Title: User Fees and Charges Issues and options – Animal Services

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BACKGROUND

1. At a Council workshop held on 9 October 2025, staff presented information to Elected Members regarding fees and charges that could be considered for the 2026/27 year. The focus of that workshop was on the concept of what has been referred to as a 'Responsible Dog Owner' (RDO) scheme, whereby a discount on dog registrations might be applied to dog owners who satisfy certain criteria in respect of their dogs.
2. The Dog Control Act 1996 makes it compulsory for all dogs over three months old to be registered annually with their local council by July 1st, requiring microchipping for identification and tracking, with fees set by councils to fund dog control services, helping ensure owner responsibility and public safety by tracking dogs, owners, and managing nuisance or dangerous behaviour through fines and potential impoundment for non-compliance.
3. Information from local registrations is uploaded to the National Dog Database (NDD) to help authorities track owners and identify lost or problem dogs across the country.
4. Some New Zealand councils offer a Responsible Dog Owner (RDO) or Selected Dog Owner status that grants a discount on annual registration fees. These programs reward owners who maintain high standards of care and control.
5. As presented at the 9 October 2025 workshop, it is noted that the Dog Control Act 1996 (DCA) requires that all income generated is to be spent on dog control matters and that there is limited opportunity to recover fees from 'non dog activity' (i.e. other animal/stock related matters that the team deal with).
6. The Dog Control Act requires all dog owners to be a good dog owner, and it makes specific provision that every owner must ensure:
    - Their dog is registered.
    - The dog is kept under control at all times.
    - The dog doesn't cause nuisance by loud or persistent barking.
    - The dog does not cause nuisance or danger to any person or animal.
    - The dog does not cause damage or endanger any property.
7. The Act also provides that when setting dog registration fees, Council may set different fees for:
    - Neutered dogs.
    - Working dogs.
    - Dogs under 12 months of age.
    - Owners that can demonstrate that they have a specified level of competency in terms of responsible ownership.
    - Fix a penalty fee for late registration payment after 31 July of the registration year.

DISCUSSION AND ANALYSIS

8. Tauranga Council had an RDO scheme several years ago, which was abandoned due to the administrative costs to manage it, and the lack of cooperation from dog owners when investigating complaints where the owner felt anything they said may impact on their status as an RDO. More owners also objected to any action such as classifications if they thought it would affect their RDO status, which required additional staff time and resource.
9. Other councils surveyed could not confirm whether their RDO scheme made any difference to the level of offending in their district.
10. On average ~70% of infringements that are issued are to owners of unregistered dogs. The reason their dog isn't registered is often that owners are struggling financially, and/or they have no intention of registering their dog unless it is impounded.

Move from Ozone to SAP platform

11. In early November 2025, a digital project was launched to migrate the Animal Management functionality from the ageing 'Ozone' system to the more modern SAP platform. This is a significant project for all involved and whilst improvements are expected over time, there are identified risks with attempting to make too many changes to the current fee regime at one time, especially in relation to dog registration fees and the possible implementation of an 'RDO Scheme'. The project is very much in its 'discovery phase' and at present is focussed on ensuring that current 'Ozone' functionality is brought across to 'SAP' in a seamless manner.
12. The timing of this digital change is also crucial to and somewhat exacerbated by the annual dog registration regime which is centred around the June-July period when all dogs (except for 'service and working dogs') should be registered.
13. All dogs are legally required to be properly registered with the local territorial authority from 1 July each year. TCC opens registration from 1 June each year, giving dog owners a month to ensure they have paid the current standard fee of $129 before the registration year starts on 1 July.
14. When registration fees were increased from $100 to $125 in the 2024/25 registration year, there was a marked increase in the number of dogs that were notified to Animal Services as having died since the previous year. Whilst it is accepted that dogs do pass away during a year, the increase from previous years was significant (some 1,500 more dogs than normally reported as deceased) and gave rise to the possibility that dog owners were using this as an out for registering their dogs.
15. Council have taken the principles of the DCA into account for many years and determined that all dog owners should be considered good dog owners unless the contrary is apparent through their actions or inactions in relation to their dogs. This is seen as taking a parity stance and also ensures that dog owners are held responsible for their dogs (legally and financially) in circumstances where Animal Services intervention is required.
16. Any discount that might be applied requires the shortfall from any standard registration fee to be made up from other sources – namely an increase in the rates contribution (currently 10%) <u>OR</u> an increase in the standard registration fee (and subsequent late fee). Such fee increases have shown to do little to achieve compliance, when an additional financial burden is placed on dog owners who are not inclined to register their dogs in a timely manner.
17. Council staff looked into differential fees for working dogs as raised by Te Rangapu policy subcommittee [CO/25/26/3]. Whilst this is possible under the Act, the ability to prove a dog is a hunting/kai gathering dog is complex. Similar to other licencing schemes, the discount would add administrative cost. This cost could be recovered by a licencing fee, which could negate the discount. Alternatively, the cost could be recovered through other registration payers or rate payers. There is no evidence that hunting/kai gathering dogs utilise Animal Services less overall.

18. Many of the other fees and charges for Animal Services have been established for a long time and with only inflationary adjustments been made over time. Analysis of the cost recovery for these fees and charges has found that many of them are lacking in terms of the actual cost recovery. Options to brings these fees closer to actual cost has been included below.

19. With an aim to minimise dog registration subsidy, the following fees and charges are recommended for adjustment and are included below.

20. The calculations of actual cost look to employ a charge rate that

    (a) is costed at a scale rate for the primary staff involved;

    (b) includes overheads; and

    (c) is based on the average time to complete the activity to the nearest 15 minutes.

21. Changes to animal service fees proposed:

Service	Existing Fee (2025/26)	Proposed Fee (2026/27)	% Change	Projected Revenue Increase 26/27 (excl GST)	Reason for Movement
Microchip Fee – Voluntary	$33.00	$55.00	66.70%	$268	Encourage voluntary microchipping; aim for 50/50 split over future years.
Microchip Fee – Impounded Dog	$33.00	$113.00	242.40%	$12,383	Reflects actual cost: $6.66 microchip + $106.50 charge-out.
Kennel Licences – New application or renewal (incl. address changes)	$100.00	$396.00	296.00%	$1,544	Covers staff time for inspection and admin costs (approx. 2 hrs @ $198/hr).
Kennel Licences – Variation (adding or removing a dog)	$50.00	$99.00	98.00%	$170	Reflects reinspection and admin (approx. 0.5 hr @ $198/hr).
Impounding – First impounding – Non-Registered	$107.00	$248.00	131.80%	$33,104	Disincentive pricing; covers actual cost ($251.24/dog incl. overheads).
Impounding – First impounding – Registered	$72.00	$124.00	72.20%	$995	Tiered split for fairness and cost recovery.
Impounding – Second impounding	$153.00	$372.00	143.10%	$10,664	Increased penalty for repeat offense.
Impounding – Third impounding	$221.00	$496.00	124.40%	$2,391	Further deterrent for repeated incidents.
Impounding – Fourth & subsequent impounding	$307.00	$744.00	142.30%	$6,080	Strong disincentive for chronic non-compliance.
Impounding – Sustenance fee (per day or part of)	$14.00	$18.00	28.60%	$4,410	Reflects actual cost of food, care, and enrichment.

Impounding – Dogs released after hours	$70.00	$297.00	324.30%	$0	Based on 2 hrs @ $198/hr × 1.5 (after-hours rate).
Other Dog Fees – Surrender fee	$115.00	$752.00	553.90%	$0	Includes euthanasia, sustenance, and staff time (approx. 2 hrs @ $198/hr).
Other Dog Fees – Seizure fee	$115.00	$594.00	416.50%	$18,327	Reflects 3 hrs staff time @ $198/hr.
				Total $90,337	

OPTIONS ANALYSIS

22. Considering the planned transition of the Animal Services functionality from Ozone to SAP (as outlined in Paragraph 11 above), and despite previous considerations of various discounts and schemes, an RDO Scheme has not been included as an option in this paper.

23. The peak registration period (June–July) coincides with the new SAP system going live. Introducing discounts and other schemes now would add complexity and risk to a critical transition.

24. The focus of both the Animal Services and the Digital teams during this transition is, at the very least, to be able to administer the critical registration process for the coming 2026/27 year. This will be a complicated process, and it is believed that the inclusion of any form of discount regime being tested and implemented on top of 'the basic process', would be an added stressor to the project.

25. The Digital team is now aware of the need to future-proof the new system and to make allowance in their planning and construction of the system for the prospect of having some time and/or condition-based registration fees available in the future.

26. At the time of writing this paper, the Digital team were still working through providing some cost analysis in respect of those parameters. There are also time and financial costs to be considered in respect of any Web-based changes, along with liaison with the external customer who provides services relating to printing invoices (based on data and pricing provided to them by Animal Services). These would be added factors that could increase complications of the transition for 2026/27.

Option 1: Increase Animal Service fees and reduce dog registration fee by $6 (Recommended)

27. Under this option, Council would increase animal services fees as included in paragraph 21 above and reduce dog registration fee by $6 to $123.

Advantages	Disadvantages
• Provides some cost relief to dog owners when Council cannot provide RDO scheme at this time. • Provides some cost relief to dog owners who register their dog and uses a more 'user pays' approach as cost is recovered by those who require services. • New fees reflect actual cost. • Covers staff time and admin costs. • Encourages voluntary/better compliance from non-compliant dog owners.	• Fee increases seen as substantial by non-compliant dog owners. • Discount may not be seen as enough relief.

• Tiered splits across impounding fees provides a graduated fees model. • Recognises the 'hidden costs' (euthanasia, sustenance, staff time) that have gone uncharged or unchanged for many years. • No risk of increase of 'dead' dogs due to reduction of registration fee.	

Financial impact:

28. Change in animal service fees as listed in paragraph 21 and reduction in dog registration fees would result in a ~$77,000 surplus for the activity. No impact on general rates contribution.

Option 2: Increase Animal Service fees and reduce dog registration fee by $12

29. Under this option, Council would increase animal services fees as included in paragraph 21 above and reduce dog registration fee by $12 to $117.

Advantages	Disadvantages
• Provides cost relief to dog owners when Council cannot provide RDO scheme at this time. • Provides cost relief to dog owners who register their dog and uses a more 'user pays' approach as cost is recovered by those who require services. • New fees reflect actual cost. • Covers staff time and admin costs. • Encourages voluntary/better compliance from non-compliant dog owners. • Tiered splits across impounding fees provides a graduated fees model. • Recognises the 'hidden costs' (euthanasia, sustenance, staff time) that have gone uncharged or unchanged for many years. • No risk of increase of 'dead' dogs due to reduction of registration fee.	• Fee increases seen as substantial by non-compliant dog owners.

Financial impact:

30. Change in animal service fees as listed in paragraph 21 and reduction in dog registration fees would result in a zero surplus/deficit in activity. No impact on general rates contribution.

31. However, there would be more of a shift to a 'user pays' approach as those who use our services would pay closer to true cost with less subsidisation from dog registration.

Option 3: Retain the status quo

32. Under this option, Council would retain the dog registration fee of $129 and add CPI to other animal service fees.

33. Council would consider implementing an RDO scheme in the future once the transition from Ozone to SAP was completed successfully.

Advantages	Disadvantages
• Clear and predictable fees for dog owners. • Reduced confusion for dog owners during system change – provides a stable experience. • Focus for Animal Services/Digital teams on the testing/success of a crucial system without added factors to complicate matters during the transition. • Lower risk of system failure and better assurance of operational stability. • Simpler staff training at a critical business time of the year. • Predictable revenue based on previous registration data.	• No financial gain/incentive for customers to register dogs (especially those who don't). • Minor trust aspect if discounts were anticipated. • No revenue increase meaning team will need to maintain costs at existing levels.

Financial impact:

34. With projected volumes and fees based on most up to date data, the projected surplus is ~$68,227.