



## **PART FOUR: OUR FINANCES**

- **Funding Impact Statement**
- **Forecast Financial Statements**
- **Statement of Significant Accounting Policies**
- **Significant Forecasting Assumptions**

# Funding impact statement

## – Operating expenditure

Annual Plan 2008/09 \$000		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										
328,064	Total project expenditure	342,061	357,908	373,669	383,738	392,124	404,086	416,238	425,930	441,086	454,627
500	Self-insurance reserve	500	500	500	500	500	500	500	500	500	500
<b>328,564</b>	<b>Total operating expenditure</b>	<b>342,561</b>	<b>358,408</b>	<b>374,169</b>	<b>384,238</b>	<b>392,624</b>	<b>404,586</b>	<b>416,738</b>	<b>426,430</b>	<b>441,586</b>	<b>455,127</b>
1,735	<b>Add back City Housing ring-fenced surplus</b>	1,342	2,189	2,055	1,584	1,772	1,952	1,279	2,200	2,944	1,915
	<b>Less expenditure not funded under section 100 of LGA:</b>										
(7,757)	NZTA funded projects	(7,521)	(7,742)	(8,580)	(8,830)	(9,043)	(9,789)	(10,116)	(10,396)	(11,636)	(11,532)
(2,767)	Cleanwater sewerage treatment plant	(2,768)	(2,768)	(2,990)	(2,987)	(2,987)	(3,241)	(3,241)	(3,241)	(3,458)	(3,458)
(766)	Living Earth joint venture	(197)	(187)	(201)	(201)	(201)	(219)	(219)	(219)	(238)	(206)
<b>319,009</b>	<b>Total operating expenditure to be funded</b>	<b>333,417</b>	<b>349,900</b>	<b>364,453</b>	<b>373,804</b>	<b>382,165</b>	<b>393,289</b>	<b>404,441</b>	<b>414,774</b>	<b>429,198</b>	<b>441,846</b>
	FUNDED BY:										
112,383	<b>General rates</b>	116,763	126,123	131,473	137,050	140,310	143,894	148,169	152,332	157,428	162,531
	<b>Targeted rates:</b>										
30,864	Sewerage rates (including trade waste)	30,252	30,971	31,921	32,349	32,703	33,918	34,404	34,853	36,191	36,822
29,668	Water rate	33,420	34,172	35,525	36,609	37,682	39,910	41,087	42,270	44,862	46,445
12,432	Stormwater rate	13,999	14,467	15,108	15,378	15,480	16,311	16,442	16,545	17,510	17,938
6,521	Base (residential) sector targeted rate	6,451	6,534	6,607	6,733	6,899	6,983	7,221	7,450	7,561	7,791
1,858	Commercial sector targeted rate	2,957	3,154	4,489	2,881	2,945	3,007	3,079	3,152	3,228	3,316
9,947	Downtown levy	10,103	11,103	11,462	10,628	10,809	11,167	11,375	11,590	11,814	12,063
22	Tawa driveways levy	33	33	33	33	33	33	33	33	33	33
14	Marsden Village levy	14	14	14	14	14	14	14	14	14	14
<b>91,326</b>	<b>Total targeted rates</b>	<b>97,229</b>	<b>100,448</b>	<b>105,159</b>	<b>104,625</b>	<b>106,565</b>	<b>111,343</b>	<b>113,655</b>	<b>115,907</b>	<b>121,213</b>	<b>124,422</b>
<b>203,709</b>	<b>Total rates to fund operating expenditure</b>	<b>213,992</b>	<b>226,571</b>	<b>236,632</b>	<b>241,675</b>	<b>246,875</b>	<b>255,237</b>	<b>261,824</b>	<b>268,239</b>	<b>278,641</b>	<b>286,953</b>

## Funding impact statement – Operating expenditure continued...

72,700	USER CHARGES	75,141	76,326	80,087	83,027	86,158	88,091	90,974	93,700	96,324	99,340
	OTHER INCOME										
32,215	Ground and commercial leases	32,498	35,231	35,504	36,903	36,873	37,542	39,043	40,722	41,968	43,132
4,750	Dividends	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250
3,472	NZTA subsidies	3,960	3,984	4,415	4,354	4,383	4,510	4,653	4,801	4,953	5,109
401	Housing grants	514	476	503	533	564	597	635	-	-	-
1,000	Petrol tax	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
762	Miscellaneous	962	962	962	962	962	962	962	962	962	962
<b>319,009</b>	<b>Total funding for operating expenditure</b>	<b>333,417</b>	<b>349,900</b>	<b>364,453</b>	<b>373,804</b>	<b>382,165</b>	<b>393,289</b>	<b>404,441</b>	<b>414,774</b>	<b>429,198</b>	<b>441,846</b>

## Funding impact statement – Capital expenditure and loans to other organisations

Annual Plan 2008/09 \$000		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
61,825	Renewal capital expenditure	67,996	67,749	70,983	75,392	80,376	81,398	80,624	77,528	89,874	82,573
55,853	Upgrade capital expenditure	46,350	94,198	72,743	66,559	67,677	71,509	49,353	42,628	54,392	116,967
21,775	Capital expenditure carried forward from 2007/08	400	6,860	-	-	-	-	-	-	-	-
-	Capital expenditure carried forward from 2008/09	25,000	-	-	-	-	-	-	-	-	-
<b>139,453</b>	<b>Total capital expenditure to be funded</b>	<b>139,746</b>	<b>168,807</b>	<b>143,726</b>	<b>141,951</b>	<b>148,053</b>	<b>152,907</b>	<b>129,977</b>	<b>120,156</b>	<b>144,266</b>	<b>199,540</b>
<b>5,000</b>	<b>Loans to other organisations</b>	<b>3,380</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>144,453</b>	<b>Total capital expenditure and loans to be funded</b>	<b>143,126</b>	<b>168,807</b>	<b>143,726</b>	<b>141,951</b>	<b>148,053</b>	<b>152,907</b>	<b>129,977</b>	<b>120,156</b>	<b>144,266</b>	<b>199,540</b>
<b>FUNDED BY:</b>											
55,813	Depreciation	61,023	62,829	69,925	73,650	76,684	78,831	80,624	77,528	89,874	82,573
10,484	NZTA subsidies	14,418	16,150	15,643	15,360	17,909	17,624	15,474	15,946	16,413	76,407
11,599	Housing grants	12,986	37,038	43,026	34,512	27,499	31,485	19,468	2,000	1,000	-
2,357	Development contributions	4,524	7,065	9,588	10,624	11,012	11,058	11,105	11,105	11,105	11,105
2,580	Bequests & grants	745	-	-	-	-	-	-	-	-	-
61,620	Borrowings	49,430	45,725	5,544	7,805	14,949	13,909	3,306	13,577	25,874	29,455
<b>144,453</b>	<b>Total funding for capital expenditure and loans to other organisations</b>	<b>143,126</b>	<b>168,807</b>	<b>143,726</b>	<b>141,951</b>	<b>148,053</b>	<b>152,907</b>	<b>129,977</b>	<b>120,156</b>	<b>144,266</b>	<b>199,540</b>

## Funding impact statement – Borrowing

Annual Plan 2008/09 \$000		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
273,500	<b>Opening Gross Borrowings</b>	280,000	324,881	356,121	355,910	348,656	353,923	351,923	340,184	339,610	357,027
61,620	New borrowings to fund capital expenditure and loans to other organisations	49,430	45,725	5,544	7,805	14,949	13,909	3,306	13,577	25,874	29,455
	<b>REPAYMENT OF BORROWINGS FUNDED THROUGH RATES AND OTHER SOURCES:</b>										
(1,132)	Asset proceeds/Targeted rates	-	(8,250)	-	(8,375)	(4,700)	(8,200)	(5,700)	-	-	-
(4,209)	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	-	(339)	(339)	(339)	(339)	(339)	(339)	(339)	(339)	(339)
-	Depreciation	-	-	-	-	-	-	(2,025)	(10,577)	(3,267)	(9,001)
329,779	<b>Closing Gross Borrowing</b>	324,881	356,121	355,910	348,656	353,923	351,923	340,184	339,610	357,027	369,632

## Statement of Prospective Capital Expenditure and Capital Expenditure Funding

Annual Plan 2008/09 \$000		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:										
61,825	Renewals	67,996	67,749	70,983	75,392	80,376	81,398	80,624	77,528	89,874	82,573
55,853	New assets	46,350	94,198	72,743	66,559	67,677	71,509	49,353	42,628	54,392	116,967
<b>117,678</b>	<b>Total annual capital expenditure programme</b>	<b>114,346</b>	<b>161,947</b>	<b>143,726</b>	<b>141,951</b>	<b>148,053</b>	<b>152,907</b>	<b>129,977</b>	<b>120,156</b>	<b>144,266</b>	<b>199,540</b>
	RENEWALS FUNDED BY:										
55,813	Depreciation	61,023	62,829	69,925	73,650	76,684	78,831	80,624	77,528	89,874	82,573
6,012	Borrowings	6,973	4,920	1,058	1,742	3,692	2,567	-	-	-	-
	NEW ASSETS FUNDED BY:										
28,833	Borrowings	13,677	33,945	4,486	6,063	11,257	11,342	3,306	13,577	25,874	29,455
11,599	Housing grants	12,986	37,038	43,026	34,512	27,499	31,485	19,468	2,000	1,000	-
2,357	Development contributions	4,524	7,065	9,588	10,624	11,012	11,058	11,105	11,105	11,105	11,105
10,484	NZTA subsidies	14,418	16,150	15,643	15,360	17,909	17,624	15,474	15,946	16,413	76,407
2,580	Bequests	745	-	-	-	-	-	-	-	-	-
<b>117,678</b>	<b>Total capital expenditure funding</b>	<b>114,346</b>	<b>161,947</b>	<b>143,726</b>	<b>141,951</b>	<b>148,053</b>	<b>152,907</b>	<b>129,977</b>	<b>120,156</b>	<b>144,266</b>	<b>199,540</b>

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

## Funding impact statement (Housing) – Operating expenditure

Annual Plan 2008/09 \$000		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										
10,572	Total project expenditure	11,465	10,704	10,509	10,521	10,480	10,376	10,505	10,791	10,791	11,207
4,960	Depreciation	5,385	5,516	6,143	7,900	7,897	8,412	10,229	9,759	9,989	11,515
<b>15,532</b>	<b>Total operating expenditure</b>	<b>16,850</b>	<b>16,220</b>	<b>16,652</b>	<b>18,421</b>	<b>18,377</b>	<b>18,788</b>	<b>20,734</b>	<b>20,550</b>	<b>20,780</b>	<b>22,722</b>
	FUNDED BY:										
16,866	User charges (rental income)	17,678	17,933	18,204	19,471	19,585	20,143	21,378	22,750	23,724	24,637
401	Housing grants	514	476	503	533	564	597	635	-	-	-
<b>17,267</b>	<b>Total funding for operating expenditure</b>	<b>18,192</b>	<b>18,409</b>	<b>18,707</b>	<b>20,004</b>	<b>20,149</b>	<b>20,740</b>	<b>22,013</b>	<b>22,750</b>	<b>23,724</b>	<b>24,637</b>
<b>1,735</b>	<b>Ringfenced operating funding surplus</b>	<b>1,342</b>	<b>2,189</b>	<b>2,055</b>	<b>1,583</b>	<b>1,772</b>	<b>1,952</b>	<b>1,279</b>	<b>2,200</b>	<b>2,944</b>	<b>1,915</b>

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

## Funding impact statement (Housing) – Capital expenditure

Annual Plan 2008/09 \$000		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
2,486	Renewal capital expenditure	2,177	1,809	2,782	3,139	5,027	2,995	4,527	2,409	6,500	3,250
7,099	Upgrade capital expenditure	12,986	37,038	43,026	34,512	27,499	31,485	19,468	8,315	2,582	2,671
<b>9,585</b>	<b>Total capital expenditure to be funded</b>	<b>15,163</b>	<b>38,847</b>	<b>45,808</b>	<b>37,651</b>	<b>32,526</b>	<b>34,480</b>	<b>23,995</b>	<b>10,724</b>	<b>9,082</b>	<b>5,921</b>
	<b>FUNDED BY:</b>										
4,960	Depreciation	5,385	5,516	6,143	7,900	7,897	8,412	10,229	9,759	9,989	11,515
7,099	Housing grants	12,986	37,038	43,026	34,512	27,499	31,485	19,468	2,000	1,000	-
<b>12,059</b>	<b>Total funding for capital expenditure</b>	<b>18,371</b>	<b>42,554</b>	<b>49,169</b>	<b>42,412</b>	<b>35,396</b>	<b>39,897</b>	<b>29,697</b>	<b>11,759</b>	<b>10,989</b>	<b>11,515</b>
<b>2,474</b>	<b>Ringfenced Capital funding surplus</b>	<b>3,208</b>	<b>3,707</b>	<b>3,361</b>	<b>4,761</b>	<b>2,870</b>	<b>5,417</b>	<b>5,702</b>	<b>1,035</b>	<b>1,907</b>	<b>5,594</b>

*This information is incorporated into and forms part of the Funding Impact Statement – Capital expenditure and loans to other organisations*

## Funding impact statement (Housing) – Borrowing/Investments

Annual Plan 2008/09 \$000		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
16,300	<b>Opening Gross Borrowings/ Investments</b>	11,385	6,835	939	(4,477)	(10,821)	(15,463)	(22,832)	(29,813)	(33,048)	(37,899)
(1,735)	Ring-fenced housing operating surplus	(1,342)	(2,189)	(2,055)	(1,583)	(1,772)	(1,952)	(1,279)	(2,200)	(2,944)	(1,915)
(2,474)	Ring-fenced housing capital funding surplus	(3,208)	(3,707)	(3,361)	(4,761)	(2,870)	(5,417)	(5,702)	(1,035)	(1,907)	(5,594)
12,091	<b>Closing Gross Borrowings/Investments</b>	6,835	939	(4,477)	(10,821)	(15,463)	(22,832)	(29,813)	(33,048)	(37,899)	(45,408)

*This information is incorporated into and forms part of the Funding Impact Statement – Borrowings.*

## 2009/10 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	\$35,583,696,000	€0.178051	63,357
	Capital Value	Commercial, industrial & business use	\$11,141,407,000	€0.610341	68,000
	TOTAL				131,357
SEWERAGE RATE	Fixed charge	Base differential use / connection status	64,224 properties	\$112.50	7,225
	Capital Value	Base differential use / connection status	\$37,440,671,000	€0.036448	13,646
	Capital Value	Commercial, industrial and business use/connection status	\$9,676,223,000	€0.136029	13,163
	TOTAL				34,034
WATER RATE	Fixed charge	Base differential use/connection status (without water meter)	57,994 properties	\$125.00	7,249
	Capital Value	Base differential use/connection status (without water meter)	\$31,265,302,000	€0.047310	14,792
	Consumption unit charge	Base differential use/connection status (water meter)	n/a	\$1.78 / m <sup>3</sup>	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)	\$955,382,000	€0.236568	2,260
	Consumption unit charge	Commercial, industrial and business use /connection status (water meter)	n/a	\$1.78 / m <sup>3</sup>	12,512
	Fixed charge	Commercial, industrial and business use /connection status (water meter)	n/a	\$107.00	266
TOTAL				37,597	
STORMWATER RATE	Capital Value	Base differential use (excluding rural)	\$35,069,518,000	€0.034803	12,205
	Capital Value	Commercial, industrial and business use (excluding rural)	10,126,940,000	€0.034993	3,544
	TOTAL				15,749
BASE SECTOR TARGETED RATE	Capital Value	Residential use	\$35,583,696,000	€0.020395	7,257
COMMERCIAL SECTOR TARGETED RATE	Capital Value	Commercial, industrial & business use	\$11,141,407,000	€0.029858	3,327
DOWNTOWN LEVY	Capital Value	Commercial, industrial & business use / central city location	\$7,708,420,000	€0.147448	11,366
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	\$12,420,000	€0.126800	16
<b>TOTAL RATES REQUIREMENT (INCLUDING GST)</b>					<b>240,741</b>

# Rating Mechanisms

## 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 remain effective for the 200/10 rating year, except where subsequent maintenance valuations have been required under valuation rules or council's rating policies.

### 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 sets 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

Includes 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:

- 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

- Vacant land zoned residential

- 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
- 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:

- Separately rateable land used for a commercial or industrial purpose
- Vacant land zoned commercial, industrial or rural industrial under the District Plan administered by the Council
- Land used for offices, administrative and/or associated functions
- Land used for commercial accommodation for which a tariff is charged and where the principal purpose is the provision of short stay accommodation
- Business-related premises used principally for private pecuniary benefit
- Utility networks
- 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 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 building 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 Local Government (Rating) 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 infrastructure and sewage treatment facilities for the city.

For the purposes of these rates the sewage 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 Sewage 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 connected 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 purposes 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 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 77.5 percent to the non-rural rating units incorporated under the Base differential and 22.5 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.

- 98% 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 and facilitation of suburban and city centre vitality. It also pays for 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 contained in volume 2 of this document.