



I hereby give notice that an ordinary meeting of the Governing Body will be held on:

Date: Thursday, 14 August 2014
Time: 3.00pm or at the conclusion of the Budget Committee whichever is later
Meeting Room: Reception Lounge
Venue: Auckland Town Hall
301-305 Queen Street
Auckland

Governing Body OPEN AGENDA

MEMBERSHIP

Mayor	Len Brown, JP	
Deputy Mayor	Penny Hulse	
Councillors	Cr Anae Arthur Anae	Cr Dick Quax
	Cr Cameron Brewer	Cr Sharon Stewart, QSM
	Cr Dr Cathy Casey	Cr Sir John Walker, KNZM, CBE
	Cr Bill Cashmore	Cr Wayne Walker
	Cr Ross Clow	Cr John Watson
	Cr Linda Cooper, JP	Cr Penny Webster
	Cr Chris Darby	Cr George Wood, CNZM
	Cr Alf Filipaina	
	Cr Hon Christine Fletcher, QSO	
	Cr Denise Krum	
	Cr Mike Lee	
	Cr Calum Penrose	

(Quorum 11 members)

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Democracy Advisor

8 August 2014

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TERMS OF REFERENCE

Those powers which cannot legally be delegated:

- (a) the power to make a rate; or
- (b) the power to make a bylaw; or
- (c) the power to borrow money, or purchase or dispose of assets, other than in accordance with the long term council community plan; or
- (d) the power to adopt a long term plan, annual plan, or annual report; or
- (e) the power to appoint a Chief Executive; or
- (f) the power to adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the long term plan or developed for the purpose of the local governance statement; or
- (g) the power to adopt a remuneration and employment policy.

Additional responsibilities retained by the Governing Body:

- (a) Approval of a draft long term plan or draft annual plan prior to community consultation
- (b) Approval of a draft bylaw prior to community consultation
- (c) Resolutions required to be made by a local authority under the Local Electoral Act 2001, including the appointment of electoral officer
- (d) Adoption of, and amendment to, the Committee Terms of Reference, Standing Orders and Code of Conduct
- (e) Relationships with the Independent Maori Statutory Board, including the funding agreement and appointments to committees.
- (f) Approval of the Unitary Plan
- (g) Overview of the implementation of the Auckland Plan through setting direction on key strategic projects (e.g. the City Rail Link and the alternative funding mechanisms for transport) and receiving regular reporting on the overall achievement of Auckland Plan priorities and performance measures.

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1 Affirmation

2 Apologies

Apologies have been received from Cr Linda Cooper, JP.

3 Declaration of Interest

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

4 Confirmation of Minutes

That the Governing Body:

- a) confirm the ordinary minutes of its meeting, held on Thursday, 31 July 2014, including the confidential section, as a true and correct record.

5 Acknowledgements and Achievements

At the close of the agenda no requests for acknowledgements had been received.

6 Petitions

At the close of the agenda no requests to present petitions had been received.

7 Public Input

Standing Order 3.21 provides for Public Input. Applications to speak must be made to the Committee Secretary, in writing, no later than **two (2)** working days prior to the meeting and must include the subject matter. The meeting Chairperson has the discretion to decline any application that does not meet the requirements of Standing Orders. A maximum of **thirty (30)** minutes is allocated to the period for public input with **five (5)** minutes speaking time for each speaker.

At the close of the agenda no requests for public input had been received.

8 Local Board Input

Standing Order 3.22 provides for Local Board Input. The Chairperson (or nominee of that Chairperson) is entitled to speak for up to **five (5)** minutes during this time. The Chairperson of the Local Board (or nominee of that Chairperson) shall wherever practical, give **two (2)** days notice of their wish to speak. The meeting Chairperson has the discretion to decline any application that does not meet the requirements of Standing Orders.

This right is in addition to the right under Standing Order 3.9.14 to speak to matters on the agenda.

At the close of the agenda no requests for local board input had been received.

9 Extraordinary Business

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“An item that is not on the agenda for a meeting may be dealt with at that meeting if-

- (a) The local authority by resolution so decides; and
- (b) The presiding member explains at the meeting, at a time when it is open to the public,-
 - (i) The reason why the item is not on the agenda; and
 - (ii) The reason why the discussion of the item cannot be delayed until a subsequent meeting.”

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“Where an item is not on the agenda for a meeting,-

- (a) That item may be discussed at that meeting if-
 - (i) That item is a minor matter relating to the general business of the local authority; and
 - (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
- (b) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.”

10 Notices of Motion

At the close of the agenda no requests for notices of motion had been received.

Resetting the rates for 2014/2015 under section 119 of the Local Government (Rating) Act 2002

File No.: CP2014/17483

Purpose

1. To recommend that the Governing Body set the rates for 2014/2015 again. This is desirable because there was a technical irregularity in setting the rates before (rather than after) adopting the annual plan.

Executive summary

2. Legislation requires that Auckland Council adopt the annual plan prior to setting the rates for any financial period. In supporting the rates strike process for the 2014/2015 financial year, staff failed to correct the order in which the rates resolution and annual plan adoption items appeared on the agenda for the Governing Body meeting on June 26. Guided by the agenda, the Governing Body first set the rates and subsequently adopted the annual plan, which was not in the right order.
3. This creates a technical procedural irregularity in setting the rates which it is desirable to correct. Staff recommend that the Governing Body set the rates again in accordance with section 119 of the Local Government (Rating) Act 2002. On 30 July 2014, the council gave 14 days' public notice of its intention to do so.
4. The rates set at the Governing Body meeting on 26 June were correct. Setting the rates again will not change the rates charged to any ratepayer.
5. This report contains the necessary resolutions to set the rates again for 2014/2015 (the due dates and penalty provisions are not changed by this process).

Recommendation/s

That the Governing Body:

- a) Determine, in accordance with section 119 of the Local Government (Rating) Act 2002, that it is desirable to set the 2014/2015 rates again because of an irregularity in setting the rates on 26 June 2014
- b) accordingly revoke subclauses a(i) to (xiii) of Resolution Number GB/2014/57, setting of the rates for the 2014/2015 financial year, carried at the meeting of the Governing Body held on 26 June 2014
- c) resolve to set the following rates under the Local Government (Rating) Act 2002 for the 2014/2015 financial year (starting 1 July 2014), in place of the rates in the revoked subclauses:
 - i) that a Uniform Annual General Charge be set, for all rateable land, at \$373.35 (including GST) per separately used or inhabited part of a rating unit
 - ii) that a general rate be set for all rateable land based on the capital value of the land and at different rates in the dollar for different categories of land as set out in the table below:

Category	Rate in the dollar of capital value (\$) (including GST)
Urban business	0.00784620
Franklin urban business	0.00720042
Rural business	0.00707127
Franklin rural business	0.00649007

Urban residential	0.00322889
Rural residential	0.00290600
Farm/lifestyle	0.00258311
Sea-only access	0.00080722
Uninhabitable islands	0.00000000

- iii) that a Waste Management targeted rate be set differentially for different categories of land at different fixed amounts as set out in the table below:

Category	Basis for charging	Amount of rate (\$) (including GST)
Full waste service for land in the district of the former Auckland City Council	Per available service to the rating unit	242.40
Waste service where opt out of refuse service applies for land in the district of the former Auckland City Council	Per available service to the rating unit	80.02
Waste service where opt out of recycling service applies for land in the district of the former Auckland City Council	Per available service to the rating unit	183.21
Waste service where opt out of both the refuse and recycling services apply for land in the district of the former Auckland City Council	Per available service to the rating unit	20.83
Waste service where an additional recycling service applies for land in the district of the former Auckland City Council	Per available service to the rating unit	59.19
Waste service for recycling collection for land in the district of the former Franklin District Council where the service is available	Per separately used or inhabited part of a rating unit (SUIP)	70.96
Waste service for refuse collection for land in the district of the former Franklin District Council where the service is available	Per SUIP	58.62
Waste management for land in the district of the former Manukau City Council where the service is available	Per SUIP	220.68
Waste management for land in the district of the former North Shore City Council where the service is available	Per SUIP	64.05
Waste management for land in the district of the former Papakura District Council where the service is available	Per SUIP	111.19

Newmarket	0.00	0.00100883
North Harbour	150.00	0.00010814
North West District	0.00	0.00075477
Northcote	0.00	0.00394901
Old Papatoetoe	0.00	0.00165867
Onehunga	0.00	0.00201308
Orewa	0.00	0.00096497
Otahuhu	0.00	0.00120037
Otara	0.00	0.00180986
Panmure	0.00	0.00267974
Papakura	0.00	0.00086038
Parnell	0.00	0.00085113
Ponsonby	0.00	0.00076528
Pukekohe	0.00	0.00069994
Remuera	0.00	0.00170908
Rosebank	0.00	0.00056551
St Heliers	0.00	0.00186618
Takapuna	0.00	0.00059775
Te Atatu	0.00	0.00227402
Torbay	0.00	0.00124048
Uptown	0.00	0.00022269
Waiuku	0.00	0.00129399
Wiri	0.00	0.00046673

- vi) that the Otara-Papatoetoe and Mangere-Otahuhu swimming pool targeted rates be set for all rateable land in the residential differential categories, as defined for the purposes of the general rate, located in the respective Māngere-Ōtāhuhu Local Board and Ōtara-Papatoetoe Local Board areas as set out in the table below:

Local board area	Fixed amount per SUIP (\$) (including GST)
Māngere-Ōtāhuhu	13.77
Ōtara-Papatoetoe	31.34

- vii) that the Riverhaven Drive targeted rate be set on the properties in Riverhaven Drive which benefit from the construction of a road that gives access to the properties, of an amount of \$10,317.02 (including GST) per rating unit
- viii) that the Glorit Flood Gate Restoration targeted rate be set on the three properties detailed below, based on the area of land within the rating unit benefiting from the facility (as assessed by council), of an amount set out in the table below:

Valuation number	Legal description (abbreviated)	Area of benefit (Ha)	Amount of rate (\$) (including GST)
00910-00102	Sec 27 SO 59120	245	40,689.21
00910-00502	Lot 5 DP 127940	2	332.15
00910-00400	Sec 2 SO 69274	17.5	2,906.37

- ix) that the Waitakere Rural Sewerage targeted rate be set for all land in the district of the former Waitakere City Council which has an on-site waste management system and in respect of which the council has available the service of pumping out the system and which is scheduled to take place within the 3-year period commencing 1 July 2014, of an amount of \$181.50 (including GST) for each such service (one per on-site waste management system).
- x) that the Retro-fit Your Home targeted rate be set on land in respect of which the council has provided financial assistance under the Retro-fit your home scheme, at different levels for each year that the ratepayer has started repaying the financial assistance by this targeted rate, of an amount set out in the table below:

Year of repayment	Rate in the dollar of value outstanding as at 1 July 2014 (\$) (including GST)
1	0.17083531
2	0.18652616
3	0.20681689

- xi) that the Kumeu Huapai Riverhead Wastewater targeted rate be set on land in respect of which the council has provided financial assistance to connect to the Kumeu Huapai Riverhead pressurised wastewater scheme, of an amount based on the extent of that financial assistance and calculated as \$0.12686375 (including GST) of the outstanding balance (dollars) as at 1 July 2014.
- xii) that the Point Wells Wastewater targeted rate be set on land in respect of which the council has provided financial assistance to connect to a pressure wastewater collection system in Point Wells, of an amount per separately used or inhabited part of a rating unit based on the extent of the financial assistance as shown in the following table:

Total assistance provided	Amount of fixed rate (\$) (including GST)
\$10,000	843.25
\$ 9,500	801.08
\$ 9,000	758.92
\$ 8,500	716.76
\$ 8,000	674.60

- xiii) that the Jackson Crescent Wastewater targeted rate be set on land in respect of which the council has provided financial assistance to connect to a wastewater collection scheme in the Jackson Crescent, Martins Bay areas, of an amount of \$608.88 (including GST) per rating unit.
- d) to avoid any doubt, confirm the following resolutions made on 26 June 2014:
 - i) in 2014/2015 the rates be due in four instalments as set out in the table below:

Instalment	Instalment Due Date
1	29 August 2014
2	26 November 2014
3	26 February 2015
4	27 May 2015

- ii) a penalty of 10 per cent of any portion of any instalment of rates (assessed in 2014/2015) that is not paid by the due date for payment of that instalment be added to the amount of unpaid rates. (The penalty will be added on the day following the due date.)
- iii) a further penalty of 10 percent of any rates assessed in any financial year prior to 1 July 2014 that remain unpaid on 4 July 2014, be added on 5 July 2014.
- iv) a further penalty of 10 percent of any rates to which a penalty has been added under resolution (iii) if those rates are unpaid on 4 January 2015, be added on 5 January 2015
- v) the discount for the early payment of rates be set at 1.1 percent of the 2014/2015 rates if those rates, together with any outstanding prior years' rates and penalties, are paid in full on or before the due date of the first instalment
- vi) the non-business decrease cap at minus three percent for 2014/2015 for the Rates transition management policy.

Note: Resolutions a(xiv) to a(xviii) and (b) made on 26 June 2014 have been renumbered in this report.

Comments

6. The Local Government (Rating) Act 2002 (LG(R)A) provides Auckland Council with its rating powers. This requires that certain rates be set in accordance with relevant information in the funding impact statement (FIS) in the council's annual plan. This means that the council must adopt the annual plan prior to setting the rates for any financial period.
7. In supporting the rates strike process for the 2014/2015 financial year staff failed to correct the order in which the rates resolution and annual plan adoption items appeared on the agenda for the Governing Body meeting on June 26. Guided by the agenda, the Governing Body first set the rates and subsequently adopted the annual plan, which was not in the correct order. The content of the rates resolution was however correct and the rates are in accordance with Auckland Council's published annual plan.
8. Immediately after the meeting, staff recognised the problem with the order that the agenda items were passed. To address this matter, the council has the option of removing any doubt about the consequences of the resolutions being in the wrong order by setting the rates again in accordance with section 119 of the LG(R)A.
9. Under section 119, Auckland Council may set the rates again if:
 - it determines it is desirable to do so because of an irregularity in setting the rate
 - setting the rates again will not increase the rates to any rating unit
 - 14 days' public notice is given of the intention to do so
 - the council complies with standing orders for the revocation and alteration of resolutions.
10. For the purposes of section 119, there was an irregularity when the Governing Body set the rates for 2014/2015. Further, the rates set on 26 June were correct and setting the rates again will not change the rates charged to any ratepayer. Public notice of Auckland Council's intention to set the rates again was given on 30 July 2014 (14 clear days). The recommendations in this report are in accordance with Standing Order 3.10.17.
11. It is therefore open to the council to determine that it is desirable to set the rates again, and to do so. The dues dates and penalty provisions will not change through this process.

12. Staff have a range of practices in place to ensure that council's rating powers are administered appropriately. This includes:
 - fully testing the rate strike calculations twice a year to ensure the forecast rates revenue is in accordance with budget requirements for the following year
 - ensuring that the rating documentation and related processes comply with legislation by having sought, and continuing to seek, specialist legal advice
 - actively seeking advice on best practice. Most recently staff submitted council's 2013/2014 rates resolutions and rating documentation for review by SOLGM.
13. Through this process staff have further reflected on the rate setting procedures and have identified administrative improvements that will be implemented for the next Long-term Plan 2015-2025 and subsequent annual planning rounds.

Consideration

Local board views and implications

14. Local boards were engaged on Rates related policies in the development of the Annual Plan 2014/2015. Relevant feedback from local boards was provided to the Budget Committee on 8 May 2014. As no changes are being made to the rates all relevant issues were considered at that time.

Maori impact statement

15. The recommendations in this report will have a similar impact on Maori as it will on other ratepayers.

Implementation

16. There are no implementation issues associated with the recommendations in this report

Attachments

There are no attachments for this report.

Signatories

Authors	Aaron Matich - Principal Advisor Modelling Andrew Duncan - Manager Financial Policy
Authorisers	Andrew McKenzie - Chief Finance Officer Stephen Town - Chief Executive

Adoption of amendment to the Local Boards Funding Policy: Recommendations from Budget Committee

File No.: CP2014/17744

Purpose

1. To consider recommendations from the Budget Committee relating to the amendment to the Local boards funding policy.

Executive summary

2. This report will be considered by the Budget Committee at its meeting earlier on 14 August 2014 and it will make recommendations to the Governing Body. The full report is available on the agenda for the Budget Committee meeting of 14 August 2014.

Recommendation/s

The recommendations for this item will be provided after the meeting of the Budget Committee.

Attachments

There are no attachments for this report.

Signatories

Authors	Mike Giddey - Democracy Advisor
Authorisers	Stephen Town - Chief Executive