

# **MINUTES OF THE COUNCIL MEETING HELD AT 9.02AM ON MONDAY 29 JUNE 2015 AT MEMORIAL HALL SUPPER ROOM, ESPLANADE, KAIKOURA.**

**PRESENT:** Mayor W Gray (Chair), Councillors T Blunt, J Diver, G Harmon, J Howden, C Mackle, D Millton, D Morgan.

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

## **1. OPEN FORUM**

### **R Hogan – Draft Development Contributions Policy**

R Hogan tabled a report on the draft Development Contributions Policy.

R Hogan advised the Policy was supposed to be consistent and equitable and he noted there were a number of places where it conflicted with itself. He advised however, that he was only going to address the 10 lot threshold.

R Hogan advised the impact of 10 lots by 1 developer equalled the impact of 10 lots by 10 developers. The Policy stated each housing equivalent unit (HEU) impacted infrastructure by \$12,000. This was \$120,000 for 10 HEUs which must be paid by the developer or \$108,000 for 9 HEUs which must be paid by the ratepayer. He noted \$120,000 was a genuine cost but so was \$12,000. He acknowledged that to change from 10 lots in the document to 1 lot would take some time. He further advised the safe guards for development creep did not add up and he had showed the impact on the last page of his report. In ten years one developer could develop 25 lots without contributions. R Hogan enquired if a new developer would be responsible for all development or just the part they completed. R Hogan requested Council not adopt the draft Policy until it had been given more thought.

***The meeting adjourned at 9.14am and resumed at 11.08am.***

## **2. ENVIRONMENT CANTERBURY – FAULTS AND FOLDS REPORT**

M Gadsby from Environment Canterbury was in attendance to present this item.

M Gadsby advised reports had been completed for the whole region with the exception of Christchurch because it did not have any active faults which had fractured the ground surface. Effects from an earthquake included ground shaking, breaking of the ground surface or liquefaction. The report was only about those faults which had fractured the ground surface. It was noted a fold buckled the surface.

The Kaikoura peninsula was believed to have moved up at least 1 metre three times within the last 3,000 years. There were a number of very active faults within the Kaikoura district, almost more than any other district in the country. Most faults in the district however were not where people lived.

M Gadsby advised the study had been very broad and if controls were to be included in the District Plan then a more detailed study would be required. The Hope fault was suggested as a possible candidate for further study as it was one of the most active faults in the country and moved approximately every 350 years. Some other faults in the district continued offshore and could be a potential tsunami hazard. M Gadsby recommended more detailed studies be concentrated on where the population was going to be based.

An overview of current modelling and other investigations currently in progress was provided.

### **3. BROADBAND AND MOBILE COVERAGE**

Central Government had recognised the importance of increasing New Zealand's global competitiveness and the national importance of being connected. Funding had been allocated to improve broadband and mobile coverage. The Government believed Councils had a role to play and had therefore invited local authorities to indicate what assistance they could offer.

Government had suggested Council consider the creation of a "Digital Enablement Plan". This would provide a vision, targets and plans on how it could maximise internet to increase business profitability, bring economic advantages and engage the community in digital technology.

It was noted the biggest hurdle in the District was the need for an archaeological consent when doing work in an archaeological area. It was noted a global consent was currently being sought for Council's infrastructure and if Council was the lead agency it might be possible to extend the consent to provide for telecommunications.

A discussion was held regarding current communication black spots within the Kaikoura District and the potential for greater efficiencies for farming through improved coverage. It was believed all of the schools in the district were connected to ultrafast broadband as well as the Bank of New Zealand.

Enterprise North Canterbury was currently responding to the request from the Ministry of Business, Innovation and Employment on behalf of the Waimakariri and Hurunui District Councils and Kaikoura would be part of the response.

***Moved by Mayor Gray, seconded by Councillor Mackle and resolved that;***

- 1. Council agree to register an interest to the Ministry of Business, Innovation and Employment for:
  - a) Ultrafast Broadband 2, and***
  - b) Rural Broadband Initiative 2, and***
  - c) Mobile Black Spot Fund.******
- 2. Council staff continue to work with Enterprise North Canterbury.***
- 3. Council seek resource consent to allow for the installation of telecommunications facilities within archaeological areas.***

*The meeting adjourned for lunch at 12.01pm and resumed at 1.00pm.*

#### **4. MATTERS OF IMPORTANCE TO BE RAISED AS URGENT BUSINESS**

1. Civic Centre Building – Prendos Report (Councillor Millton)

#### **5. REQUEST FOR TEMPORARY ROAD CLOSURE – SEAFEST 2015**

A request had been received to temporarily close Killarney Street and part of Torquay Street on Saturday 3 October 2015 for Seafest.

***Moved by Mayor Gray, seconded by Councillor Mackle and resolved that under Transport (Vehicular Traffic Road Closure) Regulations 1965 Council agree to close Killarney Street and Torquay Street from Post Office cutting to the Takahanga Bowling Club from 7.30am to 6pm on Saturday 3 October 2015.***

#### **6. DELIBERATION OF SUBMISSIONS – DRAFT DEVELOPMENT CONTRIBUTIONS POLICY**

The Draft Development Contributions Policy had been included with the Long Term Plan supporting documents for consultation. Two submissions had been received through the process and had been heard as part of the Long Term Plan hearing process. R Hogan had also expanded on his submission in the Open Forum.

***Moved by Mayor Gray, seconded by Councillor Harmon that subject to any changes made as a result of the deliberation of submission the draft Development Contributions Policy be adopted.***

##### **Discussion:**

Councillor Blunt felt the Policy had gone too far in the opposite direction from what it had been. He advised one additional house increased costs. He felt if the quantum of contributions were reduced slightly then there would be no need for the thresholds. He felt the Policy required more work and enquired whether or not the Policy needed to be adopted at the meeting. The Finance Manager advised the only concern she had regarding holding over of the Policy was that there were developers waiting for a resolution.

The Chief Executive Officer advised Council had been quite clear on the direction it had wanted to take. He acknowledged one household equivalent unit would have an impact. However to get to the current draft Policy Council had had discussion and then tested the direction with an initial round of feedback prior to the submission process through the Long Term Plan consultation. He suggested if Council wished to make any changes other than minor tweaks that the Policy should be put out for further submissions.

Councillor Millton noted the Policy would be reviewed in three years time. He noted there was a need to stimulate activity and the Policy thresholds was one way to do it. Councillor Harmon reiterated one of the reasons for the thresholds was the lack of development and Council should not lose sight of why the thresholds had been put in place.

Councillor Morgan felt there had been some confusion around what the changed Policy meant. She enquired whether more subdivisions wanted or whether it was more industry. If it was more business industry then she did not believe it had been addressed by the Policy. It was noted there were already too many empty sections. Councillor Millton felt there was a need for accommodation and infill housing which was better than the town spreading. Councillor Blunt felt if the contribution was \$6,000 per housing equivalent unit then it would not be an impediment to subdivision. He felt a compromise would be to half the contribution quantum and lower the threshold to 2 or 3 lots.

It was noted that projects in the rural area were only paying for roading due to changes in the legislation and the removal of some projects from the Long Term Plan. The Finance Manager advised of those waiting for the Policy to be adopted some had advised they would not proceed with their development if it was subject to development contributions. Councillor Harmon advised when discussing the Policy one of the considerations had been that the infrastructure in Kaikoura was able to cope with 10,000 residents. He felt in the population was not going to increase to 10,000 within the next three years when the Policy would be reviewed. A discussion was held regarding a reduction in the quantum of contributions. The Finance Manager advised for a developer agreement an interim invoice would first be prepared and negotiations would start from there if the quantum was reduced it would leave very little room for negotiation.

***The motion was put and carried.***

***A division was called.***

***For: Mayor Gray, Councillors Diver, Harmon, Howden, Mackle, Millton.***

***Against: Councillors Blunt, Morgan.***

#### **7. ADOPTION OF THE LONG TERM PLAN 2015-2025**

The audited version of the Long Term Plan was tabled. Staff had worked closely with Audit New Zealand on the document and minor changes had been made to formatting. It was noted the section about footpath rates on page 5 should refer to differential rather than rates share.

There had been a last minute change to water metre charges. The charge had previously been referred to as a water metre charge. This would now be referred to as a water metre maintenance charge which was more correct and would be \$50 per annum.

***This item was adjourned.***

#### **8. CONFIRMATION OF MINUTES**

**Council 20/05/2015**

***Moved by Mayor Gray, seconded by Councillor Harmon and resolved that the minutes of the Council meeting held on 20 May 2015 be confirmed as a true and accurate record.***

**Extraordinary Council 08/06/2015**

***Moved by Mayor Gray, seconded by Councillor Harmon and resolved that the minutes of the Extraordinary Council meeting held on 8 June 2015 be confirmed as a true and accurate record subject to "N Clark" changed to "F Brenmuhl" under Federated Farmers on page 94 of the agenda.***

#### **9. ADOPTION OF REPORTS**

**Works and Services Committee 20/05/2015**

***Moved by Councillor Harmon, seconded by Councillor Mackle and resolved that the report of the Works & Services Committee meeting held on 20 May 2015 be adopted.***

**Environmental Services Committee 20/05/2015**

***Moved by Councillor Morgan, seconded by Councillor Blunt and resolved that the report of the Environmental Services Committee meeting held on 20 May 2015 be adopted.***

**Finance & Policy Committee 20/05/2015**

***Moved by Councillor Howden, seconded by Councillor Millton and resolved that the report of the Finance & Policy Committee meeting held on 20 May 2015 be adopted.***

#### **10. MINUTES TO BE RECEIVED**

**Hearings and Applications Committee 14/04/2015**

***Moved by Councillor Diver, seconded by Councillor Mackle and resolved that the minutes of the Hearings and Applications Committee meeting held on 14 April 2015 be received.***

**Kaikoura Zone Water Committee 29/04/2015**

***Moved by Councillor Blunt, seconded by Mayor Gray and resolved that the minutes of the Kaikoura Zone Water Committee meeting held on 29 April 2015 be received.***

#### **11. COMMITTEE UPDATES**

**Water Zone Committee**

Councillor Blunt advised that it had been noted at the last meeting of the Committee that every dairy farmer in the Kaikoura district was 100% compliant with Environment Canterbury rules. This was considered an outstanding achievement.

**Audit and Risk Committee Seminar**

Councillor Howden advised she had attended a seminar regarding Audit and Risk Committees. She noted no Council's at the seminar had Finance Committees but had Audit and Risk Committees. It was noted an Audit and Risk Committee could co-opted up to 50% of its members from the community. The Chief Executive Officer advised audit and risk could be run in a number of ways it could be part of the Finance Committee or run as its own Committee. The argument in the past had been that Councillors were close to action. Councillor Howden suggested a presenter be arranged to talk to Council as a whole. Councillor Morgan noted there was risk just with the Development Contributions Policy as an example.

## **12. MAYOR'S REPORT**

The Mayor provided an overview of highlights from the Rural Sector meeting which he had attended in June. He had also attended the Cactus programme "march out" and the leadership event presented by Ngahihi o Te ra Bidiois.

## **13. COUNCIL PUBLIC EXCLUDED SESSION**

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

- a. Confirmation of Minutes of Council Public Excluded meeting held on 20/05/2015*
- b. Confirmation of Public Excluded Extraordinary Council meeting held on 08/06/2015 & 18/06/2015*
- c. Museum Update*
- d. Civic Building Project Subcommittee Update & Civic Building Update Report*

## **14. ADOPTION OF LONG TERM PLAN 2015-2025 CONTINUED**

Changes as a result of submissions had created a small deficit in the 2024 and 2025 years.

*Moved by Mayor Gray, seconded by Councillor Howden and resolved that Council, in accordance with the requirements of Section 100 of the Local Government Act 2002, resolves that it is financially prudent to adopt the Long Term Plan Consultation Document 2015-25 that contains budget deficits on certain activities in the 2015/16, 2023/24 and 2024/25. This decision takes account of:*

- a) the estimated expenses of achieving and maintaining the predicted levels of service provision set out in the draft Long-Term Plan, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and*
- b) the projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and*
- c) the equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life; and*
- d) the funding and financial policies adopted by Council.*

*Moved by Mayor Gray, seconded by Councillor Blunt and resolved that the Long Term Plan 2015-2025 be adopted subject to the rates tables being checked and updated.*

*Moved by Councillor Harmon, seconded by Councillor Millton and resolved that Council set the rates and the due dates for payment and authorise the penalty regime for the 2015/16 financial year commencing 1 July 2015 and ending 30 June 2016, in accordance with the financial information contained in the 2015-2025 Long Term Plan, all amounts are GST inclusive, and shown below.*

## Rating Funding Impact Statement

The following pages set out what your rates are used for, and how they are calculated.

### *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. There is no differential applied to different categories of property, and so 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 subject to 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 the 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.

The 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.

### 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 the 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>Calculation</b>  | <b>Amount Required (including GST)</b> |
| All rateable properties within the district   | \$0.00076337 per dollar of rateable capital value               | \$1,067,142                            |
| <b><i>Uniform Annual General Charge: to fund the general operations of the council, including landfill operations, governance, library services, sports fields, playgrounds, cemetery, walkways, public halls, general environmental health and civil defence.</i></b>  |   |  |
| <b>Category</b>   | <b>Calculation</b>  | <b>Amount Required (including GST)</b> |
| All rateable properties within the district   | \$489.42 per separately used or inhabited part of a rating unit | \$1,469,252                            |

### 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>Calculation</b>                                | <b>Amount Required (including GST)</b> |
| All rateable properties within the district  | \$0.00054038 per dollar of rateable capital value | \$755,418                              |
| <b><i>District Planning Rate: to fund the costs of District Planning for the Kaikoura district.</i></b>                    |   |  |
| <b>Category</b>  | <b>Calculation</b>                                | <b>Amount Required (including GST)</b> |
| All rateable properties within the district  | \$0.00011037 per dollar of rateable capital value | \$154,288                              |

The Kaikoura hospital charge and the Civic centre charge are both new uniform charges proposed to be levied commencing 1 July 2015. Like the roading and district planning rates, they are separate targeted rates for the purposes of transparency, rather than to target certain categories of land. They differ from the roading and district planning rates, however, in that they are a set amount per rateable property, rather than being related to the capital value of property.



| <b><i>Kaikoura hospital charge: to fund the loan servicing costs of the shortfall for the Canterbury District Health Boards new hospital construction.</i></b> |  |  |
|--|--|--|
| <b>Category</b>  | <b>Calculation</b>   | <b>Amount Required (including GST)</b> |
| All rateable properties within the district  | \$52.67 per separately used or inhabited part of a rating unit | \$158,125                              |
| <b><i>Civic Centre charge: to fund the net costs of the museum, library and council office building.</i></b>   |  |  |
| <b>Category</b>  | <b>Calculation</b>   | <b>Amount Required (including GST)</b> |
| All rateable properties within the district  | \$24.24 per separately used or inhabited part of a rating unit | \$72,755                               |

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>Kaikoura Water Annual Charge: to fund the net costs of the supply, treatment, upgrading and maintenance of the Kaikoura water supply.</i></b> |   |  |
|---|---|--|
| <b>Category</b>   | <b>Calculation</b>  | <b>Amount Required (including GST)</b> |
| <u>Full Charge:</u> All rateable properties connected to the Kaikoura water supply.   | \$248.96 per separately used or inhabited part of a rating unit | \$419,999                              |
| <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.   | \$124.48 per separately used or inhabited part of a rating unit | \$27,261                               |
| <b>Total</b>  |   | <b>\$447,260</b>                       |
| <b><i>Kaikoura Water Loan Charge: to fund the loan servicing costs of the Kaikoura water supply.</i></b>  |   |  |
| <b>Category</b>   | <b>Calculation</b>  | <b>Amount Required (including GST)</b> |
| All rateable properties situated within 100 metres of any part of the Kaikoura water supply.  | \$64.62 per separately used or inhabited part of a rating unit  | \$123,303                              |

| <b><i>Ocean Ridge Water Annual Charge: to fund the costs of the supply, treatment, and maintenance of the Ocean Ridge water supply.</i></b>           |   |  |
|---|---|--|
| <b>Category</b>   | <b>Calculation</b>  | <b>Amount Required (including GST)</b> |
| <u>Full Charge</u> : All rateable properties connected to the Ocean Ridge water supply.   | \$319.96 per separately used or inhabited part of a rating unit | \$11,838                               |
| <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. | \$159.98 per separately used or inhabited part of a rating unit | \$17,918                               |
| <b>Total</b>  |   | <b>\$29,756</b>                        |

| <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>Calculation</b>                             | <b>Amount Required (including GST)</b> |
| East Coast Rural Water Charge: all rateable properties connected to the East Coast rural water supply.                           | \$575.00 per water unit (1,800 litres per day) | \$81,650                               |

| <b><i>Rural Water Charges to fund the supply, treatment, upgrading, and maintenance of the following water supply areas.</i></b> |   |           |
|--|---|-----------|
| Kincaid Rural Water Charge: all rateable properties connected to the Kincaid rural water supply.                                 | \$167.91 per water unit (1,000 litres per day)                  | \$103,768 |
| Oaro Rural Water Charge: all rateable properties connected to the Oaro rural water supply.                                       | \$248.96 per separately used or inhabited part of a rating unit | \$16,929  |
| Peketa Rural Water Charge: all rateable properties connected to the Peketa rural water supply.                                   | \$248.96 per separately used or inhabited part of a rating unit | \$4,730   |
| Suburban Water Charge: all rateable properties within the Suburban water area.   | \$174.27 per water unit (1,000 litres per day)                  | \$14,988  |
| Fernleigh Water Charge: all rateable properties connected to the Fernleigh rural water supply                                    | \$21.14 per water unit (1,000 litres per day)                   | \$6,214   |

A “water unit” refers to a certain water connection, generally rural water connections, that restricts the quantity of water that is supplied to a property, to the quantity of litres per day as specified.

Note that, for the Kaikoura water supply, certain properties are considered “extraordinary consumers”, such as commercial and accommodation premises, or properties with a swimming pool, for example. These properties are metered and water meter charges apply. See page 106 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>Calculation</b>                                | <b>Amount Required (including GST)</b> |
| All rateable properties within the Kaikoura urban area.   | \$0.00021244 per dollar of rateable capital value | \$139,018                              |
| <b><i>Sewerage Loan Rate: to fund the loan servicing costs of the Kaikoura Sewerage scheme.</i></b>   |   |  |
| <b>Category</b>   | <b>Calculation</b>                                | <b>Amount Required (including GST)</b> |
| All rateable properties within the Kaikoura urban area.   | \$0.00024584 per dollar of rateable capital value | \$166,021                              |

| <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>Calculation</b>  | <b>Amount Required (including GST)</b> |
| All rateable properties within the Kaikoura urban area not being either commercial or self contained and serviced.                         | \$221.21 for the first water closet and urinal within each separately used or inhabited part of a rating unit, and<br><br>\$110.61 for each subsequent water closet and urinal within each separately used or inhabited part of a rating unit where there are more than one water closet or urinal.<br><br><i>A rating unit used primarily as a residence for one household will not be treated as having</i> | \$315,336                              |

|   |  |  |
|---|--|--|
|   | <i>more than one water closet or urinal.</i>   |  |
| <b>Category</b>   | <b>Calculation</b>   | <b>Amount Required (including GST)</b> |
| Half Annual Charge: All rateable properties situated within 100 metres of any part of the Kaikoura sewerage system, but not connected to the system.  | \$110.61 per separately used or inhabited part of a rating unit.   | \$57,404                               |
| <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>Calculation</b>   | <b>Amount Required (including GST)</b> |
| <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 | \$221.21 for the first water closet and urinal within each rating unit, and<br>\$100.00 for each subsequent water closet and urinal within each separately used or inhabited part of a rating unit where there are more than | \$38,900                               |

|  |  |  |  |
|--|--|--|--|
|  | private or ensuite bathroom, with bedding, linen and cooking facilities provided, and which are serviced daily.  | one water closet or urinal.            |  |
| <b>Category</b>  | <b>Calculation</b>   | <b>Amount Required (including GST)</b> |  |
| <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. | \$221.21 for the first water closet and urinal within each rating unit, and<br>\$180.00 for each subsequent water closet and urinal within each separately used or inhabited part of a rating unit where there are more than one water closet or urinal. | \$46,440                               |  |
|  | <b>Total for year</b>  | <b>\$458,081</b>                       |  |

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.

| <b><i>Kerbside Recycling Charge: to fund the costs of the weekly kerbside recycling collection service.</i></b>  |  |  |
|--|--|--|
| <b>Category</b>  | <b>Calculation</b>   | <b>Amount Required (including GST)</b> |
| All rateable properties that have access to the kerbside recycling collection service (including Oaro)   | \$40.87 per separately used or inhabited part of a rating unit | \$79,583                               |
| <b><i>Rural Recycling Charge: to fund the net costs of the rural weekly recycling collection service which is made available at various pickup points around the district, and the residual costs of recycling facilities available at the landfill.</i></b> |  |  |
| <b>Category</b>  | <b>Calculation</b>   | <b>Amount Required (including GST)</b> |
| All rateable properties other than those that have access to the kerbside recycling collection service   | \$27.22 per separately used or inhabited part of a rating unit | \$28,337                               |

### *Commercial Rates and Charges*

Commercial businesses use, and contribute to the need for, certain services that a residential household or rural property does not. The commercial rate and accommodation sector charge ensure that these types of property 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>Calculation</b>                                | <b>Amount Required (including GST)</b> |
| All rateable properties in the district; <ul style="list-style-type: none"> <li>Used principally or exclusively for commercial and/or industrial purposes, (not being farmland as defined by Land Information NZ); or</li> <li>Used principally for visitor accommodation for commercial reward for <i>not less than five persons</i>, and for the avoidance of doubt, including any motel,</li> </ul> | \$0.00204912 per dollar of rateable capital value | \$324,166                              |

|   |   |  |
|---|---|--|
| <p>hotel, motor lodge, bed and breakfast, hostel, camping ground or “boarding house”<sup>1</sup>; or</p> <ul style="list-style-type: none"> <li>Used as licensed premises under the Sale of Liquor Act 1989.</li> </ul>   |   |  |
| <p><b><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></b></p>  |   |  |
| <b>Category</b>   | <b>Calculation</b>  | <b>Amount Required (including GST)</b> |
| All rateable properties providing accommodation for commercial reward, but not meeting the criteria of a commercial property, and for the avoidance of doubt, including any property providing short-term accommodation such as small bed & breakfasts, and baches rented out as holiday homes, but not including long-term rental accommodation. | \$315.00 per separately used or inhabited part of a rating unit | \$53,550                               |

|  |   |  |
|--|---|--|
| <p><b><i>Public Rubbish Bin Charge: to fund the costs of providing a public rubbish bin collection service at various locations around the district.</i></b></p> |   |  |
| <b>Category</b>  | <b>Calculation</b>  | <b>Amount Required (including GST)</b> |
| All rateable properties defined as commercial (see Commercial Rate)  | \$160.21 per separately used or inhabited part of a rating unit | \$35,245                               |

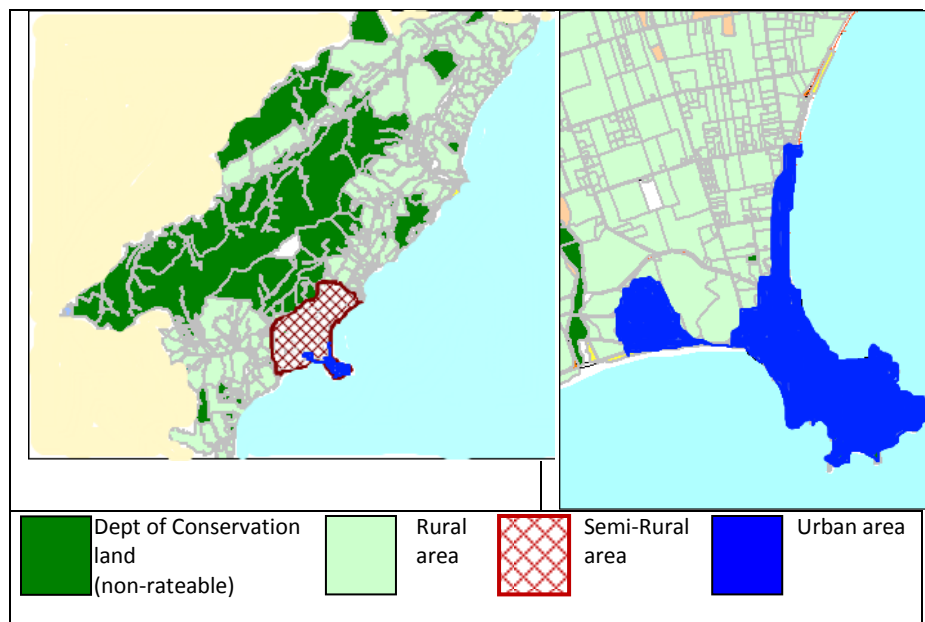
|   |                      |  |
|---|----------------------|--|
| <p><b><i>Registered Premises Charge: to fund the net costs of liquor licensing, food and health safety inspections, and environmental health.</i></b></p>     |                      |  |
| <b>Category</b>   | <b>Calculation</b>   | <b>Amount Required (including GST)</b> |
| All rateable properties undertaking a licensed activity, such as premises where alcohol is sold or consumed, food premises, camping grounds, or hairdressers. | \$265.46 per license | \$29,732                               |

Please refer to the sewerage charges on page 100 as they pertain to certain commercial properties, and also to the water meter charges on page 106 for commercial properties that are metered.

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

### Rating Areas

Throughout these pages there is reference to properties within defined areas (urban, semi-rural and rural rating areas).



The map on the left is of the whole Kaikoura district, a large proportion of which is Department of Conservation land which is non-rateable. The bulk of the district is rural, portrayed in pale green. The red and white thatched 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, land use, or value of individual properties within, or outside of, this area. The semi-rural area extends to the Hapuku River in the north, and to the Kahutara River to the south (thereby including the villages of Hapuku and Peketa). This area also extends inland to the foothills of Mt Fyffe, abutting the Dept of Conservation land.

The map on the right (above) shows 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 rating boundaries shown in the above maps are approximate, and for indicative purposes only.

These rating areas apply differentials to acknowledge that it is the properties within the urban area that benefit most from 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 & streetlight rate) a differential has been applied thus:

|            | Harbour Rate | Town Centre Rate | Footpath & Streetlights Rate |
|------------|--------------|------------------|------------------------------|
| Urban      | 1:1          | 1:1              | 1:1                          |
| Semi-rural | 0.5:1        | 0.5:1            | 0.5:1                        |
| Rural      | 0.25:1       | 0.25:1           | 0.2:1                        |

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

The council reduced the rural differential on the Footpath & Streetlight Rate to 0.2 from 0.25 in response to submissions, commencing 1 July 2015.

| <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>Calculation</b>                                | <b>Amount Required (including GST)</b> |
| All rateable properties within the <i>urban</i> area.  | \$0.00007247 per dollar of rateable capital value | \$47,374                               |
| All rateable properties within the <i>semi-rural</i> area.   | \$0.00003624 per dollar of rateable capital value | \$13,742                               |
| All rateable properties within the <i>rural</i> area.  | \$0.00001812 per dollar of rateable capital value | \$5,862                                |
| <b>Total</b>   |   | <b>\$66,978</b>                        |

| <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>Calculation</b>                                | <b>Amount Required (including GST)</b> |
| All rateable properties within the <i>urban</i> area.  | \$0.00014809 per dollar of rateable capital value | \$96,804                               |
| All rateable properties within the <i>semi-rural</i> area.   | \$0.00007405 per dollar of rateable capital value | \$28,081                               |
| All rateable properties within the <i>rural</i> area.  | \$0.00003702 per dollar of rateable capital value | \$11,978                               |
| <b>Total</b>   |   | <b>\$136,864</b>                       |



| <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>Calculation</b>                                | <b>Amount Required (including GST)</b> |
| All rateable properties within the <i>urban</i> area.  | \$0.00022340 per dollar of rateable capital value | \$146,029                              |
| All rateable properties within the <i>semi-rural</i> area.   | \$0.00011170 per dollar of rateable capital value | \$42,360                               |
| All rateable properties within the <i>rural</i> area.  | \$0.00004468 per dollar of rateable capital value | \$14,455                               |
| <b>Total</b>   |   | <b>\$202,844</b>                       |

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.

| <b><i>Stock Control Rate: to fund the net costs of stock control.</i></b>                                    |   |  |
|--|---|--|
| <b>Category</b>  | <b>Calculation</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). | \$0.00002106 per dollar of rateable capital value | \$14,797                               |
| <b><i>Rural Fire Control Rate: to fund the net costs of rural fire control.</i></b>                          |   |  |
| <b>Category</b>  | <b>Calculation</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). | \$0.00013988 per dollar of rateable capital value | \$98,302                               |

The previous pages identify each rate for the 2015/2016 financial year, and are GST inclusive, whereas those amounts within the Forecast Funding Impact Statement (on page 93) 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 maintenance charge of \$25.00, to cover the costs of the meter as well as administration expenses.

### *Rates Penalties*

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

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).

Penalties are applied no earlier than the next working day after the last date for payment, and as soon as practicable.

### **Last dates for payment are:**

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

### *Environment Canterbury Rates*

**The Council acts as agent for the collection of rates for Environment Canterbury, which makes its own rates. This Long-term Plan does not refer to those rates, however your rates invoice does show the amount of rates we collect from you on behalf of Environment Canterbury.**

## Impact of Rates on Benchmark Properties

|   |             | 2015   | 2016    | 2017   | 2018    | 2019    | 2020     | 2021     | 2022     | 2023   | 2024   | 2025   |
|---|-------------|--------|---------|--------|---------|---------|----------|----------|----------|--------|--------|--------|
| <b>Residential -<br/>Whitby Place<br/>CV \$265,000</b>        | Change %    | 3.03%  | 5.59%   | 3.72%  | 2.83%   | 0.98%   | 4.01%    | 2.78%    | 0.02%    | 1.20%  | 1.87%  | 0.85%  |
|   | Total rates | 1,657  | 1,756   | 1,821  | 1,873   | 1,891   | 1,967    | 2,022    | 2,022    | 2,046  | 2,085  | 2,102  |
|   | Change \$   | 48.74  | 92.88   | 65.31  | 51.61   | 18.42   | 75.91    | 54.72    | 0.31     | 24.21  | 38.36  | 17.64  |
| <b>Large Motel -<br/>Beach Road<br/>CV \$1,500,000</b>        | Change %    | -0.17% | 4.45%   | 3.05%  | -1.12%  | -0.88%  | 2.54%    | 2.99%    | 14.74%   | 0.37%  | 1.47%  | 0.50%  |
|   | Total rates | 11,500 | 12,069  | 12,438 | 12,299  | 12,190  | 12,500   | 12,874   | 14,772   | 14,826 | 15,043 | 15,119 |
|   | Change \$   | -19.03 | 513.82  | 368.61 | -138.97 | -108.78 | 309.83   | 373.73   | 1,897.94 | 54.34  | 217.24 | 75.51  |
| <b>Small Motel -<br/>Beach Road<br/>CV \$780,000</b>          | Change %    | 0.74%  | 4.88%   | 3.41%  | -0.27%  | 0.34%   | 2.63%    | 2.98%    | 8.84%    | 0.37%  | 1.44%  | 0.70%  |
|   | Total rates | 5,511  | 5,807   | 6,005  | 5,989   | 6,009   | 6,167    | 6,351    | 6,912    | 6,938  | 7,037  | 7,087  |
|   | Change \$   | 40.39  | 269.96  | 198.15 | -16.23  | 20.12   | 157.87   | 183.57   | 561.54   | 25.54  | 99.60  | 49.35  |
| <b>Inland Road –<br/>Farm<br/>CV \$7,250,000</b>              | Change %    | 0.26%  | -2.98%  | 6.02%  | 2.52%   | -0.34%  | 9.80%    | 6.47%    | 0.52%    | 0.76%  | 2.22%  | 0.50%  |
|   | Total rates | 14,050 | 13,753  | 14,581 | 14,948  | 14,898  | 16,358   | 17,417   | 17,507   | 17,640 | 18,031 | 18,121 |
|   | Change \$   | 36.53  | -421.70 | 828.31 | 367.45  | -50.94  | 1,460.17 | 1,058.90 | 90.65    | 132.79 | 391.35 | 89.26  |
| <b>Commercial -<br/>West End<br/>CV \$1,350,000</b>           | Change %    | -0.15% | 4.28%   | 3.05%  | -0.28%  | -2.60%  | 2.75%    | 3.72%    | 11.53%   | 0.44%  | 2.00%  | 0.46%  |
|   | Total rates | 9,473  | 9,927   | 10,230 | 10,201  | 9,936   | 10,210   | 10,589   | 11,810   | 11,862 | 12,099 | 12,156 |
|   | Change \$   | -14.20 | 407.13  | 303.25 | -28.41  | -264.89 | 273.42   | 379.38   | 1,220.85 | 51.71  | 237.55 | 56.18  |
| <b>Bed &amp; Breakfast<br/>– Scarborough<br/>CV \$970,000</b> | Change %    | 2.56%  | 3.02%   | 4.53%  | 2.16%   | 0.69%   | 3.99%    | 2.98%    | -0.22%   | 0.58%  | 1.58%  | 0.54%  |
|   | Total rates | 4,989  | 5,161   | 5,395  | 5,511   | 5,549   | 5,770    | 5,942    | 5,929    | 5,964  | 6,058  | 6,090  |
|   | Change \$   | 124.59 | 151.05  | 233.74 | 116.52  | 38.01   | 221.34   | 171.96   | -13.09   | 34.14  | 94.10  | 32.43  |

|  |             | 2015   | 2016    | 2017   | 2018   | 2019    | 2020   | 2021   | 2022   | 2023   | 2024   | 2025   |
|--|-------------|--------|---------|--------|--------|---------|--------|--------|--------|--------|--------|--------|
| <b>Farm - Kekerengu<br/>CV \$4,000,000</b>           | Change %    | 0.13%  | -2.37%  | 4.15%  | 1.29%  | -0.20%  | 5.15%  | 3.55%  | 0.26%  | 0.40%  | 1.24%  | 0.25%  |
|  | Total rates | 15,060 | 14,768  | 15,381 | 15,580 | 15,549  | 16,350 | 16,931 | 16,975 | 17,042 | 17,253 | 17,297 |
|  | Change \$   | 19.57  | -358.04 | 613.21 | 199.16 | -31.19  | 800.70 | 581.12 | 43.66  | 67.50  | 210.90 | 43.73  |
| <b>Farm –<br/>Schoolhouse Rd<br/>CV \$2,100,000</b>  | Change %    | 9.42%  | 1.46%   | 3.36%  | 2.31%  | 0.27%   | 5.02%  | 4.67%  | 0.87%  | 0.74%  | 2.56%  | 1.22%  |
|  | Total rates | 7,726  | 7,893   | 8,159  | 8,348  | 8,370   | 8,790  | 9,201  | 9,281  | 9,350  | 9,589  | 9,706  |
|  | Change \$   | 665.27 | 113.59  | 265.43 | 188.75 | 22.38   | 420.44 | 410.52 | 80.07  | 68.93  | 239.18 | 117.25 |
| <b>Commercial -<br/>Beach Road<br/>CV \$790,000</b>  | Change %    | 0.60%  | 5.77%   | 3.71%  | 2.07%  | -2.21%  | 3.23%  | 4.04%  | 2.07%  | 0.73%  | 2.45%  | 0.73%  |
|  | Total rates | 4,886  | 5,196   | 5,389  | 5,501  | 5,379   | 5,553  | 5,777  | 5,897  | 5,940  | 6,085  | 6,130  |
|  | Change \$   | 28.93  | 283.42  | 192.84 | 111.40 | -121.72 | 173.63 | 224.55 | 119.56 | 43.25  | 145.52 | 44.59  |
| <b>Residential -<br/>Bayview St<br/>CV \$250,000</b> | Change %    | 3.06%  | 5.78%   | 3.68%  | 2.87%  | 1.00%   | 3.97%  | 2.73%  | 0.04%  | 1.25%  | 1.88%  | 0.87%  |
|  | Total rates | 1,622  | 1,721   | 1,784  | 1,836  | 1,854   | 1,927  | 1,980  | 1,981  | 2,006  | 2,043  | 2,061  |
|  | Change \$   | 48.16  | 94.06   | 63.33  | 51.16  | 18.38   | 73.54  | 52.59  | 0.78   | 24.69  | 37.77  | 17.74  |
| <b>Residential –<br/>Esplanade<br/>CV \$450,000</b>  | Change %    | 2.74%  | 3.72%   | 4.11%  | 2.52%  | 0.81%   | 4.47%  | 3.30%  | -0.22% | 0.72%  | 1.79%  | 0.63%  |
|  | Total rates | 2,097  | 2,184   | 2,274  | 2,331  | 2,350   | 2,455  | 2,536  | 2,531  | 2,549  | 2,595  | 2,611  |
|  | Change \$   | 55.93  | 78.29   | 89.75  | 57.20  | 18.91   | 105.14 | 81.01  | -5.45  | 18.21  | 45.67  | 16.44  |
| <b>Residential - Beach<br/>Road<br/>CV \$345,000</b> | Change %    | 2.89%  | 4.67%   | 3.91%  | 2.68%  | 0.90%   | 4.24%  | 3.03%  | -0.10% | 0.96%  | 1.83%  | 0.74%  |
|  | Total rates | 1,847  | 1,941   | 2,017  | 2,071  | 2,090   | 2,178  | 2,244  | 2,242  | 2,264  | 2,305  | 2,322  |
|  | Change \$   | 51.85  | 86.57   | 75.88  | 54.03  | 18.63   | 88.55  | 66.08  | -2.18  | 21.61  | 41.52  | 17.12  |
| <b>Residential - South<br/>Bay<br/>CV \$475,000</b>  | Change %    | 2.71%  | 3.52%   | 4.15%  | 2.48%  | 0.79%   | 4.52%  | 3.35%  | -0.24% | 0.67%  | 1.78%  | 0.61%  |
|  | Total rates | 2,156  | 2,242   | 2,335  | 2,393  | 2,412   | 2,521  | 2,606  | 2,600  | 2,617  | 2,664  | 2,680  |
|  | Change \$   | 56.91  | 76.32   | 93.05  | 57.96  | 18.98   | 109.09 | 84.56  | -6.23  | 17.40  | 46.65  | 16.28  |

|   |             | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  | 2023  | 2024  | 2025  |
|---|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>Residential – Oaro<br/>CV \$255,000</b>          | Change %    | 4.25% | 6.39% | 4.61% | 3.21% | 1.06% | 5.66% | 3.91% | 2.19% | 2.91% | 2.45% | 0.89% |
|   | Total rates | 1,198 | 1,283 | 1,342 | 1,385 | 1,400 | 1,479 | 1,537 | 1,571 | 1,617 | 1,656 | 1,671 |
|   | Change \$   | 48.86 | 77.12 | 59.15 | 43.04 | 14.65 | 79.20 | 57.77 | 33.72 | 45.76 | 39.56 | 14.81 |
| <b>Ocean Ridge - Bare<br/>Land<br/>CV \$135,000</b> | Change %    | 3.00% | 8.31% | 4.69% | 2.51% | 0.77% | 3.78% | 2.19% | 0.88% | 1.22% | 1.40% | 0.49% |
|   | Total rates | 1,083 | 1,191 | 1,246 | 1,278 | 1,287 | 1,336 | 1,365 | 1,377 | 1,394 | 1,414 | 1,421 |
|   | Change \$   | 31.52 | 91.33 | 55.79 | 31.30 | 9.84  | 48.64 | 29.19 | 11.98 | 16.80 | 19.54 | 6.96  |

## **15. URGENT BUSINESS**

### **1. Civic Building Project**

Councillor Millton advised for too long a lot of the information regarding the Civic Building had been dealt with in public excluded. He felt Council needed to be a little more transparent for the ratepayer going forward. He felt the next report to the media should state Council had engaged Prendos to undertake a report of the building.

Councillor Millton further advised he was concerned about the cost of labour associated with the project.

***There being no further business the meeting closed at 4.47pm.***