



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

Date: Thursday, 25 June 2015
Time: 9.30am
Meeting Room: Reception Lounge
Venue: Auckland Town Hall
301-305 Queen Street
Auckland

Governing Body

OPEN ADDENDUM 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)

Elaine Stephenson
Democracy Advisor

23 June 2015

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ITEM	TABLE OF CONTENTS	PAGE
16	Rates setting 2015/2016	5

Rates setting 2015/2016

File No.: CP2015/10800

Purpose

1. To recommend to the Governing Body the setting of rates for 2015/2016.

Executive Summary

2. The Local Government (Rating) Act 2002 (LG(R)A) requires that rates are set by resolution of the council after the adoption of the Long-term Plan. This report contains the recommendations necessary to set the rates for 2015/2016 which are in accordance with the Revenue and Financing Policy and Funding Impact Statement in the Long-term Plan 2015-2025 to be considered by the Governing Body in separate preceding report on this agenda.
3. The recommendations include the following agreed rates related changes for 2015/2016:
 - a Uniform Annual General Charge (UAGC) of \$385
 - setting the overall share of general rates from business at 33.0 per cent
 - no further rates transition, same rates for same value property
 - the Interim Transport Levy (targeted rate) to fund the accelerated transport programme
 - the introduction of a new City Centre targeted rate for residents
 - an increase in the Mangere-Otahuhu swimming pool targeted rate to fund free adult entry to the new Otahuhu swimming pool
 - the creation of a new general rate differential category for properties with no road access.
4. Ballots in May 2015 for the extension of the boundaries for the Dominion Road and Parnell Business Improvement Districts (BIDs) were successful. The targeted rates recommended for these BIDs are based on the extended BID boundaries.
5. The recommendations in this report will also set the instalment dates, early payment discount, and penalties to be applied for late payment for 2015/2016.

Recommendations

That the Governing Body:

- a) resolve under the Local Government (Rating) Act 2002 to set rates for the 2015/2016 financial year and to authorise the addition of penalties as follows:
 - i) that a Uniform Annual General Charge be set, for all rateable land, at \$385.00 (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	0.00680685
Franklin urban business	0.00660375
Urban residential	0.00246777
Rural business	0.00612007
Franklin rural business	0.00594733
Rural residential	0.00222099
Farm/lifestyle	0.00197422
No road access	0.00061694
Uninhabitable islands	0

- iii) that a transport targeted rate be set for all rateable land except land in the Uninhabitable Islands category, per separately used or inhabited part of a rating unit (SUIP) and differentially for different categories of land, as follows:

Categories	Amount of rate per SUIP (\$) (including GST)
Urban business, Franklin urban business, rural business and Franklin rural business	182.85
Urban residential, rural residential, farm/lifestyle and no road access	113.85

- iv) that waste management targeted rates be set differentially for different categories of land at different fixed amounts as set out in the table below:

Category	Type of waste management targeted rate	Amount of rate (\$ including GST)	Basis for charging
Rating units in the former Auckland City	Waste management – full service	225.56	Per available service
	Waste management – where refuse opt out applies	96.74	Per available service
	Waste management – where recycling opt out applies	155.43	Per available service
	Waste management – where both refuse and recycling opt out applies	26.61	Per available service
	Waste management – additional recycling charge	70.13	Per service provided
Rating units in the former Franklin District where a service is provided or available	Waste management – refuse collection	31,34	Per SUIP
Rating units in the former Franklin District where a service is provided or available	Waste management – recycling collection	70.13	Per SUIP
Rating units in the former Manukau City where a service is provided or available	Waste management	225.56	Per SUIP
Rating units in the former North Shore City where a service is provided or available	Waste management	88.68	Per SUIP
Rating units in the former Papakura District where a service is provided or available	Waste management	101.47	Per SUIP
Rating units in the former Rodney District where a service is provided or available	Waste management	103.23	Per SUIP

Rating units in the former Waitākere City where a service is provided or available	Waste management	88.68	Per SUIP
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For these purposes the various waste services are as set out in the Auckland Waste Management and Minimisation Plan.

- v) that a city centre targeted rate be set differentially for all rateable land in the urban business and urban residential differential categories, as defined for the purposes of the general rate, in the central area, of an amount of \$0.00182181 (including GST) per dollar of the capital value of the rating unit for urban business rating units and of a fixed amount of \$57.50 (including GST) per separately used or inhabited part of a rating unit for urban residential rating units.
- vi) that Business Improvement District targeted rates be set for all rateable land in the business differential categories, as defined for the purposes of the general rate, within the defined Business Improvement District area, of a fixed amount per rating unit and a rate in the dollar of capital value, as set out in the table below:

BID area	Fixed amount per rating unit (\$) (including GST)	Rate in the dollar of capital value (including GST)
Avondale	0.00	0.00152465
Birkenhead	0.00	0.00124851
Blockhouse Bay	0.00	0.00184429
Browns Bay	0.00	0.00063987
Devonport	250.00	0.00084190
Dominion Road	0.00	0.00083876
Ellerslie	0.00	0.00263181
Glen Eden	0.00	0.00116236
Glen Innes	0.00	0.00164001
Greater East Tamaki	195.00	0.00004468
Heart of the City	0.00	0.00059540
Howick	0.00	0.00111573
Hunters Corner	0.00	0.00098380
Karangahape Road	0.00	0.00061580
Kingsland	0.00	0.00060708
Mairangi Bay	250.00	0.00126159
Mangere Bridge	0.00	0.00197382
Mangere East Village	0.00	0.00053772
Mangere Town	0.00	0.00516031
Manukau Central	0.00	0.00051556
Manurewa	0.00	0.00117726
Milford	0.00	0.00089015
Mt Eden Village	0.00	0.00079356
New Lynn	0.00	0.00059889
Newmarket	0.00	0.00087618
North Harbour	150.00	0.00009551
North West District	250.00	0.00034993
Northcote	0.00	0.00345761
Old Papatoetoe	0.00	0.00171669
Onehunga	0.00	0.00166140
Orewa	0.00	0.00096823
Otahuhu	0.00	0.00097338
Otara	0.00	0.00159309
Panmure	0.00	0.00211238

Papakura	0.00	0.00087494
Parnell	0.00	0.00067649
Ponsonby	0.00	0.00071513
Pukekohe	0.00	0.00061139
Remuera	0.00	0.00144962
Rosebank	0.00	0.00048053
South Harbour	0.00	0.00059125
St Heliers	0.00	0.00143753
Takapuna	0.00	0.00049150
Te Atatu	0.00	0.00179763
Torbay	0.00	0.00101267
Uptown	0.00	0.00017494
Waiuku	0.00	0.00112851
Wiri	0.00	0.00046182

- vii) that the Ōtara-Papatoetoe and Māngere-Ōtāhuhu 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	30.51
Ōtara-Papatoetoe	28.85

- viii) that the Riverhaven Drive targeted rate be set on land in Riverhaven Drive, Rodney, in respect of which the council has provided financial assistance for the construction of a road that gives access to the properties, of an amount of \$10,317.02 (including GST) per rating unit
- ix) that the Glorit Flood Gate Restoration targeted rate be set of an amount of \$166.0784 (including GST) per hectare of land in the three properties below benefiting from the facility (as assessed by the council), as follows:

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	322.16
00910-00400	Sec 2 SO 69274	17.5	2,906.37

- x) 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 2015, of an amount of \$185.13 (including GST) for each such on-site waste management system.
- xi) 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 2015 (including GST)
1	0.17027353
2	0.18597249
3	0.20627096
4	0.23346952

- xii) 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, 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 2015 (including GST)
1	0.12113080
3	0.13223477

- xiii) 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)
\$ 8,000	674.60
\$ 8,500	716.76
\$ 9,000	758.92
\$ 9,500	801.08
\$10,000	843.25

- xiv) 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.
- xv) that for the purposes of the above rates, the definitions of the differential categories, the central area, the various Business Improvement Districts and the expression "separately used or inhabited part of a rating unit" are as set out in the Funding Impact Statement in the Council's Long-term Plan 2015-2025.
- xvi) that in 2015/2016, the rates be due in four instalments as set out in the table below:

Instalment	Due Date
1	31 August 2015
2	27 November 2015
3	26 February 2016
4	27 May 2016

- xvii) that a penalty of 10 per cent will be added to so much of any instalment of rates assessed in the 2015/2016 rating year that remains unpaid on the day after the due date.
- xviii) that further penalties of 10 per cent will be added to rates assessed in previous financial years that are unpaid on 3 July 2015; and then again on 3 January 2016.
- xix) That the discount for the early payment of rates be set at 1.4 per cent of the 2015/2016 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 (31 August 2015).

Comments

Background

6. On 8 May 2015, the Governing Body agreed the rates related policy changes recommended from the Budget Committee for inclusion in the Long-term Plan 2015-2025. These included:
- Uniform Annual General Charge (UAGC) of \$385
 - overall share of general rates from business at 33.0 per cent
 - no further rates transition, same rates for same value property
 - Interim Transport Levy (targeted rate) to fund the accelerated transport programme
 - new City Centre targeted rate for residents
 - increase in the Māngere-Ōtāhuhu swimming pool targeted rate to fund free adult entry to the new Ōtāhuhu swimming pool
 - creation of a new general rate differential category for properties with no road access.

Decision Making

Rates resolution

7. For the council to assess rates for the 2015/2016 financial period, section 23 of the Local Government (Rating) Act 2002 (LG(R)A) requires the council to set the rates by resolution. The resolutions contained in this report are consistent with the relevant legislation and the Long-term Plan 2015-2025.
8. The budget is set based on the assumption that rates will be invoiced on time. A delay in setting the rates may cause issues in delivery of the rates assessment/invoice in time for the first instalment due date. It will also cause delays to when the arrears penalty can be applied. Delaying the setting of rates may result in increased administrative costs to the council.
9. A copy of the rates resolution must be sent to the Secretary of Local Government within 20 working days of adopting the rates resolution.
10. The LG(R)A requires that the instalment due dates must also be set in the same resolution as those used to set the rates. The resolutions necessary for the Governing Body to set the rates and instalment due dates for the 2015/2016 financial period are included in the recommendations in this report.

Business Improvement District targeted rates

11. The council uses targeted rates to fund Business Improvement District (BID) programmes where businesses have agreed to work together, with the support of the council to improve their business environment.
12. Consultation on the Long-term Plan 2015-2025 included possible extensions to the existing BID programmes in Dominion Road, North Harbour and Parnell BID boundaries. Successful ballots for the extension of the Dominion Road and Parnell BID's were undertaken in May. The North Harbour BID extension will not be proceeding for 2015/2016.
13. The resolutions necessary for the Governing Body to set the BID rates for 2015/2016 are included in recommendations of this report.

Attachments

There are no attachments for this report.

Signatories

Authors	Aaron Matich - Principal Advisor Modelling Andrew Duncan - Manager Financial Policy
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