

OBJECTS OF AND REASONS FOR PROPOSED DIFFERENTIAL RATES FOR THE 2010/2011 FINANCIAL

GROSS RENTAL VALUES:

OBJECT

The rates-in-the-dollar (\$) are calculated to provide the shortfall in income required to enable the City to provide necessary works and services in the 2010/2011 Financial Year after taking into account all non-rate sources of income.

REASON

Residential Improved and Not Improved – the rate in the \$ of 0.060676 has been set to ensure that the proportion of total rate revenue derived from residential property remains consistent with previous years.

Commercial Improved – the rate in the \$ of 0.071509 has been set to ensure that the proportion of total rate revenue derived from commercial property remains consistent with previous years and recognises the higher demand on City infrastructure and services from the activity on commercial property.

Commercial Not Improved – the rate in the \$ of 0.121351 has been set to ensure that the proportion of total rate revenue derived from commercial property remains consistent with previous years and is higher than commercial improved property in an effort to promote development of this category of property thereby stimulating growth and development in the community.

Industrial Improved – the rate in the \$ of 0.067254 has been set to ensure that the proportion of total rate revenue derived from industrial property remains consistent with previous years and recognises the higher demand on City infrastructure and services from the activity on industrial property.

Industrial Not Improved – the rate in the \$ of 0.121351 has been set to ensure that the proportion of total rate revenue derived from industrial property remains consistent with previous years and is higher than industrial improved property in an effort to promote development of this category of property thereby stimulating growth and development in the community.

UNIMPROVED VALUES:

OBJECT

The rates-in-the-dollar (\$) are calculated to provide the shortfall in income required to enable the City to provide necessary works and services in the 2010/2011 Financial Year after taking into account all non-rate sources of income.

REASON

Residential – the rate in the \$ of 0.007113 has been set to ensure that the proportion of total rate revenue derived from residential property remains reasonably consistent with previous years.

Rural – the rate in the \$ of 0.007079 has been set to ensure that the proportion of total rate revenue derived from rural property remains consistent with previous years.

MINIMUM PAYMENT:

A minimum payment of \$659 is applied to GRV residential improved and not improved and UV residential and rural rate categories in recognition that every property receives some minimum level of benefit from works and services provided.

A minimum payment of \$672 is applied to GRV commercial and industrial both improved and not improved rate categories in recognition that every property receives some minimum level of benefit from works and services provided and the higher minimum compared to other rate categories recognises the higher demand on City infrastructure and services from the activity on commercial and industrial property.