

Report to:	Council	File #
Date:	26 June 2024	
Subject:	ADOPTION OF THE LONG-TERM PLAN 2024-2034	
Prepared by:	S Poulsen - Finance Manager	
Input sought from:	P Kearney - Senior Manager Corporate Services	
Authorised by:	W Doughty - Chief Executive Officer	

1. SUMMARY

The purpose of this report is to present the Long-Term Plan 2024-2034 (the LTP) for adoption by the Council, and once the LTP has been adopted, for the Council to set the rates for the 2024/2025 financial year.

Important note: the audit of the Long-Term Plan is still being finalised at the time of writing this report. Council staff are expecting a list of misstatements which will require changes to be made to the Long-Term Plan documents included in the agenda pack. However, these changes will not impact on the proposed rates and charges for the 2024/25 financial year.

Those changes will be made before the meeting and outlined at the meeting in order to be in a position to adopt the Long-Term Plan.

The Auditor's Report will also be tabled for the meeting and is to be incorporated into the document once it is available.

Attachments:

- a) *Schedule A: Rating Funding Impact Statement and the rates for 2024/2025*
- b) *The Long-Term Plan 2024-2034*

2. RECOMMENDATION

It is recommended that the Council:

Adoption of the Long-Term Plan 2024-2034:

- a) **Receives** this report, and the tabled changes, and
- b) **Receives** the Audit Report as tabled, and
- c) **Resolves** not to balance its operating budget in the financial years ending 30 June 2027 to 2034, because when taken as a whole, the 2024-2034 Long-Term Plan is financially prudent, and
- d) **Adopts** the Revenue & Financing Policy amendments to provide for rural recycling to be funded by the general rate, for the harbour special operator rate to take effect, and for user fees to continue to apply to new fiction book rentals, and
- e) **Adopts** the Long-Term Plan 2024-2034, including the following:
 - i. Financial Strategy
 - ii. Infrastructure Strategy
 - iii. Significance & Engagement Policy
 - iv. Treasury Management Policy
 - v. Development Contributions Policy
 - vi. Rates Remissions & Postponement Policy

Subject to the amendments as tabled at the meeting, plus any minor changes such as formatting adjustments, spelling corrections, etc.

Setting the rates and charges for the 2024/2025 financial year:

f) **Sets the rates for the 2024/2025 financial year as below and as set out in Schedule A hereto, including GST, as below:**

- i. Sets the Uniform Annual General Charge at \$742.14, per separately used or inhabited part of a rating unit (SUIP)
- ii. Sets the General Rate at the different rates in the dollar of capital value for different categories of land as below (and as defined in Schedule A):

Urban & utilities	0.00128041
Rural	0.00102433
Semi-rural	0.00102433

iii. Sets the following targeted rates in the dollar of capital value for different categories of land as below (and as defined in Schedule A):

Rate	Category	Amount of rate
Sewerage loan rate	Service available	0.00000448
Stormwater rate	Urban	0.00011299
Roading differential rate	Urban	0.00054393
	Utilities	0.00054393
	Commercial	0.00108785
	Rural	0.00065271
	Semi-rural	0.00065271
Footpaths & streetlights rate	Urban	0.00014988
	Semi-rural	0.00011241
	Rural	0.00003747
Town centre rate	Urban	0.00006608
	Semi-rural	0.00004956
	Rural	0.00001652
Harbour rate	Urban	0.00003392
	Semi-rural	0.00002544
	Rural	0.00000848
Commercial rate	Commercial	0.00197312
Harbour special operator rate #1	Ticketing office – Whale Watch	0.05977802
Harbour special operator rate #2	Ticketing office – Dolphin Encounter	0.01011469
District planning rate	All of district	0.00013268

iv. Sets the following targeted rates per separately used or inhabited part of a rating unit (SUIP):

Rate	Category	Amount of rate
Earthquake levy	All of district	40.00
Civic centre rate	All of district	134.84

Rate	Category	Amount of rate
Roading fixed rate	Rural & semi-rural	200.00
Kerbside recycling charge	Urban (except for commercial and property located in the West End)	140.75
Accommodation sector rate	Accommodation providers (less than five guests)	600.00
Kaikōura water annual rate	Connected	541.55
	Service available	270.77
Ocean Ridge water rate	Connected	541.55
	Service available	270.77
Oaro water rate	Connected	541.55
Peketa water rate	Connected	541.55
Sewerage charge	Connected (first)	624.95
	Subsequent (and not commercial or self-contained and serviced)	312.47
	Available	312.47
Sewerage charge – commercial	Subsequent and as defined in Schedule A	350.00
Sewerage charge – self-contained & serviced	Subsequent and as defined in Schedule A	200.00

v. Sets the following targeted rates per water unit:

Rate	Category	Amount of rate
Suburban water rate	Suburban	541.55
Kincaid water rate	Kincaid	184.77
Fernleigh water rate	Fernleigh	631.78
East Coast rural water rate	East Coast rural	690.00
East Coast village water rate	East Coast village	541.55

vi. Sets the Registered Premises targeted rate of \$728.46 per licence whether an alcohol licence, food premises licence, camping ground licence, funeral directors' licence, or hairdressers licence (as defined in Schedule A):

vii. Sets the following targeted rates per volume of water consumed by meter, in excess of 365m³ per annum (or 183m³ per six months as read), (as defined in Schedule A):

Fixed amount per cubic meter	\$2.10 per m ³
Fixed amount per water meter	\$60.00 per annum
Special meter reading fee	\$75.00 per special reading

g) **Approves** the due dates for the payment of rates as:

	For the period:	Last date for payment:
Instalment 1:	1 Jul 2024 to 30 Sep 2024	20 September 2024
Instalment 2:	1 Oct 2024 to 31 Dec 2024	20 December 2024
Instalment 3:	1 Jan 2025 to 31 Mar 2025	20 March 2025
Instalment 4:	1 Apr 2025 to 30 Jun 2025	20 June 2025

For volumetric water meter charges, the due dates for payment of rates as:
20 August 2024, for water meter invoices covering the period January to June 2024, and
20 February 2025, for water meter invoices covering the period July to December 2024, and

h) **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.

Penalty dates are:

	Last date for payment:	Date penalty is applied:
Instalment 1:	20 September 2024	21 September 2024
Instalment 2:	20 December 2024	21 December 2024
Instalment 3:	20 March 2025	21 March 2025
Instalment 4:	20 June 2025	21 June 2025
Prior year rates:	30 June 2024	20 July 2024
Prior year rates:	30 June 2024	20 January 2025

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 December 2023 to May 2024.

Our consultation document was published on 27 March 2024, and submissions closed on 30 April. We received written submissions from 124 submitters, and 18 people or groups attended the hearing at the Council offices (either in person or on Teams), on Wednesday 15 May to speak to the Council about their submissions and how they felt the LTP could be improved.

The Long-Term Plan 2024-2034 now reflects the changes we have made in response to submissions, which (in financial terms) were to;

- Increase the grant to the Kaikōura Community Pool Trust to \$85,000
- Add \$30,000 per annum to years 2028-2030 for West End redevelopment options

The LTP also includes those changes that we had to make because of information that has since come to light, such as the increase in LAPP premiums, reduced reliance on building control consultants, Mill Road, West End, and Churchill Park toilets, and the Community Courts (those projects are grant funded), and a new solution for the now-closed Jordan Stream Bridge.

The total rates increase for year one of the LTP is 14.75%, and average increases of 4.9% over the ten years (excluding growth). Total debt is forecast to reach a peak of \$10.3 million in year two.

The policies listed in *Resolution e)* above are specifically listed because they were only approved for public release alongside the Consultation Document, in March 2024, and have been subject to minor corrections and updates since their release. The Revenue & Financing Policy is also listed for final adoption again because of the final confirmation of the special operator rate for harbour operators, and changes to rural recycling and library book services because of public submissions.

3.2 Unbalanced budget

The LTP financial forecasts show an “unbalanced budget” in the financial years 2027-2034, which means operating revenue does not cover all operating costs.

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 2027-2034 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 has continued its historic policy not to fund depreciation. This LTP, therefore, projects an annual deficit from the 2027 financial year, attributable to depreciation. The deficits range from a low of \$2.34 million in 2027 to a high of \$3.3 million in 2028, and with the deficit in year ten at \$3.03 million.

3.3 Setting the Rates for the year commencing 1 July 2024

The procedure for setting rates is defined in section 23 of the Local Government (Rating) Act 2002 (the Rating Act), 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 of the Rating Act used to calculate liability for the rates.

Schedule A provides the detail required for the resolution to set the rates.

4. ISSUES AND OPTIONS

4.1 Statutory timeframe

The Local Government Act 2002 requires the Long-Term Plan to be adopted on or before 30 June 2024, and for the LTP to take effect from 1 July 2024. Subject to the audit of the LTP having been completed and the Audit Report being available by the meeting date, we intend for the LTP to be adopted at this meeting dated 26 June 2024, within the statutory timeframe.

4.2 Setting the rates

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

- The Revenue & Financing Policy needs to be adopted first (this was adopted in December 2023, subject to minor amendments to the rural recycling service and new fiction book rentals), 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 rates and user fees that are to apply for the 2024/2025 financial year.

4.3 Setting fees and charges for the year commencing 1 July 2024

The fees and charges for the coming financial year are not reliant on the LTP being adopted, and need to be adopted before the start of the year. The report to the Council to adopt the schedule of fees and charges is therefore a separate report for decision in this 26 June agenda.

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 124 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 Council, like many local authorities across New Zealand, are facing significant funding challenges. The total rates increase will be 14.75% for the 2024/2025 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

Schedule A: Rating Funding Impact Statement and the rates for 2024/2025

This Rating Forecast Impact Statement (Rating FIS) should be read in conjunction with the Council’s Revenue & Financing Policy. That Policy sets out, for every activity the Council provides, how that activity will be funded having considered who benefits from that activity (or who contributes to the cost). Where the Council has decided that rates are an appropriate way to fund all or part an activity, that Policy also determines whether this be by way of general rates, uniform annual general charges, or targeted rates.

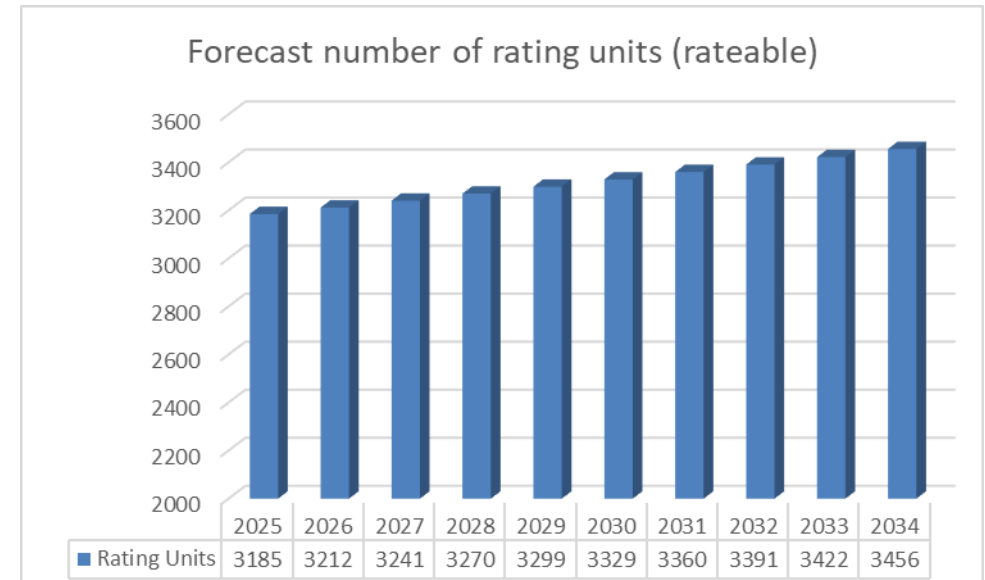
Rates are set under the Local Government (Rating) Act 2002 (the Act) as at 1 July each year, and are for the financial year 1 July to 30 June.

Rating database information

The Council estimates its rating database will hold the following values as at 1 July 2024. Note the most recent district valuation was performed by independent valuers as at 1 August 2021. These valuations are audited by the Office of the Valuer General.

Rating database estimate at 1 July 2024				
	Count	Capital value \$000	Land value \$000s	Area (Ha)
Rateable	3,076	2,304,749	1,363,315	91,262
Non-rateable	256	115,827	60,618	105,934
Part non-rateable	8	5,401	3,421	447
Total rating units	3,340	2,425,977	1,427,354	197,643
Separately used or inhabited parts of a rating unit				3,164

The Council estimates the number of rating units will increase roughly in line with the forecast for Vicarage Views and Ocean Ridge, plus nominal growth for the new business park and ongoing subdivisions. This growth is forecast to average 29.2 new lots created per year.



The rating system

The following pages set out what your 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 Kaikōura district and is based on the property's capital value. The Council has set a rating differential of 0.8:1 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

- (1) any part of a rating unit that is used or inhabited by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement (whether formal or informal), or
- (2) Any part or parts of a rating unit that is used or occupied by the ratepayer for more than one single use. Without limitation, the following are separately used parts of a rating unit:
 - Individual flats or apartments
 - Separately used or leased commercial areas which are comprised in one rating unit, including each shop within a mall (for example)
 - A business that employs more than one FTE who does not reside on site
 - Single rating units which contain multiple uses such as a shop with a dwelling or commercial activity with a dwelling
 - A building or part of a building that is used, or can be used as an independent residence
 - A manager's residence within a hotel or motel

An independent residence is defined as a liveable space with its own kitchen, living and toilet/ bathroom facilities that can be deemed to be a secondary unit to the main residence. Note: a kitchen is defined as any space, facilities and surfaces for the storage, rinsing, preparation and/or cooking food, the washing of utensils and the disposal of wastewater,

including, for example a food preparation bench, sink, cooking appliance(s), refrigerator, and may include other kitchen appliances.

The following are not considered to be separately used parts of a rating unit:

- A residential sleep-out or granny flat that does not meet the definition of an independent residence
- A hotel room with or without kitchen facilities
- A motel room with or without kitchen facilities
- Individual storage garages/sheds/portioned areas of a warehouse
- Individual offices or premises of business partners
- Bars or areas within sports club facilities where alcohol is sold and/or consumed under a Club Licence

Where a rating unit is identified as having more than one separately used or inhabited part available to be used, but it is not actually separately used or inhabited, then it shall be assessed as having separately used or inhabited parts and the ratepayer may apply annually for remission of rates on the unused part(s). The remission would only be available where the unused part(s) are unused for the entire rating year. Where a remission has been granted, and it is discovered that the part(s) were actually used during that rating year, that rating unit will not be eligible for remission of rates for unused part(s) for any subsequent rating year.

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 uniform targeted rate is applied, this

refers to a fixed (uniform) dollar amount per annum regardless of property value.

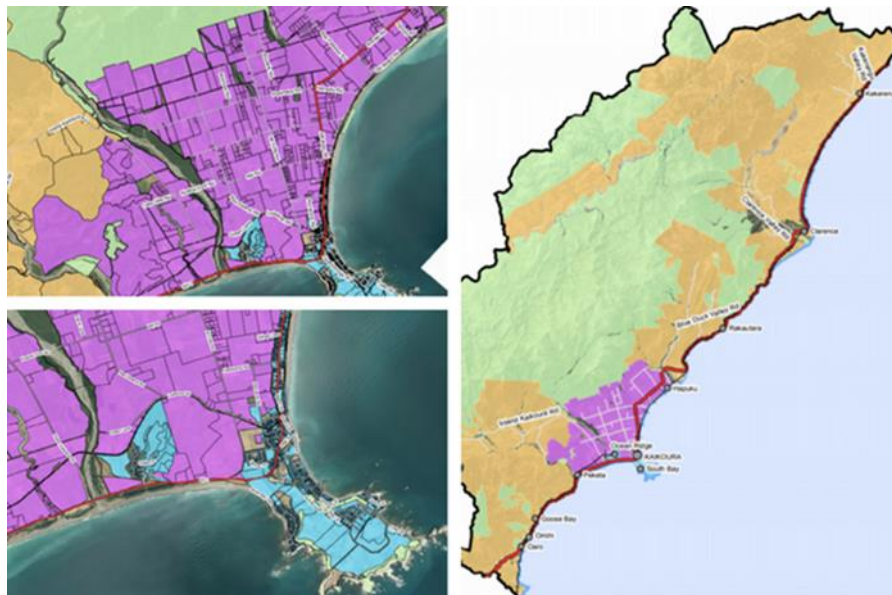
The Council has chosen to apply most of its uniform targeted rates to separately used or inhabited parts of a rating unit, to remain consistent with the principles of the uniform annual general charge. In some instances, however, such as the registered premises charge, or sewerage charges, these are 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



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, South Bay, Ocean Ridge, Beach Road from the West End to Mill Road, the southern length of Ludstone Road from the West End to (and including) Vicarage Views, and the northern length of Ludstone Road from the West End to (and including) the Kaikōura High School. 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.

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 and west on the Kaikōura Inland Road as far as (but not including) Kowleigh Farm.

Rural rating area

The remainder of the district is rural, with rateable properties 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. Department of Conservation (DoC) land is shown in pale green, and while it makes up a significant part of the district, this land is non-rateable.

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.

Rates for the financial year from 1 July 2024 to 30 June 2025

General rates

General rates	Differential	Category	Factor	2024/2025 Rate (incl. GST) \$	2024/2025 Total Amount (incl. GST) \$
General rate					
<p>The general rate funds the general operations of the Council, including general management, community services, communications, strategy & 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	0.00128041	1,520,524
	Semi-Rural and Rural 0.8:1	All rateable property outside the Urban area except for property defined as Utilities	Rate in the \$ of capital value	0.00102433	1,134,499
Uniform Annual General Charge (UAGC)					
<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	742.14	2,348,117

Targeted rates applied across the whole district

The earthquake levy, 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	2024/2025 Rate (incl. GST) \$	2024/2025 Total Amount (incl. GST) \$
Earthquake levy					
This rate 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	126,560
District Planning Rate					
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	0.00013268	304,521
Civic Centre Rate					
The Civic Centre rate funds the net costs (after lease revenues) of the museum, library, and civic offices building	None	All rateable property within the district	Fixed \$ amount per separately used or inhabited part of a rating unit	134.84	426,628

One of the main outcomes of the rating review completed in 2023/2024 was the removal of the Roothing Rate, which had been assessed on capital value of every property in the district, without differentials applied. That rate has now been replaced by two new rates, the Roothing Differential Rate and the Roothing Fixed Rate, which work in conjunction with each other to ensure that commercial, rural and semi-rural properties contribute more to the cost of roading through the roading rate differentials, while the fixed rate helps to alleviate impacts on higher valued properties in those rating categories.

Targeted rates	Differential	Category	Factor	2024/2025 Rate (incl. GST) \$	2024/2025 Total Amount (incl. GST) \$
Roading Differential Rate					
This rate funds the net operating and capital costs (after subsidies) for maintenance and upgrading of the district's roading and bridges network.	Urban & Utilities 1:1	All rateable property within the Urban area (except for property defined as Commercial), plus all rateable property within the district defined as Utilities	Rate in the \$ of capital value	0.00054393	518,899
	Semi-Rural and Rural 1.2:1	All rateable property outside the Urban area (except for property defined as Commercial and/or defined as Utilities)	Rate in the \$ of capital value	0.00065271	708,484
	Commercial 2:1	All rateable property defined as Commercial (and excluding property defined as Utilities)	Rate in the \$ of capital value	0.00108785	213,753
Roading Fixed Rate					
This rate funds the net operating and capital costs (after subsidies) for maintenance and upgrading of the district's roading and bridges network.	None	All rateable property outside the Urban area (except for property defined as Utilities)	Fixed \$ amount per separately used or inhabited part of a rating unit	200.00	236,200

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	2024/2025 Rate (incl. GST) \$	2024/2025 Total Amount (incl. GST) \$
Kaikōura Water Annual Rate¹					
This water rate funds the net costs of the supply, treatment, upgrading and maintenance of the Kaikōura water cohort, which includes the Kaikōura Urban water supply, as well as partially subsidising the net costs of the Suburban, Ocean Ridge, East Coast village, Peketa, and Oaro water supplies.	Full charge 1:1	All rateable properties connected to the Kaikōura water supply.	Fixed \$ amount per separately used or inhabited part of a rating unit	541.55	1,053,850
	Half charge 0.5:1	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	270.77	30,056
Kaikōura Water Loan Rate					
This water rate funds the loan servicing costs of the Kaikōura Urban 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	-	-

¹ Note that, for the Kaikōura and Suburban water supplies, 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	2024/2025 Rate (incl. GST) \$	2024/2025 Total Amount (incl. GST) \$
Suburban Water Rate					
This water rate contributes to the cost of the supply, treatment, upgrading and maintenance of the Suburban water scheme.	None	All rateable properties within the Suburban water area ² and connected to the Suburban water scheme.	Fixed \$ amount per Suburban water unit (1,000 litres per day)	541.55	27,619
Ocean Ridge Water Rate					
This water rate contributes to the costs of supply, treatment, upgrading and maintenance of the Ocean Ridge water supply.	Full charge 1:1	All rateable properties connected to the Ocean Ridge water supply.	Fixed \$ amount per separately used or inhabited part of a rating unit	541.55	41,158
	Half charge 0.5:1	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	270.77	20,308
Kincaid Water Rate					
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 Kincaid water unit (1,000 litres per day)	184.77	121,208
Fernleigh Water Rate					
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 Fernleigh water unit (1,000 litres per day)	631.78	199,010

² The Suburban water area is from the Waimangarara water intake and the Kaikōura flats area including properties on Postmans Road, McInnes Road, Brunells Road, Schrodgers Road, Mt Fyffe Road, Schoolhouse Road, and Red Swamp Road north of Postmans Road.

WATER	Differential	Category	Factor	2024/2025 Rate (incl. GST) \$	2024/2025 Total Amount (incl. GST) \$
East Coast Rural Water Rate					
This water rates funds the supply, treatment, upgrading, and maintenance of the East Coast water supply, the costs as identified to relate predominantly to the rural part(s) of the supply.	None	All rateable properties connected to the East Coast water supply (excluding those properties within the Clarence Village water supply area).	Fixed \$ amount per East Coast water unit (1,800 litres per day)	690.00	83,490
East Coast Village Water Rate					
This water rates funds the supply, treatment, upgrading, and maintenance of the East Coast water supply, as identified to relate predominantly to the Clarence village part(s) of the supply.	None	All rateable properties situated within the Clarence Village area, being that area from the East Coast water intake near the Clarence River to where the rail line runs adjacent to State Highway One and incorporating all properties to the south of Clarence Valley Road and State Highway One to the Clarence River or the rail line as applicable.	Fixed \$ amount per East Coast water unit (1,800 litres per day)	541.55	8,665
Oaro Water Rate					
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	541.55	38,991
WATER	Differential	Category	Factor	2024/2025 Rate (incl. GST) \$	2024/2025 Total Amount (incl. GST) \$

Peketa Water Rate					
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	541.55	10,831
Water Meter Charges					
<i>The following two water rates will be billed separately from the rates invoice, twice annually.</i>					
Volumetric charges: 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 ³ per annum (or 183m ³ per six months as read)	2.10	209,000
Meter Maintenance Charge: 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	60.00 (30.00 invoiced twice a year)	20,600

A special one-off meter reading, such as for a final reading on change of ownership, incurs a \$75.00 meter reading charge which is billed at the time of reading the meter.

WASTEWATER	Differential	Category	Factor	2024/2025 Rate (incl. GST) \$	2024/2025 Total Amount (incl. GST) \$
Sewerage Loan Rate					
This rate funds the loan servicing costs of the Kaikōura sewerage system.	None	All rateable properties within the area serviced by the Kaikōura sewerage system (which includes the Kaikōura township, South Bay, Ocean Ridge, and parts of the Kaikōura flats), or within 100 metres of any part of that system.	Rate in the \$ of capital value	0.00000448	3,737
Sewerage Charge					
This wastewater targeted rate contributes to the costs of sewage collection, treatment, disposal, upgrading, and maintenance of the Kaikōura sewerage scheme.	Full charge 1:1	All rateable properties connected to the Kaikōura sewerage system (which includes the Kaikōura township, South Bay, Ocean Ridge, and parts of the Kaikōura flats).	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).	624.95	1,115,533
	Half charge 0.5:1	All rateable properties within the area connected to 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. ³	312.47	7,811

WASTEWATER	Differential	Category	Factor	2024/2025 Rate	2024/2025 Total Amount
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³ A rating unit used primarily as a residence for one household will not be treated as having more than one water closet or urinal.

				(incl. GST) \$	(incl. GST) \$
Sewerage Charge – Self-contained & serviced					
This wastewater targeted rate contributes to the costs of sewage disposal, treatment, upgrading and maintenance of the Kaikōura sewerage scheme.	None	All rateable properties connected to 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.	200.00	99,200
Sewerage Charge – Commercial (additional)					
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 and Supply of Alcohol Act 2012; 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.	350.00	108,150

WASTEWATER	Differential	Category	Factor	2024/2025 Rate (incl. GST) \$	2024/2025 Total Amount (incl. GST) \$
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Sewerage Half Charge (Available)					
This wastewater targeted rate contributes to the costs of sewage disposal, treatment, upgrading and maintenance of the Kaikōura sewerage scheme.	Half 0.5:1	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	312.47	64,681
STORMWATER	Differential	Category	Factor	2024/2025 Rate (incl. GST) \$	2024/2025 Total Amount (incl. GST) \$
Stormwater rate					
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	0.00011299	126,851

REFUSE & RECYCLING	Differential	Category	Factor	2024/2025 Rate (incl. GST) \$	2024/2025 Total Amount (incl. GST) \$
Kerbside Recycling Charge					
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 within the Kaikōura urban area, or on the periphery of the urban area and receiving the kerbside collection service, except for commercial properties and properties in the West End, but this rate will apply where a property is a residential dwelling in nature but deemed commercial by virtue of the number of visitors accommodated.	Fixed \$ amount per separately used or inhabited part of a rating unit	140.75	240,123

It is the intention of the above rate to capture all properties that have access to the kerbside collection service, whether they use the service or not. The Council's contractor does not use the rating areas when making the decision how far to extend the service, therefore some properties outside the urban area do have access to the kerbside collection. The contractor doesn't provide the standard kerbside collection service to commercial properties (these are assumed to have separate arrangements that they each pay for separately), and cannot safely provide the kerbside service in the West End as the collection vehicle is unable to turn in the confined space.

The rates on the following pages, namely the Footpath & Streetlight Rate, the Harbour Rate, and the Town Centre Rate, use the rating areas on page 48 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	2024/2025 Rate (incl. GST) \$	2024/2025 Total Amount (incl. GST) \$
Footpath & Streetlight Rate					
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	0.00014988	169,139
	Semi-rural 0.75:1	All rateable property within the Semi-rural area	Rate in the \$ of capital value	0.00011241	65,848
	Rural 0.25:1	All rateable property outside the Urban and Semi-rural rating areas.	Rate in the \$ of capital value	0.00003747	19,551
Harbour Rate					
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	0.00003392	38,171
	Semi-rural 0.75:1	All rateable property within the Semi-rural area	Rate in the \$ of capital value	0.00002544	14,904
	Rural 0.25:1	All rateable property outside the Urban and Semi-rural rating areas.	Rate in the \$ of capital value	0.00000848	4,425

	Differential	Category	Factor	2024/2025 Rate (incl. GST) \$	2024/2025 Total Amount (incl. GST) \$
Town Centre Rate					
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 public 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	0.00006608	74,574
	Semi-rural 0.75:1	All rateable property within the Semi-rural area	Rate in the \$ of capital value	0.00004956	29,033
	Rural 0.25:1	All rateable property outside the Urban and Semi-rural rating areas.	Rate in the \$ of capital value	0.00001652	8,620

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	2024/2025 Rate (incl. GST) \$	2024/2025 Total Amount (incl. GST) \$
Commercial Rate					
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"> Used principally or exclusively for commercial and/or industrial purposes, (not being farmland as defined by Land Information NZ); or 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 Used as licensed premises under the Sale and Supply of Alcohol Act 2012; or Used for the provision of utilities infrastructure 	Rate in the \$ of capital value	0.00197312	442,595
Accommodation Sector Rate					
The accommodation sector rate 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 up to four persons , 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	600.00	118,200

	Differential	Category	Factor	2024/2025 Rate (incl. GST) \$	2024/2025 Total Amount (incl. GST) \$
Registered Premises Rate					
The registered premises charge funds the net costs of alcohol 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 (whether an alcohol licence, food premises licence, camping ground licence, funeral directors licence, or hairdressers licence)	728.46	79,038
Harbour Special Operator Rate					
This rate funds the net costs (after user fees), of the South Bay harbour facilities (including operations, capital work, and loan servicing costs). The differential aims to align with the area of the harbour that is predominantly for the exclusive use of the special operators ⁴ .	85% of total revenue to be collected from the rate	No. 1: The rateable property used as the primary ticketing office of Whale Watch Kaikōura (which is identified as a special operator of the harbour facilities at South Bay)	Rate in the \$ of capital value	0.05977802	97,438
	15% of total revenue to be collected from the rate	No. 2: The rateable property used as the primary ticketing office of Dolphin Encounter (which is identified as a special operator of the harbour facilities at South Bay)	Rate in the \$ of capital value	0.01011469	17,195

Please refer to the sewerage charges on pages 57-59 as they pertain to certain commercial properties, and also to the water meter charges on page 56 for commercial properties that are metered.

⁴ The special operators that are assessed for the Harbour Special Operator Rate will not be assessed for the Harbour Rate on page 60.

Rate assessments, invoicing, and penalties

Rates are set as at 1 July each year, and are due and payable to the Kaikōura District Council. The previous pages identify each proposed rate for the 2024/2025 financial year. Note that all amounts are GST inclusive, whereas those amounts within the Forecast Funding Impact Statement (on page 8) exclude GST.

These rates, their differentials, categories, and factors, are assumed to apply for each of the ten years of this Long-Term Plan. Notwithstanding this, the Council may review and publicly consult on its rating mechanisms within that period.

For rates other than volumetric water meter charges, rates are invoiced quarterly by instalment. Those instalment dates, the period they cover, and their due dates for the 2024/2025 financial year are as follows:

	For the period:	Last date for payment:
Instalment 1:	1 Jul 2024 to 30 Sep 2024	20 September 2024
Instalment 2:	1 Oct 2024 to 31 Dec 2024	20 December 2024
Instalment 3:	1 Jan 2025 to 31 Mar 2025	20 March 2025
Instalment 4:	1 Apr 2025 to 30 Jun 2025	20 June 2025

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 at 20 July and 20 January.

Penalty dates are:

	Last date for payment:	Date penalty is applied:
Instalment 1:	20 September 2024	21 September 2024
Instalment 2:	20 December 2024	21 December 2024
Instalment 3:	20 March 2025	21 March 2025
Instalment 4:	20 June 2025	21 June 2025
Prior year rates:	30 June 2024	20 July 2024
Prior year rates:	30 June 2024	20 January 2025

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).

Water Meter Charges

Extraordinary consumers, such as some agricultural/pastoral properties, commercial properties and homes with swimming pools, or properties with more than one connection, have water meters attached to their property to measure water use. These water meters are read twice each year (in January and July), and the consumers are charged for the amount of water they use.

Water meter charges are invoiced separately, not less than twice a year. The meter read dates and due dates for payment are as follows:

Meter read date:	For the period:	Due date for payment:
1st week July	January to June	20 August 2024
1st/2nd week January	July to December	20 February 2025

Meter reading dates and the period they cover are approximate.

Final readings (such as when a property has been sold) or other one-off special meter reads are arranged as required and invoiced separately. A one-off \$75.00 reading fee applies.

Environment Canterbury rates

The Kaikōura District 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 include the rates we collect from you on behalf of Environment Canterbury.

IMPACT OF PROPOSED RATES ON BENCHMARK PROPERTIES

The benchmark properties used in the table below are a theoretical set of properties, designed to give indicative rates impacts for high, medium, and low value properties across the district. The rates and the capital values in these tables are for indicative purposes only, for example the high values properties are taken from within the top 15% of capital values, the low values are taken from the lowest 15% of capital values (excluding bare land), and the medium value is taken from the somewhere in the middle, within each land use category and/or area. Rates shown are neither an average, nor a median, value.

Type of property	Capital value ⁵	2023/2024 Rates \$	2024/2025 Rates \$	2024/2025 Increase in dollar \$	2024/2025 Increase in percent %	Rates 2033/2034 incl. inflation \$	Average rates increase (ten years)
Residential – Urban – High value	1,160,000	4,634.87	4,920.51	285.64	6.16%	6,461.21	3.43%
Residential – Urban – Medium value	760,000	3,693.58	3,990.75	297.17	8.05%	5,247.09	3.63%
Residential – Urban – Low value	380,000	2,799.37	3,107.49	308.12	11.01%	4,093.67	3.95%
Farm – Semi-rural – High value	4,580,000	9,965.29	10,263.88	298.59	3.00%	13,884.75	3.42%
Lifestyle block – Semi-rural – Medium value	980,000	2,817.90	3,074.17	256.28	9.09%	4,101.65	3.88%
Residential – Semi-rural – Low value	450,000	1,765.63	2,015.69	250.05	14.16%	2,661.36	4.28%
Commercial – Urban – High value (30-room motel)	4,490,000	27,541.55	30,021.50	2,479.95	9.00%	36,735.53	2.98%
Commercial – Urban – Medium value (12-room motel)	1,485,000	12,843.25	14,657.40	1,814.15	14.13%	17,948.61	3.49%
Commercial – Urban – Medium value (Retail)	830,000	7,238.35	8,608.78	1,370.43	18.93%	10,727.93	4.15%
Commercial – Urban – Low value (Retail)	490,000	4,461.50	5,184.23	722.73	16.20%	6,684.29	4.24%
Farm – Rural – High value	8,750,000	18,205.46	18,615.67	410.21	2.25%	25,184.02	3.35%
Farm – Rural – Medium value	4,330,000	9,018.09	9,223.59	205.49	2.28%	12,477.29	3.36%
Farm – Rural – Low value	2,030,000	4,691.19	4,917.53	226.34	4.82%	6,613.72	3.55%

⁵ The latest district valuation was conducted by Quotable Values Ltd as at 1 August 2021 and is the value used by the Council for rating purposes (plus or minus any property additions, improvements, or demolitions since that date).