

<b>Report to:</b>	<b>Council</b>	<b>File #</b>
<b>Date:</b>	28 July 2021	
<b>Subject:</b>	<b>ADOPTION OF THE LONG-TERM PLAN 2021-2031</b>	
<b>Prepared by:</b>	S Poulsen, Finance Manager	
<b>Input sought from:</b>	M Dickson, Senior Manager Corporate Services	
<b>Authorised by:</b>	W Doughty, Chief Executive	

## 1. SUMMARY

The purpose of this report is to present the Long-Term Plan 2021-2031 (the LTP) for adoption by the Council, and then set the rates for the 2021/2022 financial year.

As at Friday 23 July Audit New Zealand have almost completed their audit of the LTP document and the financial model which supports the financial statements and rates calculations. They have a final review process to complete of Monday 26 July. Based on the advice from Audit NZ we understand they are satisfied with the LTP, but have one item to consider internally on Monday relating to a matter within their opinion, and then will be in a position to provide their Audit opinion on Tuesday 27 July. When received we will distribute it to the Council.

Accordingly the LTP is ready for adoption, and the Council can set the rates and charges accordingly.

The LTP has achieved an unmodified audit opinion. Based on Audit NZ's advice, the audit opinion will include emphases of matter on three areas:

- Three waters reform (standard for all councils and included in the previous Audit Opinion)
- Breach of the statutory deadline (standard for all councils that did not adopt before 1 July)
- Financial prudence and unbalanced budget (a newly proposed emphasis of matter - this is reviewed individually for each council, taking into account a consistent approach between all councils). This has arisen as Audit NZ have compared their opinions across all the Council LTPs. This is the item referred to above, which will be finalised on Monday 26 July.

### Unbalanced budget

The LTP financial forecasts show an "unbalanced budget" in the financial years 2025-2031, which means operating revenue does not cover operating cost (operating costs include depreciation).

Section 100 (1) of the Local Government Act 2002 states that a local authority must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses.

Section 100 (2) provides, however, that "Despite subsection (1), a local authority may set projected operating revenues at a different level from that required by that subsection if the local authority resolves that it is financially prudent to do so, having regard to—

- a) the estimated expenses of achieving and maintaining the predicted levels of service provision set out in the 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 under section 102.

The reason for the unbalanced budget in years 2025-2031 is the Council's conscious decision to not fund depreciation. Historically, the Council has never fully funded depreciation in collecting rates, and other Councils have varying policies. Funding depreciation involves accumulating cash reserves from today's ratepayer to pay for future asset renewals. Where reserves are accumulated, the effect is that current asset users fund future asset use (in full or part). Where reserves are not accumulated, future users may be required to fund the asset renewal.

A key component of the Council's Financial Strategy – based on the reliable information we now have about our assets and their condition – is that there are extremely low levels of asset renewal work required over the next ten (if not thirty) years.

The Council's policy not to fund depreciation takes into consideration that when assets do need to be replaced, we will seek alternative sources of funding such as grants or subsidies in the first instance or raise loans if no other funds are available. Rates may be used to fund the net cost of renewals on an ongoing basis provided the annual renewal cost is equal to or less than the annual depreciation for that asset category.

The Council will continue its historic policy not to fund depreciation. This LTP, therefore, projects an annual deficit from the 2025 financial year, attributable to depreciation. The deficits range from \$1.9 million in 2025 to a low of \$673k in 2028, with the deficit in year ten at \$880k.

### **Changes to the LTP**

There have been three items which have arisen, requiring changes. These changes have been included with the audit. The effect of the changes is to reduce rate increases. The overall average increase in year one is now 5.46% and the average increase across the ten years is 3.32%. The "benefit" of this is primarily in a reduction in general rates. The changes are set out in attachment (b).

#### **Attachments:**

- a) Audit New Zealand audit report (to be distributed when received)**
- b) Changes to the Long-Term Plan since 10 July 2021 (relating to the Link Pathway grant, and elimination of the Koura Bay sewer and kerbside rubbish collection rates and charges).**
- c) Rates and Charges for 2021/2022**
- d) The Long-Term Plan 2021-2031**

## **2. RECOMMENDATION**

### **2.1 It is recommended that the Council:**

- a) **Receives** this report, and
- b) **Endorses** that the Council has already adopted the Revenue & Financing Policy, Financial Strategy, Infrastructure Strategy, Development Contributions Policy, Treasury Policies, and Rates Remissions policies at the meeting on 26 May 2021, and
- c) **Resolves** not to balance its operating budget in the financial years ending 30 June 2025 to 2031, because when taken as a whole the 2021-2031 Long-Term Plan, The council considers it is financially prudent to do so, (including having regard to the matters set out in Section 100 (2) of the Local Government Act 2002, and
- d) **Adopts** the Long-Term Plan 2021-2031, and
- e) **Sets the rates and charges as set out in Attachment c) hereto**, under the Local Government Act 2002 and the Local Government (Rating) Act 2002, on rating units in the Kaikōura District for the financial year commencing on 1 July 2021 and ending on 30 June 2022, and
- f) **Approves** the due dates for the payment of rates as:  
20 September, for the instalment 1 from 1 July 2021 to 30 September 2021, and  
20 December, for the instalment 2 from 1 October 2021 to 31 December 2021, and  
20 March, for the instalment 3 from 1 January 2022 to 31 March 2022, and  
20 June, for the instalment 4 from 1 April 2022 to 30 June 2022, and  
For volumetric water meter charges, the due dates for payment of rates as:

20 August 2021, for water meter invoices covering the period January to June 2021, and

20 February 2022, for water meter invoices covering the period July to December 2022, and

- g) **Approves** that a 10% penalty will be added to any portion of the rates 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% per annum in total). Penalties are applied no earlier than the next working day after the last date for payment, and as soon as practicable.

### **3. BACKGROUND**

#### **3.1 The Long-Term Plan**

The LTP is a reflection of the Council's priorities and preferences in terms of its policies, financial and infrastructural strategies, capital projects, levels of service, performance management and budgets. These priorities and preferences have been agreed following workshops held throughout November 2020 to July 2021.

Our consultation document was published on 26 May 2021, and submissions closed on 28 June. The Council held five community information sessions, three within the township, one at Kekerengu and one in Goose Bay.

We received written submissions from 71 submitters, and 21 people or groups came to the Council offices on Thursday 1 July to speak to the Council about their submissions and how they felt the LTP could be improved.

The Long-Term Plan 2021-2031 now reflects the changes we have made in response to submissions, and also changes that we had to make because of information that has since come to light (such as the decrease in NZTA subsidies, the results of the tender for waste services, and the successful application to PGF for the Link Pathway).

#### **3.2 Setting the Rates for 2021/2022**

The procedure for setting rates is defined in section 23 of the Local Government (Rating) Act 2002, including the requirement to specify due dates for payment, and the penalties that apply to late payment of rates.

The resolution to set the rates themselves must be set in accordance with the relevant provisions of the Council's long-term plan and funding impact statement for that financial year. The resolution needs to state each of the rates to be set by the Council, together with any relevant details such as the basis of calculation, the land liable for the rate, the matters that will be used as the basis from differentials, and any factors from Schedule 3 that will be used to calculate liability for the rates.

Attachment c) provides the detail required for the resolution to set the rates.

### **4. ISSUES AND OPTIONS**

#### **4.1 Statutory timeframe**

Council management signalled early to Audit New Zealand that we would not meet the statutory timeframe to adopt the LTP by 1 July 2021. This was in acknowledgement of the limited staff resources available to prepare the LTP, especially given the conflicting requirement to complete the three-waters Request for Information for the Department of Internal Affairs, and the cumulative

impact of the delays in completing audit of the 2020 Annual Report. Management also recognised that due to COVID delay pressures on their resources the delay might assist with the challenging timeframes for the audit.

## 4.2 Setting the rates

The resolutions set out in this report are in an important sequence:

- The Revenue & Financing Policy and other Policies under Sections 101A to 110 of the Local Government Act need to be adopted first (these were adopted in May 2021), and
- The resolution to not balance its operating budget must be made before adopting the LTP, and
- The LTP must be adopted by the Council before it can set the 2021/2022 rates and charges.

## 5. COMMUNITY VIEWS

### 5.1 Public feedback

The LTP is subject to the special consultative procedure as defined in the Local Government Act 2002 and 71 submissions were received.

## 6. FINANCIAL IMPLICATIONS AND RISKS

### 6.1 Financial implications

Rates have a wide-reaching financial impact on every rateable property in the district. The rates increase has been kept at less than 6% for the 2021/2022 financial year.

### 6.2 Significant forecasting assumptions

The LTP Part Four – financial information and rates, includes significant forecasting assumptions and the risks associated with each.

## 7. RELEVANT LEGISLATION

### 7.1 Local Government Act 2002

The LTP complies with the Local Government Act 2002, and in particular sections 76-81, 83, 93-97, 100-111, and Part 1 of Schedule 10.

### 7.2 Local Government (Rating) Act 2002

All rates are set in accordance with the Local Government (Rating) Act 2002.

## 8. COMMUNITY OUTCOMES SUPPORTED



### Community

We communicate, engage and inform our community



### Development

We promote and support the development of our economy



### Services

Our services and infrastructure are cost effective, efficient and fit-for-purpose



### Environment

We value and protect our environment



### Future

We work with our community and our partners to create a better place for future generations

## **Attachment c) Rates and Charges for 2021/2022**

### The rating system

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

### Definitions

The following pages refer to several categories of property, and several types of rates. The following definitions should be helpful to determine which rates apply to certain property.

### Commercial property

All rateable properties in the District:

- a) Used principally or exclusively for commercial and/or industrial purposes, (not being farmland as defined by Land Information NZ); or
- b) Used principally for visitor accommodation for commercial reward for not less than five persons, and for the avoidance of doubt, including any motel, hotel, motor lodge, bed and breakfast, hostel, or camping ground; or
- c) Used as licensed premises under the Sale and Supply of Alcohol Act 2012.

### 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. The Council has set a rating differential of 0.9:1 on the general rate for rural and semi-rural properties. The objective of the differential rate is to acknowledge that rural and semi-rural properties are predominantly farmland with high capital values (in comparison with their urban counterparts) but that their capital value does not necessarily reflect the services they receive or have access to.

### Self-contained and serviced

All rateable properties within the area serviced by the Kaikōura sewerage system, and 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.

### Separately used or inhabited part of a rating unit

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

- a) Any portion of a rating unit used or inhabited by any person, other than the ratepayer or member of the ratepayer's household, having a right to use or inhabit that portion by virtue of a tenancy, lease, license or other agreement, or
- b) Any part or parts of a rating unit that is/are used or occupied by the ratepayer for more than one single use.

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. The separately inhabited part of a rating unit may be part of a larger structure containing multiple parts but is separate by virtue of being self-contained and having separate external access.

### Small accommodation property

All rateable properties providing short-term accommodation for commercial reward, but not meeting the criteria of a commercial property. For the avoidance of doubt, this means (having not met the criteria of a commercial property in the first instance), all rateable properties that provide short-term visitor accommodation, and which are;

- a) not used principally and exclusively for commercial or industrial purposes (other than for visitor accommodation). Examples may

include a residential dwelling where the principal use is residential, but visitor accommodation is also provided on the property (whether within the dwelling or in separate units); or a residential dwelling where the principal use is a holiday home for the owner, which is rented out as a holiday home for commercial reward (including Air B&B style accommodation); or any other property not principally commercial/industrial, but which provides visitor accommodation, or

b) if they are used principally for visitor accommodation, the property only provides for no more than four persons. This includes any property providing short-term accommodation such as small bed & breakfasts, but not including long-term rental accommodation.

These properties are subject to the visitor accommodation charge, and may also be subject to separate sewer charges. These rates are applied on a per separately used or inhabited part of a rating unit.

#### 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, 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.

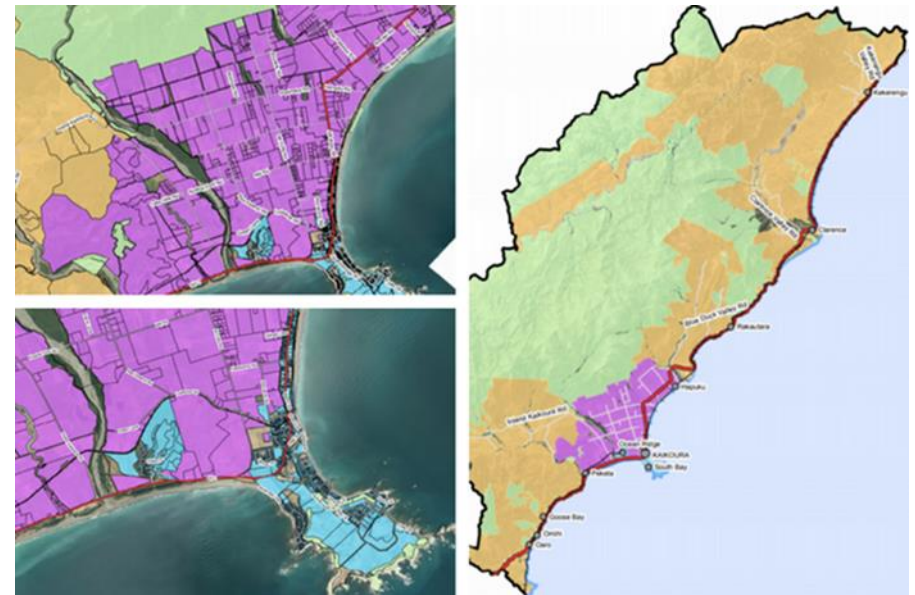
The Council will not be inviting lump sum contributions in respect of any targeted rates.

#### Uniform Annual General Charge (UAGC)

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

#### Rating Areas

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



The above map shows each of the rating areas.

### Urban area for rating purposes

The pale blue area is the current urban area for rating purposes. It includes the Kaikōura peninsula, Beach Road to Mill Road, a length of Ludstone Road, and includes South Bay and Ocean Ridge. 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 property is able to connect to the Urban water supply or wastewater systems, or where footpaths, streetlights or stormwater is developed. The rating boundaries shown in the above maps are approximate, and for indicative purposes only.

### Semi-rural area for rating purposes

The purple area on the map is the semi-rural area for rating purposes. It is an area defined for its proximity to urban services, and therefore 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 Department of Conservation (DoC) land. DoC land is shown in pale green, and while it makes up a significant part of the district, this land is non-rateable.

### Rural rating area

The remainder of the District is rural, portrayed in pale orange. Effectively the rural area for rating purposes is all rateable property that is not located within either the Urban or Semi-rural rating areas.

### Utilities

Utilities are as defined by the Resource Management Act (1991), and include Council-owned water, wastewater and stormwater systems, as well as electricity, telecommunications, and railway networks.

General rates	Differential	Category	Factor	2021/2022 Rate (incl. GST) \$	2021/2022 Total Amount (incl. GST) \$
<b>General rate</b>					
<p>The general rate funds the general operations of the Council, including general management, community services, communications, strategy &amp; policy, economic development, environmental planning, the net costs of statutory planning, building control, dog control, forestry, community facilities, general parks and reserves, and a portion of public toilets and traffic control.</p> <p>The general rate may also fund the same activities as the UAGC, because the UAGC lever provides for costs to be transferred to the general rate where necessary to remain under the 30% cap on rates set on a uniform basis, as required by the Local Government (Rating) Act 2002 (the Rating Act).</p>	Urban & Utilities 1:1	All rateable property within the Urban area, and all rateable property within the district defined as utilities	Rate in the \$ of capital value	0.00151656	1,266,589
	Semi-Rural and Rural 0.9:1	All rateable property outside the Urban area except for property identified as Utilities	Rate in the \$ of capital value	0.00136490	1,109,559
<b>Uniform annual general charge (UAGC)</b>					
<p>The UAGC also funds the general operations of Council, including landfill and recycling operations, governance, library services, sports fields, playgrounds, cemetery, walkways, public halls, swimming pool, general environmental health and emergency management.</p> <p>The Council uses a UAGC lever to transfer costs to or from the general rate where necessary to remain under the 30% cap required by the Rating Act.</p>	None	All rateable property within the district	Fixed \$ amount per separately used or inhabited part of a rating unit	631.46	1,929,755



### Targeted rates applied across the whole district

The earthquake rate, earthquake levy, roading rate, district planning rate and the civic centre charge (as below), apply 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.

Targeted rates	Differential	Category	Factor	2021/2022 Rate (incl. GST) \$	2021/2022 Total Amount (incl. GST) \$
<b>Earthquake levy</b>					
The levy funds the net costs of earthquake response and rebuilding, including loan servicing costs relating to earthquake work (most notably roading) and, once those costs are covered, to build resilience reserves which can be used for current and future emergency event response and rebuilding.	None	All rateable property within the district	Fixed \$ amount per separately used or inhabited part of a rating unit	40.00	122,240
<b>Roading rate</b>					
This rate funds the net costs of upgrading and maintenance of the district bridges and roading network	None	All rateable property within the district	Rate in the \$ of capital value	0.00053626	883,807
<b>District planning rate</b>					
This rate funds the net costs of district planning, including development of the Kaikōura District Plan.	None	All rateable property within the district	Rate in the \$ of capital value	0.00015231	251,019
<b>Civic Centre charge</b>					
The Civic Centre charge funds the net costs (after lease revenues) of the museum, library and civic office building	None	All rateable property within the district	Fixed \$ amount per separately used or inhabited part of a rating unit	129.27	395,044

## Targeted rates for specific categories of land or services

Rates on the following pages are targeted rates for specific categories of land or property and apply to specific services.

*The Council will not accept lump sum contributions (as defined by Section 117A of the Local Government (Rating) Act) in respect of any targeted rate.*

WATER	Differential	Category	Factor	2021/2022 Rate (incl. GST) \$	2021/2022 Total Amount (incl. GST) \$
<b>Kaikōura Water Annual Charge<sup>1</sup></b>					
This water rate funds the net costs of the supply, treatment, upgrading and maintenance of the Kaikōura water supply, including the Suburban water scheme, as well as to partially subsidise the net costs of the Ocean Ridge, East Coast, Peketa and Oaro water supplies.	Full charge	All rateable properties connected to the Kaikōura water supply	Fixed \$ amount per separately used or inhabited part of a rating unit	594.30	1,101,239
	Half charge	All rateable properties situated within 100 metres of any part of the Kaikōura water supply, but not connected to the supply	Fixed \$ amount per separately used or inhabited part of a rating unit	297.15	37,738
<b>Kaikōura Water Loan Charge</b>					
This water rate funds the loan servicing costs of the Kaikōura water supply.	None	All rateable properties situated within 100 metres of any part of the Kaikōura water supply.	Fixed \$ amount per separately used or inhabited part of a rating unit	-	-
<b>Suburban Water Charge</b>					
This water rate contributes to the cost of the supply, treatment, upgrading and maintenance of the Kaikōura water supply.	None	All rateable properties within the Suburban water area.	Fixed \$ amount per water unit (1,000 litres per day)	594.30	29,715

<sup>1</sup> Note that, for the Kaikōura water supply, certain properties are “extraordinary consumers”, such as agricultural/pastoral properties in the Suburban area, plus commercial and accommodation premises, or properties with a swimming pool, for example. These properties are metered and water meter charges apply in addition to the applicable rates above.

WATER	Differential	Category	Factor	2021/2022 Rate (incl. GST) \$	2021/2022 Total Amount (incl. GST) \$
<b>Ocean Ridge Water Charge</b>					
This water rate contributes to the costs of supply, treatment, upgrading and maintenance of the Ocean Ridge water supply.	Full charge	All rateable properties connected to the Ocean Ridge water supply	Fixed \$ amount per separately used or inhabited part of a rating unit	594.30	33,281
	Half charge	All rateable properties situated within 100 metres of any part of the Ocean Ridge water supply, but not connected to the supply	Fixed \$ amount per separately used or inhabited part of a rating unit	297.15	28,229
<b>East Coast Water Charge</b>					
This water rates funds the supply, treatment, upgrading, and maintenance of the East Coast water supply.	None	All rateable properties connected to the East Coast rural water supply.	Fixed \$ amount per water unit (1,800 litres per day)	690.00	99,360
<b>Kincaid Water Charge</b>					
This water rates funds the supply, treatment, upgrading, and maintenance of the Kincaid water supply.	None	All rateable properties connected to the Kincaid rural water supply.	Fixed \$ amount per water unit (1,000 litres per day)	169.94	104,515
<b>Oaro Water Charge</b>					
This water rates contributes to the costs of supply, treatment, upgrading, and maintenance of the Oaro water supply.	None	All rateable properties connected to the Oaro water supply.	Fixed \$ amount per separately used or inhabited part of a rating unit	594.30	41,007

WATER	Differential	Category	Factor	2021/2022 Rate (incl. GST) \$	2021/2022 Total Amount (incl. GST) \$
<b>Peketa Water Charge</b>					
This water rates contributes to the costs of supply, treatment, upgrading, and maintenance of the Peketa water supply.	None	All rateable properties connected to the Peketa rural water supply.	Fixed \$ amount per separately used or inhabited part of a rating unit	594.30	11,292
<b>Fernleigh Water Charge</b>					
This water rates funds the supply, treatment, upgrading, and maintenance of the Fernleigh water supply.	None	All rateable properties connected to the Fernleigh rural water supply.	Fixed \$ amount per water unit (1,000 litres per day)	330.31	103,387
<b>Water Meter Charges</b> <i>The following two water rates will be billed separately from the rates invoice, twice annually.</i>					
<b>Volumetric charges:</b> This water rate contributes to the cost of the supply, treatment, upgrading and maintenance of the Kaikōura water supply.	None	All rateable properties connected to any water supply and with a metered connection to that supply.	Fixed \$ amount per cubic meter of water usage which exceeds 365m <sup>3</sup> per annum (or 183m <sup>3</sup> per six months as read)	\$1.00	121,000
<b>Meter Maintenance Charge:</b> This water rate contributes to the cost of reading, maintaining and renewing water meters, and contributes to the general costs of the Kaikōura water supply.	None	All rateable properties connected to any water supply and with a metered connection to that supply.	Fixed \$ amount per water meter	\$50.00 (\$25.00 invoiced twice a year)	19,000

WASTEWATER	Differential	Category	Factor	2021/2022 Rate (incl. GST) \$	2021/2022 Total Amount (incl. GST) \$
<b>Sewerage Loan Rate</b>					
This rate funds the loan servicing costs of the Kaikōura Sewerage scheme.	None	All rateable properties within the area serviced by the Kaikōura sewerage system, or within 100 metres of any part of that system.	Rate in the \$ of capital value	-	-
<b>Sewerage Charge</b>					
This wastewater targeted rate contributes to the costs of sewage disposal, treatment, upgrading and maintenance of the Kaikōura sewerage scheme.	Full charge	All rateable properties within the area serviced by the Kaikōura sewerage system.	Fixed \$ amount for the first water closet per separately used or inhabited part of a rating unit (plus a targeted rate for each additional water closet or urinal if applicable, please refer to the following pages).	312.06	545,488
	Half charge	All rateable properties within the area serviced by the Kaikōura sewerage system, not being either commercial or self-contained and serviced (see definitions on the following page).	Fixed \$ amount for each water closet and urinal after the first, within each separately used or inhabited part of a rating unit where there are more than one water closet or urinal. <sup>2</sup>	156.03	3,901

<sup>2</sup> A rating unit used primarily as a residence for one household will not be treated as having more than one water closet or urinal.

WASTEWATER	Differential	Category	Factor	2021/2022 Rate (incl. GST) \$	2021/2022 Total Amount (incl. GST) \$
<b>Sewerage Charge – Self-contained &amp; serviced</b>					
This wastewater targeted rate contributes to the costs of sewage disposal, treatment, upgrading and maintenance of the Kaikōura sewerage scheme.	None	All rateable properties within the area serviced by the Kaikōura sewerage system, and 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.	Fixed \$ amount for each water closet and urinal after the first within each separately used or inhabited part of a rating unit where there are more than one water closet or urinal.	110.00	40,480
<b>Sewerage Charge – Commercial (additional)</b>					
This wastewater targeted rate contributes to the costs of sewage disposal, treatment, upgrading and maintenance of the Kaikōura sewerage scheme.	None	All rateable properties within the Kaikōura 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.	Fixed \$ amount for each water closet and urinal after the first within each separately used or inhabited part of a rating unit where there are more than one water closet or urinal.	190.00	51,300

WASTEWATER	Differential	Category	Factor	2021/2022 Rate (incl. GST) \$	2021/2022 Total Amount (incl. GST) \$
<b>Sewerage Charge</b>					
This wastewater targeted rate contributes to the costs of sewage disposal, treatment, upgrading and maintenance of the Kaikōura sewerage scheme.	Half charge	All rateable properties situated within 100 metres of any part of the Kaikōura sewerage system, but not connected to the system.	Fixed \$ amount per separately used or inhabited part of a rating unit	156.03	39,320
<b>Koura Bay sewerage charge</b>					
This wastewater targeted rate contributes to the costs of sewage disposal, treatment, upgrading and maintenance of the Koura Bay sewerage scheme.	Full charge	All rateable properties within the area serviced by the Koura Bay sewerage system.	Fixed \$ amount per separately used or inhabited part of a rating unit	Not applicable in 2021/2022	-
	Half charge	All rateable properties situated within 100 metres of any part of the Koura Bay sewerage system, but not connected to the system.	Fixed \$ amount per separately used or inhabited part of a rating unit	Not applicable in 2021/2022	-

STORMWATER	Differential	Category	Factor	2021/2022 Rate (incl. GST) \$	2021/2022 Total Amount (incl. GST) \$
<b>Stormwater rate</b>					
This rate funds the costs of stormwater disposal, loan servicing, upgrading and maintenance of the Kaikōura Stormwater scheme.	None	All rateable properties within the Kaikōura urban area.	Rate in the \$ of capital value	0.00016758	132,420

	Differential	Category	Factor	2021/2022 Rate (incl. GST) \$	2021/2022 Total Amount (incl. GST) \$
<b>Kerbside Recycling Charge</b>					
The kerbside recycling charge covers the costs of the fortnightly kerbside recycling collection service as well as contributing to the cost of operating the Resource Recovery Centre where recyclable materials are sorted, compacted and transported to markets outside the district.	None	All rateable properties that have access to the kerbside recycling collection service (currently assumed to be all rateable properties within the Kaikōura urban area).	Fixed \$ amount per separately used or inhabited part of a rating unit	134.69	248,781



The rates on the following pages, namely the Footpath & Streetlight Rate, the Harbour Rate, and the Town Centre Rate, use the rating areas to apply rating differentials. It is the purpose of the differential to acknowledge that properties within the urban area 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.

	Differential	Category	Factor	2021/2022 Rate (incl. GST) \$	2021/2022 Total Amount (incl. GST) \$
<b>Footpath &amp; Streetlight Rate</b>					
The Footpath & Streetlight Rate funds the net costs of maintaining, upgrading and operating footpaths and streetlights, including electricity and loan servicing costs.	Urban 1:1	All rateable property within the Urban area	Rate in the \$ of capital value	0.00023341	194,813
	Semi-rural 0.5:1	All rateable property within the Semi-rural area	Rate in the \$ of capital value	0.00011670	51,126
	Rural 0.2:1	All rateable property within the Rural area	Rate in the \$ of capital value	0.00004668	17,498
<b>Harbour Rate</b>					
The Harbour Rate funds the net costs of operating the harbour facilities, including South Bay and the North and Old Wharves, including loan servicing costs.	Urban 1:1	All rateable property within the Urban area	Rate in the \$ of capital value	0.00009466	79,008
	Semi-rural 0.5:1	All rateable property within the Semi-rural area	Rate in the \$ of capital value	0.00004733	20,735
	Rural 0.25:1	All rateable property within the Rural area	Rate in the \$ of capital value	0.00002367	8,871

	Differential	Category	Factor	2021/2022 Rate (incl. GST) \$	2021/2022 Total Amount (incl. GST) \$
<b>Town Centre Rate</b>					
The Town Centre Rate funds the net costs of town centre maintenance and upgrading of the West End, including cleaning and servicing the West End toilets, maintenance of the town paving, village green, carpark and all associated loan servicing costs.	Urban 1:1	All rateable property within the Urban area	Rate in the \$ of capital value	0.00008338	69,595
	Semi-rural 0.5:1	All rateable property within the Semi-rural area	Rate in the \$ of capital value	0.00004169	18,264
	Rural 0.2:1	All rateable property within the Rural area	Rate in the \$ of capital value	0.00002085	7,814

## Targeted rates for Commercial and/or Visitor Accommodation properties

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.

	Differential	Category	Factor	2021/2022 Rate (incl. GST) \$	2021/2022 Total Amount (incl. GST) \$
<b>Commercial Rate</b>					
The commercial rate funds the net costs of tourism and economic development, the annual grant paid to the visitor centre, and a portion of territorial authority regulatory functions, traffic control, harbour facilities and public toilets.	None	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 <b>not less than five persons</b>, and for the avoidance of doubt, including any motel, hotel, motor lodge, bed and breakfast, hostel, or camping ground; or</li> <li>Used as licensed premises under the Sale of Liquor Act 1989.</li> </ul>	Rate in the \$ of capital value	0.00265613	440,116
<b>Accommodation Sector Charge</b>					
The accommodation sector charge funds the same activities as the commercial rate.	None	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 for <b>up to four persons</b> , such as small bed & breakfasts, baches rented out as holiday homes, and other visitor accommodation such as Air B&B-style, but not including long-term rental accommodation.	Fixed \$ amount per separately used or inhabited part of a rating unit	400.00	83,200

	Differential	Category	Factor	2021/2022 Rate (incl. GST) \$	2021/2022 Total Amount (incl. GST) \$
<b>Public Rubbish Bin Charge</b>					
This targeted rate funds the costs of providing a public rubbish bin collection service at various locations around the District.	None	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 <b>not less than five persons</b>, and for the avoidance of doubt, including any motel, hotel, motor lodge, bed and breakfast, hostel, or camping ground; or</li> <li>Used as licensed premises under the Sale of Liquor Act 1989.</li> </ul>	Fixed \$ amount per separately used or inhabited part of a rating unit	151.44	36,800
<b>Registered Premises Charge</b>					
The registered premises charge funds the net costs of liquor licensing, food and health safety inspections, and environmental health.	None	All rateable properties undertaking a licensed activity, such as premises where alcohol is sold or consumed, food premises, camping grounds, funeral directors or hairdressers	Fixed \$ amount per license (liquor or food premises)	312.38	38,266