

## **Funding impact statement**

### *Revenue and financing mechanisms*

The Council proposes to use the following revenue and financing mechanisms to fund estimated operating expenditure for the period of its 2006/07 to 2015/16 Long Term Council Community Plan (excluding GST).

| <b>Funding impact statement - Operating expenditure</b>      |                |                |                |                |                |                |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>2006/07 Annual Plan</b>                                   |                |                |                |                |                |                |                |                |                |                |
| <b>(Incorporating the Long Term Council Community Plan)</b>  |                |                |                |                |                |                |                |                |                |                |
| (All figures shown exclusive of GST)                         | 2006/07        | 2007/08        | 2008/09        | 2009/10        | 2010/11        | 2011/12        | 2012/13        | 2013/14        | 2014/15        | 2015/16        |
|  | \$000          | \$000          | \$000          | \$000          | \$000          | \$000          | \$000          | \$000          | \$000          | \$000          |
| <b>Operating Statement</b>                                   |                |                |                |                |                |                |                |                |                |                |
| Total project expenditure                                    | 303,425        | 316,437        | 329,441        | 340,753        | 349,015        | 361,180        | 368,603        | 375,703        | 385,365        | 392,593        |
| Self-insurance reserve                                       | 500            | 500            | 500            | 500            | 500            | 500            | 500            | 500            | 500            | 500            |
| <b>Total operating expenditure</b>                           | <b>303,925</b> | <b>316,937</b> | <b>329,941</b> | <b>341,253</b> | <b>349,515</b> | <b>361,680</b> | <b>369,103</b> | <b>376,203</b> | <b>385,865</b> | <b>393,093</b> |
| <b>Less expenditure not funded under section 100 of LGA:</b> |                |                |                |                |                |                |                |                |                |                |
| LTNZ Transport funded projects                               | (6,720)        | (7,027)        | (7,432)        | (7,556)        | (7,676)        | (8,213)        | (8,169)        | (8,307)        | (8,277)        | (8,398)        |
| Clearwater sewerage treatment plant                          | (2,356)        | (2,356)        | (2,509)        | (2,509)        | (2,509)        | (2,728)        | (2,728)        | (2,728)        | (2,910)        | (2,910)        |
| Living Earth joint venture                                   | (755)          | (755)          | (779)          | (779)          | (779)          | (847)          | (847)          | (847)          | (904)          | (904)          |
| <b>Total operating expenditure to be funded</b>              | <b>294,094</b> | <b>306,799</b> | <b>319,221</b> | <b>330,409</b> | <b>338,551</b> | <b>349,892</b> | <b>357,359</b> | <b>364,321</b> | <b>373,774</b> | <b>380,881</b> |
| <b>Funded by:</b>  |                |                |                |                |                |                |                |                |                |                |
| <b>General rates</b>   | <b>98,287</b>  | <b>104,280</b> | <b>111,091</b> | <b>117,398</b> | <b>123,079</b> | <b>128,416</b> | <b>132,609</b> | <b>134,877</b> | <b>139,533</b> | <b>143,429</b> |
| <b>Targeted rates:</b>                                       |                |                |                |                |                |                |                |                |                |                |
| Sewerage rate  | 29,668         | 30,445         | 31,599         | 32,402         | 33,168         | 34,579         | 35,189         | 35,715         | 36,786         | 37,215         |
| Water rate   | 25,790         | 26,621         | 27,698         | 28,335         | 28,938         | 30,185         | 30,653         | 31,065         | 32,021         | 32,330         |
| Stormwater rate  | 11,583         | 12,200         | 12,912         | 13,294         | 13,707         | 14,456         | 14,696         | 14,897         | 15,404         | 15,454         |
| Base (residential) sector targeted rate                      | 5,617          | 5,865          | 5,955          | 5,672          | 5,823          | 6,042          | 6,183          | 6,400          | 6,654          | 6,760          |
| Commercial sector targeted rate                              | 1,354          | 1,397          | 1,445          | 1,487          | 1,525          | 1,563          | 1,599          | 1,629          | 1,658          | 1,689          |
| Downtown levy  | 9,023          | 9,260          | 9,550          | 9,821          | 10,074         | 10,321         | 10,548         | 10,757         | 10,951         | 11,142         |
| Tawa driveways levy  | 22             | 22             | 22             | 22             | 22             | 22             | 22             | 22             | 22             | 22             |
| Marsden Village levy   | 13             | 13             | 13             | 13             | 13             | 13             | 13             | 13             | 13             | 13             |
| <b>Total targeted rates</b>                                  | <b>83,069</b>  | <b>85,823</b>  | <b>89,194</b>  | <b>91,046</b>  | <b>93,270</b>  | <b>97,181</b>  | <b>98,902</b>  | <b>100,498</b> | <b>103,509</b> | <b>104,625</b> |
| <b>Total rates to fund operating expenditure</b>             | <b>181,357</b> | <b>190,103</b> | <b>200,285</b> | <b>208,444</b> | <b>216,349</b> | <b>225,597</b> | <b>231,512</b> | <b>235,375</b> | <b>243,042</b> | <b>248,054</b> |
| <b>User charges</b>  | <b>86,202</b>  | <b>90,084</b>  | <b>92,578</b>  | <b>95,831</b>  | <b>97,793</b>  | <b>100,037</b> | <b>101,535</b> | <b>104,469</b> | <b>106,133</b> | <b>108,059</b> |
| <b>Other income</b>  |                |                |                |                |                |                |                |                |                |                |
| Ground and commercial leases                                 | 15,533         | 15,493         | 15,122         | 14,788         | 12,961         | 12,711         | 12,674         | 12,755         | 12,800         | 12,892         |
| Dividends  | 4,200          | 4,200          | 4,200          | 4,200          | 4,200          | 4,200          | 4,200          | 4,200          | 4,200          | 4,200          |
| Transfund subsidies  | 2,655          | 2,740          | 2,825          | 2,905          | 2,979          | 3,051          | 3,117          | 3,178          | 3,234          | 3,290          |
| Interest on investments                                      | 1,485          | 1,485          | 1,485          | 1,485          | 1,485          | 1,485          | 1,485          | 1,485          | 1,485          | 1,485          |
| Petrol tax   | 1,000          | 1,000          | 1,000          | 1,000          | 1,000          | 1,000          | 1,000          | 1,000          | 1,000          | 1,000          |
| Miscellaneous  | 1,662          | 1,694          | 1,726          | 1,756          | 1,784          | 1,811          | 1,836          | 1,859          | 1,880          | 1,901          |
| <b>Total funding for operating expenditure</b>               | <b>294,094</b> | <b>306,799</b> | <b>319,221</b> | <b>330,409</b> | <b>338,551</b> | <b>349,892</b> | <b>357,359</b> | <b>364,321</b> | <b>373,774</b> | <b>380,881</b> |

The Council proposes to use the following revenue and financing mechanisms to fund estimated capital expenditure and loans for the period of its 2006/07 to 2015/16 Long Term Council Community Plan (excluding GST).

| <b>Funding impact statement - Capital expenditure and loans to other organisations</b>   |                |                |                |               |               |               |               |               |               |               |
|--|----------------|----------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>2006/07 Annual Plan</b>   |                |                |                |               |               |               |               |               |               |               |
| <b>(Incorporating the Long Term Council Community Plan)</b>  |                |                |                |               |               |               |               |               |               |               |
| (All figures shown exclusive of GST)   | 2006/07        | 2007/08        | 2008/09        | 2009/10       | 2010/11       | 2011/12       | 2012/13       | 2013/14       | 2014/15       | 2015/16       |
|  | \$000          | \$000          | \$000          | \$000         | \$000         | \$000         | \$000         | \$000         | \$000         | \$000         |
| Renewal capital expenditure  | 54,895         | 59,575         | 60,357         | 58,887        | 60,893        | 62,352        | 62,235        | 64,650        | 67,229        | 67,400        |
| Upgrade capital expenditure  | 29,630         | 47,224         | 47,959         | 36,006        | 37,599        | 29,774        | 23,813        | 26,223        | 21,505        | 27,470        |
| Capital expenditure carried forward from 2005/06   | 21,041         | 9,815          | 4,650          | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| <b>Total capital expenditure to be funded</b>  | <b>105,566</b> | <b>116,614</b> | <b>112,966</b> | <b>94,893</b> | <b>98,492</b> | <b>92,126</b> | <b>86,048</b> | <b>90,873</b> | <b>88,734</b> | <b>94,870</b> |
| <b>Loans to other organisations</b>  | <b>2,000</b>   | <b>13,000</b>  | <b>0</b>       | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>0</b>      |
| <b>Total capital expenditure and loans to be funded</b>  | <b>107,566</b> | <b>129,614</b> | <b>112,966</b> | <b>94,893</b> | <b>98,492</b> | <b>92,126</b> | <b>86,048</b> | <b>90,873</b> | <b>88,734</b> | <b>94,870</b> |
| <b>Funded by:</b>  |                |                |                |               |               |               |               |               |               |               |
| Rates funded depreciation  | 50,297         | 51,666         | 55,885         | 58,618        | 59,273        | 62,352        | 62,235        | 64,650        | 67,229        | 67,400        |
| LTNZ transport subsidies   | 9,487          | 10,107         | 10,644         | 10,920        | 10,035        | 10,277        | 11,523        | 9,660         | 9,829         | 13,282        |
| Development contributions  | 610            | 1,219          | 2,134          | 3,354         | 4,878         | 6,098         | 6,098         | 6,098         | 6,098         | 6,098         |
| Targeted rates   | 0              | 1,132          | 1,132          | 1,132         | 1,132         | 1,132         | 1,132         | 1,132         | 1,132         | 1,132         |
| Borrowings   | 47,172         | 66,621.8       | 44,303         | 22,001        | 24,306        | 13,399        | 6,192         | 10,465        | 5,578         | 8,090         |
| <b>Total funding for capital expenditure and loans to other organisations</b>  | <b>107,566</b> | <b>130,746</b> | <b>114,098</b> | <b>96,025</b> | <b>99,624</b> | <b>93,258</b> | <b>87,180</b> | <b>92,005</b> | <b>89,866</b> | <b>96,002</b> |
| Note: The forecast surplus of funding over expenditure in years 2007/08 to 2015/16, reflects targeted rates funding for the repayment of borrowings. |                |                |                |               |               |               |               |               |               |               |

### *Rates Policy*

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 2005 and will be effective for the 2006/07 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**

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

### 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 General rates that would have applied had the property not been classified as non-rateable. Where applicable this land is fully rateable in respect of sewerage and water rates.

### Base differential

This includes:

- a) Separately rateable land used solely for one or more household units; excluding those properties that 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 principle 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 2009/10, 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. The Council proposes that for 2006/07 the General rate differential ratio will be 4.4:1.
- The separate 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 \$500,000, *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.

*The Council proposes the continuation of the following targeted rates for 2006/07.*

### *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 collection and disposal network 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 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.

*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 rates 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 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:*

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a) a fixed water meter charge of \$1.37 (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 \$84.37 (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 \$1.37 (incl. GST) per cubic meter of water used on all rating units connected to the public water supply with a water meter installed, plus and administrative charge of \$84.37 (incl. GST) per annum

*or*

b) a fixed amount of \$112.50 (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.

### *Storm water network rate*

A targeted storm water 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 storm water 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 Storm water 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 20 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 80 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 benefit 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 and attraction 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 cost of the Facilitation of community environmental initiatives activity
- 100% of the cost of the Cultural grants activity
- 100% of the cost of the Community advocacy activity
- 80% of the cost of the Provision of community centre and halls activity
- 100% of the cost of the Facilitation of recreation partnerships activity

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:

- 100% of the cost of the Tourism promotion activity
- 70% of the cost of the Visitor attractions activity
- 100% of the cost of the Facilitation of suburban and city centres vitality activity
- 25% of the cost of the Provision of galleries and museums activity
- 100% of the cost of the NZ Festival of the Arts 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 rates is levied on a specific group of rating units in the former Tawa Borough at a fixed amount of \$100 (including GST).

### *Marsden Village targeted rate*

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.

**TOTAL RATES REQUIREMENT**

The Council's rates and charges for the 2006/07 year are set out in the table below:

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| <b>2006/07 ANNUAL PLAN</b>     |                         |   |                              |                         |                                  |
|--------------------------------|-------------------------|---|------------------------------|-------------------------|----------------------------------|
| <b>RATES FUNDING STATEMENT</b> |                         |   |                              |                         |                                  |
| <i>Rate</i>                    | <i>Factor</i>           | <i>Differentiation</i>                                      | <i>Total Value of Factor</i> | <i>Rate/charge</i>      | <i>Rates yield GST Inclusive</i> |
|                                |                         |   |                              |                         | (\$000's)                        |
| <b>General Rate</b>            | Capital Value           | Base differential use                                       | \$27,321,707,588             | ¢0.174357               | 47,637                           |
|                                | Capital Value           | Commercial, industrial & business use                       | \$8,203,597,094              | ¢0.7671810              | 62,937                           |
|                                | <b>TOTAL</b>            |   |                              |                         | <b>110,574</b>                   |
| <b>Sewerage Rate</b>           | Fixed charge            | Base differential use / connection status                   | 61971 properties             | \$112.50                | 6,972                            |
|                                | Capital Value           | Base differential use / connection status                   | \$28,644,325,914             | ¢0.045572               | 13,054                           |
|                                | Capital Value           | Commercial, industrial and business use / connection status | \$6,969,177,607              | ¢0.191564               | 13,350                           |
|                                | <b>TOTAL</b>            |   |                              |                         | <b>33,376</b>                    |
| <b>Water rate</b>              | Fixed charge            | Base differential use/connection status                     | 56581 properties             | \$112.50                | 6,365                            |
|                                | Capital Value           | Base differential use/connection status                     | \$24,056,709,761             | ¢0.044266               | 10,649                           |
|                                | Consumption unit charge | Base differential use/connection status                     | n/a                          | \$1.37 / m <sup>3</sup> | 394                              |
|                                | Capital Value           | Commercial, industrial and business use /connection status  | \$758,305,420                | ¢0.285727               | 2,166                            |
|                                | Consumption unit charge | Commercial, industrial and business use /connection status  | n/a                          | \$1.37 / m <sup>3</sup> | 9,439                            |
|                                | <b>TOTAL</b>            |   |                              |                         | <b>29,013</b>                    |

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| <i>Rate</i>                                    | <i>Factor</i> | <i>Differentiation</i>  | <i>Total Value of Factor</i> | <i>Rate/charge</i> | <i>Rates yield GST Inclusive</i> |
|--|---------------|---|------------------------------|--------------------|----------------------------------|
|  |               |   |                              |                    | (\$000's)                        |
| <b>Stormwater rate</b>                         | Capital value | Base differential use (excluding rural)                       | \$26,971,262,767             | ¢0.038650          | <b>10,424</b>                    |
|  | Capital value | Commercial, industrial and business use (excluding rural)     | 7,247,036,929                | ¢0.035961          | <b>2,606</b>                     |
|  | <b>TOTAL</b>  |   |                              |                    | <b>13,030</b>                    |
| <b>Base sector targeted rate</b>               | Capital Value | Residential use   | \$27,321,707,588             | ¢0.023129          | <b>6,319</b>                     |
| <b>Commercial sector targeted rate</b>         | Capital Value | Commercial, industrial & business use                         | \$8,203,597,094              | ¢0.018575          | <b>1,524</b>                     |
| <b>Downtown levy</b>                           | Capital Value | Commercial, industrial & business use / central city location | \$5,518,395,967              | ¢0.183954          | <b>10,151</b>                    |
| <b>Tawa driveways levy</b>                     | Capital Value | Commercial, industrial & business use / central city location | 256 properties               | \$100.00           | <b>26</b>                        |
| <b>Marsden Village levy</b>                    | Capital Value | Commercial, industrial & business use / central city location | \$10,016,665                 | ¢0.140380          | <b>14</b>                        |
| <b>TOTAL RATES REQUIREMENT (INCLUDING GST)</b> |               |   |                              |                    | <b>204,027</b>                   |

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### Indicative rates for 2006/07

The tables below provide a guide for rates for 2006/07 (inclusive of GST). Indicative rates are shown for different types of property's depending on the increase in the property's value since last year. Residential rates include a Uniform Targeted Rate of \$225 (including GST) per property for water and sewage. This assumes you have no water meter - if you do have a water meter, your rates bill will not include the Uniform Targeted Rate for water. Greater Wellington - The Regional Council rates are excluded from these figures.

| <b>Total Rates 2006/07 (including GST)</b> |                                      |                              |                         |
|--|--------------------------------------|------------------------------|-------------------------|
|  | Base (residential)<br>share<br>\$000 | Commercial<br>share<br>\$000 | Total<br>Rates<br>\$000 |
| General Rate                               | 47,637                               | 62,936                       | 110,574                 |
| Water Rate (incl. water meters & UAC)      | 17,408                               | 11,605                       | 29,013                  |
| Sewerage Rate (incl. UAC)                  | 20,026                               | 13,350                       | 33,376                  |
| Stormwater rate                            | 10,424                               | 2,606                        | 13,030                  |
| Targeted sector rates                      | 6,319                                | 1,524                        | 7,843                   |
| Downtown Levy                              | -                                    | 10,151                       | 10,151                  |
| Tawa driveways                             | 25                                   | -                            | 25                      |
| Marsden Village                            | -                                    | 14                           | 14                      |
| <b>Total Rates</b>                         | <b>101,839</b>                       | <b>102,187</b>               | <b>204,027</b>          |

| <b>Indicative residential property (without a water meter)</b> |                        |   |     |     |     |
|--|------------------------|---|-----|-----|-----|
| 2006/07<br>Capital Values<br>\$                                | 2006/07<br>Rates<br>\$ | Percentage change in capital value from last year |     |     |     |
|  |                        | 5%  | 10% | 15% | 20% |
| Expected percentage change in rates                            |                        |   |     |     |     |
| 200,000  | 877                    | 1%  | 5%  | 9%  | 13% |
| 300,000  | 1,203                  | 1%  | 6%  | 10% | 14% |
| 400,000  | 1,529                  | 1%  | 6%  | 10% | 15% |
| 500,000  | 1,855                  | 2%  | 6%  | 11% | 15% |
| 600,000  | 2,181                  | 2%  | 6%  | 11% | 15% |
| 700,000  | 2,507                  | 2%  | 6%  | 11% | 16% |
| 800,000  | 2,833                  | 2%  | 6%  | 11% | 16% |
| 900,000  | 3,159                  | 2%  | 6%  | 11% | 16% |

| <b>Indicative downtown commercial property rates (without water meter)</b> |                              |   |     |     |     |
|--|------------------------------|---|-----|-----|-----|
| 2006/07<br>Capital Values<br>\$  | 2006/07<br>Total Rates<br>\$ | Percentage change in capital value from last year |     |     |     |
|  |                              | 5%  | 10% | 15% | 20% |
| Expected percentage change in rates  |                              |   |     |     |     |
| 250,000  | 3,707                        | 2%  | 8%  | 13% | 18% |
| 500,000  | 7,415                        | 2%  | 8%  | 13% | 18% |
| 750,000  | 11,122                       | 2%  | 8%  | 13% | 18% |
| 1,000,000  | 14,830                       | 2%  | 8%  | 13% | 18% |
| 1,500,000  | 22,244                       | 2%  | 8%  | 13% | 18% |
| 2,000,000  | 29,659                       | 2%  | 8%  | 13% | 18% |
| 5,000,000  | 74,148                       | 2%  | 8%  | 13% | 18% |
| 10,000,000   | 148,296                      | 2%  | 8%  | 13% | 18% |

| <b>Indicative suburban commercial property rates (with water meter)</b> |                              |   |     |     |     |
|---|------------------------------|---|-----|-----|-----|
| 2006/07<br>Capital Values<br>\$   | 2006/07<br>Total Rates<br>\$ | Percentage change in capital value from last year |     |     |     |
|   |                              | 5%  | 10% | 15% | 20% |
| Expected percentage change in rates                                     |                              |   |     |     |     |
| 250,000   | 2,533                        | -9%   | -3% | 3%  | 8%  |
| 500,000   | 5,066                        | -9%   | -3% | 3%  | 8%  |
| 750,000   | 7,600                        | -9%   | -3% | 3%  | 8%  |
| 1,000,000   | 10,133                       | -9%   | -3% | 3%  | 8%  |
| 1,500,000   | 15,199                       | -9%   | -3% | 3%  | 8%  |
| 2,000,000   | 20,266                       | -9%   | -3% | 3%  | 8%  |
| 5,000,000   | 50,664                       | -9%   | -3% | 3%  | 8%  |
| 10,000,000  | 101,328                      | -9%   | -3% | 3%  | 8%  |

| <b>Indicative downtown commercial property rates (with water meter)</b> |                              |   |     |     |     |
|---|------------------------------|---|-----|-----|-----|
| 2006/07<br>Capital Values<br>\$   | 2006/07<br>Total Rates<br>\$ | Percentage change in capital value from last year |     |     |     |
|   |                              | 5%  | 10% | 15% | 20% |
| Expected percentage change in rates                                     |                              |   |     |     |     |
| 250,000   | 2,993                        | -4%   | 2%  | 7%  | 13% |
| 500,000   | 5,986                        | -4%   | 2%  | 7%  | 13% |
| 750,000   | 8,979                        | -4%   | 2%  | 7%  | 13% |
| 1,000,000   | 11,972                       | -4%   | 2%  | 7%  | 13% |
| 1,500,000   | 17,959                       | -4%   | 2%  | 7%  | 13% |
| 2,000,000   | 23,945                       | -4%   | 2%  | 7%  | 13% |
| 5,000,000   | 59,862                       | -4%   | 2%  | 7%  | 13% |
| 10,000,000  | 119,724                      | -4%   | 2%  | 7%  | 13% |