

STAFF REPORT

TO: Mayor and Councillors
FROM: Murray Staite
DATE: 14 January 2009
SUBJECT: **Torrent Bay Sand Replenishment Rate**

Purpose

This report is prepared to provide information to Council to enable consideration of the proposal to set a targeted rate for beach sand replenishment within a defined rating area covering the Torrent Bay Township.

Background

During the last year there has been considerable beach degradation at Torrent Bay. The last replenishment work was undertaken by Council in 2005 and this has now been completely lost to sea erosion. In May 2008 Council received a report on the treatment options available.

Discussion

The replenishment work on the beach commenced in August 2008 and was completed by September 2008. Since then discussions have been held with the Torrent Bay Residents Ratepayers Association and in December 2008 a letter was sent to residents of Torrent Bay by Council's Chief Executive setting out the rating option proposed.

The letter proposed given that the benefits of the work would also be available to the general public that 50% of the cost of the works belonged to the public good and would be covered by the general rate, 25% by the 12 directly effected foreshore properties and the balance from the other 40 Torrent Bay properties.

Rating Impact

To relieve rating pressure the recovery of the residents 50% share of the recent beach replenishment was proposed to be spread over the next 5 years. As future work is likely to be required it is proposed that a Torrent Bay beach maintenance closed account be built up. If residents contribute \$16,057 per annum and the council match this amount, then an amount of \$96,342 would be available in three years.

The rating impact is described in detail in the table overleaf.

Torrent Bay Beach Rebuilding and Maintenance Calculations (Indicative cost)

1.	Cost to rebuild (2008/09)	\$ 96,342	
2.	Half cost to Torrent Bay residents	\$ 48,171	
3.	Torrent Bay resident's share if recovered over 5 years	\$ 9,634	
4.	Annual share for each of 12 private foreshore rating units		\$ 401.43
5.	Annual share for each of 40 other rating units		\$ 120.43
6.	Expected Maintenance cost over 3 years	\$ 96,342	
7.	Half cost to Torrent Bay residents	\$ 48,171	
8.	Annual share for each of 12 private foreshore rating units		\$ 669.04
9.	Annual share for each of 40 other rating units		\$200.71
Therefore each resident's payment towards the target rate for the first 5 years will be a sum of the rebuild cost and the maintenance cost i.e.			
Sum 4. & 8.	Total share for each of 12 private foreshore rating units for the first 5 years		\$ 1070.47
Sum 5. & 9.	Total share for each of the 40 other private rating units for the first 5 years		\$310.14

After five years with the initial works paid off the rate would reduce to \$669.04 per annum for the foreshore residents and \$200.71 per annum for the non-foreshore residents.

The assumption noted above is based on best information available but will be reassessed on an annual basis

Fit to Policy

Council's rating policy (LTCCP 2006 – 2016) states that where practical identifiable beneficiaries of Council activities pay for the costs by targeted rate. The introduction of a Torrent Bay Sand Replenishment targeted rate is consistent with that policy and with the views expressed in the recent rates enquiry.

Consultation

It is the statutory role of Council to include all proposed rates for a financial year in its draft funding impact statement.

Significance

The introduction of the proposed rate is not considered significant in terms of Council's Significance Policy.

Recommendation

That Council incorporates into its draft 2009 – 2019 LTCCP the following rates.

Council sets a rate for the purpose of reinstating and maintaining the beach at Torrent Bay. This rate will be set on a uniform basis of each rating unit and will be set in relation to where the land is situated, being the Torrent Bay Beach Replenishment rating areas "A" and "B". (Maps attached). The rate per rating unit for 2009/2010 is:

Area "A" – \$1,070.47 plus GST
Area "B" - \$ 310.14 plus GST

Murray Staite
Corporate Services Manager