

CONFIDENTIAL

Proposed Fees Change for Technical Property Services

Recommendations

That the Board:

- i. Endorse the proposed fee schedule for processing applications for road stoppings, licences to occupy the road corridor, building line restriction cancellations, removal of limitations to parcels and technical property information enquiries processed by Auckland Transport (AT) Technical Property Services team.
- ii. Approves the fee structure being publicly consulted on in accordance with section 82 of the Local Government Act 2002 (LGA 2002) and where no significant matters are raised during consultation, delegates approval of a final fee structure to the Chief Executive.
- iii. Notes that where any significant matters are raised during the consultation process these will be reported back to the Board before approval of a final fee structure.

Executive summary

Technical Property Services fees change

1. Currently there is no clear overall pricing structure or fee schedule for applications processed by the AT Technical Property Services team. A deposit or a flat fee is paid at the time of application. Where there is a fixed fee any extra staff time cannot be charged. Where a deposit is paid any additional processing time and disbursements are recovered by invoice issued at the completion of processing. This is cumbersome, involves double handling and is difficult to implement and enforce.
2. A review of the work undertaken by the AT Technical Property Services team established that the current charging structure is not transparent for the public and does not enable recovery of staff time. Objectives of the proposed new fee structure are:
 - To bring the fees charged by the AT Technical Property Services team for processing applications in line with those of AC and other Council organisations across the country.
 - Clarify the fee structure and charging schedule for applicants to provide greater certainty of costs.
 - Recover property staff processing costs.
 - Allow greater engagement with public by providing pre-application meetings and consultation.

CONFIDENTIAL

- Improve customer satisfaction with the process.

Previous deliberations

3. There have been no previous Board deliberations on this matter.

Strategic context

4. The AT Statement of Intent requires AT to ensure value for money and deliver maximum value for ratepayers. The proposed fee schedule is the result of a review of the processing of applications managed by the Technical Services Property team. It will enable cost recovery of staff time ensuring better value for money and will be simpler and clearer for applicants to understand overall costs of an application.
5. The proposed new fee structure is in line with fees charged for similar processes by Auckland Council and is comparative with other territorial authorities.

Background

Current Fees

6. The Technical Property Services team processes applications received from the public relating to encroachments in the road corridor, licences to occupy road, road stoppings and consent of AT as adjoining landowner where private property adjoins road corridor.
7. The fees charged for processing these applications were set at AT inception in 2010. There has been no subsequent increase in fees. The current charging structure is either a flat fee or a deposit.

A \$200 flat fee is charged for:

- Building Line Restriction Cancellations (BLR),
- Affected Party Consents (APC), and
- Removal of Limitations as to Parcels (LATP).

On average a BLR takes 6-8 hours, an APC takes 6-8 hours and a LATP takes 3.5 hours. Based on the basic \$85/hr labour rate for staff processing time, the \$200 flat fee falls short of covering all staff processing time. Implementation of the Automation Process for the BLR applications has removed around 90 minutes from the process, still leaving around 5-6 hours' time per application. There is currently no process to recover these additional fees.

CONFIDENTIAL

A \$1,000 non-refundable deposit is paid at the time of application for:

- Encroachment Licence to Occupy Applications (LTO)
- Road Stoppings

There are a number of LTO categories based on type of encroachment (either Airspace, Surface or Subsoil) and these vary in complexity. The LTO applications can take up to 20 hours staff time depending on the type of licence. Complex matters usually require meetings with the applicant and other AT staff to provide detailed technical feedback or advice. Most LTO applications incur around \$2,500 in staff time.

8. Recovery of additional property staff costs has been through invoicing for the balance above the initial deposit post conclusion of processing the application. This has led to disputes with applicants and is often extremely time consuming to recover. While it is clear on the AT website that the initial payment is a deposit, the applicable rate for extra staff time is not clear and this is the genesis of a number of the disputes. There are also a number of proposed applicants who meet with staff but who do not proceed with an application. The proposed fee schedule includes a fixed fee for a pre-application meeting regardless of whether an application is proceeded with.



55.pdf

9. The proposal is to increase the flat fees from \$200 to \$350 for the LTP application and to \$500 for the BLR and APC applications and to increase the deposit fee from \$1000 to \$1500 for minor encroachment applications and from \$1000 to \$2500 for major encroachment applications. The hourly rate for property staff processing time and for technical expertise required from other parts of the business is clearly specified. A fixed fee of \$300 to be charged for pre-application meetings is included. The AT website will be updated to include information to explain the application process and related fee structure more clearly. It will make it clear that any deposit is non-refundable. The suggested fee schedule is set out in the attached schedule (**Attachment 1**). Note that the staff time rates will be included in the schedule prior to consultation.

External Consultation/Engagement

10. Following Board endorsement of the proposed fees and Local Body elections, it is proposed to commence consultation.
11. Consultation will be undertaken in accordance with section 82 LGA 2002 and will include:
- A notice on the AT and AC websites inviting feedback on the proposed fees.
 - A public notice in the AC Aucklander publication inviting feedback.

CONFIDENTIAL

- Direct contact from the Chief Executive by letter and/or email with key business associations and customers who interact regularly with Technical Property Services including professional bodies, Architects, Surveyors, Developers and Planners.
 - Consultation Plan prepared by the Communication and Engagement team and presented to the ELT before commencing consultation.
12. Feedback will be collated and considered before any fee structure is confirmed.
13. Key messages will be that the proposal will support improved service levels and clarity in relation to fees. The fees have been in place since 2010 and are not currently sufficient to recover staff processing time, the fees are in line with charges of Auckland Council and other Territorial Authorities across New Zealand and the fees will ensure value for money for ratepayers.

Issues and options

14. The Technical Property Services team has had over \$350,000 of unrecovered staff costs related to processing public applications over the last two years. This is likely to continue if the fee structure is not changed.
15. The current fees are not in alignment with the strategic and financial objectives of the AT Statement of Intent and Enterprise Business Plan 2018/2019. It is recommended that the proposed fee structure is endorsed for public consultation prior to a revised fee structure being adopted.

Next steps

16. Subject to Board endorsement of the Proposed Fees Change for processing applications by the Technical Property Services team, and ELT approval of the consultation plan, the AT communications team will implement the consultation process (this will occur after Local Body Elections in October).
17. Submissions will be considered and if significant changes are sought, will be reported back to the Board.
18. If no significant changes are requested, a final fee structure will be approved by the Chief Executive for implementation in Q2 of FY2019/2020.

Attachments

Attachment Number	Description
1	Proposed Fees Change and Service Schedule

CONFIDENTIAL

Document ownership

Submitted by	Irene Tulloch Technical Property Services Manager	
	Jane Small Group Manager Property and Planning	
Recommended by	Mark Lambert Executive General Manager Integrated Networks	
Approved for submission	Shane Ellison Chief Executive	

Glossary

Acronym	Description
AT	Auckland Transport
AC	Auckland Council
Steerco	Customer Central Steering Committee
BLR	Building Line Restriction applications
APC	Affected Party Consent applications
LATP	Limited as to Parcels applications
LTO	Licence to Occupy applications
LGA 2002	Local Government Act 2002

CONFIDENTIAL

Attachment 1
Proposed Fees Changes Schedule

Application type	Current fee	Approximate staff labour hours	Proposed fee
Building Line Restriction Cancellation	\$200	6 hours	\$500
Removal of Limitations as to Parcels	\$200	3.5 to 4 hours	\$350
Affected Party Consents	\$200	6-8 hours (sometimes longer)	\$500
Encroachment Licences			
Subsoil Minor – small pipes, no rental	\$1000 deposit	14 – 20 hours	\$1,500 deposit*
Subsoil Major – CBD ground anchors, attracts rental	\$1000 deposit	25 hours	\$2,500 deposit*
Construction and Maintenance - low access wall, driveway, no rental	\$1000 deposit	18 hours	\$1500 deposit*
Construction and Maintenance - parking bays, paper road formations, large retaining walls civil works, attracts rental	\$1,000 deposit	Up to 35 hours	\$2,500 deposit*
Surface Licence – miscellaneous works, often retrospective, usually attracts rental	\$1,000 deposit	18 hours	\$1500 deposit*
Airspace Minor – canopy for retail, no rental	\$1000 deposit	14 hours	\$1500 deposit*
Airspace Major – architectural features, balconies, attracts rental	\$1000 deposit	25 hours	\$2500 deposit*
Pre-application Meetings			
On request of public, providing advice on applications or proposed issues for encroachments – for a one-hour meeting	nil	(charged in addition to fee or deposit)	\$300
Charging for additional staff costs at Labour Recovery Rates			

CONFIDENTIAL

For additional processing and technical time (including any meetings with applicant) required once the application fee or deposit has been expended.	nil	As required	As per labour rates in AT policy
--	-----	-------------	----------------------------------

***Note: Deposit is non-refundable**