

**AGENDA FOR A SPECIAL MEETING OF THE COUNCIL (VARIOUS) TO BE
HELD IN THE CIVIC CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN,
WAITAKERE CITY, ON WEDNESDAY, 17 JULY 2002
COMMENCING AT 12.00 NOON.**

TABLE OF CONTENTS

<u>ITEM</u>		<u>PAGE NO.</u>
1	APOLOGIES	1
2	RATING DIFFERENTIAL SPECIAL ORDER	1
3	WAITEMATA ELECTRICITY TRUST	3
	PROCEDURAL MOTION TO EXCLUDE THE PUBLIC	3
4	2002/2003 ANNUAL PLAN	3

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1 APOLOGIES



2 RATING DIFFERENTIAL SPECIAL ORDER

PURPOSE OF THE REPORT

To commence the necessary statutory procedures required to undertake an alteration to the existing differential rating system, to apply with effect from the 2002/2003 rating year, through the Special Order process.

BACKGROUND

The Funding Policy requires Council to review certain aspects of the City's rating system on a yearly cycle. These are:

- The application of the 'Step' differential.
- The extent of the contribution to rates from the business sector.
- The level of the Uniform Annual General Charge.

The Finance and Operational Performance Committee has now examined various rates models and other rating issues with particular reference to the new land values consequent upon the 2001 triennial Roll revision and sector relativities. The Committee has made a number of recommendations as follows:

2078/2002

That 20.5% of the rates requirement be collected from the business sector based on the economic analysis of costs and benefits.

2310/2002

That it be recommended to Council that the stepped differential for the 2002/2003 year to amended to a factor of .69 for land values between \$90,000 to \$240,000 and a factor of .52 for land values in excess of \$240,000.

That it be recommended to Council that for the 2002/2003 year the Uniform Annual General Charge be set at \$510.00.

2311/2002

That it be recommended to Council that a Uniform Annual General Charge for Rural Sewerage in the 2002/2003 year be set at \$81.00.

2312/2002

That it be recommended that Council set the level of Uniform Annual General Charge for Waste collection and "Peoples Park" for the 2002/2003 year, following a recommendation from the Annual Plan Special Committee.

2313/2002

That as a consequence of setting the Uniform Annual General Charge for the 2002/2003 rating year, a report be submitted direct to Council on consequential changes to the Multi-Unit differentials.

A Special Order process is required to initiate changes to the present differential rating system as a result of these decisions. Adjustments to the application of the 'Step' differential as applied to properties in the residential/rural/other category, and multi-unit properties, has been necessitated as well by virtue of the 2001 triennial district roll revision, which has application for rating purposes for the first time in the year commencing 1 July 2002, and these are incorporated within the Special Order as now drafted and reflect the intended level of the Uniform Annual General Charge.

TIMETABLE FOR MAKING AND LEVYING OF RATES

The time below sets out the process for making and levying rates in time for the second instalment notice 2002/2003 (due date 7 November, penalty date 20 November).

17 July 2002	Special Council to commence Differential Special Order.
25 July 2002	First notice in NZ Herald.
12 September 2002	Second notice in NZ Herald.
25 September 2002	Ordinary Council - confirm Differential Special Order.
2 October 2002	Advertise intention to make and levy rates.
18 October 2002	Special Council - Rates strike resolution.
7 November 2002	Second instalment due date.

RATING DIFFERENTIAL SPECIAL ORDER

A1-A16 A copy of the Special Order to amend the Differential Rating System is attached at pages A1 to A16. This Special Order is intended to be set down for confirmation in accordance with the above timetable schedule, at to the Ordinary Meeting of the Council on Wednesday, 25 September 2002, commencing at 5.30 p.m.

In accordance with the Local Government Act 1974 and the Rating Powers Act 1988, the Special Order is open for public submission for a period not less that 60 days, and copies will be available at Council's Offices, Libraries and Service Centre in addition to the statutory advertising required.

RECOMMENDATIONS

1. That the information be received.
2. That Council resolve by way of Special Order as set out at pages A1 to A16 of the Agenda report, and that the Special Order be publicly advertised and set down for confirmation at the Ordinary Meeting of Council to be held on Wednesday, 25 September 2002, commencing at 5.30 p.m.

Report prepared by: Graham Wakefield, Corporate Secretary, Legal Services Manager.



3 WAITEMATA ELECTRICITY TRUST

This item will be considered in the Confidential Supplement of the agenda, and has been circulated to members separately with this agenda.

PROCEDURAL MOTION TO EXCLUDE THE PUBLIC

That the public be excluded from the following part of the proceedings of this meeting, namely Waitemata Electricity Trust.

The general subject of the matter to be considered while the public is excluded, the reason for passing this resolution in relation of the matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of the matter to be considered.	Reason for passing this resolution in relation to the matter.	Ground(s) under Section 48(1)(a) for the passing of this resolution.
<ul style="list-style-type: none"> • Waitemata Electricity Trust. 	<p>The withholding of information is necessary in order to:</p> <ul style="list-style-type: none"> • maintain legal professional privilege and enable the local authority holding the information to carry on, without prejudice or disadvantage, negotiations including commercial and industrial negotiations). 	<p>That the public conduct the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 7(2)(g)(i) of that Act which would be prejudiced by the holding of the relevant part of the proceedings of the meeting in public as follows:

- The report contains legal advice and information which if released could affect negotiations in relation to the Trust and/or the Trust Fund.



4 2002/2003 ANNUAL PLAN

The purpose of this report is to receive recommendations from the Annual Plan Special Committee that will enable the Council to adopt the 2002/2003 Annual Plan.

The Annual Plan Special Committee have been deliberating on the submissions to the draft 2002/2003 Annual Plan, and it is anticipated that these deliberations will conclude on Monday, 15 July 2002. The report and recommendations from the Annual Plan Special Committee will be circulated separately to this agenda.

RECOMMENDATION

That the information be received.

Report prepared by: S Simiona, Committee Secretary.



SPECIAL ORDER: ALTERATION TO DIFFERENTIAL RATING SYSTEM

WHEREAS the Waitakere City Council has by Special Order confirmed on the 11th day of October 1990 resolved to adopt a system of rating on a differential basis **AND WHEREAS** the said system of rating on a differential basis was altered by Special Orders confirmed on the 24th day of July 1991, the 26th day of August 1992, the 4th day of October 1993, the 4th day of September 1995, the 1st day of October 1996, the 7th day of August 1997, the 12th day of August 1998, the 1st day of September 1999, the 29th day of November 2000 and the 3rd day of September 2001 **AND WHEREAS** by virtue of S.85 of the Rating Powers Act 1988 the Council is empowered to further alter the system of differential rating as applied in the District **NOW THEREFORE** the Waitakere City Council, in exercise of the powers given to it by the Local Government Act 1974, the Rating Powers Act 1988, a certain Order-in-Council published in the NZ Gazette No 99 on 13 June 1989 giving effect to a Final Reorganisation Scheme, and any other enactment enabling, **DOTH HEREBY** resolve by **SPECIAL ORDER** to alter the system of rating on a differential basis as follows, namely:

WHEREAS the Waitakere City Council having been constituted as a territorial authority under the Local Government Act 1974 with effect from the 1st day of November 1989 desires to alter the system of rating on a differential basis in the District as from and including the 1st day of July 2002 **AND WHEREAS** the system of rating within the district is required to be based upon land value **NOW THEREFORE** the basis of differential rating shall be as follows:

1. Each property shall be allocated as at the 1st day of July in each year (and including the said 1st day of July 2002) into a differential rating category determined according to the application in each case of the following criteria, namely:-

- (a) There shall be two principal differential categories as follows:

The 'Drainage Area' being that part of the District situated within the Metropolitan Area of the (now) Auckland Regional Council district as defined in the Auckland Regional Authority Act 1963 or serviced by a connection or the right to make a connection to the wastewater system for such Area previously authorised or provided for in accordance with an agreement pursuant to S.46 of the Auckland Metropolitan Drainage Act 1960 (whether or not the said S.46 shall have been repealed prior to confirmation of this Special Order) or by an Agreement entered into with Watercare Services Limited **PROVIDED HOWEVER** that the Drainage Area shall exclude those properties contained in Schedule A (Sturges Road non-sewered) and Schedule B (RNZAF Base Auckland).

The 'Non-Drainage Area' being that part of the District situated within the Outer Area of the (now) Auckland Regional Council district as defined in the Auckland Regional Authority Act 1963 and not serviced by a connection or the right to make a connection to the wastewater system for the Drainage Area authorised or provided for as aforesaid or by an Agreement with Watercare Service Ltd **PROVIDED HOWEVER** that the Non-Drainage Area shall include those properties contained in Schedule A (Sturges Road non-sewered) and Schedule B (RNZAF Base Auckland).

- (b) Each of the two major differential categories produced in accordance with the application of clause (a) shall be further subdivided into the following differential categories:
 - (i) Properties used for farmland purposes and having a rates postponement value determined under S.22 of the Rating Valuations Act 1998 (hereinafter called 'farmland properties').
 - (ii) Properties excluding (i) above, either:

- (a) attributed within one of the following 'Human Environments' under the Waitakere City Proposed District Plan, namely:-
 - Community
 - Community (Periphery)
 - Working, or
- (b) attributed within any other Human Environment but shown or recorded under the said Waitakere City Proposed District Plan as a 'Scheduled Site', or
- (c) attributed within any 'Special Area' Human Environment, except the 'Urban Growth Special Area', 'College Special Area', 'Harbourview North Special Area' and 'Marae Special Area' or
- (d) used for commercial and/or industrial purposes.

(All such properties under (a), (b), (c) and (d) above being hereinafter described as being in the Commercial/Industrial category or described as being used for Commercial/Industrial purposes.)

- (iii) Properties excluding (i) and (ii) above which in Council's opinion contain two or more 'dwellings' (as defined in the City-Wide Rules incorporated within the Waitakere City Proposed District Plan administered by Council) **PROVIDED THAT** a 'granny flat' (being a 'minor household unit' as defined in the said City-Wide Rules, and used as their principal place of permanent residence by a member or members of the immediate family of the occupier of the associated dwelling on the same site or is used by such occupier in direct conjunction with his/her occupation of such associated dwelling or is otherwise to be kept vacant for the financial year concerned) shall not be a dwelling for the purpose of this clause where Council has on application in each year made to it by the said occupier approved such flat as qualifying as at the 1st day of July in such year under this proviso and **PROVIDED FURTHER** that such two or more dwellings shall be attributed within a single assessment on the Valuation Roll for rating purposes (such properties being hereinafter called 'multi-unit properties').

Such category shall be further sub-divided into five sub-categories (1)-(5) inclusive according to the number of 'dwellings' in Council's opinion contained within such property and assessment on the Valuation Roll as aforesaid, namely:-

- (1) 2 Units
- (2) 3 Units
- (3) 4 Units
- (4) 5 to 9 Units
- (5) 10 or more Units

and **PROVIDED FURTHER** that no property attributed wholly or partially within the 'Countryside' or 'Waitakere Ranges' Human Environments under the Waitakere City Proposed District Plan shall be deemed to be a 'multi-unit property' under this category unless it shall contain more than three dwellings.

- (iv) Properties, excluding (i) and (iii) above and special category properties as hereinafter set out in (v) below, which are within the 'Urban Growth Special Area', 'College Special Area' or 'Marae Special Area' Human

Environment or are attributed a Human Environment other than Community, Community (Periphery), Working or 'Special Area' (except the said 'Special Areas' hereinbefore identified) and which are not 'Scheduled Sites', and properties which are attributed a Community, Community (Periphery), Working or Special Area Human Environment but are not used for industrial and/or commercial purposes and are not vacant or undeveloped or used for farming (including grazing) purposes so as to be classified in accordance with clause (c)(i).

- (v) Special categories being properties occupied and used by:
 - (a) Local authorities named in, or a local authority of any of the classes specified in, the First Schedule to the Local Government Act 1974 and Local Authority Trading Enterprises as otherwise defined by S.594B of the Local Government Act 1974 (but excluding in each case properties having attributed a Community, Community (Periphery), Working or Special Area Human Environment as the case may be), such properties being placed in the following sub-categories:
 - (1) Properties used for watershed purposes.
 - (2) Properties which are reserves and where partial remission of rates is granted.
 - (3) Properties which are reserves and where full remission of rates is granted.
 - (4) Other properties where rates are required to be paid in full.
 - (b) Those organisations other than local authorities which are eligible for remission of rates under the provisions of S.179 of the Rating Powers Act 1988, such properties being placed in the following sub-categories:
 - (1) Properties where partial remission of rates is granted.
 - (2) Properties where full remission of rates is granted.
 - (3) Other properties used by the said organisations and where rates are required to be paid in full.
- (c) For the purpose of the preceding sub-clauses (a) and (b):-
 - (i) Properties which, according to the Human Environment attributed or to use, could be allocated to more than one such differential category shall be classified according to use rather than the Human Environment attributed where the use or principal use is not a permitted activity within the Human Environment attributed, unless the property shall be vacant or undeveloped or is used for farming (including grazing) purposes but does not have a rates postponement value, in which case it shall be classified according to the Human Environment attributed, and
 - (ii) 'Farmland' and 'Farming purposes' shall have the meanings provided in S.2 of the Rating Powers Act 1988, and
 - (iii) 'Dwelling' shall be deemed to include a Principal Unit created in accordance with the Unit Titles Act 1972 where such Principal Unit is the

self-contained home or residence of a single household or is capable of being and/or is intended to be so occupied, and

- (iv) Properties used for watershed purposes" shall have the same meaning as "water catchment land" under Section 89(1) of the Rating Powers Act 1988 and shall further include land vested in or under the control of Watercare Services Limited and used as a water collection area or as reservoir land (including any buffer lands) and/or filter station site, and for clarification shall include the following assessments:-

342"00-212-00 (Watercare Services Limited)

33220-004-00 (Watercare Services Limited)

33220-010-00-A (Watercare Services Limited)

33220-010-00-B (Watercare Services Limited)

33220-001-00-W (Watercare Services Limited)

33220-001-00-AA (Auckland Regional Council)

and, for the avoidance of doubt, such classification shall apply notwithstanding that such land, or any part, may be a reserve under the Reserves Act 1977 and/or be held as part of Auckland Centennial Memorial Park and whether or not such lands shall be accessible by members of the public, and whether or not any remission be available in accordance with the Second Schedule to the Rating Powers Act 1988, and

- (v) Properties used or occupied as "rest homes" or "private hospitals" shall be deemed to be used for commercial rather than residential purposes, and attributed to Category 1(b)(ii) for rating purposes, and such properties shall include those licensed under the Old People's Homes Regulations 1987, or as private hospitals under the Hospitals Act 1957 and amendments, but shall not include homes for physically and mentally disabled persons which do not require to be licensed, and
- (vi) Properties used or occupied by the Returned Services Association or any branch thereof as clubrooms or for the purposes of the activities of such organisation other than for residential accommodation, shall be deemed to be used for commercial purposes and attributed to Category 1(b)(ii) for rating purposes.
- (vii) Properties wholly used or occupied as licensed Child Care Centres, or partially used and occupied for such purpose in conjunction with any other residential or rural use, shall be deemed to be classified in Category 1(b)(iv) rather than as properties used for commercial purposes, and
- (viii) Use of a property for any 'Home Occupation' as defined in the City-wide Rules incorporated within the Waitakere City Proposed District Plan shall not be deemed to be use "for commercial and/or industrial purposes" so far as classification into any category of any such property is concerned.
- (ix) 'Year' shall mean the financial year for rating and other purposes applicable to territorial local authorities commencing on 1st day of July and concluding on the following 30th day of June, and

- (x) The power to classify properties in each case shall be deemed to have been delegated by Council in accordance with S.715 of the Local Government Act 1974 to the Director of Finance (with power to further delegate that power in accordance with S.716) and similarly the power to make any other determination or to exercise any discretion, opinion or approval in accordance with the said preceding clauses shall be similarly deemed to have been so delegated, and
 - (xi) Notwithstanding anything contained herein a property may be reclassified for any particular rating year, after the said 1st day of July and until the Council shall make and strike the rates for such year, where by reason of notification of change of use or Human Environment attribution, subdivision, cross-leasing, completion of covenant, application by the owner or occupier or other such circumstance shall, in the opinion of the said Director of Finance, render such reclassification fair and equitable to such ratepayer or to other ratepayers generally.
2. The Rate requirement of Council shall be met as follows:-
- (a) The supply of water (including loan charges in relation to the provision of water reticulation and/or supply of water) shall be chargeable to the properties concerned and collected by charge made and levied in accordance with S.26 of the Rating Powers Act 1988 and the General Bylaw No.4, 1990 - Chapter 7, Water Supply - including any minimum charge as may be specified in the resolution.
 - (b) The residual costs of waste collection (including the costs of treatment and disposal of waste so collected) and solid waste management activities, being those expenditures not budgeted to be met by the receipts from the by-bag collection regime or from charges imposed upon Authorised Refuse Collectors pursuant to the provisions of Bylaw No.30 – Refuse Placement and Collection, shall be chargeable to the properties concerned and collected by Uniform Annual Charge made and levied in accordance with S.24 of the Rating Powers Act 1988.
 - (c) A Uniform Annual General Charge shall be made and levied pursuant to S.19 of the Rating Powers Act 1988 on every separately rateable property (subject to any statutory exclusions) within the district.
 - (d) A Uniform Annual Charge, called the 'People's Park Uniform Annual Charge', shall be made and levied pursuant to S.20 of the Rating Powers Act 1988 on every separately rateable property (subject to any statutory exclusions) within the district, to recover a contribution towards the costs of establishing, developing and maintaining for public purposes certain lands known as 'Harbourview'.
 - (e) A Uniform Annual Charge, called the Rural Sewerage Charge, shall be made and levied pursuant to S.20 of the Rating Powers Act 1988 on every separately rateable property contained within the Non-Drainage Area but excluding those separately rateable properties contained in Schedule B, calculated so as to recover the rating requirement in connection with the cost of implementation of the On-site Waste Systems Management Plan and any associated administration and environmental monitoring expenditures.
 - (f) The rating requirement in connection with the provision and maintenance of sewerage and any charges made, levied, imposed or applied by

Watercare Services Ltd in respect of its activities and operations other than for bulk water supply shall be chargeable to the Drainage Area.

- (g) A rate in the dollar on land value shall be calculated for the watershed lands in category 1(b)(v)(a)(1) so that if levied as a general rate such properties are levied the maximum total rates (which shall include the Uniform Annual General Charge and any Uniform Annual Charge) which can be levied having regard to S.89 Rating Powers Act 1988 and any other statutory limitation.
- (h) The rating requirement for the City shall be proportioned between the Drainage Area and the Non-Drainage Area so as to reflect:
 - (1) The apportionment required to give effect to clause (f) herein, and
 - (2) The sharing of the differential rate yield derived from the watershed lands in accordance with clause (g) herein so as to benefit properties other than the Commercial/Industrial category regardless of whether such properties are contained in the Drainage Area or the Non-Drainage Area.
- (i) The rating requirement for each of the principal differential rating categories shall be met by properties within the various differential categories as follows:
 - (1) By any Uniform Annual Charge in accordance with S.20 or S.24 of the Rating Powers Act 1988 as the case may be made and levied in accordance with Clauses 2(b), 2(d) and 2(e) hereof.
 - (2) By any charge in accordance with S.26 of the Rating Powers Act 1988 (and the related bylaw), made and levied in accordance with Clause 2(a) hereof.
 - (3) In respect of Category 1(b)(ii) - Commercial/Industrial properties:
 - (a) By establishing the net rate requirement to be met by such properties by deducting the product of the charges under (1) above yielded by such properties from a figure equal to 20.5% of the rate requirement for the District excluding the rate requirement for the supply of water as identified under Clause 2(a) hereof.
 - (b) By dividing the net rate requirement established under (a) above between the Drainage and Non-Drainage Areas by reference to the respective land values of such properties in each such Area **PROVIDED HOWEVER** that no part of such net rate requirement attributable to wastewater costs arising under clause 2(f) shall be attributed to such properties in the Non-Drainage Area.
 - (c) The net rate requirement so calculated under (b) above to be met by properties in each such Area in Category 1(b)(ii) shall then be met:-
 - i) By any Uniform Annual General Charge made and levied in accordance with clause 2(c) hereof, and

- ii) As to the balance of the net rate requirement in each such Area by a rate in the dollar on the land value of such properties within that Area.
- (4) In respect of all other categories, the rate requirement to be met by such properties in each of the Drainage and Non-Drainage Areas shall be established by deducting any requirement met under (1), (2) and (3) above, and the remaining requirement shall be met:-

(a) By any Uniform Annual General Charge made and levied in accordance with Clause 2(c) hereof, and

(b) As to the balance of the net rate requirement by a rate in the dollar notionally calculated for each of the principal Areas by reference to the adjusted combined land value of all properties in the said categories in each such Area so that the product of such rate in the dollar would, in the case of each such Area, yield a sum equal to the balance of the net rate requirement for the said Area.

For the purpose of this sub-clause (b) the adjusted combined land value of all the said properties in each of the principal Areas shall be established by computing the land value of properties in the such Area in each category according to the relationship that the factor or factors for that category as hereinafter provided under sub-clause (d) bear to the base rate.

(c) The said rate in the dollar on the land value so notionally calculated for each Area in accordance with the preceding sub-clause (b) shall be the 'base rate' for such Area.

(d) The said balance of the net rate requirement under sub-clause (b) above shall be met in respect of each Area by a rate in the dollar on the land value of properties within the remaining respective categories established by clause 1(b) being either the base rate or the base rate increased/decreased by the relevant factor as follows:-

1) In respect of Categories 1(b)(i), 1(b)(iv) and 1(b)(v)* - a factor of 1.0 (100%) for all land value up to and including \$90,000, a factor of .69 (69%) for all land value over \$90,000 and up to and including \$240,000, and a factor of .52 (52%) for all land value over \$240,000.

(* except for category 1(b)(v)(a)(1) land used for watershed purposes where the rate in the dollar is established under clause 2(g)),

2) In respect of Category 1(b)(iii) - the factors for each sub-category shall be as follows:-

(1) - a factor of 1.68 (168%) for all land value up to and including \$78,000, and a factor of 1.00 (100%) for all land value over \$78,000 and up to and

including \$180,000, and a factor of .60 (60%) for all land value over \$180,000.

- (2) - a factor of 2.20 (220%) for all land value up to and including \$90,000, and a factor of .90 (90%) for all land value over \$90,000 and up to and including \$300,000, and a factor of 1.0 (100%) for all land value over \$300,000.
 - (3) - a factor of 2.85 (285%) for all land value up to and including \$88,000, and a factor of .70 (70%) for all land value over \$88,000.
 - (4) - a factor of 2.03 (203%) for all land value up to and including \$273,000, and a factor of 0.40 (40%) for all land value over \$273,000.
 - (5) - a factor of 3.25 (325%) for all land value up to and including \$1,950,000, and a factor of 0.10 (10%) for all land value over \$1,950,000.
3. The 2002/2003 rate requirement shall be recovered based upon the land values recorded by the Valuation Roll as at 30 June 2002, and all differential factors identified in clause 2 hereof shall be calculated upon those actual land values as at 30 June 2002.
4. For the 2002/2003 financial year, the classification of properties into categories as at 1 July 2002 shall be based upon the provisions of the Waitakere City Proposed District Plan (including any Plan Variation which shall have been publicly notified prior to the commencement of the financial year) rather than the provisions of the Operative District Plan - Henderson, Glen Eden, New Lynn and Waitemata Sections - notwithstanding that any such Proposed District Plan provisions shall be subject to any references to the Environment Court which shall not have been heard or finally determined at such date

SCHEDULE A

The properties comprised in the following Valuation Roll assessments (or any assessment or assessments subsequently issued in lieu):

33090-999-00
33090-998-00
33090-997-00
33090-996-00
33090-995-00
33090-994-00
33090-993-00
33090-992-00
33090-991-00
33090-990-00
33090-989-00
33090-988-00
33090-987-00
33090-986-00
33090-985-00
33090-984-00
33090-983-00
33090-982-00
33090-981-00

SCHEDULE B

(RNZAF BASE AUCKLAND)

32700-224-00
32700-271-00
32700-298-00-A
32700-298-00-B
32700-298-02-A
32700-298-02-B
32700-353-01
32700-402-00
32700-403-00
32700-455-00
32700-469-00
32700-476-00
32700-490-02
32700-506-00
32700-511-00
32700-511-01
32700-511-02
327010-518-00
32700-520-00
32700-526-00

32700-568-02
32700-569-00
32700-569-00-A
32700-569-00-B
32700-569-00-D
32700-606-00
32740-147-00
32740-367-02
32740-325-00
32740-368-01
32768-177-00

AND FURTHER, that the necessary Statement as required by the provisions of S.84 (1)(c) of the Rating Powers Act 1988 be as follows:

IN THE MATTER of the Rating Powers Act 1988

AND

IN THE MATTER of altering the system of differential rating applying in the district of the City of Waitakere

STATEMENT REQUIRED BY THE PROVISIONS OF SECTION 84(1)(C) OF THE RATING POWERS ACT 1988 TO BE OPEN FOR INSPECTION BY THE PUBLIC

In compliance with the provisions of Section 84(1)(c) of the Rating Powers Act 1988 the Waitakere City Council makes the following statement which in accordance with the provisions of the said section is to be open for inspection by the public without fee:-

The Waitakere City Council was constituted as a territorial authority under the Local Government Act 1974 with effect from 1st day of November 1989 and having by Special Order confirmed on the 11th day of October 1990 resolved to adopt a system of rating on a differential basis and having altered the said system of differential rating by Special Orders confirmed on 24th day of July 1991, the 26th day of August 1992, the 4th day of October 1993, the 4th day of September 1995, the 1st day of October 1996, the 7th day of August 1997, the 12th day of August 1998, the 1st day of September 1999, the 29th day of November 2000 and the 3rd day of September 2001 has now resolved under S.85 of the Rating Powers Act 1988 to further alter the system of differential rating in the district with effect from the 1st day of July 2002, on the following basis, namely:

1. The main basis of differentiation is the location of properties within the principal differential categories, namely the 'Drainage Area' (being the reticulated portion) and the 'Non-Drainage Area' (being the remainder, or unreticulated portion) of the district. The definition allocates certain non-sewered properties in Sturges Road, and RNZAF Base Auckland, within the Non-Drainage Area.
2. Properties within each of these principal differential categories are further divided into groups as follows:
 - (a) Properties used for farmland purposes and having a rates postponement value determined under S.22 of the Rating Valuations Act 1998.
 - (b) Properties attributed within the Community, Community (Periphery) or Working Human Environments, or recorded as a 'Scheduled Site' or attributed within any 'Special Area' Human Environment except the 'Urban Growth Special Area', 'College Special Area', 'Harbourview North Special Area' or 'Marae Special Area', or used for commercial and/or industrial purposes.
 - (c) Properties (except properties attributed wholly or partially within the 'Countryside' or 'Waitakere Ranges' Human Environments and containing not more than three dwellings) excluding the above which in Council's opinion contain two or more 'dwellings' (as defined) excluding a 'granny flat' and are attributed within a single assessment on the Valuation Roll (called 'multi-unit properties').
 - (d) Properties occupied and used by local authorities, LATEs (including Watercare Services Limited) and other organisations for reserve or watershed purposes, or which qualify for mandatory or voluntary remission of rates (whether or not any such voluntary remission shall be granted) or upon which rates are payable in full.
 - (e) Properties other than the above.

3. Council's annual rate requirement, which is determined every year through the Annual Plan process, is to be levied as follows:-

- (i) The supply of water shall be chargeable to the properties concerned and collected by a charge made and levied in accordance with S.26 of the Rating Powers Act 1988 and the General Bylaw No.4 1990 - Chapter 7, Water Supply, including any minimum charge specified by resolution (the cost of water supply and the said charge will reflect the recovery of loan charges relating to the provision of reticulation and/or supply of water).
- (ii) The residual costs of Waste collection (including the costs of treatment and disposal of waste so collected) and solid waste management activities, being expenditures not met by receipts from the by-bag collection regime or from charges imposed upon Authorised Refuse Collectors, will be recovered by a Uniform Annual Charge.
- (iii) A Uniform Annual General Charge will be levied against all properties (with very limited exclusions provided for in the Rating Powers Act 1988) each year.
- (iv) A Uniform Annual Charge, called the 'People's Park Uniform Annual Charge', will be levied (subject to any statutory exclusions) on every separately rateable property in the district, to recover a contribution towards the costs of establishing, developing and maintaining for public purposes certain lands known as 'Harbourview'.
- (v) A Uniform Annual Charge, called the Rural Sewerage Charge, will be levied (subject to any statutory exclusions) against all properties contained within the Non-Drainage Area excluding those properties contained in Schedule B, to recover the cost of all expenditures involved with the implementation of the On-site Waste Systems Management Plan and associated administration and environmental monitoring expenditures.
- (vi) All expenditure in respect of sewerage (which includes loan charges and repayments, Watercare Services Limited drainage charges, costs of maintenance of the sewer system, and the capital works from revenue, if any, on the sewerage reticulation) will be charged to properties in the Drainage Area, and recovered proportioned between the differential categories so that the commercial/industrial category bears its allocated % of all sewerage costs as defined, and recovered from properties based upon land value, where appropriate notionally adjusted according to the differential factors, as part of the general rate component.
- (vii) The watershed lands will be levied the maximum rate in the dollar which can be levied having regard to the relevant statutory limitations.
- (viii) The rating requirement is then met by properties in each of the principal differential categories by any Uniform Annual Charges for the residual costs of waste collection and solid waste management activities and in respect of the contribution towards the People's Park at Harbourview and any charge made and levied in accordance with S.26 Rating Powers Act 1988 and the related Bylaw (for water supply), any Uniform Annual General Charge, and any Rural Sewerage Charge for the Non-Drainage Area, and as to the remainder by rates in the dollar established as follows:

1. As to properties in Category 1(b)(ii) – Commercial/Industrial:-

- (a) By establishing the net rate requirement for each of the Drainage and Non-Drainage Areas by dividing a figure equal to 20.5% of the rate requirement for the District (exclusive of the requirements

for the supply of water) by reference to the respective land values of such properties in each such Area, but without attributing any part of the wastewater costs arising under Clause 2(f) to the Non-Drainage Area.

- (b) By deducting from such net rate requirement so established in each case the product of any Uniform Annual General Charge and then computing such rate in the dollar by reference to the land values of such properties within that Area.

2. In respect of all other categories:-

- (a) By deducting the requirement met under (1) above, and the product of any Uniform Annual Charge, and charges for the supply of water, and the product of any Uniform Annual General Charge levied on the properties in such categories, and notionally calculating a base rate for each Area by reference to the adjusted combined land value of all properties in the said categories in each such Area so that the product of such rate in the dollar would, in the case of each such Area, yield a sum equal to the balance of the net rate requirement for the said Area.

- (b) In each Area, by a rate in the dollar on the land value of properties within the respective categories being the base rate or the base rate increased/decreased by the relevant factor as follows:-

- 1) In respect of Categories 1(b)(i), 1(b)(iv) and 1(b)(v)* - a factor of 1.00 (100%) for all land value up to and including \$90,000, a factor of 0.69 (69%) for all land value over \$90,000 and up to and including \$240,000, and a factor of 0.52 (52%) for all land value over \$240,000.

(* except for category 1(b)(v)(a)(1) land used for watershed purposes where the rate in the dollar is established under clause 2(g)),

- 2) In respect of Category 1(b)(iii) - the factors for each sub-category shall be as follows:-

- (1) - a factor of 1.68 (168%) for all land value up to and including \$78,000, and a factor of 1.00 (100%) for all land value over \$78,000 and up to and including \$180,000, and a factor of 0.60 (60%) for all land value over \$180,000.

- (2) - a factor of 2.20 (220%) for all land value up to and including \$90,000, and a factor of .90 (90%) for all land value over \$90,000 and up to and including \$300,000, and a factor of 1.0 (100%) for all land value over \$300,000.

- (3) - a factor of 2.85 (285%) for all land value up to and including \$88,000, and a factor of 0.70 (70%) for all land value over \$88,000.

- (4) - a factor of 2.03 (203%) for all land value up to and including \$273,000, and a factor of 0.40 (40%) for all land value over \$273,000.

- (5) - a factor of 3.25 (325%) for all land value up to and including \$1,950,000, and a factor of 0.10 (10%) for all land value over \$1,950,000.

4. The matters which have been taken into account in adopting the present system of differential rating are:

- (i) The desirability of the costs of water supply being charged on a 'user pay' basis to the properties concerned by metered consumption (subject to a minimum charge).
- (ii) The effect of imposing a Uniform Annual Charge (of an amount calculated to recover the residual costs of waste collection and solid waste management activities, being those expenditures not budgeted to be met by the receipts from the by-bag collection regime or from charges imposed on Authorised Refuse Collectors) on all properties in accordance with S.24 of the Rating Powers Act 1988.
- (iii) The effect of imposing a Uniform Annual Charge on all separately rateable properties (subject to statutory exclusions) within the District, to recover a contribution towards the costs of establishing, developing and maintaining for public purposes certain lands known as 'Harbourview'.
- (iv) The effect of imposing a Uniform Annual General Charge (of an amount to be determined by Council on each occasion) on all properties within the district.
- (v) The desirability of meeting loan charges (other than loan charges relating to the provision of reticulation and/or the supply of water) on a City-Wide basis through the General Rate, now that the Local Government Commission has approved the equalisation of such charges, in lieu of the former necessity to levy such loan charges in respect of loans secured over the districts of the former authorities against properties in the former territorial Area.
- (vi) The desirability of the Drainage Area (excluding some few properties separately scheduled which do not receive the service, and properties associated with RNZAF Base Auckland, which is contractually committed to reimbursing such costs to the City independently of the rating system) meeting all liabilities for past and present costs associated with the provision and maintenance of sewerage reticulation and disposal services through the General Rate, and of the Non-Drainage Area together with the properties contained in Schedule A meeting the costs associated with the implementation of the On-Site Waste Systems Management Plan and associated administration and environmental monitoring expenditures through a separate Rural Sewerage Uniform Annual Charge.
- (vii) The desirability of the watershed lands, which have a relatively low land value attributed but which are effectively utilised for a business purpose the costs of which are met by Watercare Services Limited or the Auckland Regional Council as the case may be, making an appropriate contribution to the City's revenue, and to maintain parity with the former system of rating to apply the yield from such properties between farmland, rural and residential ratepayers in both the Drainage and Non-Drainage parts of the District.
- (viii) The desirability of multi-unit properties (other than rural properties) occupied for residential purposes making a greater contribution to the cost of services than single dwelling (including 'cross-lease') properties (for example because of the comparatively lower land value attributed to such properties when apportioned per Unit, and because the Uniform Annual General Charge is borne as a 'once only' single levy, although multiple occupation significantly increases the demand

for and use of common City services including wastewater services), to maintain general equity.

- (ix) The adoption by Council during the 1998/99 year of a rate remission policy under S.180G of the Rating Powers Act 1988 applicable to qualifying properties in accordance with the criteria established, which effectively replaces the need to confer a range of rating incentives upon such category of properties through the differential rating system.
- (x) The desirability of ensuring Commercial/Industrial properties and Watershed lands meet a fair share of total rates, bearing in mind, for example, the fact that in most instances such ratepayers (by contrast with most residential ratepayers) can claim rates as a deduction against income for tax purposes and can similarly offset the GST content of the demand, and further the greater demand upon certain Council services and resources which can be imposed by the development and/or use of such properties for purposes permitted by their respective Human Environments, and in particular that the differential rating category for such properties in the Commercial/Industrial category (but excluding 'Farmland properties') contribute a lesser total percentage of the annual rate requirement in 2002/2003, namely 20.5%, than was the case in 2001/2002 because of adjustments in the relative land valuations attributed to such properties as a result of the district revaluation in 2001, and applied for rating purposes from 1 July 2002, and the economic analysis of costs and benefits deriving from the Annual Plan budget exercise.
- (xi) That as at 30 June 1993 the Local Government Commission's stipulation in Clause 90 of the Order-in-Council constituting Waitakere City that rates to be levied on residential land forming part of the Inner Area and rates to be levied on commercial and industrial land forming part of the Inner Area be 'equalised' (except for the impact of loan charges) on the basis set out in the said Clause is fully implemented and with effect from 1 July 1993 all rates upon properties in the Inner Area have been made and levied on such equalised basis.
- (xii) That properties situated in the 'Non-Drainage Area' and not serviced by a connection or the right to make a connection to the wastewater system for the Drainage Area authorised or provided for be comprised in a separate differential rating category or categories and that the amount of rates to be levied against such category shall exclude costs (including loan charges) in relation to the provision and maintenance of sewerage or any charges made by Watercare Services Limited in respect of its activities and operations other than bulk water supply.
- (xiii) The decision to remove the 'Outer' Area differential based upon a formulae being the mean of rateable capital value (but excluding properties in the Commercial/Industrial Category, watershed land, and other special category properties) and population of the Drainage and non-Drainage Areas, as from 1 July 1999, so as to treat properties throughout the City on the same basis for rating purposes subject only to the provisions contained in this differential Special Order.
- (xiv) The desirability of attributing individual properties into their respective categories based upon the 'Human Environment' assigned under the Waitakere City Proposed District Plan, rather than categorisation based upon the zoning imposed under the Operative Transitional Plan - Henderson, Glen Eden, New Lynn and Waitemata sections, to resolve any conflict and reflect the fact that the Proposed District Plan is now a dominant document for almost all purposes in assessing land use entitlements and that the Proposed District Plan reflects a holistic vision on a comprehensive basis for the future development of the City.

- (xv) To continue, with minor modification, the 'stepped differential' principle as applied in 2001/2002 to rural/residential properties (including farmland properties and special category properties other than watershed land) situated in the Drainage and Non-Drainage Areas, so as to provide for a lesser contribution by such properties as benefit from the application of such step or steps as the case may be towards the total cost of rates required to be met by all properties so classified, on the basis that a more equitable and fairer 'rates curve' is produced more closely reflecting both the relative benefits obtained by such properties in relation to the other properties in such category and the appropriate level of 'taxation' component which should be attributed under a land value system of rating when the great majority of properties within the category are 'improved' and/or occupied for residential or farming purposes in diverse manner in relationship to the actual land value of each such individual property.
5. The general effect that this alteration to the system of differential rating is expected to have on the incidence of rates as between ratepayers or groups of ratepayers within the district by contrast with that applying in the 2001/2002 rating year is:-
- (i) To adjust the stepped differential system of rating applied to properties in the general residential/rural/other category of properties to reflect changes in relative land values arising between the 1998 and 2001 district roll revisions by amending the differential factors applying with consequential minor alteration to the relativity of rating liability experienced by properties in such category.
- (ii) To adjust the stepped differential system of rating applied to properties in the multi-unit category of properties to reflect changes in relative land values arising between the 1998 and 2001 district roll revisions and the particular valuations attributed to properties in the various sub-categories, with consequential alterations to the relativity of rating liability experienced by properties in such category.
- (iii) To provide for flexibility in the quantum of the Uniform Annual Charge called the 'People's Park Uniform Annual Charge', so as not to limit or restrict the levying of such charge to the sum of \$9 GST inclusive.
- (iv) To reduce the proportion of the net rate requirement to be met by properties in the Commercial/Industrial category by deducting the product of any Uniform Annual Charges from a figure equal to 20.5% (in lieu of the former figure of 21%) of the rate requirement for the district excluding the rate requirement for the supply of water, and to correspondingly increase the proportion of that net rate requirement to be met by properties in all other categories to 79.5% (in lieu of the former figure of 79%).