

REPORT TO: Council

Subject: Kaikoura Abolition Proposal

Report by: Manager Community and Corporate Policy

Signature: Author Manager

Summary Report

At the Council meeting held on 28 August 2008, a report was tabled by the Chief Executive Officer outlining the proposal for the Kaikoura District Council to be abolished and included into the Hurunui District. This report has been prepared to provide the Council with information to assist the Mayor and Councillors to form a position on the proposal. The Local Government Commission has called for submissions up until 13 October 2008. Once Council has determined its position, a submission will be prepared and sent to the Local Government Commission on the matter.

Recommendation

1. THAT THE COUNCIL FORMS A VIEW ON THE PROPOSAL FOR THE KAIKOURA DISTRICT COUNCIL TO BE ABOLISHED AND INCLUDED INTO THE HURUNUI DISTRICT.
2. THAT COUNCIL OFFICERS PREPARE A SUBMISSION TO THE LOCAL GOVERNMENT COMMISSION ON THE KAIKOURA ABOLITION PROPOSAL, IN ACCORDANCE WITH THE COUNCIL'S POSITION ON THE MATTER.
3. THAT THE MAYOR BE DELEGATED AUTHORITY TO APPROVE THE SUBMISSION.

BACKGROUND

The Local Government Commission has accepted a petition of Kaikoura District electors proposing the abolition of the Kaikoura District and its inclusion in the Hurunui District. The Commission is now calling for submissions on the proposal. A report from Andrew Dalziel, Chief Executive Officer, was presented to the Council meeting held on 28 August 2008 on this matter. In addition, Donald Riezebos, Chief Executive Officer of the Local Government Commission attended the Council meeting to explain the legal process and procedures that are involved.

Apart from wanting to consult with this Council, the Commission is also consulting with other affected or adjoining local authorities, the proposer, relevant government agencies, and iwi.

The closing date for submissions is 13 October 2008. It is the Commission's general policy to make submissions publicly available on request. The Council can request to appear before the Commission. No hearings dates have been set yet.

This Council now needs to form a view about the abolition proposal. This report has been prepared to assist Council in its decision. The Kaikoura District Council are opposed to the abolition proposal, and to respect their position at this time, staff have not directly approached Kaikoura staff or elected members for any information in relation to the proposal. The information presented in this report, has been derived from publicly available information such as their Long Term Council Community Plan and Annual Plan.

The table set out below demonstrates differences, comparisons or similarities between the Kaikoura and Hurunui District Councils.

Council Activity	Kaikoura District Council	Hurunui District Council
Annual Report 2006/07 Revenue:	As at 30 June 2007	As at 30 June 2007
Surplus	\$10.2 m	\$2.7 m
Vested Assets	\$6.8 m	\$0.98 m
Development Levies	\$2.8 m	\$0.99 m
General Rates	\$2.4 m (incl UAGC)	\$4.64 m
Targeted Rates	\$1.09 m	\$5.05 m
Operating Expenditure	\$4.3	\$16.14 m
Depreciation	\$1.13 m	\$5.3 m

External Interest	\$306 k	\$0
Annual Report 2006/07 Balance Sheet:	As at 30 June 2007	As at 30 June 2007
Cash	\$2.06 m	\$3.7 m
Term Deposits & Sinking Funds	\$1.5 m	\$7.3 m
Forestry Value	\$3.2 m	\$1.5 m
Investment Properties	\$4.4 m	\$0.18 m
Plant, Property & Equipment	\$118.5 m	\$251 m
External Debt	\$4.2 m (\$1.5m to be paid within 12 months)	\$0
Annual Plan 2007/08 Revenue Statement:		
Surplus	\$1.5 m	\$1.9 m
Vested Assets	\$0	\$877 k
Development Levies	\$1.7 m	\$635 k
General Rates	\$2.7 m (incl (UAGC)	\$4.9 m
Targeted Rates	\$1.35 m	\$5.6 m
Operating Expenditure	\$4.65 m	\$16.4 m
Depreciation	\$1.5 m	\$5.6 m
External Interest Costs	\$370 k	\$807 k
Annual Plan 2007/08 Balance Sheet:		
Cash	\$2.07 m	\$7.5 m (inclusive with term deposits)

Term Deposits & Sinking Funds	\$620 k	As above
Fixed Assets (incl forestry & property)	\$118.5 m	\$280 m
External Debt	\$4.6 m (\$2m to be paid within 12 months)	\$7.6 m
Annual Plan 2008/09 Revenue Statement:		
Surplus	\$1.8 m	\$2 m
Vested Assets	\$0	\$764 k
Development Levies	\$872 m	\$648 k
General Rates	\$2. 8 m (incl (UAGC)	\$5 m
Targeted Rates	\$1.4 m	\$6.2 m
Operating Expenditure	\$4.9 m	\$17.8 m
Depreciation	\$1.6 m	\$5.4 m
External Interest Costs	\$503 k	\$831 k
Annual Plan 2008/09 Balance Sheet:		
Cash	\$1.4 m	\$7.5 m (inclusive with term deposits)
Term Deposits & Sinking Funds	\$713 k	As above
Fixed Assets (incl forestry & property)	\$123 m	\$277 m
External Debt	\$6.6 m (\$1m to be paid within 12 months)	\$6 m
Capital Programme for 2008/09:		

Roading	\$944 k	\$3.5 m
Water	\$472 k	\$2.46 m
Sewerage	\$1 m	\$745 k
Town Centre Upgrade	\$200 k	\$1.4 m (Hanmer Springs) \$250 k (Amberley)
Esplanade Beautification	\$250 k	-
Museum	\$872 k	-
Council Offices	\$3.2 m	-
Other	\$147 k	-
Total	\$7.1 m	\$8.4 m
Rating System:		
1	Combination of Capital Value Charges & Uniform Annual Charges.	
2	Water & Sewer Rates are charged as Fixed Charges per property with an additional pan charge for sewer attached to commercial or accommodation properties.	
3	For the 2008/09 year, a Uniform Annual General charge of \$416.94 has been charged to each property.	
4	The balance of the General Rate is charged by way of Capital Value Rates with Special Accommodation Ratepayers paying 120% of the residential General Rate and Commercial Ratepayers paying 300% of the Residential General Rate.	

Rating for 08/09: General Rate	KDC \$250k Property:	HDC \$250k Property:
UAGC		Amberley - \$1,150 to 1,290
Water	\$290	Cheviot - \$1,397
Sewer	\$417	Hanmer - \$1,272 to 1,293 (excl tourism tax)
Other	\$285	(Above figures excl ECan rates)
Total	\$78	
	\$1,340	
Roading:		
Roads	199.2 kms (50/50% sealed & unsealed)	1,400 kms (32% sealed & 68% unsealed)
Footpaths	21 kms	40 kms
Bridges	40 (12 uneconomic)	268
FAR	47%	50%
Streetlights	244	795
Water:		
No. schemes	6	14
No. connections	1,386	5,536
Sewerage:		
No. schemes	1	7
No. connections	1,396	2,470
Solid Waste: Information to be added.		
Landfill:	1	1
Building Consents:		
No. consents pa	300	500
Bylaw Review:	Completing reviews by 1/7/08	Completing reviews by 1/7/08
District Plan:		
Date operative	2008	2003
Review date	2018	2013
Animal Control:		
Registered dogs	1,000	5,000

Complaints etc	Carried out under contract	Carried out under contract
Compliance: Car parking	Pay parking policy	Free parking
Pensioner Housing: Information to be added.		
Library: No. Branches	1	8 (5 staffed and 3 volunteer)
Staff FTE	3	6
Membership	61% of district	55% of district
Software programme	Liberty3	Liberty3
Expenditure	\$222 k	\$571 k
Income	30 k	\$42 k
Service Centres:	1	2 (plus 2 of the libraries above)
Airport	1	0
Harbour	1	0
Tourism: Brands	Alpine Pacific Triangle Kaikoura Development Committee	Alpine Pacific Triangle
i-sites	'Nature & Marine' focus 1 managed through the Kaikoura Information Trust	New 'Wellness' focus 1 managed by the Thermal Pools & Spa
Market	70 – 75% international visitors	70 – 75% domestic visitors
Population:	3,600	10,600
Rateable Properties:	2,587	7,286
Land Area:	2,048 sq km	8,648 sq km
Land Use:	Predominately rural	Predominately rural
Representation:	Mayor & 7 Councillors District at Large	Mayor & 9 Councillors 5 Wards
Voter Turnout: Eligible to vote	Information to be added.	Information to be added.
Voter turnout 2007		
No. Staff	26 FTE	72 FTE Council 47 FTE Pools

Community Outcomes:	<ol style="list-style-type: none"> 1. Sustainable Development 2. Quality Water and Wastewater Services 3. Safe, Efficient Transport Network 4. Opportunities for Education and Employment 5. A Quality Standard of Affordable Housing 6. Environmental Protection and Enhancement 7. Affordable Access to Quality Community Facilities 8. Community Involvement in Planning the Future and Managing the Present 	<ol style="list-style-type: none"> 1. A desirable place to live, work and play 2. A healthy, safe place to live 3. A thriving local economy 4. Essential infrastructure 5. Environmental responsibility 6. Skills and education for work and life
Government and NGO Services:	Both Canterbury and Marlborough. EG: Canterbury: DHB, ECan Marlborough: W&I, Police, DoC, CYF	
Communities of Interest	Tourism – Kaikoura Township Rural – remainder of District Lower part of the District was part of the former Cheviot County Council	Tourism – Hanmer Springs Township Rural – remainder of District Cheviot has links with Kaikoura. Many use Kaikoura’s Heartland Services and use other facilities
Governance:	Information to be added.	Information to be added.
Cost		

Options Considered

Do Nothing

This is not an option. The Council needs to take a position on the matter as it could have a significant effect on its constitution, responsibilities and duties.

1st Option

Council agrees with the proposal to abolish Kaikoura District Council and incorporates all or part of that District into the Hurunui District Council. Council’s submission would need to set out reasons for supporting the proposal and outline how this would support better decision making and good local government.

2nd Option

Council does not support the proposal to abolish the Kaikoura District Council and opposes it. Council’s submission would need to set out reasons for not supporting the proposal.

Policy and Plan Consideration

At this early stage there are no Policy or Plan Considerations identified.

Significance

At this early stage there are no significance considerations that need to be identified.

Maori Implications

At this early stage there are no obvious Maori Implications to be identified.

CONCLUSION

A proposal to abolish the Kaikoura District Council and have it join the Hurunui District now requires this Council to form a view on the matter. It is recommended that form a view on the matter and instructs staff to make a submission to the Commission accordingly.

Appendices:

1. Map of Kaikoura District
2. KDC Growth Assumptions & Major Issues, and 'Next 10 years – Priorities & Issues (from 2006 LTCCP)