

**MINUTES OF THE EXTRAORDINARY MEETING OF THE  
KAIKOURA DISTRICT COUNCIL HELD AT 4.00PM ON  
WEDNESDAY 29 JUNE 2011 IN THE UPSTAIRS MEETING  
ROOM OF THE MEMORIAL HALL, ESPLANADE,  
KAIKOURA.**

**PRESENT:** Mayor W Gray (Chair), Councillors S Burrows, J Diver, G Harmon, J Macphail, D Morgan, N Pablecheque.

**IN ATTENDANCE:** S Grant (Chief Executive Officer), S Syme (Executive Officer).

**APOLOGIES:** Councillor D Holmes

*Moved by Councillor Macphail, seconded by Councillor Burrows and resolved that apologies be accepted.*

**1. ADOPTION OF THE ANNUAL PLAN 2011/2012**

The following changes had been made to the Annual Plan as a result of the hearing of submissions held on 20 June 2011.

- Sport Tasman would receive an additional \$5,000 to help fund the shortfall in funding for Kaikoura's sports coordinator
- The Mayfair Theatre would receive \$10,000 in funding assistance
- The Memorial Hall painting project would commence with a provision of \$25,000 (an increase of \$15,000), with painting of the roof as the top priority
- A split of uniform annual general charges and general rates had been included in the Council activity tables
- Tables highlighting the impact of rates on benchmark properties had been included
- The projected surplus from operations had been explained
- An explanation regarding how the airport hangar loans would be funded had been included
- Sport Kaikoura had been changed to Sport Tasman
- "guardian groups" had been changed to "organisations such as Te Korowai O Te Tai O Marokura and Lyell Creek Streamcare Group"
- The increase in kerbside recycling charges had been explained.
- The pressures on the South Bay harbour facility, and the economic contribution recreational fishing made to the town had been acknowledged.

The Chief Executive Officer advised the changes had resulted in a \$5 increase in the uniform annual general charge. The water annual charge had increased by \$38 and the sewer annual charge had increased \$28 as a result of increased insurance premiums. He advised the total urban water rates had increased by approximately \$50 and that charge now equated to 91cents per day. A discussion was held regarding obtaining insurance for Council infrastructure.

*Moved by Mayor Gray, seconded by Councillor Diver and resolved that the Kaikoura District Council Annual Plan 2011/2012 be adopted.*

## **2. CONFIRMATION OF INTENTION TO MAKE RATES FOR THE 2011/2012 RATING YEAR**

*Moved by Councillor Macphail, seconded by Councillor Pablecheque and resolved that Council confirm its intention to make rates for the 2011/2012 year as per pages 35-48 of the Annual Plan and included below.*

### **General Rate**

The general rate is a rate set for all rateable properties within the district, and is based on the property's capital value. Under the new rating system, there is no longer a differential applied to different categories of property. All property, regardless of whether it is principally for commercial, residential or rural use, will pay the same cents in the dollar on the property's capital value.

### **Uniform Annual General Charge**

This shall be a fixed amount per separately used or inhabited part of a rating unit, for all rateable land within the district.

A "separately used or inhabited part of a rating unit" is defined as:

*Any portion of a rating unit used or inhabited by any person, other than the ratepayer or member of the ratepayers household, having a right to use or inhabit that portion by virtue of a tenancy, lease, license or other agreement.*

For clarification, this means that each flat within a block of flats, or each shop within a block of shops, for example, would be rated a uniform annual general charge. The same would apply to a farm with more than one dwelling, (i.e. worker accommodation), or a residential property with a separate fully self-contained unit available for visitor accommodation.

### **Targeted Rates**

Targeted rates enable Council to identify specific properties that it considers receive the greatest benefit from, or create the greatest need for, the Council's various activities.

Targeted rates can be applied on a number of categories of rateable property, including (for example);

- the use to which the land is put,
- the provision of a service to the land,
- the availability of a service to the land,
- the location of the land

Targeted rates may be either a rate based on a property's value, or a set dollar amount per annum. Unless otherwise specified throughout the following pages, where a targeted *rate* is applied, it can be assumed this is a rate based on a property's capital value; and where a targeted *charge* is applied, this refers to a set dollar amount per annum.

Council has chosen to apply most of its targeted charges to separately used or inhabited parts of a rating unit, to remain consistent with the principles of the uniform annual general charge. In some instances, however, such as the registered premises charge, or sewerage charges, these are applied subject to certain other factors. The following pages explain our rating system in detail.

## General Rates

General Rates and the Uniform Annual General Charge apply to all rateable land.

<b><i>General Rate: to fund the general operations of Council, including general management, community services, environmental planning, the net costs of statutory planning, building control, dog control, community facilities, general parks and reserves, and a portion of public toilets and traffic control.</i></b>		
<b>Category</b>	<b>Rate per dollar of rateable capital value</b>	<b>Amount Required (including GST)</b>
All rateable properties within the district	\$0.00086618	\$1,208,781
<b><i>Uniform Annual General Charge: to fund the general operations of Council, including waste management and recycling, governance, library services, sports fields, playgrounds, cemetery, walkways, public halls, general environmental health and civil defence.</i></b>		
<b>Category</b>	<b>Rate per separately used or inhabited part of a rating unit</b>	<b>Amount Required (including GST)</b>
All rateable properties within the district	\$398.98	\$1,180,993

## Targeted Rates

The roading rate and the district planning rate (as follows), are also applied to all properties within the district. They are separate targeted rates for the purposes of transparency and accountability, rather than for the purpose of targeting certain categories of land.

<b><i>Roading Rate: to fund the net costs of upgrading and maintenance of the district bridges and roading network</i></b>		
<b>Category</b>	<b>Rate per dollar of rateable capital value</b>	<b>Amount Required (including GST)</b>
All rateable properties within the district	\$0.00038940	\$543,416
<b><i>District Planning Rate: to fund the costs of District Planning for the Kaikoura district.</i></b>		
<b>Category</b>	<b>Rate per dollar of rateable capital value</b>	<b>Amount Required (including GST)</b>
All rateable properties within the district	\$0.00008838	\$123,338

The following pages are targeted rates (and charges) applied to specific rateable properties based on certain categories of land and calculated as stated.

<b><i><u>Kaikoura Water Annual Charge: to fund the costs of the supply, treatment, upgrading and maintenance of the Kaikoura water supply.</u></i></b>		
<b>Category</b>	<b>Rate per separately used or inhabited part of a rating unit</b>	<b>Amount Required (including GST)</b>
<u>Full Charge:</u> All rateable properties connected to the Kaikoura water supply.	\$251.84	\$410,749
<u>Half Charge:</u> All rateable properties situated within 100 metres of any part of the Kaikoura water supply, but not connected to the supply.	\$125.92	\$33,620
Total		\$444,369
<b><i><u>Kaikoura Water Loan Charge: to fund the loan servicing costs of the Kaikoura water supply.</u></i></b>		
<b>Category</b>	<b>Rate per separately used or inhabited part of a rating unit</b>	<b>Amount Required (including GST)</b>
All rateable properties situated within 100 metres of the Kaikoura water supply.	\$80.41	\$153,914
<b><i><u>Ocean Ridge Water Annual Charge: to fund the costs of the supply, treatment, and maintenance of the Ocean Ridge water supply.</u></i></b>		
<b>Category</b>	<b>Rate per separately used or inhabited part of a rating unit</b>	<b>Amount Required (including GST)</b>
<u>Full Charge:</u> All rateable properties connected to the Ocean Ridge water supply.	\$261.90	\$5,500
<u>Half Charge:</u> All rateable properties situated within 100 metres of any part of the Ocean Ridge water supply, but not connected to the supply.	\$130.95	\$16,762
Total		\$22,262

<b><i>Rural Water Charges to fund the supply, treatment, upgrading, and maintenance of the following water supply areas.</i></b>		
<b>Category</b>	<b>Rate per water unit</b>	<b>Amount Required (including GST)</b>
East Coast Rural Water Charge: all rateable properties within the East Coast rural water area.	\$367.40	\$52,171
Kincaid Rural Water Charge: all rateable properties within the Kincaid rural water area.	\$120.18	\$72,111
Oaro Rural Water Charge: all rateable properties within the Oaro rural water area.	\$251.84	\$16,871
Peketa Rural Water Charge: all rateable properties within the Peketa rural water area.	\$245.16	\$4,413
Suburban Water Charge: all rateable properties within the Suburban water area.	\$176.29	\$11,633
<b><i>Oaro Water Loan Charge: to fund the loan servicing costs of the Oaro water supply.</i></b>		
<b>Category</b>	<b>Rate per water unit</b>	<b>Amount Required (including GST)</b>
All rateable properties within the Oaro rural water area, other than those properties in respect of which a lump sum contribution has been paid.	\$133.06	\$6,121

A “water unit” refers to a certain water connection, generally rural water connections, that restrict the quantity of water that is supplied to a property (to 1,000 litres per day).

Note that, for the Kaikoura water supply, certain properties are considered “extraordinary consumers”, such as commercial premises or properties with a swimming pool, for example. These properties are metered and water meter charges apply. See page 46 for details of these charges.

<b><i>Stormwater Rate: to fund the costs of stormwater disposal, loan servicing, upgrading and maintenance of the Kaikoura Stormwater scheme.</i></b>		
<b>Category</b>	<b>Rate per dollar of rateable capital value</b>	<b>Amount Required (including GST)</b>
All rateable properties within the Kaikoura urban area.	\$0.00018666	\$123,055

<b><i>Sewerage Loan Rate: to fund the loan servicing costs of the Kaikoura Sewerage scheme.</i></b>		
<b>Category</b>	<b>Rate per dollar of rateable capital value</b>	<b>Amount Required (including GST)</b>
All rateable properties within the Kaikoura urban area.	\$0.00012609	\$85,690

<b><i>Sewerage Charge: to fund the costs of sewage disposal, treatment, upgrading and maintenance of the Kaikoura sewerage scheme.</i></b>		
<b>Category</b>	<b>Rate per water closet and urinal within the rating unit</b>	<b>Amount Required (including GST)</b>
All rateable properties within the Kaikoura urban area not being either commercial or self contained and serviced.	\$257.78 per water closet and urinal within the rating unit, or \$128.89 per water closet and urinal within the rating unit where there are more than one water closet or urinal.	\$338,210
<b>Category</b>	<b>Rate per separately used or inhabited part of a rating unit</b>	<b>Amount Required (including GST)</b>
<u>Half Annual Charge:</u> All rateable properties situated within 100 metres of any part of the Kaikoura sewerage system, but not connected to the system.	\$128.89 per separately used or inhabited part of a rating unit.	\$74,885

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***Sewerage Charge: to fund the costs of sewage disposal, treatment, upgrading and maintenance of the Kaikoura sewerage scheme.***

<b>Category</b>	<b>Rate per separately used or inhabited part of a rating unit</b>	<b>Amount Required (including GST)</b>	
<p><u>Self Contained and Serviced:</u> All rateable properties within the Kaikoura urban area used principally for short term accommodation, but limited to those properties with motel-type units, including motels, motor lodges, motor inns, motel apartments, serviced apartments and serviced holiday cottages, each of which contain a private or ensuite bathroom, with bedding, linen and cooking facilities provided, and which are serviced daily.</p>	<p>\$257.78 per water closet and urinal within the rating unit, or \$100.00 per water closet and urinal within the rating unit where there are more than one water closet or urinal.</p>	\$37,500	
<b>Category</b>	<b>Rate per water closet and urinal within the rating unit</b>	<b>Amount Required (including GST)</b>	
<p><u>Commercial:</u> All rateable properties within the Kaikoura urban area used principally for commercial and/or industrial purposes; or used as a licensed premise under the Sale of Liquor Act 1989; or used for providing short term accommodation for commercial reward, but not including rateable properties defined as Self Contained and Serviced.</p>	<p>\$257.78 per water closet and urinal within the rating unit, or \$190.00 per water closet and urinal within the rating unit where there are more than one water closet or urinal.</p>	\$61,180	
		Total for year	\$511,775

The next two charges pertain to whether or not a property has access to the weekly kerbside collection service. More properties may be charged the kerbside recycling charge if the service is extended over a wider area.

Previously, due to the number of properties subject to each charge (i.e. economies of scale) both the kerbside and the rural charges were a similar amount, despite a wide disparity in the actual level of service being received. This year Council has increased the kerbside recycling charge so as to reflect that the kerbside recycling charge provides a far higher level of service to those properties in the urban area (and Oaro). Council has achieved this by allocating a portion of the cost pertaining to sorting and storing recyclable materials at the resource recovery centre to the kerbside collection costs – rather than merely recovering the cost of vehicle running expenses and staff time to carry out the pickup.

<b><i>Kerbside Recycling Charge: to fund the costs of the weekly kerbside recycling collection service.</i></b>		
<b>Category</b>	<b>Rate per separately used or inhabited part of a rating unit</b>	<b>Amount Required (including GST)</b>
All rateable properties that have access to the kerbside recycling collection service (including Oaro)	\$36.01	\$68,139
<b><i>Rural Recycling Charge: to fund the costs of providing a rural weekly recycling collection service at various locations around the district.</i></b>		
<b>Category</b>	<b>Rate per separately used or inhabited part of a rating unit</b>	<b>Amount Required (including GST)</b>
All rateable properties other than those that have access to the kerbside recycling collection service	\$22.00	\$23,144

### **Commercial Rates and Charges**

Commercial businesses use, and contribute to the need for, certain services that a residential household or rural property does not. In removing the 300% differential that (until the rating system review in 2009) had applied to commercial properties, a new commercial rate, and an accommodation sector charge, ensures that these properties continue to contribute to the costs of activities and services that they benefit from.

<b><i>Commercial Rate: to fund the net costs of tourism and economic development, the annual grant paid to the visitor centre, and a portion of traffic control, harbour facilities and public toilets.</i></b>		
<b>Category</b>	<b>Rate per dollar of rateable capital value</b>	<b>Amount Required (including GST)</b>

<p>All rateable properties in the district;</p> <ul style="list-style-type: none"> <li>• Used principally or exclusively for commercial and/or industrial purposes, (not being farmland as defined in section 2 of the Rating Powers Act 1988); or</li> <li>• Used principally for visitor accommodation for commercial reward for <b><i>not less than five persons</i></b>, and for the avoidance of doubt, including any motel, hotel, motor lodge, bed and breakfast, hostel, camping ground or “boarding house”<sup>1</sup>; or</li> <li>• Used as licensed premises under the Sale of Liquor Act 1989.</li> </ul>	\$0.00154797	\$263,306
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***Accommodation Sector Charge: to fund the net costs of tourism and economic development, the annual grant paid to the visitor centre, and a portion of traffic control, harbour facilities and public toilets.***

<b>Category</b>	<b>Rate per separately used or inhabited part of a rating unit</b>	<b>Amount Required (including GST)</b>
<p>All rateable properties in the district used for providing accommodation for commercial reward, but not meeting the criteria of a commercial property (as they provide for <b><i>less than five people</i></b>, for example), and for the avoidance of doubt, including any property providing short-term accommodation such as small bed &amp; breakfasts, and baches rented out as holiday homes, but not including long-term rental accommodation.</p>	\$315.00	\$33,390

***Public Rubbish Bin Charge: to fund the costs of providing a public rubbish bin collection service at various locations around the district.***

<b>Category</b>	<b>Rate per separately used or inhabited part of a rating unit</b>	<b>Amount Required (including GST)</b>
<p>All rateable properties defined as commercial (see Commercial Rate)</p>	\$135.15	\$31,625

<sup>1</sup> As defined in the Kaikoura District Plan

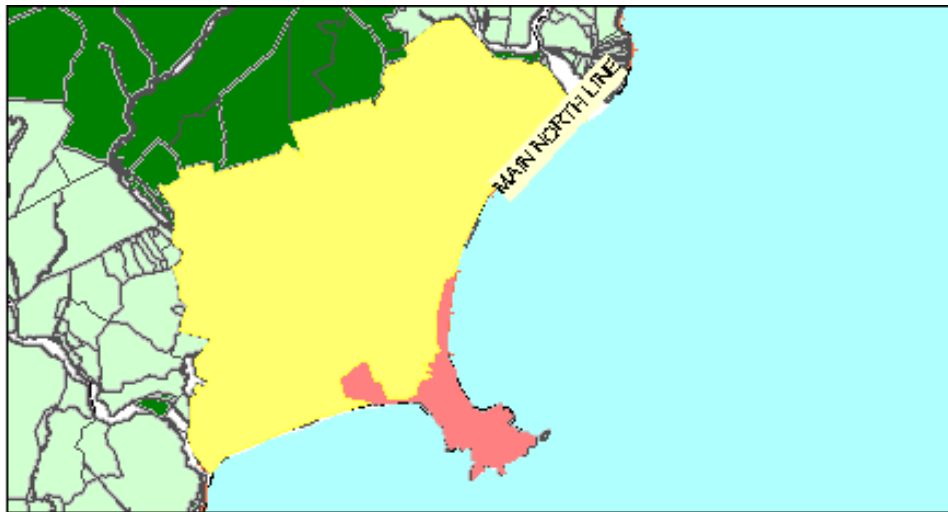
***Registered Premises Charge: to fund the net costs of liquor licensing, food and health safety inspections, and environmental health.***

Category	Rate per license	Amount Required (including GST)
All rateable properties undertaking a licensed activity, such as premises where alcohol is sold or consumed, food premises, camping grounds, or hairdressers.	\$178.29	\$18,364

Please refer to the sewerage charges on pages 39-40 as they pertain to certain commercial properties, and also to the water meter charges on page 46 for commercial properties that are metered.

### **New Rating Areas**

Throughout these pages there is reference to properties within defined areas. With the new rating system, Council has introduced new rating areas (semi-rural and rural), and redefined the urban area.



The above map indicates the boundaries of the new rating areas, which apply for the purposes of the stormwater rate, sewer loan rate, footpath & streetlight rate, town centre rate, harbour rate, and the stock control and rural fire rates.

The pink area, encompassing the Kaikoura Township including Ocean Ridge, the entire peninsula, and the developed stretch of Beach Road, is the current urban area for rating purposes. As the town grows, this area may be extended to incorporate new areas as appropriate to meet the intent of these rates – i.e. in areas where footpaths, streetlights and/or stormwater is developed.

The yellow area is the semi-rural area for rating purposes, and has generally been defined as all those properties within a 10km radius of the Kaikoura Township, including Peketa and Hapuku. It is an area defined for its proximity to urban services, and has no relationship to the size, land use, or value of individual properties within, or outside of, this area.

The pale green area represents the rural area, and is effectively all rateable land outside the urban and semi-rural areas. The dark green areas are conservation land areas which are non-rateable.

These new rating areas apply differentials to acknowledge that it is the properties within the urban area that have the closest proximity to certain urban-type services, and therefore benefit most from those services, properties on the outskirts of the township benefit to a lesser extent, and properties further away from the town benefit least of all.

Therefore, for each of the following three targeted rates (harbour rate, town centre rate, and footpath & streetlighting rate) a differential has been applied thus:

Urban	1:1
Semi-rural	0.5:1
Rural	0.25:1

This essentially means that, for certain activities, urban properties pay twice as much per dollar of capital value than semi-rural properties do, and four times as much per dollar of capital value than rural properties do.

<b><i>Harbour Rate: to fund 50% of the net costs of operating the harbour facilities, including South Bay and the North and Old Wharves, including loan servicing costs.</i></b>		
<b>Category</b>	<b>Rate per dollar of rateable capital value</b>	<b>Amount Required (including GST)</b>
All rateable properties within the <b><i>urban</i></b> area.	\$0.00004621	\$30,469
All rateable properties within the <b><i>semi-rural</i></b> area.	\$0.00002311	\$8,497
All rateable properties within the <b><i>rural</i></b> area.	\$0.00001155	\$3,839
	Total	\$42,805

<b><i>Town Centre Rate: to fund the net costs of town centre maintenance, including cleaning and servicing the West End toilets, and the loan servicing costs of the West End upgrading loans.</i></b>		
<b>Category</b>	<b>Rate per dollar of rateable capital value</b>	<b>Amount Required (including GST)</b>
All rateable properties within	\$0.00015414	\$101,633

the <i>urban</i> area.		
All rateable properties within the <i>semi-rural</i> area.	\$0.00007707	\$28,336
All rateable properties within the <i>rural</i> area.	\$0.00003854	\$12,811
	Total	\$142,780

<b><i>Footpath &amp; Streetlight Rate: to fund the net costs of maintaining, upgrading and operating footpaths and streetlights, including electricity and loan servicing costs.</i></b>		
<b>Category</b>	<b>Rate per dollar of rateable capital value</b>	<b>Amount Required (including GST)</b>
All rateable properties within the <i>urban</i> area.	\$0.00018802	\$123,972
All rateable properties within the <i>semi-rural</i> area.	\$0.00009401	\$34,565
All rateable properties within the <i>rural</i> area.	\$0.00004701	\$15,628
	Total	\$174,165

Two other targeted rates also rely upon these definitions of rating areas to determine which properties the rate applies to. They are the stock control rate and the rural fire rate. Unlike the above rates, these two rates only apply to properties outside the urban area (i.e. only the semi-rural and rural areas).

<b><i>Stock Control Rate: to fund the net costs of stock control.</i></b>		
<b>Category</b>	<b>Rate per dollar of rateable capital value</b>	<b>Amount Required (including GST)</b>
All rateable properties <i>outside the urban area</i> (i.e. including both semi-rural and rural properties).	\$0.00001850	\$12,951

<b><i>Rural Fire Control Rate: to fund the net costs of rural fire control.</i></b>		
<b>Category</b>	<b>Rate per dollar of rateable capital value</b>	<b>Amount Required (including GST)</b>
All rateable properties <i>outside the urban area</i> (i.e. including both semi-rural and rural properties).	\$0.00010769	\$75,394

The previous pages identify each rate for the 2011/2012 financial year. Note that all amounts are GST inclusive, whereas those amounts within the Funding Impact Statement exclude GST.

## **Other Rates & Charges**

### **Water Meter Charges**

Extraordinary consumers, such as commercial properties and homes with swimming pools, have water meters attached to their property to measure water use. These water meters are read twice each year (in January and June), and the consumers are charged for the amount of water they use. Charges are in addition to the water rates on the previous pages.

For water usage which exceeds 365m<sup>3</sup> per annum, a charge of \$1.00 including GST per cubic meter applies. All properties with a meter will incur a twice-annual meter reading charge of \$16.50 per reading. This charge will not apply if a meter reading is supplied by the consumer for the half-yearly reading (the final reading at 30 June must be undertaken by the Council or its contractors).

### **Rates Penalties**

A 10% penalty will be added to any portion of the instalment remaining unpaid after the relevant last date for payment.

An additional 10% penalty will be added to all previous year's rates unpaid as at 20 July and 20 January (up to 20% pa in total).

However, a penalty on the first instalment will be waived if the total years rates are paid on or before 20 December (the last day for payment of instalment 2).

Last dates for payment are:

- Instalment 1: 20 September
- Instalment 2: 20 December
- Instalment 3: 20 March
- Instalment 4: 20 June

## **Environment Canterbury**

The Council acts as agents for the collection of rates for Environment Canterbury, which makes its own rates. This Annual Plan does not refer to those rates.

## Rates for 2011/2012

	2011/2012 \$	2010/2011 \$
General Rate	0.00086618	0.00077385
Uniform Annual General Charge	398.98	390.35
Kaikoura Water Loan Charge	80.41	65.85
Kaikoura Water Annual Charge	251.84	212.10
Kaikoura Water Half Annual Charge	125.92	106.05
Sewerage Loan Rate	0.00012609	0.00012464
Sewerage Charge (1 Pan)	257.78	223.96
Sewerage Half Charge	128.89	111.98
Sewerage Charge*	128.89	111.98
Sewerage Commercial Charge*	190.00	188.09
Sewerage Self Contained Charge*	100.00	101.20
* = 2 or more pans		
Stormwater Rate	0.00018666	0.00019445
Roading Rate	0.00038940	0.00040263
Ocean Ridge Water Annual Charge	261.90	272.62
Ocean Ridge Water Half Charge	130.95	136.31
Footpath & Streetlight Rate		
Urban	0.00018802	0.00019800
Semi-rural	0.00009401	0.00009900
Rural	0.00004701	0.00004950
Kerbside Recycling Charge	36.01	22.90
Rural Recycling Charge	22.00	22.68
Public Rubbish Bin Charge	135.15	128.92

## Rates for 2011/2012

	2011/2012 \$	2010/2011 \$
Stock Control Rate	0.00001850	0.00001990
Rural Fire Control Rate	0.00010769	0.00008032
Commercial Rate	0.00154797	0.00199085
Town Centre Rate		
Urban	0.00015414	0.00019131
Semi-rural	0.00007707	0.00009565
Rural	0.00003854	0.00004783
Registered Premises Charge	178.29	180.96
Accommodation Sector Charge	315.00	345.00
District Planning Rate	0.00008838	0.00009528
Harbour Rate		
Urban	0.00004621	0.00004790
Semi-rural	0.00002311	0.00002395
Rural	0.00001155	0.00001197
East Coast Water Charge	367.40	362.42
Kincaid Water Charge	120.18	101.97
Oaro Water Loan Charge	133.06	133.06
Oaro Water Charge	251.84	212.10
Peketa Water Charge	245.16	249.63
Suburban Water Charge	176.29	148.47
Water Meter Charge (per m <sup>3</sup> )	1.00	1.00
Water Meter Reading Charge	33.00	33.00

All rates are shown GST inclusive.

**3. COUNCIL PUBLIC EXCLUDED SESSION**

*Moved by Councillor Harmon, seconded by Councillor Pablecheque  
and resolved that the public be excluded from the following parts of the  
proceedings of this meeting, namely*

*a. Appointment of Kaikoura Water Zone Committee*

*There being no further business the meeting closed at 5.26pm.*