

**AGENDA FOR A MEETING OF THE COUNCIL TO BE HELD IN THE COUNCIL
CHAMBER AT WAITAKERE CENTRAL, 6 HENDERSON VALLEY ROAD,
HENDERSON, WAITAKERE, ON FRIDAY, 25 JUNE 2010,
COMMENCING AT 12 NOON**

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1 APOLOGIES



2 URGENT BUSINESS

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 provides that where an item of business is not on the agenda, it may only be dealt with at the meeting if:

- (i) the Council by resolution so decides; and
- (ii) the Chairman has explained at the beginning of the meeting (when open to the public) that the item will be raised for discussion and decision, why the item is not on the agenda, and why it cannot be delayed until a subsequent meeting.

The Council may make a decision on a matter determined to be urgent.

NOTE: Urgent Business need not be dealt with now and may be delayed until later in the meeting.



3 CONFLICTS OF INTEREST

The Council has acknowledged in its Code of Conduct that Members need to be vigilant to stand aside from decision making when a conflict arises between their role as a Member of the Council and any private or other external interest they might have. This note is provided as a reminder to Members to check that no such conflicts arise in relation to any items on this agenda.



4 RATING MATTERS FOR CONSIDERATION

GLOSSARY

Annual Plan 2010/2011	(AP 2010/2011)
Rugby World Cup Levy	(RWC Levy)
Business Improvement District	(BID)
Local Government (Tamaki Makaurau Reorganisation) Act 2009	(LG(TMR)A 2009)

EXECUTIVE SUMMARY

The purpose of this report is to provide the Council with a number of necessary rating related recommendations for inclusion in the Annual Plan 2010/2011 (AP 2010/2011) and the setting of rates for the 2010/2011 financial period.

From 1 October 2010 there will be a change in the rate at which GST is charged. This increase has meant some changes to the way in which rates are to be set for the 2010/2011 period and has varying impacts on the amounts which ratepayers will pay for both land and water rates.

At the time this report was printed, final budget figures had not been confirmed. As a result it has not been possible to recommend a particular figure or amount in recommendations 11, 12, 13, 14, and 15. These amounts will be tabled at the Council meeting.

RECOMMENDATIONS

It is recommended that the Council resolve to:

1. **Receive** the Rating Matters for Consideration report.
2. **Agree** that the Council approve that for the 2010/2011 financial year 20% of the total rate requirement, excluding targeted rates for water supply, will be collected from business sector properties pursuant to the powers conferred on it by the Local Government (Rating) Act 2002 and in accordance with the relevant provisions of the Annual Plan 2010/2011 and Funding Impact Statement and Other Rating Information.
3. **Agree** that the following Rural Sewerage Rate be set for the financial year commencing on 1 July 2010 and ending on 30 June 2011 pursuant to the powers conferred by the Local Government (Rating) Act 2002 and in accordance with the relevant provisions of the Annual Plan 2010/2011 and Funding Impact Statement:

“A targeted rate described as the Rural Sewerage Charge set as a fixed charge on a uniform basis under Section 16 of the Local Government (Rating) Act 2002 of \$131.56 plus GST at the prevailing rate set and charged upon all rating units in the Non-Drainage Area of the City as defined in the Description of the Differential Rating System and Method of Calculation of Rates, upon each on-site waste management system that is scheduled to be pumped out by the Council within the three-yearly cycle, for the purposes of recovering the costs of implementation of the On-site Waste Systems Management Plan, and calculated to yield \$670,000 plus GST at the prevailing rate.”

4. **Agree** that the Environment Monitoring Rate be set for the financial year commencing on 1 July 2010 and ending on 30 June 2011 pursuant to the powers conferred on it by the Local Government (Rating) Act 2002 and in accordance with the relevant provisions of the Annual Plan 2010/2011 and Funding Impact Statement:

“A targeted rate described as the Environment Monitoring Charge set as a fixed charge per rating unit on a uniform basis under Section 16 of the Local Government (Rating) Act 2002 of \$35.53 plus GST at the prevailing rate set and charged on all rating units in the Non-Drainage Area of the City as defined in the Description of the Differential Rating System and Method of Calculation of Rates, for the purposes of recovering the costs of monitoring and addressing pollution of watercourses, and calculated to yield \$208,000 plus GST at the prevailing rate.”

5. **Agree** that the Rugby World Cup Levy be set for the financial year commencing on 1 July 2010 and ending on 30 June 2011 pursuant to the powers conferred by the Local Government (Rating) Act 2002 and in accordance with the relevant provisions of the Annual Plan 2010/2011 and Funding Impact Statement:

“A targeted rate described as the Rugby World Cup Levy set under Section 16 of the Local Government (Rating) Act 2002 on a uniform basis of \$11.52 plus GST at the prevailing rate and charged upon each separately used or inhabited part of a rating unit, excluding non-rateable properties, and calculated to yield \$835,071 plus GST at the prevailing rate.”

6. **Agree** that the Water Supply Rate be set for the financial year commencing on 1 July 2010 and ending on 30 June 2011 pursuant to the powers conferred by the Local Government (Rating) Act 2002 and in accordance with the relevant provisions of the Annual Plan 2010/2011 and Funding Impact Statement:

“A targeted rate described as the Water Supply Charge set and charged according to a scale of charges under Section 19 of the Local Government (Rating) Act 2002 of \$1.51 plus GST at the prevailing rate per cubic metre of water provided as measured by meter and calculated to yield \$23,230,000 plus GST at the prevailing rate.”

7. **Agree** that the due dates for payment of rates (other than the targeted rates for water supply) set for the financial year commencing on 1 July 2010 and ending on 30 June 2011 pursuant to the powers conferred on it by the Local Government (Rating) Act 2002 will, for the year from 1 July 2010 to 30 June 2011, be payable in four instalments on due dates as follows and in accordance with the relevant provisions of the Annual Plan 2010/2011 and Funding Impact Statement:

Instalment Numbers	Due Dates
1	20 August 2010
2	22 November 2010
3	21 February 2011
4	20 May 2011

8. **Agree** that the due date for the targeted rate for water supply shall be the “latest date for payment” set out in each rates invoice for water supply, shown on the respective assessment for such charge as delivered to the owner of the rating unit, which will be a date 30 days after the date of each rates invoice for water supply, and in accordance with the relevant provisions of the Annual Plan 2010/2011 and Funding Impact Statement.
9. **Agree** that the following penalties on unpaid rates be set for the financial year commencing on 1 July 2010 and ending on 30 June 2011 pursuant to the powers conferred by the Local Government (Rating) Act 2002 and in accordance with the relevant provisions of the Annual Plan 2010/2011 and Funding Impact Statement:

“Pursuant to Sections 57 and 58 of the Local Government (Rating) Act 2002:

A penalty of ten per cent of the amount of rates assessed under each instalment in the 2010/2011 financial year (other than targeted rates for water supply) that are unpaid after the due date of each instalment, will be added to such unpaid rates on the day following the due date of the instalment.

Provided that where all rates (other than the targeted rate for water supply) payable to 30 June 2011 (together with any arrears of rates, other than targeted rate for water supply, but including penalties on arrears of rates) are paid in full by 20 November 2010, no instalment penalty will be payable in respect of the 2010/2011 year.

A further penalty calculated on rate arrears (other than the targeted rate for water supply) will be added on the day following 30 September 2010. This further penalty will be ten percent of the amount of rates assessed in any prior financial year to the 2010/2011 year (other than the targeted rate for water supply), including any penalties added, that remain unpaid on 30 September 2010.

A further penalty calculated on rate arrears (other than the targeted rate for water supply) will be added on the day following 31 March 2011. This further penalty will be ten percent of the amount of rates assessed in any prior financial year to the 2010/2011 year (other than targeted rates for water supply), including any penalties added, that remain unpaid on 31 March 2011.”

10. **Agree** that the payments of rates be set for the financial year commencing on 1 July 2010 and ending on 30 June 2011 pursuant to the powers conferred by the Local Government (Rating) Act 2002 and in accordance with the relevant provisions of the Annual Plan 2010/2011 and Funding Impact Statement:

The rates are payable to the Director: Finance or such other person as may from time to time be appointed by the Council to collect the revenue. Rates will be payable at any of the following places during normal business hours:

Waitakere Central, Civic Centre - 8.00 am - 5.00 pm

6 Henderson Valley Road

or any such place as the Council may from time to time determine.

11. **Agree** that the targeted rate for Residential Sector Wastewater for the financial year commencing on 1 July 2010 and ending on 30 June 2011 pursuant to the powers conferred under section 16 of the Local Government (Rating) Act 2002 and in accordance with the relevant provisions of the Annual Plan 2010/2011 and Funding Impact Statement be set on all rateable land in the Drainage Area of the City as defined in the Description of the Differential Rating System, and on non-rateable land in respect of which a wastewater service is provided as follows:

“A fixed charge for wastewater set on a uniform basis of \$(amount to be tabled at Council Meeting) plus GST at the prevailing rate and charged upon each separately used or inhabited part of a rating unit in the Drainage Area of the City, excluding non-rateable properties, and Business Sector properties and calculated to yield \$(amount to be tabled at Council Meeting) plus GST at the prevailing rate.”

12. **Agree** that the targeted rate for Business Sector Wastewater for the financial year commencing on 1 July 2010 and ending on 30 June 2011 pursuant to the powers conferred under section 16 of the Local Government (Rating) Act 2002 and in accordance with the relevant provisions of the Annual Plan 2010/2011 and Funding Impact Statement on all rateable land in the Drainage Area of the City as defined in the Description of the Differential Rating System in respect of which a wastewater service is provided as follows:

“A targeted rate for wastewater set differentially on business sector properties on the same basis as the General Rate calculated on the rateable land value of business sector rating units in the Drainage Area of the City, excluding non-rateable properties set at a rate of \$(amount to be tabled at Council Meeting) plus GST at the prevailing rate cents in the dollar on the land value, and calculated to yield \$(amount to be tabled at Council Meeting) plus GST at the prevailing rate.”

13. **Agree** that the targeted rates for Non-Rateable Sector Wastewater for the financial year commencing on 1 July 2010 and ending on 30 June 2011 pursuant to the powers conferred under section 16 of the Local Government (Rating) Act 2002 and in accordance with the relevant provisions of the Annual Plan 2010/2011 and Funding Impact Statement be set on all non-rateable land in the Drainage Area of the City as defined in the Description of the Differential Rating System in respect of which a wastewater service is provided as follows:

“Targeted rates for wastewater set differentially on the same basis as the General Rate calculated on the rateable land value of non-rateable rating units in the Drainage Area of the City where a wastewater service is provided, as shown in the table below: Wastewater Targeted Rate – Annual Plan 2010/2011 Differential Rates plus GST at the prevailing rate, and calculated to yield \$(amount to be tabled at Council Meeting) plus GST at the prevailing rate.”

Wastewater Targeted Rate – Annual Plan 2010/2011 Differential Rates plus GST at the prevailing rate	
	Wastewater Targeted rate
	Cents in \$
Non-Rateable Step 1	0.XXXX
Non-Rateable Step 2	0.XXXX
Non-Rateable Step 3	0.XXXX

14. **Agree** that the following Uniform Annual General Charge be set for the financial year commencing on 1 July 2010 and ending on 30 June 2011 pursuant to the powers conferred by the Local Government (Rating) Act 2002 and in accordance with the relevant provisions of the Annual Plan 2010/2011 and Funding Impact Statement:

“A Uniform Annual General Charge set under Section 15 of the Local Government (Rating) Act 2002 of \$(amount to be tabled at Council Meeting) plus GST at the prevailing rate on all rateable land being set and charged upon each separately used or inhabited part of a rating unit, and calculated to yield \$(amount to be tabled at Council Meeting) plus GST at the prevailing rate.”

15. **Agree** that the following General Rate be set for the financial year commencing on 1 July 2010 and ending on 30 June 2011 pursuant to the powers conferred by the Local Government (Rating) Act 2002 and in accordance with the relevant provisions of the Annual Plan 2010/2011 and Funding Impact Statement:

“General Rate set under Section 13 of the Local Government (Rating) Act 2002 on all rateable land, calculated on the rateable land value of rating units and levied differentially on the different categories of land as specified in the Funding Impact Statement and Description of the Differential Rating system and Method of Calculation of Rates, as shown in the table below: General Rate – Annual Plan 2010/2011 Differential Rates plus GST at the prevailing rate, and calculated to yield \$(amount to be tabled at Council Meeting) plus GST at the prevailing rate.”

General Rate – Annual Plan 2010/2011 Differential Rates plus GST at the prevailing rate	
	General Rate
	Cents in \$
Residential Step 1	0.XXXX
Residential Step 2	0.XXXX
Residential Step 3	0.XXXX
Multi-Unit 2 Step 1	0.XXXX
Multi-Unit 2 Step 2	0.XXXX
Multi-Unit 2 Step 3	0.XXXX
Multi-Unit 3 Step 1	0.XXXX
Multi-Unit 3 Step 2	0.XXXX
Multi-Unit 3 Step 3	0.XXXX
Multi-Unit 4 Step 1	0.XXXX
Multi-Unit 4 Step 2	0.XXXX
Multi-Unit 5-9 Step 1	0.XXXX
Multi-Unit 5-9 Step 2	0.XXXX
Multi-Unit 10-39 Step 1	0.XXXX
Multi-Unit 10-39 Step 2	0.XXXX
Multi-Unit 40+ Step 1	0.XXXX
Multi-Unit 40+ Step 2	0.XXXX
Business Sector	0.XXXX
Other Categories Step 1	0.XXXX
Other Categories Step 2	0.XXXX
Other Categories Step 3	0.XXXX

16. **Agree** that the targeted rate for Te Atatu Business Improvement District Association be set for the financial year commencing on 1 July 2010 and ending on 30 June 2011 pursuant to section 16 of the Local Government (Rating) Act 2002 on business sector properties on the same basis as the General Rate as defined in the Description of the Differential Rating System and in accordance with the relevant provisions of the Annual Plan 2010/2011 and Funding Impact Statement as follows:

“A targeted rate for Te Atatu Business Improvement District Association set differentially on business sector properties on the same basis as the General Rate calculated on the rateable land value of business sector rating units in the Te Atatu Peninsula town centre, excluding non-rateable properties, and set at the rate of 0.3910 plus GST at the prevailing rate cents in the dollar on the land value, and calculated to yield \$77,000 plus GST at the prevailing rate.”

17. **Agree** that the targeted rate for the Glen Eden Business Improvement District Association be set for the financial year commencing on 1 July 2010 and ending on 30 June 2011 pursuant to section 16 of the Local Government (Rating) Act 2002 on business sector properties on the same basis as the General Rate as defined in the Description of the Differential Rating System and in accordance with the relevant provisions of the Annual Plan 2010/2011 and Funding Impact Statement as follows:

“A targeted rate for Glen Eden Business Improvement District Association set differentially on business sector properties on the same basis as the General Rate calculated on the rateable land value of business sector rating units in the Glen Eden town centre, excluding non-rateable properties, and set at the rate of 0.5249 plus GST at the prevailing rate cents in the dollar on the land value, and calculated to yield \$45,000 plus GST at the prevailing rate.”

18. **Agree** that the targeted rate for the New Lynn Business Improvement District Association be set for the financial year commencing on 1 July 2010 and ending on 30 June 2011 pursuant to section 16 of the Local Government (Rating) Act 2002 on business sector properties on the same basis as the General Rate as defined in the Description of the Differential Rating System and in accordance with the relevant provisions of the Annual Plan 2010/2011 and Funding Impact Statement as follows:

“A targeted rate for New Lynn Business Improvement District Association set differentially on business sector properties on the same basis as the General Rate calculated on the rateable land value of business sector rating units in the New Lynn town centre, excluding non-rateable properties, and set at the rate of 0.1345 plus GST at the prevailing rate cents in the dollar on the land value, and calculated to yield \$100,000 plus GST at the prevailing rate.”

19. **Agree** that no changes be made to the Remission and Postponement Policies.

BACKGROUND

1. Each year, with changes to budgets and other factors, Council needs to review how it wishes to utilise the tools adopted under the Rating Policy. Council also needs to make provision for inclusion in the AP 2010/2011 for any other changes to the Rating Policy that it might wish to adopt.
2. In previous years any changes to the rating system have traditionally been included for consultation in the draft Annual Plan. Some changes in recent years have included the introduction of targeted rates for Business Improvement Districts (BID) and the Rugby World Cup Levy (RWC Levy). Consultation on the introduction of these has been necessary due to the legislative requirements of the Local Government Act 2002.
3. As part of the reorganisation of local government in the Auckland Region, central government have passed the Local Government (Tamaki Makaurau Reorganisation) Act 2009 (LG(TMR)A 2009). Section 29A of this Act states:

“29 A Obligations of existing local authorities in relation to 2010/2011 annual plan

- (1) This section applies in relation to the annual plan for the financial year commencing 1 July 2010 that each existing local authority is required to prepare and adopt under section 95 of the Local Government Act 2002.*
- (2) The annual plan is only required to cover the period from 1 July 2010 to 31 October 2010 (being the period from the commencement of the financial year until the date on which each existing local authority is dissolved under section 35).*
- (3) Despite section 95(2) of the Local Government Act 2002, the annual plan may simply be adopted by resolution of the existing local authority, but only if the plan is consistent with the financial statements and funding impact statement included in its long-term council community plan (LTCCP) for the 2010/2011 financial year.*
- (4) An annual plan is not inconsistent with the financial statements and funding impact statement included in the LTCCP for the 2010/2011 financial year because—*
 - (a) the plan applies to a 4-month period; or*
 - (b) the plan reflects more accurate estimates of—*
 - (i) the costs of achieving and maintaining the levels of service provision identified in the LTCCP in respect of that year; or*
 - (ii) any other costs or expenses identified in the LTCCP in respect of that year; or*

- (iii) any revenue or other income of the existing local authority identified in the LTCCP in respect of that year.*
- (5) An existing local authority must consult the Transition Agency throughout the preparation of the annual plan.*
- (6) Except to the extent that it is modified by this section, section 95 of the Local Government Act 2002 applies to the annual plan.*
- (7) Nothing in subsection (5) limits or affects the obligations imposed on an existing local authority under section 29 or 31”*

DECISION MAKING

Issues

Changes to the Rate of GST

4. The rate of GST will increase from 1 October 2010. The current rate of GST is 12.5% and this will increase to 15%. As a result it has been necessary to change the way the resolutions have been worded this year to ensure that the rates are set in accordance with all relevant legislation. Legal advice has been to set the rates at the GST exclusive amount “plus GST at the prevailing rate.”
5. The change also impacts on the amount ratepayers will pay. For land rates this depends on the date at which they pay their rates. Because of the legislation regarding GST any rates paid on or before 30 September 2010 will only attract GST at a rate of 12.5%. This is regardless of whether the rates have a due date past 30 September 2010. A ratepayer can potentially save themselves any increase in GST if they pay their entire years rates by 30 September 2010. This increase will be approximately 1.67%.
6. For water rates this will depend upon what date their water rates invoice is issued. If the invoice is issued on or before 30 September 2010 then GST will be calculated at 12.5%. If the invoice is issued past this date then GST will be calculated at 15%. This includes any water rates that are for the financial period ended 30 June 2010. The water rates for the 2009/2010 period have been set by resolution at a GST inclusive rate of 12.5%. This means that for some residential customers for part of their water bill covering the period up to 30 June 2010 Council will have to pay GST at a rate of 15%. For any water rates invoiced after 30 September 2010 covering the period 1 July 2010 to 30 September 2010 these will be billed at a GST rate of 15%.
7. There will be an insert with all rates invoices outlining the impacts of the changes in GST. The first instalment of the land rates invoice will include two amounts required to clear the full year’s rates. One amount will be if the rates are cleared in full by 30 September 2010 and the other if the rates are paid on the regular instalment dates basis.

Consideration of Community Views

8. Consultation has taken place in the proposal to adopt the New Lynn Business Improvement District Association Targeted Rate. In keeping with Council Policy on Business Improvement District Associations a vote is held by the NLBIDA regarding the introduction of a targeted rate for funding the New Lynn Business Improvement District Association’s costs.
9. Section 29A of the LG(TMR)A 2009 does not require the Council to consult where the AP 2010/2011 is consistent with the Long Term Council Community Plan 2009-2010. The Long Term Council Community Plan 2009-2019 was consulted upon with the community.

Options Identified

10. In order for Council to assess rates for the 2010/2011 financial period section 23 of the LG(R)A 2002 requires the Council to set the rates by resolution. The resolutions necessary for Council to set the rates for the 2010/2011 financial period are included in the recommendations in this report.
11. Failure of Council to adopt the necessary resolutions in a timely manner may severely compromise Council's ability to assess and collect the rates for the 2010/2011 financial period.

STRATEGIC CONTEXT

12. Rates must be set levied in accordance with the provisions of the Local Government (Rating) Act 2002 and the Local Government Act 2002. Any changes to the rating system must be adopted as part of the AP 2010/2011 process.

CONSULTATION

13. The recommendations covered in this report are consistent with the LTCCP. As such, as per section 29A of the LG(TMR)A 2009 no consultation would be necessary.

RESOURCES

14. This report has no resource implications.

IMPLEMENTATION ISSUES

15. There are no implementation issues identified for this report.

AUCKLAND COUNCIL TRANSITION ISSUES

16. The decision making proposed in this report is not constrained by section 31 of the Local Government (Tamaki Makaurau Reorganisation) Act 2009, as it does not directly or because of its consequences: significantly prejudice the reorganisation, significantly constrain the powers or capacity of the Auckland Council or any subsidiary of the Auckland Council following the reorganisation, or have a significant negative impact on the assets or liabilities that are transferred to the Auckland Council as a result of the reorganisation.

Report prepared by: John Mackenzie, Group Manager: Rates and Financial Transactions and Aaron Matich, Financial Analyst - Rates.



5 ADOPTION OF THE ANNUAL PLAN 2010/2011

GLOSSARY

Long Term Council Community Plan 2009-2019	(LTCCP)
Long Term Council Community Plan and Annual Plan Committee	(LTCCP and AP Committee)
Auckland Transition Agency	(ATA)

EXECUTIVE SUMMARY

The purpose of this report is to seek Council's approval to adopt the Annual Plan 2010/2011.

The Local Government (Auckland Council) Act 2009 requires the Council to prepare an Annual Plan for the four months that it is in existence until 31 October 2010. This Annual Plan may be adopted by Council if it is not inconsistent with year two of the Long Term Council Community Plan 2009-2019 (LTCCP). Consultation with the Auckland Transition Agency (ATA) is required throughout the process of the Annual Plan preparation.

It is expected that the Long Term Council Community Plan and Annual Plan Committee (LTCCP and AP Committee) at its meeting to be held on 25 June 2010 will resolve to make a recommendation to Council to adopt a formal resolution that the Annual Plan 2010/2011 budget is consistent with year two of the LTCCP.

RECOMMENDATIONS

It is recommended that the Council resolve to:

1. **Receive** the Adoption of the Annual Plan 2010/2011 report.
2. **Approve**, subject to resolution 4 below, the Annual Plan 2010/2011 following consideration of budget changes to year two of the Long Term Council Community Plan 2009-2019 by the Long Term Council Community Plan and Annual Plan Committee resolution numbers 187/2010, 194/2010, 196/2010-198/2010, 200/2010, 209/2010, 211/2010, 323/2010-324/2010, 329/2010, 332/2010, 343/2010-345/2010, 444/2010-445/2010, 447/2010, 449/2010-451/2010, 454/2010, 477/2010-479/2010, 492/2010-495/2010, 811/2010-812/2010, 814/2010 and 816/2010.
3. **Approve**, subject to resolution 4 below, that the Annual Plan 2010/2011 which is consistent with year two of the Long Term Council Community Plan 2009-2019 be adopted.
4. **Note** that resolutions 2 and 3 above are subject to confirmation by the Auckland Transition Agency.

BACKGROUND

1. The Council must prepare and adopt the Annual Plan 2010/2011 commencing 1 July 2010 under section 95 of the Local Government Act 2002 (LGA). The process for Annual Plan 2010/2011 has been changed by legislation to recognise the imminent changes to Auckland governance. The Local Government (Auckland Council) Act 2009 under sections 29A and 29B give rise to the following changes:
 - Councils must prepare an Annual Plan for the 2010/2011 financial year but this is required to cover the period 1 July 2009 to 31 October 2010 with

information provided for the period 1 November 2010 to 30 June 2011 for comparative purposes.

- As long as the Annual Plan 2010/2011 is consistent with year two of the LTCCP, no consultation is required in relation to the Annual Plan 2010/2011.
- Councils must set rates and other revenue mechanisms for the full 12 month period; these must be sufficient to fund the four month period plus the balance of the financial year as if the requirements identified for the four month period continued for the balance of the financial year.
- Councils must consult with the ATA throughout the preparation of the Annual Plan.

DECISION MAKING

Issues

2. The Annual Plan 2010/2011 document will be provided to Councillors under separate cover prior to the Council meeting on 25 June 2010.
3. The Council is required to pass various resolutions with regards to the setting of rates for 2010/2011 financial year. A Rating Matters for Consideration Report was presented to the LTCCP and AP Committee meeting on 23 February 2010 and it was resolved as follows:

“The Long Term Council Community Plan and Annual Plan Committee resolved to:

1. **Receive** the Rating Matters for Consideration report.
2. **Agree** to recommend to Council that a Uniform Annual General Charge be included in the Funding Impact Statement and Other Rating Information in the draft Annual Plan 2010/2011, that reflects a similar percentage of the total rate requirement that was approved in the Annual Plan 2009/2010.
3. **Agree** to recommend to Council that for the 2010/2011 year, 20% of the total rate requirement, excluding targeted rates for water supply, will be collected from business sector properties and that this be included in the Funding Impact Statement and Other Rating Information in the draft Annual Plan 2010/2011.
4. **Agree** that, subject to Council approving funding for the New Lynn Business Improvement District Association, it be recommended to Council that a targeted rate for the New Lynn Business Improvement District Association should be set up as a rate in the dollar on land value for all business properties in New Lynn Town Centre and that this be included in the Funding Impact Statement and Other Rating Information in the draft Annual Plan 2010/2011.
5. **Agree** to recommend to Council that a schedule describing the different categories and types of the rates based upon the draft Annual Plan 2010/2011 rate requirement, be prepared for the Council’s approval.
6. **Agree** to recommend to Council that no changes be made to the Remission and Postponement Policies, and that the current policies be included in the draft Annual Plan 2010/2011.

7. *Agree to recommend to Council that the rates (other than the targeted rates for water supply) for the year 1 July 2010 to 30 June 2011 will be payable in four instalments on due dates as follows, and that this be included in the Funding Impact Statement and Other Rating Information in the draft Annual Plan 2010/2011:*

<i>Instalment Number</i>	<i>Due Date</i>
1	20 August 2010
2	22 November 2010
3	21 February 2011
4	20 May 2011

8. *Agree to recommend to Council that the due date for the targeted rate for water supply shall be the “latest date for payment” set out in each rates invoice for water supply, shown on the respective assessment for such charge as delivered to the owner of the rating unit, which will be a date 30 days after the date of each rates invoice for water supply, and that this be included in the Funding Impact Statement and Other Rating Information in the draft Annual Plan 2010/2011.*

9. *Agree to recommend to Council that pursuant to sections 57 and 58 of the Local Government (Rating) Act 2002, the following penalties for unpaid rates be included in the Funding Impact Statement and Other Rating Information in the draft Annual Plan 2010/2011:*

- (i) *A penalty of 10% of the amount of rates assessed under each instalment in the 2010/2011 financial year (other than targeted rates for water supply) that are unpaid after the due date of each instalment, will be added to such unpaid rates on the day following the due date of the instalment. Provided that where all rates (other than the targeted rate for water supply) payable to 30 June 2011 (together with any arrears of rates, other than targeted rate for water supply, but including penalties on arrears of rates) are paid in full by 20 November 2010, no instalment penalty will be payable in respect of the 2010/2011 year.*
- (ii) *A further penalty calculated on rate arrears (other than the targeted rate for water supply) will be added on the day following 30 September 2010. This further penalty will be 10% of the amount of rates assessed in any prior financial year to the 2010/2011 year (other than the targeted rate for water supply), including any penalties added, that remain unpaid on 30 September 2010.*
- (iii) *A further penalty calculated on rate arrears (other than the targeted rate for water supply) will be added on the day following 31 March 2011. This further penalty will be 10% of the amount of rates assessed in any prior financial year to the 2010/2011 year (other than targeted rates for water supply), including any penalties added, that remain unpaid on 31 March 2011.”*

4. The LTCCP and AP Committee received reports on budget proposals for the 2010/2011 financial year at its meetings held on 22 February 2010, 23 February 2010, 16 March 2010, 9 April 2010, 16 April 2010, 20 April 2010 and 18 June 2010.
5. Another LTCCP and AP Committee meeting is scheduled for 25 June 2010 to review and approve the final annual plan budget. The recommendation of the LTCCP and AP Committee for Council to approve the Annual Plan 2010/2011 will be advised following the resolution of the LTCCP and AP Committee meeting.

STRATEGIC CONTEXT

6. The Annual Plan 2010/2011 is year two of the LTCCP. The LTCCP describes the Council's response to the community outcomes and provides a long term focus for the decisions and activities of the Council. The LTCCP gives expression to the strategic direction of the Council, the Auckland sustainability framework, and provides a basis for accountability to the community. The LTCCP also details a proposed work plan for the Council and how it will manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community.

CONSULTATION

7. There is no requirement for Council to consult the public on the draft Annual Plan 2010/2011. The Plan can be adopted by resolution of Council if it is not inconsistent with the 2010/2011 year of the LTCCP. This is in accordance with section 29A of the Local Government (Auckland Council) Act 2009.
8. The ATA is consulted throughout the process of preparation of the Annual Plan 2010/2011.

RESOURCES

9. Resources are as provided in the Annual Plan 2010/2011. This report has no additional resources implications other than staff time.

IMPLEMENTATION ISSUES

10. There are no implementation issues.

AUCKLAND COUNCIL TRANSITION ISSUES

11. The Local Government (Tamaki Makaurau Reorganisation) Act 2009 section 31(4) (b) requires ATA approval prior to the Council adopting or amending a LTCCP or to adopt an Annual Plan. Relevant information will be provided to the ATA to assist them in their confirmation process.

Report prepared by: Stephen Drumm, Associate Director: Finance.



6 **REPORT FROM THE CHAIRMAN OF THE LONG TERM COUNCIL COMMUNITY PLAN AND ANNUAL PLAN COMMITTEE**

GLOSSARY

Long Term Council Community Plan 2009-2019	(LTCCP)
Long Term Council Community Plan and Annual Plan Committee	(LTCCP and AP Committee)
Auckland Transition Agency	(ATA)

EXECUTIVE SUMMARY

The purpose of this report is to inform the Council of the recommendations made by the Long Term Council Community Plan and Annual Plan Committee (LTCCP and AP Committee) during the process leading to the adoption of the Annual Plan 2010/2011.

The Local Government (Auckland Council) Act 2009 requires the Council to prepare an Annual Plan for the four months that it is in existence until 31 October 2010. This Annual Plan may be adopted by Council if it is not inconsistent with the Long Term Council Community Plan 2009-2019 (LTCCP). Consultation with the Auckland Transition Agency (ATA) is required throughout the process of the Annual Plan 2010/2011 preparation.

RECOMMENDATIONS

It is recommended that the Council resolve to:

1. **Receive** the report from the Chairman of the Long Term Council Community Plan and Annual Plan Committee.
2. **Approve**, subject to resolution 2 below, the Annual Plan 2010/2011 following consideration of budget changes to year two of the LTCCP 2009-2019 by the Long Term Council Community Plan and Annual Plan Committee resolution numbers 187/2010, 194/2010, 196/2010-198/2010, 200/2010, 209/2010, 211/2010, 323/2010-324/2010, 329/2010, 332/2010, 343/2010-345/2010, 444/2010-445/2010, 447/2010, 449/2010-451/2010, 454/2010, 477/2010-479/2010, 492/2010-495/2010, 811/2010-812/2010, 814/2010 and 816/2010.
3. **Approve**, subject to resolution 2 below, that the Annual Plan 2010/2011 which is not inconsistent with year two of the Long Term Council Community Plan 2009-2019, be adopted.
4. **Agree** that an editorial Subcommittee comprising the Deputy Mayor, Chairman of the Long Term Council Community Plan and Annual Plan Committee and the Chairman of the Finance and Operational Performance Committee be authorised to make editorial adjustments to the final Annual Plan 2010/2011.
5. **Note** that resolutions 2 and 3 are subject to confirmation by the Auckland Transition Agency.

BACKGROUND

1. The Council must prepare and adopt the Annual Plan 2010/2011 commencing 1 July 2010 under Section 95 of the Local Government Act 2002. The Annual Plan 2010/2011 process has been changed by legislation to recognise the imminent changes to Auckland governance. The Local Government (Auckland Council) Act 2009 under Sections 29A and 29B give rise to the following changes:

- Councils must prepare an Annual Plan for the 2010/2011 financial year but this is required to cover the period 1 July 2009 to 31 October 2010 with information provided for the period 1 November 2010 to 30 June 2011 for comparative purposes.
- As long as the Annual Plan 2010/2011 is consistent with year two of the LTCCP, no consultation is required in relation to the Annual Plan 2010/2011.
- Councils must set rates and other revenue mechanisms for the full 12 month period; these must be sufficient to fund the four month period plus the balance of the financial year as if the requirements identified for the four month period continued for the balance of the financial year.
- Councils must consult with the ATA throughout the preparation of the Annual Plan 2010/2011.

DECISION MAKING

Issues

2. The Annual Plan 2010/2011 document will be provided to Councillors under separate cover prior to the Council meeting on 25 June 2010.
3. The Council is required to pass various resolutions with regards to the setting of rates for 2010/2011. A Rating Matters for Consideration Report was presented to the LTCCP and AP Committee meeting on 23 February 2010 and it was resolved to agree to recommend to Council various resolutions on rates (resolution number 211/2010). A report on rating matters will be tabled at Council meeting.
4. The LTCCP and AP Committee received reports on budget proposals for the 2010/2011 year at its meetings held on 22 February 2010, 23 February 2010, 16 March 2010, 9 April 2010, 16 April 2010, 20 April 2010, 18 June 2010 and 25 June 2010.

STRATEGIC CONTEXT

5. The Annual Plan 2010/2011 is year two of the LTCCP. The LTCCP describes the Council's response to the community outcomes and provides a long term focus for the decisions and activities of the Council. The LTCCP gives expression to the strategic direction of the Council, the Auckland sustainability framework, and provides a basis for accountability to the community. The LTCCP also details a proposed work plan for the Council and how it will manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community.

CONSULTATION

6. There is no requirement for Council to consult the public of the draft Annual Plan 2010/2011. The plan can be adopted by resolution of Council if it is not inconsistent with the 2010/2011 year of the LTCCP 2009-2019. This is in accordance with Section 29A of the Local Government (Auckland Council) Act 2009.
7. The ATA has been consulted throughout the process of preparation of the Annual Plan.

RESOURCES

8. Resources are as provided in the Annual Plan 2010/2011. This report has no additional resources implications other than staff time.

IMPLEMENTATION ISSUES

9. There are no implementation issues.

AUCKLAND COUNCIL TRANSITION ISSUES

10. The Local Government (Tamaki Makaurau Reorganisation) Act 2009 section 31(4) (b) requires ATA approval prior to the Council adopting or amending a LTCCP or to adopt an Annual Plan. Relevant information will be provided to the ATA to assist them in their confirmation process.

CONCLUSION

11. I wish to thank all those involved, both staff and elected members, who worked so hard to prepare the Annual Plan 2010/2011. This is the last Annual Plan of the Waitakere City Council and therefore highlights the key projects and work programmes required to ensure the sustainable future growth of west Auckland. It will help the new Auckland Council understand the needs of this community when it assumes responsibility for such planning.

Report prepared by: JM Clews, QSO, JP, Chairman.

