of \$55,000.
- The prosecution of Helinorth Agricultural Ltd and their pilot, for spraying agricultural spray beyond the boundaries of the farm they were spraying, over a road and over a school bus is continuing.
- The prosecution of various parties for sediment related breaches at Saratoga Winery is continuing.
- Glen Innes fuel spill - the decision is expected soon.
- Cash for Scrap – Bill Conway and Carol Down have appealed their convictions and sentences.

- The Holmes Logging Appeal – we are still waiting for the High Court Judge’s Decision.

There were 14 Enforcement Decision Group meetings in the last two weeks of February, and in March. Three warnings, 11 infringement notices and 11 abatement notices were issued.

4.3.4. CONSENTS

The following applications are highlighted for the committee’s information:

- **Whangateau Harbour Cockle and Pipi Closure** ARC have been advised by the Minister of Fisheries, the Hon Phil Heatley that he has decided to close the Whangateau Harbour to the harvest of cockles and pipi's for a period of three years. This is in response to a significant die off of cockles experienced in the Harbour in 2009, in which it is estimated that up to 63% of the cockle population died, of which more significantly 84% of cockles greater than 30mm perished. The decision was made after consideration of an Initial Position paper which proposed five possible management options and was produced by Ministry staff after consultation with local iwi and stakeholders. In December 2009, the ARC submitted that they supported the proposed three year closure of the Whangateau Harbour to the harvest of cockles and pipi; and recommended that the Ministry of Fisheries implements a monitoring programme to assess recovery of the cockle population in the Whangateau Harbour and develop a region wide strategy to address shellfish depletion in the region. The closure came into effect on the 25 March 2010. The letter advises that to support the closure, along with signage, Ministry staff will be arranging press releases and Fishery officers will be a regular presence at the harbour to advise regarding the closure and ensure that it is adhered too.
- **Papakura District Council** (consent numbers 33538, 33738 and 37205) have been granted three discretionary activity consents related to their stormwater networks. Applications 33538 and 33738 are to vary existing stormwater discharge consents. Application 33538 is to vary the catchment boundary of the Takanini South Catchment Management Plan area and application 33738 is to vary the Old Wairoa Road Catchment Management Plan catchment area and to increase the capacity of the Artillery Drive stormwater attenuation and quality treatment Pond (No.1). Application 37205 is a coastal permit to provide for a stormwater outfall structure in the coastal marine area within the Puhurehure Inlet, Gills Road for erosion management and the discharge of stormwater. The coastal consent has been granted for a period of 35 years.
- **Watercare Services Limited** have been granted a variation to consent 35210 to increase the methoprene discharge limit to 20 mg/m³ to ensure adequate midge control at the Mangere Wastewater Treatment Plant. The increase was the result of monitoring of the original consent which showed that the levels allowed in that consent were not adequate. The potential adverse effects of the increase on non-target marine organisms have been mitigated by a requirement for a Biota Monitoring Programme. The variation to the consent provides additional conditions which facilitate the trialling of revised dosing methodologies to optimise methoprene use.
- **Omaha Blueberries, Laurence Industries, Lynne Greensmith and Arthur Greensmith** of Jones Road and Omaha Flats Road, Omaha (consent applications 36692, 36708, 36733, and 37354) were granted consent to increase

their allocations of groundwater from the Omaha sandstone aquifer to meet their requirement for irrigation water. The aquifer is fully allocated, and the aggregate increase in allocation is compensated for by recent decreases to other consents and overall allocation within the aquifer remains within the availability. No bore interference issues have been reported and the monitoring bore records indicate water levels are being maintained.

- **Redwood Park Golf Club** (consent applications 36415 and 35305) were granted discretionary activity consents to dam water with a 1.5 metre high weir and take up to 160 m³/day and 12,000 m³/year from the Swanson Stream at Knox Road for irrigation of golf course tees and greens. The golf course has existed for 40 years and this is a replacement consent to take water, which was first granted in 1984. No significant change to the allocation has taken place since 2000. The weir has been in place since the 1930s. It has not previously been consented and originally created a swimming hole. The weir is located in reserve land and written approval to the damming was obtained from Waitakere City Council. Conditions are imposed on the damming requiring fish passage, and a low flow bypass of water downstream.
- **Visy Recycling NZ Ltd** (consent numbers 37419, 37420, 37421, 37422) was granted consent to divert and discharge stormwater from approximately 36,553 square metres of impermeable surfaces; to undertake approximately 3,500 cubic metres of earthworks over an area of 6,600 square metres within the sediment control protection area; to discharge contaminants onto or into land from an industrial and trade process; and to discharge contaminants to land or water from a land disturbance activity on a contaminated site at 12 Alfred Street, Onehunga, Auckland City. These consents are related to the proposed expansion of the glass recycling operation associated with the materials recovery centre. The plant itself is to be housed within the existing building but will have new external storage bunkers created to store the processed material. Additional stormwater treatment is to be installed on site to treat runoff from the new external area.
- **Transpower New Zealand Limited** (Transpower) owns and operates the National Grid electricity transmission network. It lodged resource consent applications associated with the construction and operation of a replacement substation next to the existing Pakuranga substation. The resource consents included earthworks, diversion and discharge of stormwater and the discharge of contaminants from an industrial or trade process (transmission substation). The applications are part of a wider proposal relating to the upper North Island Grid upgrade project. Transpower was previously granted resource consents for a 220-kV underground transmission cable between the Pakuranga Substation and Brownhill Road.

Appeals

The following appeals have been received since the last report:

- **Sea+City Projects Ltd** (consent number 37388, 37436, 37391, 37390, 37389). Application to upgrade the Jellicoe Street Road Reserve (to the east of Daldy Street) and a small section of the Halsey Street Road Reserve, and to redevelop and facilitate the use of the North Wharf as a shared public open space and working Wharf environment. **Appellant** – Marstel Terminals Ltd and Sanford Ltd. All appeals withdrawn on 18 March 2010.

4.3.5. EMERGENCY MANAGEMENT

Major activities that have now commenced and are ongoing:

- Work is progressing on the development on the national Emergency Management Information System. Our team is heavily involved with the adoption of this system in the Auckland region, Civil Defence Emergency Management Group (CDEMG).
- The initial group plan was completed in 2005 with a legislative requirement to be reviewed every five years; this is currently being carried out.
- Where necessary, we have been completing work for the ATA and the transition to one council.
- The Chilean Tsunami event took place in the early hours of Sunday morning, 28 February 2010. The Group Emergency Operations Centre (GEOC) was activated at 1:00am with a full staff of approximately 25 people, and the GEOC remained activated until 4:00pm the same day. Three volunteer staff change overs occurred with a total of 60 people being called in. This event ran extremely efficiently and the team received much praise for their contribution to the response.

4.4. PROGRAMMES AND PARTNERSHIPS

4.4.1. ENVIRONMENTAL PROGRAMMES

Stormwater

The emphasis of the stormwater programme remains on the updating of technical publications TP 108 (Guidelines for stormwater runoff modelling in the Auckland region), proprietary device evaluation protocol, TP 10 (Design guideline manual: stormwater treatment devices) and TP 124 (Low Impact Design Manual for the Auckland region). The update continues to progress well and as planned.

A report on the 'Effects of stormwater on aquatic ecology in the Auckland Region' has been produced. That provides a summary of investigations undertaken within the Auckland region on ecological effects from stormwater discharges. The report is currently undergoing a final review process.

A report on 'Sampling Requirements and Reporting Statistics for the Proprietary Devices Evaluation Protocol Development' has now been completed. This document provides detailed information for the proprietary device evaluation protocol (ARC Guidance Document 3, currently being developed by the Stormwater Action Team). The report provides information that enables a scientifically defensible methodology regarding assessing the stormwater quality performance from stormwater proprietary devices.

Low Impact Design Innovative Grant final presentations were received from the Belmont Residents and Ratepayers Association (for the Belmont residential development) and Adventure Camps (for Carey Park Christian Camp) during early March. Both presentations were well received and each illustrated differing elements of LID implementation within their developments.

Industry Training and Education Programme

One course was delivered in March, with another deferred until May due to lack of registrations. Negotiations are underway with NIWA to deliver ARC-owned courses outside the region. Environmental Programmes worked with Hauraki Gulf Forum and Auckland Museum to deliver the Hauraki Gulf Symposium in March as part of the tenth anniversary celebrations for the Forum.

Land & Water

Sustainable Catchments Programme

A fourth technical paper on Landscape and Integration for the Mahurangi catchment plan has been produced. This has been workshopped with community and council (ARC and RDC) staff. Another community meeting is planned for May. Workshops on forestry and harvesting are being organised for the Whangateau and a workshop with landowners in the Hotoe on the impacts of sediment on the Kaipara harbour is being held this year. The Rural Industry Group met in March, with another meeting planned for July.

Catchment Restoration Watercare Projects

Planning is underway in both the Wairoa and Waitakere for winter planting. Final weed removal has commenced in Wairoa, and plants and contractors are being organised for both projects. This will be the last season of planting for both projects.

Coastal Enhancement Fund

Existing projects are progressing well, with completion of a few larger projects and uptake of funding expected this month. A new round of funding for CEF has opened and will close in April. Workshops have been held with staff and potential applicants following opening of the funding round.

Landfills

Routine work is on-going with landfills. Flushing of leachate lines has commenced at Pikes Point and Greenmount. Trimming vegetation at Greenmount has commenced. Tenders have been received for manhole safety repairs at Greenmount. Additional operation and maintenance issues have arisen and are being addressed, including new secure padlocks at all sites, an electrical audit of all pump stations, provision of a spare pump to replace any operation pump in the case of breakdowns.

The dispute around landfill invoices associated with gas remediation works at Rosedale Landfill and trade waste charges at Pikes Point has yet to be resolved.

4.4.2. PARTNERSHIPS AND COMMUNITY PROGRAMMES

Sustainable Communities

Environmental Initiatives Fund

The 2010 Environmental Initiative Fund (EIF) opened for applications on 6 April and will close on 27 April. The round is running concurrently with the Coastal Enhancement Fund.

Ecocare

“Econews” was published and distributed as an autumn special edition highlighting the achievements of the winners of the 2010 ARC Sustainable Environment Awards.

The Ecoevents website continues to receive significant internet traffic, with over 4806 hits and 1363 unique users visiting the site in March.

Diverse Communities

Forty members of the Auckland Sikh community from Manukua City took part in an orientation programme on 13 March that is run in conjunction with the Auckland Regional Migrant Service.

On 6 March, 65 members of the Tongan Community participated in a beach cleanup at Kiwi Esplanade Reserve, Mangere.

Wai Care

The Wai Care Expo is scheduled for Saturday 24 April 2010. The programme provides a rich learning environment and show cases the work of Wai Care groups across the region.

Waste Programmes

One HazMobile collection took place in Glenn Innes, Auckland City on 6 March, which attracted 546 customers safely disposing of hazardous waste.

Seaweek 2010

Seaweek was held 6 to 14 March 2010 and complemented a number of existing ARC activities and initiatives, such as coastal cleanups on Parks, the Hauraki Gulf Forum, shellfish monitoring, Pacific oyster shell cleanups and Make a Difference (MAD) Marine youth project. The ARC provided regional co-ordination for Seaweek which included 20 events, a dedicated webpage, a ‘how-to’ guide to get involved in Seaweek, and press coverage.

Afforestation Grant Scheme

The Afforestation Grant Scheme (AGS) holds two funding rounds per year which close on 31 March and 31 October. The AGS was advertised on the ARC website in March. One application was received that requested a grant of \$17,600 to reforest just over 8 hectares in the Mahurangi catchment. The application was assessed and forwarded to the national evaluation panel. A decision from MAF on the outcome of the application is expected sometime in the new financial year

Sustainable Schools

Learning through Experience

One hundred and seven school visits to regional parks were undertaken in March, comprising 5084 students, 233 teachers and 396 parents from 66 schools.

Enviroschools

There were over 40 facilitation visits to Enviroschools during March. Silver sign presentations were made to three schools. A stocktake of Enviroschools in the Auckland region was undertaken, and 139 schools have committed to the programme for 2010.

Youth Development

Forty-seven students from 19 schools were accepted for the MAD (Make A Difference) Hui.

Thirty applications from 15 schools were received for the Sir Peter Blake Youth Environment Forum. Ten students were interviewed and five were selected to represent the region.

Several MAD students who graduated in 2009 have connected with Nexus, the student sustainability group at the University of Auckland, and are planning actions for this year to increase sustainability awareness at the university. This group is led by a MAD graduate who continues to be mentored by ARC staff.

Waste Education

Six facilitation visits were undertaken at WasteWise Schools and two 'Introduction to WasteWise Schools' workshops were delivered which received 99 per cent satisfaction rate. The resource, 'Be Resource Smart – Wise up on Waste!' was printed and ready for Kids for Drama workshops starting at the end of March. A waste audit at Papakura High School was conducted with students discovering that 84 per cent of current waste could be diverted from landfill. A WasteWise Schools certificate of achievement was presented to Manukau School.

Regional Partnerships - Hauraki Gulf Forum

The Hauraki Gulf Marine Park Act 10th anniversary programme of activities facilitated by Hauraki Gulf Forum including anniversary celebration for 130 people hosted by DoC on Motutapu, publication of Herald supplement series, popular discovery cruise promotion by Fullers, new tourism web site www.haurakigulfnz.com by Tourism Auckland, information for international the boat show, an anniversary seminar hosted by Auckland Museum and ARC.

The March Forum meeting approved commissioned reviews of fisheries legislation and non-regulatory programmes for publication, received the first comprehensive State of the Environment report for Great Barrier Island, and a briefing on implications of Treaty settlement process for gulf management agencies.

Work is being commissioned on a definition of monitoring and an indicators framework for Gulf-wide state of the environment reporting and further definition of tangata whenua values.

4.4.3. HERITAGE PROGRAMME

Conservation on Regional Parks

Implementation of conservation programmes on regional parks are well underway including the annual kokako conservation project, Tawharanui and Shakespear open sanctuaries; habitat restoration; and restoration of historic heritage resources on parks, including Couldrey House, Scott Homestead and Keddle House. A further release of shore skinks from Tawharanui Open Sanctuary to Crusoe Island was successfully undertaken in March. Construction of the pest proof fence at Shakespear Regional Park has begun, with a sod turning celebration in early March to mark the event. Significant input has been put into the review of heritage and biodiversity aspects of the Regional Parks Management Plan. Overall, all programme deliverables are on track.

Regional Heritage Conservation

The first field season of a regional forest biodiversity monitoring programme has been completed, and field work for a wetland monitoring programme is underway. Annual forest bird monitoring in the Waitakere Ranges, Hunua Ranges and Tawharanui Regional Park has been completed. Fieldwork for the 2009-10 coastal summer cultural heritage survey programme has been completed. Over 29% of the coastline of the region has now been surveyed for cultural heritage sites. This has included a field survey of historic heritage around the southern coastline of the Manukau Harbour, and survey of parts of Kawau Island. Archaeological investigations were undertaken at the site of Browne's spar station in the Mahurangi Harbour, and Heritage staff organised a University of Auckland archaeology field school at Tapu Tiketike pa, Waitangi Falls, Awhitu, in partnership with Ngati te Ata, Franklin District Council, private land owners and the University. The excavation of these sites will provide information to assist with long term conservation. Significant input has also been put into the review of heritage aspects of the Regional Policy Statement; the launch of the regional State of the Environment report; and into statutory processes including district plan changes and Environment Court appeals. Overall, all programme deliverables are on track.

4.4.4. BIOSECURITY PROGRAMME

Staff have undertaken diagnostic work on symptomatic trees to provide confirmation or otherwise of PTA infection. Soil samples from private properties have been sent for testing. Staff met North Shore City Council staff and local volunteers at Chatswood Reserve and a cleaning station was installed. A PowerPoint presentation was provided for use in schools. Staff inspected properties in Laingholm, Huia and West Harbour with PTA symptoms. Phytosanitary supplies have been restocked and supplied to 3 landowners, Discovery Walks groups, NZ Defence Force (Shakespear) and Green Bay High School. A basic survey of park users was undertaken regarding general knowledge of PTA, with results to be used to create more comprehensive and targeted surveys. Initial planning of aerial surveying the Waitakeres was undertaken.

The possum programme in Awhitu was audited. The pest fish programme in Lake Wainamu was completed, with volunteers from across Council staff assisting the Biosecurity and Environmental Research teams, deploying 48 nets twice over four days. Fewer adult fish were captured than previously, indicating programme success in reducing breeding populations. However juvenile catch numbers were higher, possibly because of removal of refuge sites in the egeria weed beds, which have been largely removed due to the grass carp programme. A report on both these programmes will be provided after the annual grass carp survey is completed in April.

Staff assisted NIWA with an aquatic plant survey of 3 South Kaipara dune lakes. Total Control Pest Plant inspections and eradication work continued on 7 species. Argentine & Darwin's ant surveys on Waiheke, Rakino and Kawau Islands have been completed. Preliminary surveys found that Argentine ant populations have spread more widely on Waiheke Island and a new incursion has been confirmed at Vivian Bay on Kawau Island. A full delimitation survey at Vivian Bay will be undertaken plus further investigative surveys at key Kawau sites. A Rakino Island site visit was undertaken with stakeholders regarding rhamnus, rat monitoring and signage. A new rat monitoring plan is to be implemented. Argentine Ant surveillance and training with a weed contractor was completed on Great Barrier Island.

Training on the ARC-DoC Biosecurity and Treasure Islands Programme was delivered to Fullers staff. A combined ARC-DOC Treasure Island display was created for the Auckland International Boat Show. Sign placement was undertaken at 5 island sites. Staff supplied quick guide pamphlets and Treasure Island A4 signs to be included in skippers' information packs for the NZ Marine Cup event.

Staff continued to assist community groups and individuals on both pest animal and plant control. A combined East Auckland Landcare groups meeting was attended to discuss regional pest control and a proposed "Corridors of Opportunity" programme.

Garden mulch has recently been found to be a significant vector for some pest plant species (e.g. moth plant and Madeira vine) with identification of suppliers underway. A second round of BIOMAP field data recording training was completed. Staff liaised with 4 regional councils and DOC re their existing Biosecurity data management systems and the possibility of sharing BIOMAP. Biosecurity and Planning staff presented ARC's submissions on Northland Regional Council's proposed Marine, Plant Pest and Animal Pest Management Strategies.

4.4.5. ECONOMIC DEVELOPMENT PROGRAMME – AUCKLANDPLUS

Work on the Economic Development workstream for the Auckland Transition Agency was intensive during February and March. AucklandPlus has led the work on sector development and investment, and inputted into the major events and the marketing and branding workstreams.

Significant effort has gone into leverage opportunities around the Festival of Sailing was delivered during March. This included the use of the regional brand as the hero brand for all Auckland City communications, investor and media hosting, a stand at the Auckland International Boat Show and various hosting activities and functions. A full analysis of the impact of all activities is underway

In addition the other key activity was completion of the Commonwealth Games feasibility work programme. While the outcome hasn't been evolution into the bid phase there have been significant learnings on the way through. These are now being captured as part of a comprehensive debrief.

Lastly AucklandPlus supported the World Class NZ Summit and Awards as part of its efforts to built international connections and networks for Auckland.

4.4.6. TOURISM PROGRAMME

Programme is on track.

4.4.7. MAORI RELATIONS PROGRAMME

Increased workload due to the Auckland Governance Transition, Auckland Treaty of Waitangi Claims Settlement process and increases of service requests from Māori communities and from within the organization has meant some delays in planned projects. This has impacted on planned expenditure across other projects.

Kei Roto (Internal Sub- Programme)

Our internal work sub-programme (Kei Roto) has been dealing with integrating Māori policy advice into a number of key initiatives including; the Regional Policy Statement review, Regional Land Transport Strategy review and future Auckland growth scenarios.

An important new piece of work has emerged in relation to the Future Auckland Planning Framework and initial preparation work associated with the “Spatial Plan”. A Maori values workstream is being developed to compliment the broader work programme.

Kei Waho (External Sub- Programme)

Our external work sub-programme has focused on continued support of the Tāmaki Regional Mana Whenua Forum, number of marae development projects centered on waste water consent applications as well as responding to the Māori and Council project of the Auckland Transition Agency.

The key regional issue remains the Treaty of Waitangi Claims Settlement process.

Planning over the next two months will focus on closing off projects for 2009/2010, while finalising planning for the work programme through to October 31, 2010.

4.5. PARKS

4.5.1. NORTHERN SECTOR PROGRAMME

Northern sector operations were focused during the month on managing visitors and ensuring facilities were operational to meet visitor demand and required service levels. Extra vigilance was required to manage livestock because of the dry conditions and lack of pasture.

Use of baches and campgrounds continues to be very high, with most facilities fully booked. Weekday visitor use has declined as expected for the season however weekend use remains high. Campervan permit records show a significant increase compared to the same time last year with a near 60 per cent increase.

The dry conditions continue to have an impact with mature trees showing signs of drought stress. This effect is particularly noticeable in the taraire trees at Wenderholm and Mahurangi where leaves are turning brown, dehiscing and trees dying. Understory plants are being impacted as well.

A sod turning event was held at Shakespear Regional Park to mark the milestone of the commencement of construction of the pest proof fence as part of the Shakespear Open Sanctuary project. This was attended by around 100 people including representatives of the key partners in the project.

4.5.2. SOUTHERN SECTOR PROGRAMME

Southern park operations were mostly focused on managing visitors and ensuring facilities were operational to meet visitor demand and to the required service levels.

This has been the driest March on record and is causing great concern in regard to the potential fire hazard and the associated risks. The situation for the parks livestock is also very concerning with the need for feeding out hay and silage to cattle at Whakatiwai and Awhitu and will be starting at Tapapakanga this week. To date we have transferred the Duder ewe lambs to Atui creek and the Tapapakanga ewe lambs to Waharau.

Campground usage has dropped off recently however bookings are expected to increase over the next month due to seasonal fluctuations. The Women's Real Duathlon was held at Ambury on Sunday 28 February with approximately 600 participants. Omana Children's Day was held on Sunday 14 March, with fine and sunny conditions. Approximately 5,500 people attended the event with a high level of support.

The Southern Parks hosted three other smaller events on 28 March. The annual Ambury Easter foreshore clean up and Easter egg hunt was well supported with around 100 people and the Love Your Regional Park Day included two events in the southern sector. One was the Mutukaroa mountain bike event with approximately 50 riders and the other event was a brunch at Tawhitokino beach.

Campgrounds and the Awhitu Bach have continued to be well used through March. The campgrounds at Awhitu, Whakanewha, Upper Mangatawhiri and Tapapakanga continue to be the most popular.

Construction has commenced on the Sea Kayak Trail campsite project; building consents were approved for Duder, Tawhitokino, Orere Point and Tapapakanga.

There has been no further major maintenance or vandalism issues over the past month so only planned tasks have needed to be done.

4.5.3. WESTERN SECTOR PROGRAMME

Western parks operations over March have been focused on maintenance of roads, car parks and tracks. Operational improvements to some car parks identified through the summer period have also been undertaken. Continued fine weather has seen higher than usual visitors to parks through March. Behavioural issues have been declining but rubbish dumping along with illegally lit small fires continue to take staff time to clean up after.

The two western sector baches were only partially booked for March with camping numbers also declining.

Filming activity was low with only two small filming events in the month although there were a number of applications for research permits.

The joint hosting with Ark in the Park of the “Love Your Regional Park Day” at Cascades Kauri on Sunday 28 March, was attended by about 70 families and children, along with the normal park users on a fine day.

The management of kauri dieback phytosanitary measures and supplies to help stop the spread of PTA continues to require significant levels of staff resource.

Officers have continued to assist in the development of projects and the Regional Parks Management Plan review. A councillor site visit to Western Parks in March in relation to the Regional Parks Management Plan review looked at issues in the Muriwai and Huia areas.

Three large dead fallen kauri have been identified as a source of timber for the replacement pou at Arataki. Planning and preparation for the logs to be extracted by helicopter is underway with the logs expected to be removed in late April.

4.5.4. BOTANIC GARDENS PROGRAMME

Autumn has seen the commencement of several construction projects.

In late March construction began on the third and fourth stages of the edible garden redevelopment. These are ‘The Walled Garden’, an ornamental vegetable garden enclosed by recycled brick walls and featuring espaliered fruit trees and other edible plants. The other new garden is an orchard and meadow which will feature fruit trees that are proven performers for Auckland gardens.

A rain garden will also be installed in the orchard. This rain garden is another of the LID (Low Impact Design) devices being installed at the Auckland Botanic Gardens.

The Potter Children’s Garden extension is progressing on schedule with commencement of construction of the entry shed, construction building and toilet block.

The forebay wetland project has been completed apart from restoration of turf and planting of the banks which will take place once autumn rains arrive.

The Botanic Gardens nursery has produced 59,500 native plants for revegetation programmes in regional parks. These plants will be despatched from late April with the last despatch scheduled for July.

Seed for next years replanting programme is arriving at Botanic Gardens from each of the parks that have planting requirements.

A water tank has been installed behind the propagation house to collect runoff and keep the mist system at optimum pressure to ensure minima loss of our cutting material.

Most other staff resource has been utilised in maintaining the gardens and grounds and ensuring recent plantings survive the dry conditions.

4.5.5. PLANNING & RESEARCH PROGRAMME

- The Regional Parks Management Plan (RPMP) review is progressing well. Eighty-three submitters attended the hearings held in March. The deliberations have begun and will continue into May. Once the deliberations are completed the amended RPMP will be brought back to the Parks and Heritage Committee in August for adoption and then be sent to the Minister of Conservation for approval.

- The draft Mt Smart Management Plan has been publicly notified; the public have two months to submit on the draft plan. The submission period closes at 4pm on Friday 28 May 2010. The hearings and deliberations are planned for June and July 2010.

A stakeholder site visit and workshop was held on 24 March as part of the Waitawa concept plan project. A sub-committee workshop was held on 13 April to confirm the recreation activities that will be provided for on the park. The draft concept plan and variation to the RPMP will be presented to the August Parks and Heritage Committee and then publicly notified.

Waitakere City Council (WCC) officers are currently considering submissions received on the notice of requirement to re-designate the Waitakere Ranges Regional Park. Seven submissions were received. Meetings have been held with two of the submitters to explore ways of meeting their concerns. Officers from WCC and the ARC are working through the issues raised by all parties, including a request for further information by WCC.

Parks staff have reviewed WCC Plan Changes 35, 36 and 37 relating to the Oratia and Waiatarua Local Area Plans, the Social, Cultural and Economic Wellbeing of the Waitakere Ranges, and, Titirangi Village, in consultation with ARC planning staff. It is understood that WCC is continuing to work on the Swanson and Anzac Valley LAPs for public release later this year.

Staff have prepared submissions to the Waitakere City Council and Manukau City Council speed limit bylaw reviews.

Parks staff have also met with Motorcycling New Zealand to discuss how the Recreational Riding Strategy that it is developing can support the council in restricting illegal, unnecessary and/or damaging use of motorbikes on the region's beaches.

Work on the Informal Recreation on Regional Open Space project, which is being led by ARPASS, has progressed during March with support from ARC officers and some input from the Strategic Partners Group (SPG).

Track and vehicle monitoring continues.

The recommendations from the recreation pricing schedule review are being presented to the May Parks and Heritage Committee.

4.5.6. ACQUISITION & PROPERTY MANAGEMENT PROGRAMME

Acquisition

Officers progressed negotiations with respect to a number of potential acquisition candidates and continue to maintain a watching brief on a number of parkland possibilities. Officers maintain a close dialogue with the Chair, Parks and Heritage Committee on all acquisition matters, and continue to review and analyse acquisition priorities in preparation for prompt reporting to the Parks and Heritage Committee.

The Pakiri land purchase (an eight hectare addition to the existing park), has formally settled following the recent land registration.

Property Management

Officers continue to manage day-to-day property and licence matters including the co-ordination of licence renewals and reviews, lease negotiations, and attending to ongoing residential tenancy matters.

Work streams include assisting in property matters pertaining to the occupation management of Transport and Urban Design properties, assisting Regulatory Services with consenting process issues, the progression of various encroachment matters, and formalising lease tenure at Waitawa. Specific licence and legal matters advanced during the month include the processing of various Telecommunication licence applications; and finalising easement matters.

4.5.7. ASSET MANAGEMENT PROGRAMME

This programme has continued to focus on the development of the asset management solution, as well as supporting the use of the new system across the parks network.

Consultation on the Piha design guidelines occurred in March 2010. The timeline for written feedback to be received closes on 16 April.

4.5.8. VISITOR SERVICES PROGRAMME

The myParks booking system development has been progressing well with testing on the new booking cart occurring in early May. The booking cart is a feature that enables users to select multiple sites or variations on their booking. This is an essential development before making the myParks system accessible online to the public. This is still on track to occur this financial year.

A large amount of interpretation work continues including "Hill to Mill", a trail that explains the timber industry in the Karamatura Valley is on track, and has had support from the Huia Museum.

Final mock-ups for the Exhibition Drive interpretation trail were displayed at the Waitakere brochure launch event held on 9 April and will be installed during April.

The Arts Advisory Group has met, selected, and announced the 2010 artist in residence. The selected artist, Maureen Lander will be based in, and will create work associated with, the Waitakere Ranges Regional Park.

ARC has been supporting two AUT film students who are creating short films for the ARC's use on the Hillary Trail and for kauri dieback.

- The busy season for concessionaires has finished on regional parks. Quarterly fees were due in April for the last quarter. There are currently 40 registered concessionaires. During April, monitoring and enforcement continued in the sectors.

The parks book is progressing well with the author Mr Graeme Murdoch close to finishing the fourth chapter of six. Timelines are still very tight for completion.

Love Your Regional Park Day, held on Sunday 28 March 2010, saw three organised events take place at Cascade-Kauri, Waitakere Ranges Regional Park, Tawhitokino Regional Park and Mutukaroa – Hamlins Hill Regional Park. The day provided the public an opportunity to experience three lesser-known parks in a family focused fun and free way. All feedback gained on the day was very positive and provided a good base for future events.

4.5.9. CAPITAL EXPENDITURE

Northern Sector Capex

A month of fine weather has enabled considerable progress to be made on the construction of the predator fence at Shakespear. Fence earthworks will continue into May before delaying until after the winter season. Couldrey House at Wenderholm is due to receive a full replacement of its foundations and aspects of its subfloor structure during April.

Southern Sector Capex

The Hunua Falls arrival area development has gained all the required consents and a contractor has been appointed; work is planned to get underway in April. Progress has been made on the kayak/waka trail campground shelters, with full completion planned for early May.

Western Sector Capex

Kedde House at Anawhata has finally seen the return of a Marseille tile roof. The replacement works enabled further strengthening of the roof structure. Tendering processes have been completed for structure replacements at Muriwai, with works planned for April.

An investigation into the water supply at Te Rau Puriri has been completed and a tender process is underway.

Botanic Gardens Capex

Works have continued on the stage two development of the Potter Children's Garden. The successful tenderer has commenced is underway with work on the children's garden toilet development. All earthworks have been completed on the pond sediment forebay projects; some rain will see the required planting undertaken to complete this project.

General Manager Capex

The upgrade of the Schischka House as part of the bach upgrade has been completed. Interpretation is on track with the Hillary Trail complete and firm progress on the Hill to the Mill interpretation at Huia. The purchase of plant and equipment has continued, along with fencing developments and renewals.

4.5.10. FARMING PROGRAMME

The prolonged summer dry period in the Auckland region has impacted on our farming operations throughout regional parks. All parks are very dry with limited feed available for stock. Pastures that have kikuyu grass established in the sward have withstood the prolonged dry period and livestock grazing these areas are in reasonable condition. However, where there is no kikuyu grass, as is the case at Duder Regional Park, feed reserves have been depleted and livestock have lost condition, and consequently lambs and ewes have been transferred out to other parks.

Hay has been transferred between parks and maize meal and silage has been purchased to maintain stock condition. Earlier decisions to sell store lambs and prime cattle have enabled most parks to carry through all remaining livestock.

The lack of good quality feed during March will impact on in-lamb rates and revenue during the next financial year. The primary concerns at present is to maintain live weight and stock condition through the autumn period, whilst conserving grass for feed, post shearing, and for the winter period.

4.5.11. MT SMART PROGRAMME

Major Achievements

Over the March period eight school sports days were held on Arena Number Two, nine athletics events, twelve other events, a Special Olympics event and the first Vulcan's League game. On Arena Number One the first two Warriors games of the season were held on 8 and 20 March, attracting crowds of 15,314 and 19,230 respectively. Eleven functions were held utilising the East Stand Lounge, corporate suites, Beasley Ave Lounge and the South Lounge.

As part of the 2011 Rugby World Cup Sustainability work stream, the stadium successfully trialed a new recycling system at the Vodafone Warriors games. Recycling stations were located in public, corporate and back of house areas manned by volunteers to assist in the disposal of waste items. The initiative, called "Mt Smart Stadium, working towards Zero Waste", achieved the collection of 2.6 tonnes of recyclable and compostable materials at the first Vodafone Warriors game.

Key Focus Areas

Following seven weeks of field renovation on Arena Number One, the Vodafone Warriors returned to training at the stadium on 8 March. On average they conduct two sessions per week. Unfortunately due to humid weather conditions, a fungus affected the Number One playing field and delayed the availability of the field for training purposes by two weeks. The fungus was removed and precautions taken to prevent the fungus from returning.

Resealing of the roadway adjacent to Gate B and the West Concourse was completed as planned by the end of March 2010.

The Contract Audit Project has focused on resolving top priority issues where clarity is required in the interpretation and/or application of a contract at Mt Smart Stadium. It was identified that the Warriors, Carnegie and Corporate Suite contracts were top priority and a total of 37 issues were identified for resolution. During March, 48% of these issues were resolved within the team, and the remaining issues due for discussion with affected parties over the next month.

4.6. HUMAN RESOURCES

March Update

Rolling 12 month staff turnover is 12.9% overall or 11.5% excluding the Contact Centre (for March 2010) and sick leave remains at a low level (2.43% for March 2010).

Recruitment practices remain carefully managed. Significant savings continue to be made in recruitment advertising and placement fees. With increased turnover there is an increase in recruitment activity – the challenge is to attract high quality candidates who want a fixed term agreement for a maximum of seven months during a period of significant change. Technical roles are becoming hard to fill. The ARC had 8,901 visitors to the Careers Site in March. 215 applications were received for 7 positions requiring 7 people.

Intra-Council secondments activity is negligible. The volume of ATA related work that people are involved in is significant and continues to steadily increase.

CDL Human Resources Ltd is providing career support and development for ARC people. Individual sessions are being provided for senior managers. Group sessions are underway for those positions considered likely to undergo significant change. Sessions will continue to be offered over the next few months. Feedback has been positive regarding the support services. It is noted that the change is becoming more 'real' for individuals.

The ATA provided the ARC with the final Job Mapping Tool during March. Job Mapping was undertaken in workshop sessions where every employee had the opportunity to complete the mapping over two or more sessions. Validation was then completed across the organisation to confirm the information submitted. ATA letters advising people whether they are still in the change process or not will be given to people in April.

Negotiations with Unite union are still in abeyance.

4.6.1. HEALTH AND SAFETY

March Update

The Health and Safety Manager continues to focus on improving reporting, raising awareness and delivering Health and Safety training and support across the ARC.

March Results

There were three non serious harm staff accident / incidents and three near miss accidents in March 2010:

Injuries were:

- 1 x jammed finger in door
- 1 x puncture wound to foot
- 1 x jarred left knee

Near miss incidents (non-injury) were:

- 1 x aggressive member of the public
- 1 x door slamming causing broken glass
- 1 x mule (utility vehicle) toppled onto side

4.7. CORPORATE SERVICES

4.7.1. COMMUNICATIONS AND MARKETING

Public information and engagement

A Region Wide was produced and distributed seeking feedback on the ARC's draft Annual Plan.

The Hillary Trail booklet has been updated and printed.

Advice is being provided on production of the Regional Land Transport Strategy, following feedback.

The team has worked on interpretation for the Onehunga railway station.

Assistance has been provided for the Regulatory Services customer satisfaction survey.

At the request of Parks staff, Agent Ani is back in action, promoting caring for the environment to young people.

A Pohutukawa Post is in production.

External communications

State of the Environment – the ARC's final report on the state of Auckland's environment received balanced and widespread media coverage. Full and summary versions of the report were produced and the release was well planned.

Hauraki Gulf Forum NZ Herald inserts and symposium – a series of three inserts celebrating the Hauraki Gulf and the forum's work over the past 10 years appeared in the NZ Herald in March. A symposium was held later in the month at the Auckland Museum to mark the 10th anniversary.

Seaweek – the ARC was represented at the Auckland Boat Show and took the opportunity to promote the need to protect the Hauraki Gulf islands from pests such as rats. The stand was designed and managed by Communications and had a record number of people stop and take information away. Another stand is planned at another boat show in May.

Love Your Regional Park Day – Communications and Marketing supported three very successful Parks events to celebrate Love Your Regional Park Day in March.

Warriors zero waste event – The new zero waste status of Mt Smart Stadium was promoted at a Warriors game, using media releases, a demonstration film at half time, and a team of volunteers from across the ARC.

Phytophthora Conference – the ARC hosted delegates from the Phytophthora Conference at the Kauri Cascade early in March. Communications support including event management, communications materials such as speech notes, information booklets and fact sheets, as well as arranging media interviews for conference attendees.

Online communications

The team continues to maintain and update the ARC's website, other associated websites, and the organisation's intranet. The team is becoming more and more involved in development of the new Auckland Council's website and intranet, and other online functions.

4.7.2. CONTACT CENTRE

MAXX Grade of Service measures the percentage of calls answered within 20 seconds. The result for March was 82.14%. Target = 80%.

MAXX Abandonment measures the percentage of callers who hang-up without being answered. The result for this month was 2.00%. Target = 5%

ARC Grade of Service measures the percentage of calls answered within 20 seconds. The result for this month was 86.82%. Target = 80%.

ARC Abandonment measures the percentage of callers who hang-up without being answered. The result for this month was 1.91%. Target = 5%.

First Point of Contact Resolution RATES measures the percentage of Rates related questions that are answered first time without needing to be transferred to someone else in the organisation. The result for this month was 98.47%. Target = 95%.

First Point of Contact Resolution ENVIRO measures the percentage of Enviro related questions that are answered first time without needing to be transferred to someone else in the organisation. The result for this month was 95.07%. Target = 75%.

4.7.3. INFORMATION AND COMMUNICATIONS TECHNOLOGY

Priority for the Group continues to be ATA projects. The Group now has over one third of its staff working full time, or predominantly, on these projects.

ICT systems and services are all performing as expected. There are still issues with business continuity capability which means in the event of a significant hardware failure, or disaster some (or all) ARC core business systems e.g. e-Mail, Web Site, Financial systems, are at risk of being unavailable for a period of time. Work has continued on addressing some technical capabilities to increase the resilience of core ARC and ARTA services e.g. websites, email.

4.7.4. REVENUE, PLANNING AND OPERATIONS PROGRAMME

Copy Centre

A busy month for the Copy Centre with production figures of 453,585 printing pages for March (339,840 black and white and 113,745 colour copies) more than doubling last month's total of 202,600. These copies are made up of various documents and publications for the ARC and ARTA.

This includes the printing of the Draft Annual Plan which kept our high speed B/W and colour copiers busy.

Operations

The replacement vehicles ordered as reported last month have been delivered. Minimal signage to comply with branding guidelines has been arranged.

An online pool car booking system for staff went live on Friday 16 April. This system is hosted by our fleet management company Fleetsmart. The system will be trialled with ARC Pitt St pool cars first and will be extended to individual department's cars once the system is working smoothly.

We are continuing to experience a high level of meeting room helpdesk requests and room setups with the increase in meetings for ATA workstreams.

Revenue

The rates programme is progressing smoothly. We are past the discount date for Regions 1-5 and the penalty date for Regions 1-5. An average of 66.6% of accounts have received discounts with the total value of discounts to date being \$2,715,267 (GST excl) as at 31 March 2010. This means that 69.8% of the total available discount has been applied. The total value of applied Penalties to the end of March is \$2,840,988 (GST excl).

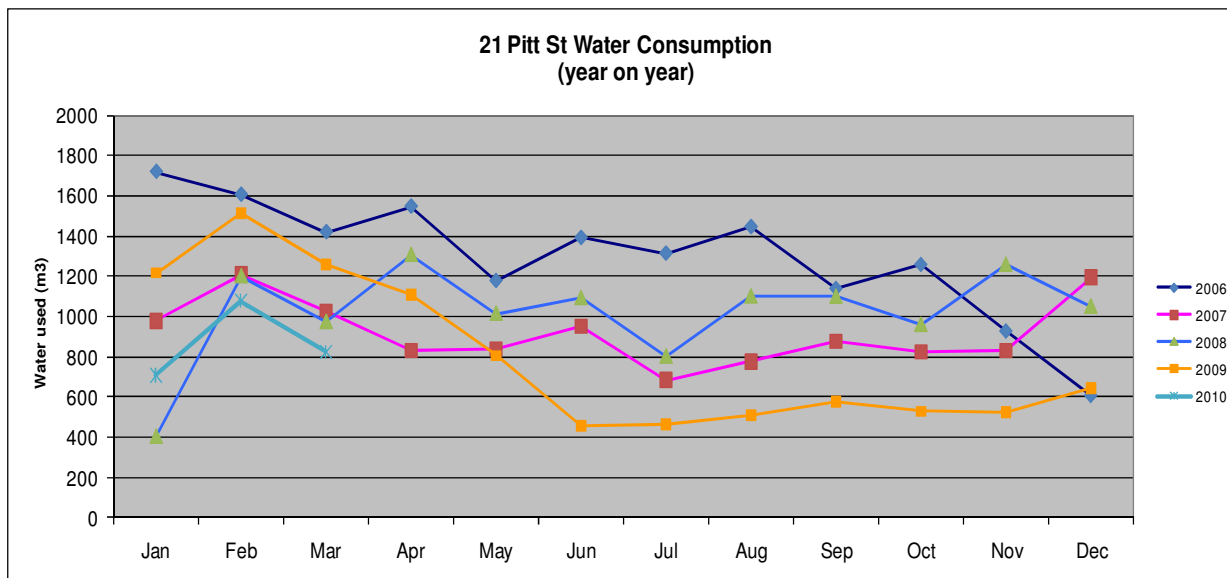
Planning and Reporting

Council adopted a draft Annual Plan 2010/11 on 29 March. This draft plan will be open for public feedback from 9-30 April, during which time Council will also consult with the ATA. A workshop will be held with Council in May to review the feedback and consider any changes before proceeding to adopt a final plan in late May.

Discussions with audit on the process for the 16 Month Annual report are proceeding. Audit will begin preparation for the audit in April.

Water Consumption

We are continuing to see positive trends (vs previous years) in relation to the water management improvement at 21 Pitt Street. Improvements have included more reliable monitoring and sustainability initiatives throughout the building.



4.7.5. FINANCE

The finance department is delivering both its programmes, Financial Control and Transactional Services in line with plan.

The cash position was \$38.5m positive at the end of March. Net earned and paid year to date interest is above plan.

The finance team completed work on the financial aspects in the draft Annual Plan for 2010/11, including the 4 month, 8 month split.

Two finance staff are now permanently seconded to the Reporting and Planning Project at the ATA, whilst other staff are involved in providing information to various ATA workstream requests. This is impacting on Finance's overall workload.

The first interim audit has been completed by Audit NZ for the 2009/10 year. Audit NZ will carry out two interim audits given the Annual Report for this year is for a sixteen month period.

The ATA mapping project which maps the ARC's existing Chart of Accounts (C.O.A) to the new Auckland Council C.O.A is more than half completed. Finance is working with the Reporting and Planning Project Team on this. This will allow the 2010/11 8 month plan and the last 8 years of the LTCCP to be mapped into the ATA consolidation software called Hyperion, allowing the ATA to consolidate the 8 Councils plans.

Finance has been working with the Councils' tax advisors to complete a review of the Councils tax situation which is planned to be completed by the end of April.

4.8. CHIEF EXECUTIVE'S OFFICE

4.8.1. ORGANISATIONAL POLICY AND STRATEGY

During March, submissions were prepared on the Auckland Transition Agency's discussion documents "Auckland Council Local Boards" and "Council Controlled Organisations of Auckland Council". The Council considered these submissions at its meeting on 22 March 2010.

Work has also involved input to the Ministry of Transport's rail track access charges working group and KiwiRail's process for the procurement of new electric trains. Staff have continued to undertake work for the ATA through the legal, CCO, transport and governance workstreams.

4.8.2. DEMOCRACY SERVICES

Legal

Legal work undertaken in March 2010 included the Rodney rural plan appeals/mediations (Weiti and SEP subdivision), Wynyard Quarter Plan appeals/mediations, Resource consent appeals (especially Rakino Island and Winstones 3 Kings appeals), ALW Plan appeals, LGAAA appeals/mediations, Moorings issues, Franklin District Council Plan appeals/mediations, ACC Hauraki Gulf Islands appeals/mediations, and resource consent appeals (in particular Puketutu Island & Owiti).

Committees and Hearings

A busy committee month with RPMP hearings taking place, 2 extra council meetings to consider the adoption of the Annual Plan and the ARC Submission to the Auckland Transition Agency on Local Boards and Auckland Council CCOs.

Atlas Concrete Hearing concluded with deliberations being held on 8 and 10 March. Huhtamaki NZ Ltd convened and concluded over 11/12 March. Three hearings commenced towards the end of the month with April looking extremely busy with hearings and RPMP hearings continuing.

LGOIMA

There has been a steady influx of requests over the past month (13 in total) requesting information on a variety of topics.

FINANCIAL

All but the minor variances are favourable in the Democracy budget. Despite a very busy February and March that includes the RLTS and RPMP hearings, significant budget items remain positive. Minor expenditure types, such as couriers and copying, will go slightly over budget but will not materially affect the overall favourable variance.

4.8.3. CCOS

The December quarter reports for both ARH and ARTA were reported to the March Finance Committee, together with analysis of ARH's draft Long Term Funding Plan 2010-2020. ARTA's draft budget for 2010/11 was finalized for inclusion in the draft Annual Plan which was approved by the Council on 29 March 2010. The draft Annual Plan makes provision for the funding of afternoon peak travel for the SuperGold Card should funding be unavailable from the New Zealand Transport Agency.

4.8.4. ARTA OPEX AND CAPEX

For the year to 31 March 2010, ARTA drew down \$65.968 million in ARC operating funding compared with a planned drawdown of \$74.829 million resulting in underspending of \$8.861 million. ARTA expects to underspend its operating funding by a similar amount for the full financial year. For the year to 31 March 2010, ARTA drew down \$42.745 million in ARC capital funding compared with a planned drawdown of \$48.723 million resulting in underspending of \$5.978 million.

ARTA will report to the June Finance Committee on the delivery of its operating and capital programmes for the March quarter.