



PART FOUR: OUR FINANCES

- **Funding impact statement**
- **Forecast Financial statements**
- **Statement of Significant Accounting Policies**
- **Significant Forecasting Assumptions**

Funding impact statement

– Operating expenditure

	Forecast 2009/10 \$000	Forecast 2010/11 \$000	Forecast 2011/12 \$000	Forecast 2012/13 \$000	Forecast 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000	Forecast 2016/17 \$000	Forecast 2017/18 \$000	Forecast 2018/19 \$000
OPERATING STATEMENT										
Total project expenditure	340,253	356,199	371,717	382,859	391,173	403,156	415,380	425,045	440,163	453,685
Self-insurance reserve	500	500	500	500	500	500	500	500	500	500
Total operating expenditure	340,753	356,699	372,217	383,359	391,673	403,656	415,880	425,545	440,663	454,185
Add back City housing ring-fenced surplus	1,342	2,189	2,055	1,584	1,772	1,952	1,279	2,200	2,944	1,915
Less expenditure not funded under section 100 of LGA:										
NZTA funded projects	(7,521)	(7,738)	(8,566)	(8,807)	(9,011)	(9,745)	(10,063)	(10,334)	(11,559)	(11,445)
Clearwater sewerage treatment plant	(2,768)	(2,768)	(2,990)	(2,987)	(2,987)	(3,241)	(3,241)	(3,241)	(3,458)	(3,458)
Living Earth joint venture	(197)	(187)	(201)	(201)	(201)	(219)	(219)	(219)	(238)	(206)
Total operating expenditure to be funded	331,609	348,195	362,515	372,948	381,246	392,403	403,636	413,951	428,352	440,991
FUNDED BY:										
General rates	115,681	125,706	130,823	136,242	139,439	143,055	147,411	151,553	156,625	161,718
Targeted rates:										
Sewerage rates (including trade waste)	30,252	30,971	31,921	32,349	32,703	33,918	34,404	34,853	36,192	36,822
Water rate	33,420	34,173	35,526	36,610	37,683	39,911	41,088	42,271	44,863	46,446
Stormwater rate	13,999	14,467	15,108	15,378	15,480	16,311	16,442	16,545	17,510	17,938
Base (residential) sector targeted rate	6,451	6,533	6,606	6,732	6,898	6,982	7,220	7,449	7,559	7,790
Commercial sector targeted rate	2,757	2,954	4,289	2,881	2,945	3,007	3,079	3,152	3,228	3,316
Downtown levy	9,577	10,015	10,374	10,580	10,761	11,120	11,328	11,546	11,771	12,021
Tawa driveways levy	33	33	33	33	33	33	33	33	33	33
Marsden Village levy	14	14	14	14	14	14	14	14	14	14
Total targeted rates	96,503	99,160	103,871	104,577	106,517	111,296	113,608	115,863	121,170	124,380
Total rates to fund operating expenditure	212,184	224,866	234,694	240,819	245,956	254,351	261,019	267,416	277,795	286,098

Funding impact statement – Operating expenditure continued...

	Forecast 2009/10 \$000	Forecast 2010/11 \$000	Forecast 2011/12 \$000	Forecast 2012/13 \$000	Forecast 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000	Forecast 2016/17 \$000	Forecast 2017/18 \$000	Forecast 2018/19 \$000
USER CHARGES	75,141	76,326	80,087	83,027	86,158	88,091	90,974	93,700	96,324	99,340
OTHER INCOME										
Ground and commercial leases	32,498	35,231	35,504	36,903	36,873	37,542	39,043	40,722	41,968	43,132
Dividends	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250
Transfund subsidies	3,960	3,984	4,415	4,354	4,383	4,510	4,653	4,801	4,953	5,109
Housing grants	514	476	503	533	564	597	635	-	-	-
Petrol tax	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Miscellaneous	962	962	962	962	962	962	962	962	962	962
Total funding for operating expenditure	331,609	348,195	362,515	372,948	381,246	392,403	403,636	413,951	428,352	440,991

Funding impact statement – Capital expenditure and loans to other organisations

	Forecast 2009/10 \$000	Forecast 2010/11 \$000	Forecast 2011/12 \$000	Forecast 2012/13 \$000	Forecast 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000	Forecast 2016/17 \$000	Forecast 2017/18 \$000	Forecast 2018/19 \$000
Renewal capital expenditure	67,296	67,631	70,985	75,393	80,376	81,400	80,625	77,527	89,874	82,573
Upgrade capital expenditure	44,522	88,349	67,364	64,123	66,279	72,675	48,818	42,093	53,892	116,467
Capital expenditure carried forward from 2007/08	400	6,860	-	-	-	-	-	-	-	-
Capital expenditure carried forward from 2008/09	25,000	-	-	-	-	-	-	-	-	-
Total capital expenditure to be funded	137,218	162,840	138,349	139,516	146,655	154,075	129,443	119,620	143,766	199,040
Loans to other organisations	2,900	-	-	-	-	-	-	-	-	-
Total capital expenditure and loans to be funded	140,118	162,840	138,349	139,516	146,655	154,075	129,443	119,620	143,766	199,040
FUNDED BY:										
Depreciation	60,993	62,724	69,766	73,443	76,469	78,611	80,625	77,527	89,874	82,573
NZTA subsidies	13,767	13,168	13,635	14,059	17,051	17,341	15,190	15,662	16,148	76,142
Housing grants	12,986	37,038	43,026	34,512	27,499	31,485	19,468	2,000	1,000	-
Development contributions	4,524	7,065	9,588	10,471	10,859	10,904	10,951	10,951	10,951	10,951
Bequests & grants	345	-	-	-	-	-	-	-	-	-
Borrowings	47,503	42,845	2,334	7,031	14,777	15,734	3,209	13,480	25,793	29,374
Total funding for capital expenditure and loans to other organisations	140,118	162,840	138,349	139,516	146,655	154,075	129,443	119,620	143,766	199,040

Funding impact statement – Borrowing

	Forecast 2009/10 \$000	Forecast 2010/11 \$000	Forecast 2011/12 \$000	Forecast 2012/13 \$000	Forecast 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000	Forecast 2016/17 \$000	Forecast 2017/18 \$000	Forecast 2018/19 \$000
Opening Gross Borrowings - total	280,000	322,954	351,333	347,931	339,922	345,036	344,880	333,250	332,791	350,353
New borrowings to fund capital expenditure and loans to other organisations	47,503	42,845	2,334	7,031	14,777	15,734	3,209	13,480	25,793	29,374
REPAYMENT OF BORROWINGS FUNDED THROUGH RATES AND OTHER SOURCES:										
Asset proceeds	-	(8,250)	-	(8,375)	(4,700)	(8,200)	(5,700)	-	-	-
Ring-fenced housing surpluses	(4,549)	(5,896)	(5,416)	(6,345)	(4,643)	(7,370)	(6,981)	(3,235)	(4,851)	(7,510)
Repayment of loans	-	(320)	(320)	(320)	(320)	(320)	(320)	(320)	(320)	(320)
Depreciation	-	-	-	-	-	-	(1,838)	(10,384)	(3,060)	(8,787)
Closing Gross Borrowing	322,954	351,333	347,931	339,922	345,036	344,880	333,250	332,791	350,353	363,110

Statement of Prospective Capital Expenditure and Capital Expenditure Funding

	Forecast 2009/10 \$000	Forecast 2010/11 \$000	Forecast 2011/12 \$000	Forecast 2012/13 \$000	Forecast 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000	Forecast 2016/17 \$000	Forecast 2017/18 \$000	Forecast 2018/19 \$000
CAPITAL EXPENDITURE:										
Renewals	67,296	67,631	70,985	75,393	80,376	81,400	80,625	77,527	89,874	82,573
New assets	44,522	88,349	67,364	64,123	66,279	72,675	48,818	42,093	53,892	116,467
Total annual capital expenditure programme	111,818	155,980	138,349	139,516	146,655	154,075	129,443	119,620	143,766	199,040
RENEWALS FUNDED BY:										
Depreciation	60,993	62,724	69,766	73,443	76,469	78,611	80,625	77,527	89,874	82,573
Borrowings	6,303	4,907	1,219	1,950	3,907	2,789	-	-	-	-
NEW ASSETS FUNDED BY:										
Borrowings	12,900	31,078	1,115	5,081	10,870	12,945	3,209	13,480	25,793	29,374
Housing grants	12,986	37,038	43,026	34,512	27,499	31,485	19,468	2,000	1,000	-
Development contributions	4,524	7,065	9,588	10,471	10,859	10,904	10,951	10,951	10,951	10,951
NZTA subsidies	13,767	13,168	13,635	14,059	17,051	17,341	15,190	15,662	16,148	76,142
Bequests	345	-	-	-	-	-	-	-	-	-
Total capital expenditure funding	111,818	155,980	138,349	139,516	146,655	154,075	129,443	119,620	143,766	199,040

Note that the annual expenditure programme excludes expenditure carried forward from previous years.

Funding impact statement (Housing) – Operating expenditure

	Forecast 2009/10 \$000	Forecast 2010/11 \$000	Forecast 2011/12 \$000	Forecast 2012/13 \$000	Forecast 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000	Forecast 2016/17 \$000	Forecast 2017/18 \$000	Forecast 2018/19 \$000
OPERATING STATEMENT										
Total project expenditure	11,465	10,704	10,509	10,520	10,480	10,376	10,505	10,791	10,791	11,207
Depreciation	5,385	5,516	6,143	7,900	7,897	8,412	10,229	9,759	9,989	11,515
Total operating expenditure	16,850	16,220	16,652	18,420	18,377	18,788	20,734	20,550	20,780	22,722
FUNDED BY:										
User charges (rental income)	17,678	17,933	18,204	19,471	19,585	20,143	21,378	22,750	23,724	24,637
Housing grants	514	476	503	533	564	597	635	-	-	-
Total funding for operating expenditure	18,192	18,409	18,707	20,004	20,149	20,740	22,013	22,750	23,724	24,637
Ringfenced Operating funding surplus	1,342	2,189	2,055	1,584	1,772	1,952	1,279	2,200	2,944	1,915

This information is incorporated into and forms part of the Funding Impact Statement – Operating Expenditure

Funding impact statement (Housing) – Capital expenditure

	Forecast 2009/10 \$000	Forecast 2010/11 \$000	Forecast 2011/12 \$000	Forecast 2012/13 \$000	Forecast 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000	Forecast 2016/17 \$000	Forecast 2017/18 \$000	Forecast 2018/19 \$000
Renewal capital expenditure	2,178	1,809	2,782	3,139	5,027	2,994	4,526	2,409	6,500	3,250
Upgrade capital expenditure	12,986	37,038	43,026	34,512	27,499	31,485	19,468	8,315	2,582	2,670
Total capital expenditure and loans to be funded	15,164	38,847	45,808	37,651	32,526	34,479	23,994	10,724	9,082	5,920
FUNDED BY:										
Depreciation	5,385	5,516	6,143	7,900	7,897	8,412	10,229	9,759	9,989	11,515
Housing grants	12,986	37,038	43,026	34,512	27,499	31,485	19,468	2,000	1,000	-
Total funding for capital expenditure and loans to other organisations	18,371	42,554	49,169	42,412	35,396	39,897	29,697	11,759	10,989	11,515
Ringfenced Capital funding surplus	3,207	3,707	3,361	4,761	2,870	5,418	5,703	1,035	1,907	5,595

This information is incorporated into and forms part of the Funding Impact Statement – Capital Expenditure

Funding impact statement (Housing) – Borrowing/Investments

	Forecast 2009/10 \$000	Forecast 2010/11 \$000	Forecast 2011/12 \$000	Forecast 2012/13 \$000	Forecast 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000	Forecast 2016/17 \$000	Forecast 2017/18 \$000	Forecast 2018/19 \$000
Opening Gross Borrowings/ Investments – total	11,385	6,836	940	(4,476)	(10,821)	(15,463)	(22,833)	(29,815)	(33,050)	(37,901)
Ring-fenced housing operating surplus	(1,342)	(2,189)	(2,055)	(1,584)	(1,772)	(1,952)	(1,279)	(2,200)	(2,944)	(1,915)
Ring-fenced housing capital funding surplus	(3,207)	(3,707)	(3,361)	(4,761)	(2,870)	(5,418)	(5,703)	(1,035)	(1,907)	(5,595)
Closing Gross Borrowings/ Investments	6,836	940	(4,476)	(10,821)	(15,463)	(22,833)	(29,815)	(33,050)	(37,901)	(45,411)

This information is incorporated into and forms part of the Funding Impact Statement – Borrowing

2009/10 Indicative rates funding statement

Rate	Factor	Differentiation	Total Value of Factor	Rate/charge	Rates yield GST Inclusive
					(\$000's)
GENERAL RATE	Capital Value	Base differential use	\$35,484,704,000	¢0.176665	62,689
	Capital Value	Commercial, industrial & business use	\$11,067,681,000	¢0.609447	67,452
	TOTAL				
SEWERAGE RATE	Fixed charge	Base differential use / connection status	63923 properties	\$112.50	7,191
	Capital Value	Base differential use / connection status	\$37,118,293,000	¢0.036855	13,680
	Capital Value	Commercial, industrial and business use / connection status	\$9,645,041,000	¢0.136469	13,162
	TOTAL				
WATER RATE	Fixed charge	Base differential use/connection status (without water meter)	57985 properties	\$125.00	7,248
	Capital Value	Base differential use/connection status (without water meter)	\$31,171,808,000	¢0.047455	14,793
	Consumption unit charge	Base differential use/connection status (water meter)	n/a	\$1.78 / m3	444
	Fixed charge	Base differential use/connection status (water meter)	n/a	\$107.00	74
	Capital Value	Commercial, industrial and business use /connection status(without water meter)	\$946,461,000	¢0.238798	2,260
	Consumption unit charge	Commercial, industrial and business use /connection status (water meter)	n/a	\$1.78 / m3	12,512
	Fixed charge	Commercial, industrial and business use /connection status (water meter)	n/a	\$107.00	266
	TOTAL				

2009/10 Indicative rates funding statement continued...

STORMWATER RATE	Capital Value	Base differential use (excluding rural)	\$34,971,407,000	¢0.034900	12,205
	Capital Value	Commercial, industrial and business use (excluding rural)	10,048,142,000	¢0.035268	3,544
	TOTAL				
BASE SECTOR TARGETED RATE	Capital Value	Residential use	\$35,484,704,000	¢0.020452	7,257
COMMERCIAL SECTOR TARGETED RATE	Capital Value	Commercial, industrial & business use	\$11,067,681,000	¢0.028024	3,102
DOWNTOWN LEVY	Capital Value	Commercial, industrial & business use / central city location	\$7,785,136,000	¢0.138394	10,774
TAWA DRIVEWAYS LEVY	Fixed charge	Shared residential access driveways in the suburb of Tawa and maintained by the Council	251 properties	\$150.00	38
MARSDEN VILLAGE LEVY	Capital Value	Commercial, industrial & business use located in Marsden shopping village	\$12,482,000	¢0.126100	16
Total rates requirement (including GST)					238,707

Rating Mechanisms

SCOPE OF AMENDMENTS

We are proposing some changes to the Council's rating mechanism from 2009/10. These include:

General Rates Differential

A shift in the general rates differential from 2008/09 where commercial property paid pay 3.8 times the General rate per dollar of capital value payable by those properties incorporated under the Base (Residential) differential. The proposed differential in 2009/10 is 3.4.

Targeted water rates

As a result of increased costs of water network, collection and treatment activities we propose increases to fixed portions of this targeted rate as follows:

Fixed charge for base (residential) sector properties without a water meter from \$112.50 to \$125.00 (including GST), and proportionate increase in the rate charged per dollar of capital value.

Annual administration charge for properties with a water meter from \$84.00 to \$107.00 (including GST).

Water consumptions charge for properties with a water meter from \$1.58 per cubic metre to \$1.78 per cubic metre (including GST)

Targeted stormwater rates

Stormwater rates are funded by the commercial and base (residential) sectors based on the relative capital value of each sector. For 2009/10 it is proposed to revise this basis from 80% residential and 20% commercial, to 77.5% residential and 22.5% commercial, to better reflect the distribution of the city's capital value.

Change to funding of Indoor Community Sports Centre

In 2007 the Council resolved to fund 25% of the anticipated capital cost of the ICSC through a targeted rate (based on capital value) across all ratepayers, with the remaining capital cost funded through borrowing and repaid over the life of the asset through depreciation. From 2009 we are proposing that the full cost be funded through borrowings.

Changes to indicative rates calculated based on a rate per dollar of capital value are incorporated in the draft Funding Impact Statement.

RATES

Rates are assessed under the Local Government (Rating) Act 2002 on all rateable rating units in the Rating Information Database. Where rates are based on value, the capital value of the property as assessed annually by Quotable Value New Zealand Limited will apply. The latest revaluation was carried out as at 1 September 2007 and will be effective for the 2008/09 rating year.

Policy Objective

- To provide the Council with adequate income to carry out its mission and objectives.
- To support the Council's achievement of its strategic objectives.
- To be simply administered, easily understood, allow for consistent application and generate minimal compliance costs.
- To spread the incidence of rates as equitably as possible, by balancing the level of service provided by the Council with ability to pay and the incidence of costs in relation to benefits received.

- To be neutral in that it does not encourage people to redirect activity in order to avoid its impact.
- To reflect the decisions of the Council's policies and rating reviews.

GENERAL RATES

General rates are set under section 13 of the Local Government (Rating) Act 2002 on all rateable rating units in the City of Wellington.

The Council proposes to set a general rate based on the Capital Value of each rating unit within the city.

The general rate will be set on a differential basis, based on land use. All rating units (or part thereof) will be classified for the purposes of General rates within one of the following rating differentials:

DIFFERENTIAL RATING CATEGORIES NON-RATEABLE

Included any land referred to in Part 1, Schedule 1 of the Local Government (Rating Act 2002). This land is non-rateable with the exception of targeted rates for sewerage and water where rates are applicable.

50 PERCENT NON-RATEABLE

Includes all land referred to in Part 2, Schedule 1 of the Local Government (Rating) Act 2002. This land is 50 percent non-rateable in respect of the rates that would have applied had the property not been classified as non-rateable, with the exception of targeted rates for sewerage and water for which the land is fully rateable.

BASE DIFFERENTIAL

This includes:

- a) Separately rateable land used solely for one or more household units; excluding those properties that are used principally to provide short stay (28 days or less) commercial accommodation for which a tariff is charged
- b) Vacant land zoned residential
- c) Rural land (including farmland and lifestyle blocks) under the District Plan that is administered by Council, but excluding any rating unit that is zoned rural industrial
- d) Separately rateable land occupied by a charitable organisation, which is deemed by the Council to be used exclusively or principally for sporting, recreation or community purposes and that does not generate any private pecuniary profit.

COMMERCIAL, INDUSTRIAL AND BUSINESS DIFFERENTIAL

This includes:

- a) Separately rateable land used for a commercial or industrial purpose
- b) Vacant land zoned commercial, industrial or rural industrial under the District Plan administered by the Council
- c) Land used for offices, administrative and/or associated functions
- d) Land used for commercial accommodation for which a tariff is charged and where the principal purpose is the provision of short stay accommodation
- e) Business-related premises used principally for private pecuniary benefit
- f) Utility networks
- g) Any property not otherwise categorised within the Base differential.

ANNUAL UNIFORM GENERAL CHARGE

The Council does not assess a Uniform Annual General Charge.

DIFFERENTIAL RATING CATEGORY CONDITIONS

- The Council has resolved to achieve a target in 2011/12, which modifies the differential apportionment so that the commercial, industrial and business sector pay 2.8 times the General rate per dollar of capital value payable by those properties incorporated under the Base (Residential) differential. For 2009/10 it is proposed that the General rate differential ratio will be 3.45:1.
- The separated parts of a rating unit will be differentially rated where a part of the property is non-rateable or the property fits under one or more rating differential and either:
 - a) The total capital value of the rating unit is above \$800,000 or
 - b) Minority use(s) account for more than 30 percent of the total capital value of the rating unit.

In any other case, the General rate differential is determined by principal use.

- In regard to the rates attributable to a rating unit during the transition period between two differential rating categories, a ratepayer may apply for a change in rating category at any time between the lodgement of a consent application with the Council (on the condition that the principal prior use has ended) and the earlier of either:
 - a) The time at which the Council gives final approval of the completed works, or
 - b) The property is deemed (by the Council) to be available for its intended use.

In situations where the change in land use does not require a Council consent, but warrants a change in differential rating category, the onus is on the ratepayer to inform the Council prior to the property being utilised under the new use.

- The rating differential classification of all rating units must be set prior to the commencement of a rating year and will remain in place for that entire rating year. Any change in circumstances that results in a change of differential

classification during a rating year will apply from 1 July of the following rating year.

- Any property eligible for mandatory 50 percent non-rateability under Part 2, Schedule 1, of the Rating Powers Act will be first classified under the appropriate General rate differential classifications and the non-rateability applied to that rate.

TARGETED RATES

Targeted Rates are set under section 16 of the Local Government (Rating) Act 2002.

SEWERAGE RATE

A targeted sewerage rate is to be apportioned 60 percent: 40 percent between properties incorporated under the Base differential and the Commercial, Industrial and Business differential in accordance with the Revenue and Financing Policy. This rate pays for the cost of the provision of the sewerage treatment facilities for the city.

For the purposes of these rates the sewerage collection and disposal service is treated as being provided if the rating unit is connected to a public sewerage drain (either directly or indirectly), irrespective of whether the property is considered fully rateable or is mandatory non-rateable or 50 percent non-rateable under Schedule 1 of the Local Government (Rating) Act 2002.

The targeted Sewerage rate is calculated as follows:

For rating units incorporated in the Commercial, Industrial and Business differential:

A rate per dollar of capital value on all rating units connected to a public sewerage drain, to collect 40 percent of the required rates funding, after having deducted the total dollar amount budgeted to be collected through Trade Waste Charges (excluding consent fees).

For rating units incorporated in the Base differential:

A fixed amount of \$112.50 (incl. GST) and a rate per dollar of capital value on all rating units connect to a public sewerage drain, to collect 60 percent of the required rate funding.

WATER RATE

A targeted rate for water is to be apportioned with the aim of achieving a 60 percent: 40 percent split between properties incorporated under the Base differential and the Commercial, Industrial and Business differential in accordance with the Revenue and Financing Policy.

This rate pays for water collection and treatment facilities, the water distribution network and water conservation for the city.

This rate is set on all rating units serviced by a water connection.

For the purpose of these rates, the water service is treated as being provided if the rating unit is connected to the public water supply (either directly or indirectly), irrespective of whether the property is considered fully rateable or is mandatory non-rateable or 50 percent non-rateable under Schedule 1 of the Local Government (Rating) Act 2002.

The targeted Water rate is calculated as follows:

For rating units incorporated in the Commercial, Industrial and Business differential, either:

- a) A fixed water meter charge of \$1.78 (incl. GST) per cubic meter of water used by all rating units connected to the public water supply with a water meter installed, plus an administrative charge of \$107.00 (incl. GST) per annum, or
- b) A rate per dollar of capital value on all rating units connected to the public water supply, without a water meter installed.

For rating units rated incorporated in the Base differential, either:

- a) A fixed water meter charge of \$1.78 (incl. GST) per cubic meter of water used by all rating units connected to the public water supply with a water meter installed, plus an administrative charge of \$107.00 (incl. GST) per annum, or
- b) A fixed amount of \$125.00 (incl. GST) per rating unit and a rate per dollar of capital value on all rating units connected to the public water supply without a water meter installed, to collect the required Base differential contribution.

STORMWATER NETWORK RATE

A targeted stormwater rate is to be apportioned 80 percent to the non-rural rating units incorporated under the Base differential and 20 percent to the Commercial, Industrial and Business differential in accordance with the Revenue and Financing Policy. This rate pays for the cost of the provision of the stormwater collection/disposal network for the city.

Properties classified as "rural" under the Council's operative District Plan are excluded from the liability of this rate.

The targeted Stormwater network rate is calculated as follows:

For non-rural rating units incorporated in the Commercial, Industrial and Business differential:

A rate per dollar of capital value to collect 22.5% percent of the required rates funding.

For non-rural rating units incorporated in the Base differential:

A rate per dollar of capital value to collect 77.5% percent of the required rates funding.

COMMERCIAL, INDUSTRIAL AND BUSINESS SECTOR TARGETED RATE

This rate pays for activities where the Council's Revenue and Financing Policy identifies that the benefit can be attributed to the commercial, industrial and business sector and where the activity is not incorporated in other service related targeted rates. This incorporates the following:

- 100% of the cost of the events attraction and support activity

This rate is levied on all properties incorporated in the commercial, industrial and business sector and is calculated on a rate per dollar of rateable capital value.

BASE SECTOR TARGETED RATE

This rate pays for activities where the Council's Revenue and Financing Policy identifies that the benefit can be attributed to properties incorporated under the Base differential rating category (incorporating residential ratepayers).

This incorporates the following activities:

- 100% of the facilitation of community environmental initiatives, cultural grants, facilitation of recreation partnerships and community advocacy activities.
- 80% of the provision of community centres and halls activities.

This rate is levied on all properties incorporated under the Base differential rating category and is calculated on a rate per dollar of rateable capital value.

DOWNTOWN LEVY

This rate pays for tourism promotion, facilitation of city centre vitality, 70% of the visitor attractions activity and 25% of the provision of galleries and museums activity.

This rate is levied on all commercial, industrial and business properties in the downtown area and is calculated on a rate per dollar of rateable capital value. For the purpose of this rate, the downtown area refers to the area designated as the "Central Area" under the operative Wellington City District Plan.

TAWA DRIVEWAYS LEVY

This rate pays for the maintenance of a specified group of residential access driveways in the suburb of Tawa, overseen by the Council. This rate is levied on a specific group of rating units in the former Tawa Borough at a fixed amount of \$150 (including GST).

MARSDEN VILLAGE LEVY

This rate is collected by the Council on behalf of the Marsden Village Association on all commercial, industrial and business properties in the Marsden shopping village and is calculated on a rate per dollar of capital value.

RATES REMISSION AND POSTPONEMENT POLICIES

Refer to the Council Remission and Postponement Policies.