

Attachment 1

OBJECTS OF AND REASONS FOR PROPOSED DIFFERENTIAL RATES FOR THE 2011/2012 FINANCIAL YEAR**GROSS RENTAL VALUES:****OBJECT**

The rates in the dollar (\$) for the various differential rates are calculated to provide the shortfall in income required to enable the City to provide necessary works and services in the 2011/2012 Financial Year after taking into account all non rate sources of income.

REASONS

Residential Improved – the rate in the \$ of 0.052590 has been set to ensure that the proportion of total rate revenue derived from residential property remains consistent with previous years.

Residential Not Improved – the rate in the \$ of 0.074099 has been set to ensure that the proportion of total rate revenue derived from residential property remains consistent with previous years and is higher than residential improved property to recognise the different valuation method and in an effort to promote development of this category of property thereby stimulating growth and development in the community.

Commercial Improved – the rate in the \$ of 0.064142 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 0.105178 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 0.058666 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 0.105178 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 2011/2012 Financial Year after taking into account all non-rate sources of income.

REASON

Residential – the rate in the \$ of 0.007917 has been set to ensure that the proportion of total rate revenue derived from residential property remains consistent with previous years.

Rural – the rate in the \$ of 0.007879 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 \$695 is applied to Gross Rental Valued residential improved and not improved and Unimproved Valued 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 \$709 is applied to Gross Rental Valued 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.