

## Fees and User Charges

Our Revenue and Financing Policy guides our decisions on how to fund Council services. Under the policy, we take into account who benefits from a service (individuals, parts of the community, or the community as a whole) to help us determine how the service should be funded. The policy sets targets for each Council activity, determining what proportion should be funded from each of user charges, general rates, targeted rates and other sources of income.

For 2009/10, in line with that policy, we are proposing some changes to fees and charges in the following areas.

- Development control and facilitation
- Swimming Pools
- Recreation Centres
- Libraries
- Burials and Cremations
- Sportsfields
- Marinas
- Waste Minimisation and Disposal
- Sewerage Treatment and Disposal
- Road Encroachment and Sale Policy

New fees will be implemented as of 1 July 2009 and are inclusive of GST unless otherwise stated. For more information see [www.Wellington.co.nz](http://www.Wellington.co.nz)

*Note that the following list of fees and charges is not a complete list of all fees and charges levied by the Council. It consists of those fees and charges subject to consultation and which are proposed to change from 1 July 2009.*

### Development control and facilitation

We are proposing to increase our fees for development control and facilitation work, including fees for consents, compliance monitoring and enforcement.

	2008/09 Deposit / Fee	2009/10 Deposit / Fee
<b>Resource Consent Fees Service</b>		
<b>The following four deposit fees have been amended to better reflect estimated officer time on consent applications. Final fees payable are on actual officer time, administration and other disbursement costs.</b>		
Pre-application meetings: planner / expert / compliance officer (2 hours total officer time free, then per hour).	\$125.00	\$130.00
Non-notified consent: subdivision and/or land use - deposit includes allowance for up to 8 hrs planner / advisor, 1 hr admin, \$45 disbursements	\$1,100.00	\$1,150.00
Limited notified consent: subdivision and/or land use – deposit includes allowance for up to 30 hrs planner / advisor, 8 hr admin, \$580 disbursements	\$4,500.00	\$5,000.00
Notified consent: subdivision and/or land use - deposit includes allowance for up to 75 hrs planner / advisor, 8 hr admin, includes \$1,500 towards cost of	\$8,000.00	\$12,500.00

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<b>Resource Consent Fees Service</b>	<b>2008/09 Deposit / Fee</b>	<b>2009/10 Deposit / Fee</b>
public notices and \$830 general disbursements.		
<b>Note:</b> The change proposed for notified consents reflects an increase to the 35 deposit hours in 2008/09 to better reflect officer time and cost.		
All other approvals including: Non-notified resource consent application for earthworks only, Outline Plan approval; NES approval; Certificate of Compliance; Extension of time (s125); Change or cancellation of conditions (s127); Consents notices (s221); Amalgamations (s241); easements (s243), Right of Way or similar - up to 6 hrs Planner / Advisor, 1 hr admin, \$55 disbursements	\$850.00	\$900.00
Certificates: Town Planning, Sale of Liquor, Overseas investments, LMVD - up to 2 hrs Planner / Advisor, 1 hr admin,	\$315.00	\$325.00
Fast Track - non-notified consents only - issued with 10 days (criteria applies, and applications will only be accepted on a case by case basis)	2 x normal fee	2 x normal fee
Fast Track - non-notified consents only - issued with 5 days (criteria applies, and applications will only be accepted on a case by case basis).	3 x normal fee	3 x normal fee
<b>Additional Charges</b>		
Cost of all disbursements i.e.: venue hire, photocopying, catering, postage, public notification	Variable - based on actual cost	Variable - based on actual cost
Councillor costs per hour for any hearing		
- Chairperson	\$85.00	\$85.00
- Other	\$68.00	\$68.00
- Specialist consultant report	Variable - based on actual cost	Variable - based on actual cost
Independent Commissioners	Variable - based on actual cost	Variable - based on actual cost
Additional hours (per hour):		
- All consents: additional processing hours (per hour) – planner/advisor / compliance officer	\$125.00	\$130.00
- All consents: additional processing hours (per hour) – administrative officer	\$65.00	\$65.00
<b>Bylaw Application</b>		
Applications relating to signs (Commercial Sex Premises) -up to 6 hrs	\$750.00	\$780.00

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<i>Compliance Monitoring</i>		
Monitoring Administration of Resource Consents: subdivision or land use – minimum of 1 hr, (previously based on up to 2 hrs), – then based on actual time over and above that.	\$250.00	\$130.00
Cost of disbursements, e.g. materials, consultant investigations	Variable - based on actual cost	Variable - based on actual cost
Additional hours (per hour):		
- planner / expert / compliance officer	\$125.00	\$130.00
- administrative officer	\$65.00	\$65.00

<i>Subdivision Certification</i>		
<i>Below are minimum fees. Charges will be based on actual time if over and above that.</i>		
Stage certification: each stage for s223, s224(f), s226 etc - up to 2 hrs,	\$250.00	\$260.00
Combination of two or more Stage certifications: s223, s224(f), s226 etc - up to 4 hrs, (previously based on 3.5 hrs)	\$450.00	\$520.00
Certification s224 (c) - up to 4 hrs, (previously based on 2 hrs)	\$250.00	\$520.00
All other RMA and LGA certificates, sealing, transfer documents etc - up to 2 hrs - disbursements will be on-charged	\$250.00	\$260.00
Bonds: each stage of preparation or release - up to 2 hrs	\$250.00	\$260.00

<i>Terms and late payment</i>		
Deposits and additional fees:		
<ul style="list-style-type: none"> <li>- As set out above, the fees are based around initial deposits with further charges to be invoiced if there is additional time spent processing requests or disbursements incurred. Initial deposits will be required prior to the processing of requests. Additional fees and refunds will only be payable / refunded for amounts greater than \$65</li> </ul>		
Terms for payment:		
<ul style="list-style-type: none"> <li>- Payment of additional fees are due by the 20<sup>th</sup> of the following month from invoice being processed. Where payment is not made by the 20th of the month following the date of the invoice, the customer agrees to pay council the following:               <ul style="list-style-type: none"> <li>- An additional / administrative fee of the lesser of 10% of the overdue amount or \$300</li> <li>- All costs and expenses (including debt collection or legal fees), incurred by the council in seeking to recover the over-due amount, and</li> <li>- Daily interest (rate of 15% p.a.) from the date of default</li> </ul> </li> </ul>		

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## Swimming Pools

We are proposing to increase our range of fees for swimming pools by an average of 5.4%. Fee increases include:

<b>Khandallah Pool</b>	<b>2008/09 Fee</b>	<b>2009/10 Fee</b>
Adult Swim	\$0.00	\$2.00
Child Swim	\$0.00	\$1.00

<b>All Other Pools</b>	<b>2008/09 Fee</b>	<b>2009/10 Fee</b>
Adult Swim	\$5.00	\$5.30
Child Swim	\$3.00	\$3.20
Under 5 Swim	\$1.00	\$1.10
Adult - Passport to Leisure	\$2.50	\$2.70
Child - Passport to Leisure	\$1.50	\$1.60

For a complete list of proposed fee changes see [www.wellington.govt.nz](http://www.wellington.govt.nz).

## Recreation Centres

We are proposing to increase some fees for recreation centres. These include:

	<b>2008/09 Fee</b>	<b>2009/10 Fee</b>
Adult – per admission	\$2.00	\$3.00
Child – per admission	\$1.00	\$1.50
Adult - Passport to Leisure - per admission	\$1.00	\$1.50
Gym hire per hour	\$40.00	\$40.00
<b>Leagues</b>		
Miniball (Nairnville and Kilbirnie) (1/2 Court)	\$155.00	\$170.00
Miniball (Karori) (Full Court)	\$185.00	\$200.00
Child Basketball	\$185.00	\$200.00
Netball	\$420.00	\$440.00
<b>Holiday Programmes</b>		
Daily	\$20.00	\$25.00
Trip	\$30.00	\$35.00
After Care	\$8.00	\$10.00

For a complete list of proposed fee changes see [www.wellington.govt.nz](http://www.wellington.govt.nz).

## Libraries

We are proposing to increase some fees for Library services.

	<b>2008/09 Fee</b>	<b>2009/10 Fee</b>
DVD Boxed sets (fee per week)	\$4.00	\$8.00
Audio Book (per loan)	\$1.00	\$3.00

No other fee changes are proposed for Library services.

## Burials and Cremations

We are proposing to increase our fees for burials and cremations.

<b>Burials and Cremations</b>	<b>2008/09 Fee</b>	<b>2009/10 Fee</b>
<b>Karori Cemetery</b>		

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<b>Burials and Cremations</b>	<b>2008/09 Fee</b>	<b>2009/10 Fee</b>
<b>Rose Garden Plots:</b>		
Ash Plots (2 interments)	\$720.00	\$800.00
<b>Interment Fees</b>		
Second Interment	\$1,015.00	\$1,100.00
Ashes	\$100.00	\$120.00
<b>Extras:</b>		
Extra Width (per 300mm)	\$130.00	\$150.00
Extra Depth (per 300mm)	\$180.00	\$200.00
Breaking Concrete Floor	\$180.00	\$200.00
Grave Reuse (Disinterment, dig down, Reinter below new burial. Requires Disinterment license.)	\$1,600.00	\$1,800.00
Core Drilling Ash Interments (Karori Only)	\$200.00	\$220.00
Ash Disinterment	\$210.00	\$220.00
Muslim Boards (Adult)	\$150.00	\$165.00
Muslim Boards (Child)	\$90.00	\$100.00
Change of Deed	\$50.00	\$60.00
Permit fee for Monumental work	\$120.00	\$80.00
Non-compliance fee for no permit	\$0.00	\$50.00
*Outside district fee-casket interment	\$0.00	\$850.00
*Outside district fee-ashes	\$0.00	\$400.00
Outside district fee-Indigent cremation/burial	\$0.00	\$130.00
Plot search charges. 1-3 no charge. 4> \$1 per search. \$2 a photo	\$0.00	\$1.00
<i>*Applies to all plot purchases, where deceased has lived outside city for the last 5 years or more.</i>		
<b><u>Makara Cemetery</u></b>		
<b>Second Interments:</b>		
All sections	\$790.00	\$1,100.00
Interment Fee – Natural Burial	\$800.00	\$900.00
Funerals booked after 3:30pm	\$100.00	\$150.00
Late Service fee for burial per 1/2 hour	\$130.00	\$100.00
<b>Overtime:</b>		
Casket Interment (weekend)	\$450.00	\$500.00
Ash Interment (weekend)	\$180.00	\$200.00
<b>Ash Plots:</b>		
<b>Ash Beam</b>		
Interment Fee	\$100.00	\$120.00
<b>Ash Circle</b>		
Plot	\$500.00	\$425.00
Maintenance Fee	\$0.00	\$125.00
Interment Fee	\$100.00	\$120.00
<b>Cremations and Ashes</b>		
<b>Adult:</b>		
Delivery Only	\$535.00	\$550.00
Committal Service (1/2 Hour)	\$540.00	\$610.00

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<b>Burials and Cremations</b>	<b>2008/09 Fee</b>	<b>2009/10 Fee</b>
Full Service (1 Hour)	\$590.00	\$650.00
Funerals Booked after 3:30pm	\$100.00	\$150.00
<b>Chapel Hire:</b>		
Per 1/2 hour	\$100.00	\$120.00
Chapel Hire for Burials & Cremations per 1/2 hour	\$130.00	\$160.00
<b>Ashes:</b>		
Interment of Ashes	\$100.00	\$120.00
Disinterment of Ashes	\$200.00	\$220.00
Ash Scattering	\$60.00	\$75.00
<b>Miscellaneous:</b>		
Plaque Placement/Removal	\$60.00	\$80.00
Late Charge fee[per 1/2 hour]	\$130.00	\$100.00
Bio Tissue Cremation [Wellington Hospital]	\$525.00	\$550.00

## Sportsfields

We are proposing to increase our fees for sportsfields.

<b>Sportsfields</b>	<b>2008/09 Fee</b>	<b>2009/10 Fee</b>
<b>Cricket</b>		
<b>Casual</b>		
Level 1	\$235.00	\$242.00
Level 2	\$155.00	\$160.00
Artificial pitch on concrete base	\$100.00	\$103.00
Artificial pitch on grass base	\$100.00	\$103.00
<b>Seasonal</b>		
Level 1	\$1,770.00	\$1,825.00
Level 2	\$1,480.00	\$1,525.00
Level 3	\$865.00	\$890.00
Artificial pitch on concrete base	\$590.60	\$610.00
Artificial pitch on grass base	\$472.50	\$485.00
<b>Rugby, League, Soccer, Aussie Rules</b>		
<b>Casual</b>		
Level 1	\$85.00	\$88.00
Level 2	\$65.00	\$67.00
Level 3	\$50.00	\$51.50
<b>Seasonal</b>		
Level 1	\$1,225.00	\$1,260.00
Level 2	\$930.00	\$960.00
Level 3	\$790.00	\$815.00
<b>Softball</b>		
<b>Casual</b>		
Level 1	\$105.00	\$110.00
Level 2	\$75.00	\$77.00
<b>Seasonal</b>		

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<b>Sportsfields</b>	<b>2008/09 Fee</b>	<b>2009/10 Fee</b>
Level 1	\$450.00	\$465.00
Level 2	\$300.00	\$310.00
<b>Touch, 5-a-side, Ultimate Flying Disk, Gridiron</b>		
<b>Casual</b>		
Level 1	\$110.00	\$115.00
Level 2	\$90.00	\$93.00
<b>Seasonal</b>		
Level 1	\$930.00	\$960.00
Level 2	\$720.00	\$740.00
<b>Netball - per Court</b>		
Court per season	\$85.00	\$88.00
Off-season or organised	\$5.50	\$6.00
Casual	\$26.00	\$27.00
<b>Tennis</b>		
Court per season	\$115.00	\$118.00
Off-season or organised	\$10.50	\$11.00
Casual	\$26.00	\$27.00
<b>Cycling</b>		
Casual	\$105.00	\$108.00
Seasonal	\$1,065.00	\$1,095.00
<b>Athletics</b>		
Casual	\$385.00	\$395.00
WRFU Speed Trials	\$85.00	\$88.00
Seasonal	\$6,430.00	\$6,620.00
<b>Croquet - one lawn</b>		
Casual	\$105.00	\$108.00
Seasonal	\$485.00	\$500.00
<b>Training</b>		
<b>Ground only:</b>		
1 night	\$65.00	\$67.00
1 night (season)	\$230.00	\$240.00
2 nights (season)	\$460.00	\$480.00
3 nights (season)	\$690.00	\$720.00
4 nights (season)	\$925.00	\$960.00
5 nights (season)	\$1,155.00	\$1,200.00
<b>Training</b>		
<b>Ground and Changing Rooms:</b>		
1 night	\$115.00	\$118.00
1 night (season)	\$490.00	\$505.00
2 nights (season)	\$980.00	\$1,010.00
3 nights (season)	\$1,470.00	\$1,515.00
4 nights (season)	\$1,960.00	\$2,020.00

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<b>Sportsfields</b>	<b>2008/09 Fee</b>	<b>2009/10 Fee</b>
5 nights (season)	\$2,450.00	\$2,525.00
<b>Elite Parks</b>		
Rugby League Park	\$390.00	\$400.00
Newtown Park	\$390.00	\$400.00
<b>Picnics</b>	\$36.00	\$37.00
<b>Marquees</b>		
Booking Fee (non-refundable)	\$51.50	\$53.00
Marquee up to 50m2	\$310.00	\$320.00
Marquee up to 100m2	\$515.00	\$530.00
Marquee > 100m2	\$825.00	\$850.00
<b>Add-Ons</b>		
Groundsman - hourly rate (minimum 2 hours)	\$21.00	\$22.00
Toilets Open	\$21.00	\$22.00
Toilets and Changing Rooms Open	\$51.50	\$53.00
Litter collection	discretion	
<b>Golf Course</b>		
Passport to Leisure - Round	\$6.50	\$6.70
Adults - Round Weekdays	\$13.00	\$13.50
Adults - Round Weekend	\$19.00	\$19.50
Junior - Round	\$6.50	\$6.70
Passport to Leisure - Yearly	\$170.00	\$175.00
Passport to Leisure - Half Yearly	\$95.00	\$98.00
Adults - Yearly	\$335.00	\$345.00
Adults - Half Yearly	\$190.00	\$195.00
Juniors - Yearly	\$80.00	\$82.50
Trundler Hire	\$5.50	\$5.50
Club & Trundler Hire	\$16.00	\$16.50
Club Hire	\$10.50	\$11.00
<b>Nairn Ville Synthetic Turf</b>		
<b>Casual</b>		
Peak (per hour)	n/a	\$40.00
Off Peak (per hour)	n/a	\$25.00
<b>Seasonal</b>		
Peak (affiliated sports club) (per hour)	n/a	\$34.00
Off Peak (affiliated sports club) (per hour)	n/a	\$21.25
Junior/College (per hour)	n/a	\$17.00
<b>Notes:</b>		
<i>Charges for events, tournaments and commercial activities are by quotation.</i>		
<i>Charges for charity events will be charged at the Operation Manager's discretion.</i>		



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## Marinas

We are proposing to increase our fees for Marinas.

	2008/09 Fee	2009/10 Fee
<b>Clyde Quay Marina - Facility Type</b>		
Boat Shed (2 to 13)	\$1,881.00	\$1,938.00
Boat Shed (14 to 27)	\$1,692.00	\$1,743.00
Boat Shed (38B)	\$1,356.00	\$1,398.00
Boat Shed (38A to 42B, 48A and 48B)	\$1,950.00	\$2,010.00
Boat Shed (43A to 47B)	\$2,256.00	\$2,325.00
Moorings	\$891.00	\$918.00
Dinghy Racks	\$159.00	\$164.00
<b>Evans Bay Marina - Facility Type</b>		
Berths (12m to 20m)	\$2,382.00	\$2,382.00
Berths (8m)	\$1,407.00	\$1,407.00
Boat Shed Small	\$939.00	\$939.00
Boat Shed Medium	\$1,878.00	\$1,878.00
Boat Shed Large	\$2,817.00	\$2,817.00
Dinghy Lockers	\$282.00	\$282.00

## Waste Minimisation and Disposal

We are proposing to increase our fees for waste disposal.

General	2008/09 Fee	2009/10 Fee
Landfill levy (per tonne inclusive of recycling levy)	\$82.00	\$93.25
Rubbish Bags (RRP each)	\$1.85	\$1.96

## Sewerage Treatment and Disposal

Trade Waste Charges	2008/09 Fee	2009/10 Fee
Volume up to 100m <sup>3</sup> per day	\$0.20	\$0.19
Volume between 100m <sup>3</sup> and 7,000m <sup>3</sup> per day	\$0.10	\$0.10
Volume above 7,000m <sup>3</sup> per day	\$0.73	\$0.68
Suspended solids up to 1,575kg per day	\$0.24	\$0.29
Suspended solids above 1,575kg per day	\$0.54	\$0.56
BOD up to 3,150kg per day	\$0.24	\$0.28
BOD above 3,150kg per day (from 1 July 2009)	\$0.57	\$0.67

## Road Encroachment and Sale Policy

The Road Encroachment and Sale Policy guides the Council's decisions, as land owner, for granting permission for property owners to use road reserve for private use. The policy also permits the sale of road reserve (road stopping) in certain situations and outlines the process for doing this.

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The following increases are proposed for the fees associated with the policy:

	2008/09 Fee	2009/10 Fee
<b>One-off fees</b>		
Application fee for a new encroachment	\$150.00	\$450.00
Administration fee for a change of use or ownership	\$50.00	\$73.15
<b>Annual rental</b>		
Annual rental fee per m <sup>2</sup>	\$10.00	\$12.65
Minimum charge on the annual rental fee	\$35.00	\$101.25

These increases are to enable the Council to recover the costs associated with encroachments. The increase to the annual rental fee is based on the cumulative Consumer Price Index (CPI) change since the fees were last reviewed in 2004.

It is also proposed that the policy is amended by:

- increasing the annual rental fee annually by the Consumer Price Index (CPI), with this fee being reviewed every three years through the LTCCP process
- removing the minimum area (3.5m<sup>2</sup>) relating to the minimum charge
- changing the definition of significant trees and vegetation to include a broader range of factors
- removing the “life of a building” definition as 66 years
- including “boatsheds” in the definition of a structure
- removing out-of-date references in the policy.

Further information on the proposed fees and policy changes, including a full copy of the amended policy, is available on request. Please contact the Council on 499 4444 for this information.

# 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).

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 77.25% 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 (refer to Report 9).**

## 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

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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.

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### 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.

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- 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

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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 purposed 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 consider 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:*

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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:



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- 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 suburban and city centres vitality, the New Zealand International Arts Festival. 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 \$100 (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.

# Rates Remission Policy

## INTRODUCTION

In accordance with Section 85 of the Local Government (Rating) Act, 2002:

- i) A local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if –
  - a. the local authority has adopted a remissions policy under section 102 of the Local Government Act 2002, and
  - b. the local authority is satisfied that the conditions and criteria in the policy are met.
- ii) The local authority must give notice to the ratepayer identifying the remitted rates.

## SCOPE OF AMENDMENTS

Proposed amendments to the Council's rates remission policy from 1 July 2009 include:

- A change to the terms of the special circumstances rate remission to:
  - a) permit applications to be received and accepted and applied for a rating year after the start of that rating year, noting that a remission will not be back dated to the previous year.
  - b) provide the flexibility for a Special Circumstances remission to be applied any part of the rates liability for a property(s). The policy current restricts the application of this remission to the general rate.

- The introduction of a new "Downtown rate remission for property under development".

It is proposed that this remission apply specifically to 'not fit for purpose' commercial property within the central city ('downtown') area. Potential applicants will generally be limited to commercial properties under development, where the rating unit does not (yet) hold sufficient consents to permit occupation. The remission which will require annual application will relate to the Downtown Levy only. The rating shortfall resulting from the remission will be met by remaining central city commercial ratepayers. Details of this remission will be confirmed following consideration by the Strategy and Policy Committee.

The Council proposes to continue with the following rates remission provisions for 2009/10.

## RURAL OPEN SPACE REMISSION

### REMISSION STATEMENT

The Council may grant a 50 percent remission on land classified as "rural" under the District Plan where the rating unit is rated under the Base differential and used principally for farming or conservation purposes.

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### **POLICY OBJECTIVE**

To provide rates relief for rural, farmland and open spaces.

### **CONDITIONS AND CRITERIA**

Land used principally for farming or conservation purposes

A rates remission of 50 percent of the Base general rate will be granted to rating units that are classified as rural under the District Plan and used principally for farming or conservation purposes. Under this policy “principally for farming or conservation purposes” is defined as where:

- a) The rating unit (or property) exceeds 30 hectares in area, and
- b) 50 percent or more of the rateable capital value of the property is made up of the land value, and
- c) the principal use of the land is for conservation, agriculture, horticulture, pastoral or silviculture purposes, or for the keeping of bees, poultry or other livestock excluding commercial dog kennels or catteries.

### **APPLYING FOR REMISSION**

All applications must be in writing using the Wellington City Council ‘Application for Remission’ form.

The approval of any remission is at the absolute discretion of the Wellington City Council or its delegated officer. Applications for this remission must be received prior to the commencement of the rating year.

Successful applications received during a rating year will be applicable from the commencement of the following year. No applications will be backdated.

### **DELEGATION**

Decisions relating to the remission of rates are delegated to officers as set out in the Council’s delegations manual.

## **REMISSIONS ON LAND USED PRINCIPALLY FOR GAMES OR SPORT**

### **REMISSION STATEMENT**

Where the Council considers a rating unit is used principally for games or sport, it will apply a 50 percent remission of general rates where the rating unit:

- a) has a club licence under the Sale of Liquor Act 1989, and
- b) would otherwise qualify as 50 percent non-rateable under Part 2, Schedule 1, of the Local Government (Rating) Act, and
- c) the property is rated at the Base differential.

### **POLICY OBJECTIVE**

To reduce the adverse financial impact of the Local Government (Rating) Act 2002 on land used principally for games or sports, occupied by clubs that hold a club liquor licence and no longer qualify as 50 percent non-rateable.

## APPENDIX 3

### CONDITIONS AND CRITERIA

All applications must be received in writing using the Wellington City Council 'Application for Remission' form. A remission under this policy will apply for one year only. Applicants must reapply annually. The application for a rate remission must be made prior to the commencement of the rating year (1 July).

Successful applications received during a rating year will be applicable from the commencement of the following year. No applications will be backdated. For the avoidance of doubt, this policy specifically excludes chartered clubs and clubs holding permanent charters.

### DELEGATION

Decisions relating to the remission of rates are delegated to officers as set out in the Council's delegations manual.

### SPECIAL CIRCUMSTANCES REMISSION

#### REMISSION STATEMENT

It is recognised that not all situations in which it may be appropriate for the Council to remit rates will necessarily be known in advance and/or provided for in specific rating policies. In circumstances where the rating policy is deemed by the Council to unfairly disadvantage an individual ratepayer, the Council may grant a one-off remission of part or all of the rates assessed for a rating unit (or property) on condition that the remission does not set a precedent that unfairly disadvantages other ratepayers.

#### POLICY OBJECTIVE

To provide for the possibility of a rates remission in circumstances that have not been specifically addressed in other parts of the Council's Rates Remission and Postponement Policies.

### CONDITIONS AND CRITERIA

The Council may remit part of the general rate assessed in relation to particular rating unit where:

- i) the rates on that rating unit are disproportionate to those levied in respect of comparable rating units, or
- ii) the rating policy is determined by the Council to unfairly disadvantage an individual ratepayer.

The approval of the remission must not set a precedent that unfairly disadvantages other ratepayers. A remission under this policy will apply for one year only. Applicants must reapply annually.

All applications must be received in writing using the Wellington City Council 'Application for Remission' form. Special Circumstances remission applications may be received and actioned after the start of a rating year (1 July), but no application will be back dated beyond the current rating year.

### DELEGATION

## **APPENDIX 3**

Decisions relating to the remission of rates are delegated to officers as set out in the Council's delegations manual.

### **REMISSION OF RATES ON PROPERTY UNDER DEVELOPMENT**

*Detail to be added subject to Strategy and Policy Committee consideration.*

### **RATES PENALTY REMISSION POLICY**

#### **POLICY OBJECTIVE**

To enable the Council to act fairly and reasonably when rates have not been received by the due date.

#### **CONDITIONS AND CRITERIA**

Upon receipt of an application from the ratepayer, or if identified by the Council, the Council may remit all or part of a penalty where it considers that it is fair and equitable to do so.

Matters that will be taken into consideration by the Council include the following:

- a) the ratepayer's payment history, and
- b) the impact on the ratepayer of an extraordinary event, and
- c) the payment of the full amount of rates due, or
- d) the ratepayer entering into an agreement with the Council for the payment of rates within a reasonable timeframe.

The Council reserves the right to impose conditions on the remission of penalties.

#### **DELEGATION**

Decisions relating to the remission of penalties on rates are delegated to the Chief Financial Officer and Manager, Financial Transactions, as set out in the Council's delegations manual.

### **REMISSION OF RATES ON MAORI FREEHOLD LAND**

The Council's objectives in relation to rates remission and postponement apply equally to Maori Freehold land. Therefore the rates remission and postponement policies applicable to Maori Freehold land are identical to those that apply to non-Maori Freehold land.

# Investment and Liability Management Policies

## SCOPE OF AMENDMENTS

For 2009/10 the Council is proposing a number of minor amendments to its Investment and Liability Management Policies:

### LIABILITY MANAGEMENT POLICY

- Interest Rate Risk Management

We propose to amend the Council's interest rate risk maturity profile limits, by increasing the minimum proportion fixed borrowing (maturing in greater than one year) falling in 5 to 10 year maturity profile from 15% to 20% and increasing the maximum cover in each of the 1 - 3, 3 - 5 and 5 -10 year profiles from 50% to 60 %.

- Liquidity Management

The Council minimises its liquidity risk by avoiding concentration of debt maturity dates and by maintaining committed borrowing facilities at a level that exceeds 110% of projected peak borrowing levels over the following twelve months. The Council only draws or borrows against these facilities as required.

The Council also avoids exposure to liquidity risk by managing the maturity of its borrowing programme within maturity limits. We propose to amend the maturity limits for the proportion borrowing that the Council can have in the zero to 3 year maturity profile from 10% - 50% to 20% - 60% and decrease the proportion in the 5 year + profile from 20% - 60% to 15% - 60%. These amended levels are consistent with sector benchmarks and reflect the movement in the sector risk profile since the policy was last reviewed.

## GENERAL POLICY OBJECTIVES

The Council's general policy objectives relating to its investment and liability management are to:

- Minimise the Council's overall costs and risks associated with its borrowing activities and the general management of its other liabilities
- Manage its borrowings and cash assets on a "net borrower" basis in order to reduce the overall net cost to the Council
- Maximise the return on its investment portfolio and other financial assets
- Minimise the Council's exposure to adverse interest rate movements.
- Borrow and invest funds and transact risk management instruments within an environment of control and compliance under the Council approved Treasury Management Policy

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- Regularly review and consider the performance of the Council's financial assets and investments. Where appropriate, the Council will dispose of under performing assets or those assets and investments that are not essential to the delivery of services and activities set out in the Council's Long Term Council Community Plan (LTCCP).

More detail on the Council's investment and borrowing policies, operating procedures and associated internal controls is contained in the Treasury Management Policy.

### INVESTMENT POLICY

#### **Policy Statement**

The Council generally operates as a "net borrower", and therefore does not separately maintain significant cash investments. The general policy is to utilise surplus cash to repay borrowings.

The Council currently maintains an equity interest in Wellington International Airport Limited (WIAL) and an ownership and financial interest in Ground Leases and Investment Properties. The Council will continue to review the level of investment as well as the return it receives on these investments.

Where appropriate, the Council may choose to dispose of investments/financial assets that no longer meet our investment objectives.

#### **Investment Mix and Associated Objectives**

The Council categorises its investments into 5 broad categories:

##### ***Cash and Cash Equivalents***

The Council may invest funds with approved registered banking institutions. These investments generally mature in less than one year, and are held primarily for working capital/liquidity purposes.

##### ***Income generating commercial debt instruments***

These are principally loans to other organisations (on commercial terms) which deliver a cashflow return to the Council.

##### ***Income generating commercial equity investments***

Equity investments arise from the Council owning or controlling an equity holding (eg shares) in another entity. The Council currently maintains a 34% shareholding in Wellington International Airport Limited (WIAL). From time to time WIAL may seek to fund its capital expenditure programme through the injection of capital from its shareholders. In the event that a call for capital is made by WIAL the Council's objective is to maintain its shareholding at 34%

## APPENDIX 4

unless a specific resolution is passed not to do so. As a result, should the Council be required to inject additional capital in WIAL to maintain its existing shareholding, it will do so without further consultation.

### ***Income generating commercial property investments***

Investment Properties are the Council's ground leases and land and buildings held primarily for investment purposes. The Council regularly reviews its continued ownership of investment properties by assessing the benefits of continued ownership in comparison to other arrangements that could deliver similar benefits. This assessment is based on both the strategic benefit of the investment/ownership to the City and in terms of the most financially viable method of achieving the delivery of Council services.

### ***Non income generating investments***

This includes loans to other organisations, and equity investments in Council Controlled Organisations. The Council may consider the provision of loans to Community groups but only in exceptional circumstances. The Council's non income generating investments are held for strategic or ownership reasons.

In addition, to the above investment categories, the Council may assume financial risk associated with providing contributions, guarantees and underwrites, where these meet the Council's strategic objectives and outcomes. Such undertakings require a Council resolution.

### **Investment Acquisition/Addition/Disposal**

Within the exception of the day to day investment of cash and cash equivalents, all new investments, additions to existing investments, and/or disposals of existing investments must be approved by the Council. The day to day management and investment of cash and cash equivalents may be made by Council officers in accordance with the approved Treasury Management Policy.

The Council will continue to maintain its current level of investment in WIAL (being a 34% equity interest) until it considers that it is financially and economically prudent to dispose of the investment.

Proceeds from the sale of investments will go to repay existing borrowings, unless the Council specifically directs that the funds be put to another use.

### **Reporting**

#### ***Investments in CCOs***

Monitoring of the Council's equity investment and ownership interest in Council Controlled Organisations (CCOs) is undertaken by the Council Controlled Organisation Performance Sub-Committee. The Sub-Committee reports to the Strategy and Policy Committee and is responsible for:

- monitoring Council Controlled Organisations (CCOs), Council Controlled Trading Organisations (CCTOs), and Council Organisations (COs)
- reviewing the above organisations' quarterly reports, annual reports, business plans, strategic plans and statements of corporate intent



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- monitoring the performance of members on CCOs.

### ***All other investments***

The Strategy and Policy Committee is responsible for monitoring all other investments and providing recommendations to the Council in regard to treasury management strategies, policy and guidelines in relation to those investments. The Strategy and Policy Committee will receive and review the quarterly Treasury report contained within the consolidated quarterly report.

The Council is responsible for approving the Treasury Management Policy as recommended by the Strategy and Policy Committee.

### **Risk Management**

The Council's principal exposure on its financial investments is credit risk. Credit risk is minimised by the Council investing in approved institutions with satisfactory credit ratings. Limits are spread amongst a number of counterparties to avoid concentrations of credit exposure.

Assessment and management of specific risks associated with the Council's investment in WIAL and investment properties will be performed on a regular basis. Any significant changes in the risk profile for these investments will be reported to the Strategy and Policy Committee.

### **Investment Ratios**

For the purposes of setting its Borrowing and Investment Ratios, the Council defines investments as assets which are cash or readily convertible to cash (either through fixed repayment and maturity profiles, or through sale or exchange) and assets which are held **primarily** for investment purposes (either for capital growth, commercial rental or interest). This is likely to include:

- cash and cash equivalents (eg term deposits),
- Income generating commercial debt instruments
- Income generating commercial equity instruments
- Income generating commercial property instruments

Non income generating investments will not be included in Borrowing and Investment Ratios.

## LIABILITY MANAGEMENT POLICY

In broad terms, the Council manages both current and term liabilities.

### CURRENT LIABILITIES

Current liabilities reflect those obligations, expressed in monetary terms, which the Council has to meet within relatively short timeframes, at a maximum within the next 12 months. In respect of its day to day obligations for both operational and capital expenditure, the Council's policy is to pay these liabilities in full by the due date. This eliminates any credit exposure or risk. Current liabilities also include the maturing portions of any term liabilities that are due for repayment within the following 12 months.

### TERM LIABILITIES

Term liabilities represent the Council's obligations which, in general terms, are not immediately payable, i.e. not due within the following 12 months. Borrowings comprise the majority of the Council's term liabilities.

The Council approves the borrowing programme for each financial year as part of the LTCCP or Annual Plan. Additional borrowings may be approved by Council on a case by case basis. The Council primarily borrows to fund its capital expenditure programme. In approving new borrowings the Council considers the impact of the proposed level of borrowings on its overall borrowing limits.

### POLICY OBJECTIVES

The Council primarily borrows to pay for the upgrading of existing assets or the construction/purchase of new assets. These assets generally provide new or enhanced benefits to Wellington for many years. Borrowing is therefore considered the most cost-effective and equitable way to fund these assets as it spreads the cost of the asset over the future generations of ratepayers who will benefit from the use of the asset. Accordingly, borrowings have a strategic benefit of making the cost of the asset investment affordable to today's ratepayers. Borrowings are maintained at a prudent level, in accordance with the Council's overall borrowing policy (for specific limits, refer below).

### POWER TO BORROW

The Council borrows as it considers appropriate and in accordance with the provisions of the Local Government Act 2002 and its Treasury Management Policy. The Council approves the level of new borrowing in general terms as part of the LTCCP or Annual Plan. The Council delegates the authority to officers to raise the approved borrowing during the financial year as and when the funding is required. Any additional borrowing beyond that approved in the LTCCP or Annual Plan must be approved by the Council.

### INTEREST RATE EXPOSURE

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Borrowings issued at variable (floating) interest rates expose the Council to a cash flow interest-rate risk. The Council manages its cash flow interest-rate risk by using floating to fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates.

The Council has set the following specific limits for its interest rate exposure:

### MASTER FIXED/FLOATING INTEREST RATE RISK CONTROL LIMIT

Minimum Fixed Rate	Maximum Fixed Rate
50%	95%

The level of fixed interest rate cover at any point in time must be within the following maturity bands:

### FIXED RATE MATURITY PROFILE LIMIT

Period	Minimum Cover	Maximum Cover
1 to 3 years	20%	60%
3 to 5 years	20%	60%
5 to 10 years	20%	60%

### LIQUIDITY

The Council minimises its liquidity risk by avoiding concentration of debt maturity dates and by maintaining committed borrowing facilities at a level that exceeds 110% of projected peak borrowing levels over the following twelve months. The Council will only drawdown or borrowing against these facilities as required.

Where special funds are maintained to repay borrowings, these investments are held for maturities not exceeding borrowing repayment dates.

The Council avoids exposure to liquidity risk by managing the maturity of its borrowing programme within the following maturity limits:

### BORROWING MATURITY PROFILE LIMITS

Period	Minimum	Maximum
0 to 3 years	20%	60%
3 to 5 years	20%	60%
5 years plus	15%	60%

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### CREDIT EXPOSURE

The Council borrows from approved institutions with satisfactory credit ratings. Borrowings are managed to ensure the Council is not exposed to material concentrations of credit risk. Limits are spread amongst a number of counterparties to avoid concentrations of credit exposure.

### BORROWING REPAYMENT

The Council will repay borrowings from a combination of excess depreciation over and above renewals, sale of surplus or underperforming assets, operating surpluses or from the renewal of borrowings.

### SPECIFIC BORROWING LIMITS

In managing its borrowings, the Council adheres to the financial principles contained with its Treasury Management Policy. In determining a prudent level of borrowings the Council assesses the level of net borrowing against the Council's recognised total realisable assets and net interest expense per annum against operating revenues.

Total Council Borrowings will be managed within the following macro limits:

<b>RATIO</b>	<b>LIMIT</b>
Net borrowing as a percentage of equity	<10%
Net borrowing as a percentage of income	<150%
Net Interest as a percentage of income	<15%
Net Interest as a percentage of annual rates income	<20%
Liquidity (Term borrowing + committed loan facilities to 12 month peak net borrowing forecast)	>110%

### SECURITY

Council borrowings are secured by way of a Debenture Trust Deed (representing a charge over Council rates revenue). This security relates to any borrowing and to the performance of any obligation under any incidental arrangement. However, if it is considered advantageous, the Council's borrowings and other financial arrangements may be undertaken on an unsecured basis, or secured by way of a charge over its physical assets.