

The Rating System effective 1 July 2009

The Rating System has been extensively reviewed in 2008/2009, in conjunction with a full review of the Revenue and Funding Policy, which determines how each Council activity is funded, and by whom.

Council has removed the differential on the general rate, and instead has applied a number of targeted rates and charges, so as to enable a far more transparent and equitable system.

The rating system and mechanisms illustrated in the following pages are assumed to apply for each of the ten years within this Long Term Council Community Plan. Notwithstanding this, Council may review and publicly consult on its rating mechanisms within the ten year period.

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.

Details of the new rating system are as per the following pages.

General Rates

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

<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>		
Category	Calculation	Amount (incl GST)
All rateable properties within the district	\$0.00070137 per dollar of rateable capital value	\$1,026,248
<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>		
Category	Calculation	Amount (incl GST)
All rateable properties within the district	\$356.19 per separately used or inhabited part of a rating unit	\$1,030,630

Targeted Rates

The roading rate and the district planning rate (as follows), are 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.

<i>Roading Rate: to fund the net costs of upgrading and maintenance of the district bridges and roading network</i>		
Category	Calculation	Amount (incl GST)
All rateable properties within the district	\$0.00036280 per dollar of rateable capital value	\$530,857
<i>District Planning Rate: to fund the costs of District Planning for the Kaikoura district.</i>		
Category	Calculation	Amount (incl GST)
All rateable properties within the district	\$0.00005172 per dollar of rateable capital value	\$75,676

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

<i>Kaikoura Water Loan Charge: to fund the loan servicing costs of the Kaikoura water supply.</i>		
Category	Calculation	Amount (incl GST)
All rateable properties situated within 100 metres of the Kaikoura water supply.	\$87.20 per separately used or inhabited part of a rating unit	\$164,462
<i>Kaikoura Water Annual Charge: to fund the costs of the supply, treatment, upgrading and maintenance of the Kaikoura water supply.</i>		
Category	Calculation	Amount (incl GST)
<u>Full Charge:</u> All rateable properties connected to the Kaikoura water supply.	\$199.77 per separately used or inhabited part of a rating unit	\$322,629
<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.	\$99.88 per separately used or inhabited part of a rating unit	\$27,867
	Total	\$350,496

<i>Ocean Ridge Water Annual Charge: to fund the costs of the supply, treatment, and maintenance of the Ocean Ridge water supply.</i>		
Category	Calculation	Amount (incl GST)
<u>Full Charge</u> : All rateable properties connected to the Ocean Ridge water supply.	\$265.39 per separately used or inhabited part of a rating unit	\$5,042
<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.	\$132.69 per separately used or inhabited part of a rating unit	\$18,710
	Total	\$23,752
<i>Rural Water Charges to fund the supply, treatment, upgrading, and maintenance of the following water supply areas.</i>		
Category	Calculation	Amount (incl GST)
East Coast Rural Water Charge: all rateable properties within the East Coast rural water area.	\$301.68 per water unit	\$41,934
Kincaid Rural Water Charge: all rateable properties within the Kincaid rural water area.	\$100.27 per water unit	\$57,856
Oaro Rural Water Charge: all rateable properties within the Oaro rural water area.	\$199.77 per water unit	\$13,385
Peketa Rural Water Charge: all rateable properties within the Peketa rural water area.	\$254.55 per water unit	\$4,582
Suburban Water Charge: all rateable properties within the Suburban water area.	\$139.84 per water unit	\$8,670
<i>Oaro Water Loan Charge: to fund the loan servicing costs of the Oaro water supply.</i>		
Category	Calculation	Amount (incl GST)
All rateable properties within the Oaro rural water area, other than those properties in respect of which a lump sum contribution has been paid.	\$127.39 per water unit	\$5,987

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 235 for details of these charges.

<i>Stormwater Rate: to fund the costs of stormwater disposal, loan servicing, upgrading and maintenance of the Kaikoura Stormwater scheme.</i>		
Category	Calculation	Amount (incl GST)
All rateable properties within the Kaikoura urban area.	\$0.00016164 per dollar of rateable capital value	\$116,991
<i>Sewerage Loan Rate: to fund the loan servicing costs of the Kaikoura Sewerage scheme.</i>		
Category	Calculation	Amount (incl GST)
All rateable properties within the Kaikoura urban area.	\$0.00007894 per dollar of rateable capital value	\$58,418
<i>Sewerage Charge: to fund the costs of sewage disposal, treatment, upgrading and maintenance of the Kaikoura sewerage scheme.</i>		
Category	Calculation	Amount (incl GST)
<u>Full Charge:</u> All rateable properties within the Kaikoura urban area not being either commercial or self contained and serviced.	\$254.59 per water closet and urinal within the rating unit, or \$127.30 per water closet and urinal within the rating unit where there are more than one water closets or urinals ¹ .	\$328,422
<u>Half Charge:</u> All rateable properties situated within 100 metres of any part of the Kaikoura sewerage system, but not connected to the system	\$127.30 per separately used or inhabited part of a rating unit	\$19,860

¹ A rating unit used primarily as a residence for one household will not be treated as having more than one water closet or urinal.

Sewerage Charge: continued

Category	Calculation	Amount (incl GST)
<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>\$254.59 per water closet and urinal within the rating unit, or \$110.00 per water closet and urinal within the rating unit where there are more than one water closets or urinals.</p>	<p>\$44,550</p>

Sewerage Charge: continued.

Category	Calculation	Amount (incl GST)
<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 premises 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>\$254.59 per water closet and urinal within the rating unit, or \$205.00 per water closet and urinal within the rating unit where there are more than one water closet or urinal.</p>	<p>\$63,755</p>

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.

<i><u>Kerbside Recycling Charge:</u> to fund the costs of the weekly kerbside recycling collection service.</i>		
Category	Calculation	Amount (incl GST)
All rateable properties that have access to the kerbside recycling collection service (including Oaro)	\$21.33 per separately used or inhabited part of a rating unit	\$36,000
<i><u>Rural Recycling Charge:</u> to fund the costs of providing a rural weekly recycling collection service at various locations around the district.</i>		
Category	Calculation	Amount (incl GST)
All rateable properties other than those that have access to the kerbside recycling collection service	\$18.66 per separately used or inhabited part of a rating unit	\$22,500

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 had applied to commercial properties, a new commercial rate ensures that these properties continue to contribute to the costs of activities and services that they benefit from.

<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>		
Category	Calculation	Amount (incl GST)
All rateable properties in the district <ul style="list-style-type: none"> • 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 • Used for visitor accommodation for commercial reward for not less than five persons, and for the avoidance of doubt, including any motel, hotel, motor lodge, hostel, camping ground or “boarding house”²; or • Used as licensed premises under the Sale of Liquor Act 1989. 	\$0.00151892 per dollar of rateable capital value	\$229,308

<i>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.</i>		
Category	Calculation	Amount (incl GST)
All rateable properties in the district of Kaikoura used for providing accommodation for commercial reward for less than five persons, and for the avoidance of doubt, including any property providing short-term accommodation such as Bed & Breakfasts, and baches rented out as holiday homes, but not including long-term rental accommodation.	\$337.50 per separately used or inhabited part of a rating unit	\$23,963

² As defined in the Kaikoura District Plan

<i>Public Rubbish Bin Charge: to fund the costs of providing a public rubbish bin collection service at various locations around the district.</i>		
Category	Calculation	Amount (incl GST)
All rateable properties defined as commercial (see Commercial Rate)	\$142.77 per separately used or inhabited part of a rating unit	\$28,125

<i>Registered Premises Charge: to fund the net costs of liquor licensing, food and health safety inspections, and environmental health.</i>		
Category	Calculation	Amount (incl GST)
All rateable properties undertaking a licensed activity, such as premises where alcohol is sold or consumed, food premises, or hairdressers.	\$274.33 per license	\$18,380

Please also refer to the sewerage charges on the previous pages, as they pertain to certain commercial properties, and also to the water meter charges on the following pages, as they pertain to commercial properties that are metered.

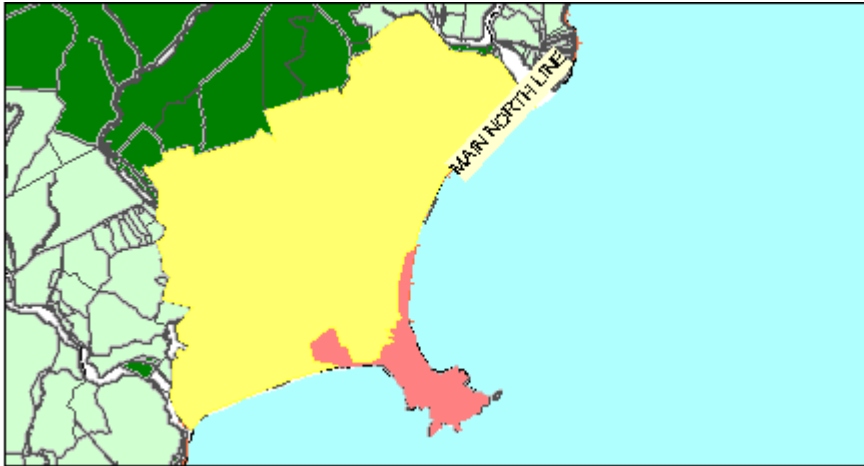
New Rating Areas

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.

Urban Area For rating purposes, the urban area includes properties currently situated within Kaikoura township stormwater management area and incorporating properties in the Seaview and Ocean Ridge subdivision areas and the Kaikoura Peninsula.

Semi-Rural Area This area encompasses all properties within a 10 kilometre radius of the town centre including Peketa and Hapuku villages, Inland Road up to but not including Kowleigh, and the Kaikoura Flats, but excluding all property within the urban area.

Rural Area This is all property outside the urban and semi-rural areas.



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

The pink area, (or mid-grey for those of you in black & white), is the current urban area for rating purposes. As development continues, this area may be extended to incorporate new areas as considered appropriate to meet the intent of these rates – i.e. in areas where footpaths, streetlights and/or stormwater is developed.

The yellow (or palest) area is the semi-rural area for rating purposes. It is an area defined for its proximity to urban services, and has no relationship to the size 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.

It is the intention of these new rating areas that differentials be applied to acknowledge that it is the properties within the urban area that benefit most from certain urban-type 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.

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.

Category	Calculation	Amount (incl GST)
All rateable properties within the urban area.	\$0.00004490 per dollar of rateable capital value	\$32,498
All rateable properties within the semi-rural area.	\$0.00002245 per dollar of rateable capital value	\$9,022
All rateable properties within the rural area.	\$0.00001122 per dollar of rateable capital value	\$3,786
	Total	\$45,306

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.

Category	Calculation	Amount (incl GST)
All rateable properties within the urban area.	\$0.00013867 per dollar of rateable capital value	\$100,368
All rateable properties within the semi-rural area.	\$0.00006934 per dollar of rateable capital value	\$27,867
All rateable properties within the rural area.	\$0.00003467 per dollar of rateable capital value	\$11,703
	Total	\$139,938

Footpath & Streetlight Rate: to fund the net costs of maintaining, upgrading and operating footpaths and streetlights, including electricity and loan servicing costs.

Category	Calculation	Amount (incl GST)
All rateable properties within the urban area.	\$0.00019474 per dollar of rateable capital value	\$140,950
All rateable properties within the semi-rural area.	\$0.00009737 per dollar of rateable capital value	\$39,132
All rateable properties within the rural area.	\$0.00004868 per dollar of rateable capital value	\$16,431
	Total	\$196,510

Two other targeted rates also rely upon the new definitions of rating areas to determine which properties the rate applies to. They are the stock control rate and the rural fire rate.

<i><u>Stock Control Rate: to fund the net costs of stock control.</u></i>		
Category	Calculation	Amount (incl GST)
All rateable properties outside the urban area (i.e. including both semi-rural and rural properties).	\$0.00001766 per dollar of rateable capital value	\$13,061

<i><u>Rural Fire Control Rate: to fund the net costs of rural fire control.</u></i>		
Category	Calculation	Amount (incl GST)
All rateable properties outside the urban area (i.e. including both semi-rural and rural properties).	\$0.00008731 per dollar of rateable capital value	\$64,555

The previous pages identify each rate proposed for the 2009/2010 financial year. Note that all amounts are GST inclusive, whereas those amounts within the Funding Impact Statement exclude GST.

The rating mechanisms applied in 2009/2010 are assumed to apply to all ten years disclosed in this long term council community plan. Notwithstanding this, Council may review and publicly consult on its rating mechanisms within that period.

Other Rates & Charges

Water Meter Charges

Water Meter consumers are those considered extraordinary consumers, and the charges are in addition to the water rates on the previous pages.

For water usage which exceeds 365m³ 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 policy does not refer to those rates.