



Annual Report 2004/2005

SUMMARY



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This is a summary of the Kaikoura District Council's full Annual Report 2004/2005. The full report can be viewed at:

Kaikoura District Council
34 Esplanade
Kaikoura

Kaikoura District Library
96 West End
Kaikoura

Online at www.kaikoura.govt.nz

Or phone (03) 319-5026
to request a copy

Mayor's Report

In days past councils and their staff were committed to and required to rate the Districts' landowners and assure that their roads, water and sewerage systems were working ok. A simplistic view of the role of council but nonetheless a common one.

I am pleased to say that now almost everyone realizes and appreciates the immense diverseness that encompasses the role today. Central Government and their agencies continue to re-delegate roles and responsibilities and often the ensuing costs, to local authorities such as your Kaikoura District Council. The addition of Councils responsibilities to ensure the social, economic, cultural, and environmental wellbeing of our community over the past few years has seen a real re-allocation of resources, personnel, and finances.

This report documents not only how council and staff have coped with these "new" areas of responsibility but continue to progress with the revitalization and extension of the infrastructure that is so necessary and which had the bulk of our resources in the past.

It is with some pride that the information contained within this report is published and is noted for its positiveness and its visionary implications.

Some areas within this report are not only a New Zealand Benchmark, but in fact provide standards for the rest of the globe. Immense community achievements that we, as a community can, and should be very proud of. Your council and community consultation and communication processes are commendable, with a unique blend of information gathering and sharing that is the envy of many other regions and districts in NZ.

Commendation must be made to your Council staff and Officers who passionately and diligently work in somewhat difficult physical conditions to attain the best results possible for us all. Also to your councilors, who spend a great deal of personal time and energy to meet the same end.

We are all aware of the changing world around us and the ensuing effects it has on our chosen lifestyles. These can difficult to cope with for some and welcomed by others- this report shows how we as the administrators and governors of the District have over the past year, taken into account, mitigated the effects of and allowed for these changes and other anticipated shifts.

To ensure the sustainability of our District, this report I believe, illustrates the continuing growth of our once limited resources, our creativity and our resilience.

Recommended reading!

Kevin Heays

Mayor

A message from the CEO

The 2004/2005 financial year has been another successful year for the Kaikoura District Council. Council was involved in a number of projects and programmes over the last twelve months, of which many have come to fruition.

In terms of infrastructure, the Council has completed its initial footpath upgrading programme which has seen a marked improvement in the level of finish on a large number of footpaths throughout the urban township.

The West End has seen ongoing work on the upgrading programme during the year with the completion of the amphitheatre area around the West End carpark and public toilets. The next stage of that development will be the construction of a bridge across Lyell Creek to replace the former Lions Bridge.

Earlier in the year Council was fortunate to become the first local authority area in the world to obtain Green Globe certification and again, this is a project that not only Council but the community should be extremely proud of. Once again showing Kaikoura's commitment to ensuring that we do not degrade the fantastic environment within which we live.

A successful national Zero Waste conference was also held and organized by Council later in the year and again, this helped showcase Kaikoura's national position in the field of waste minimization.

In terms of planning, the Council's Planning Committee have heard the submissions for the variations for the Tourism Development Zone that is promoted by Whalewatch and submissions on the Ocean Ridge Comprehensive Living Zone. Having heard and considered those submissions, Council staff have been preparing the draft decisions for the Planning Committee to review and this should be completed early in the 2005/2006 financial year. This has been a mammoth task and again it is worth thanking both the staff involved in that process and the members of the committee who have worked diligently on the proposed plan for a number of years now.

In October 2004, we had the triennial local body elections which resulted in a new Mayor and two new Councillors being elected to the Council. I would like to thank the former Elected Members and Mayor for their work in promoting Kaikoura and ensuring that Kaikoura ratepayers received value for money. I would like to thank the staff of the Council for their input throughout the year and their ongoing enthusiasm, professionalism and desire to make a difference.

The outlook for the district is positive and the work Council has undertaken on improving and upgrading its infrastructure will hold the district in good stead to both increase the level of service to its community and cater for additional numbers of people who wish to live, work and visit this special piece of New Zealand.

Stuart Grant
Chief Executive Officer

Highlights

This is the first year that Council has reported our progress towards achieving our community outcomes, which were developed with the Long Term Council Community Plan 2004-2014. For further information on community outcomes and their link to Council activities, please refer to the full Annual Report.

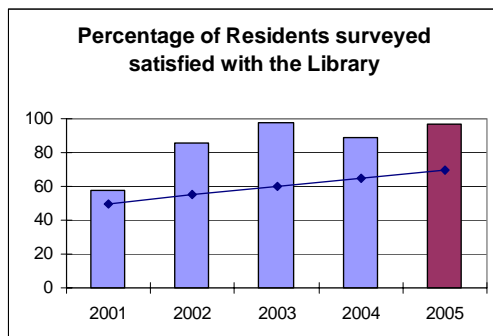
Roading

- Footpath upgrades have been completed throughout the urban area, including new footpaths developed in South Bay.
- Street lighting upgrades, particularly the Esplanade and Yarmouth Street, have been completed, with the remainder to be done 2005/2006.

Building Control

"98% of building consents were processed within statutory time frames"

Library

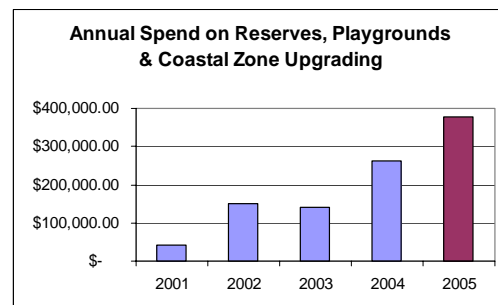


Water

- Council has purchased a secure ground water source of exceptional quality and reliable quantity; this is to be connected to the township water supply in 2005/2006.

- New reservoirs are in place for Fernleigh Rural Water Supply

Parks & Reserves



Sewerage

- New filtration beds have been developed at the oxidation ponds.

Community Leadership

"95% of residents take part in environmental initiatives"

Town Centre Development

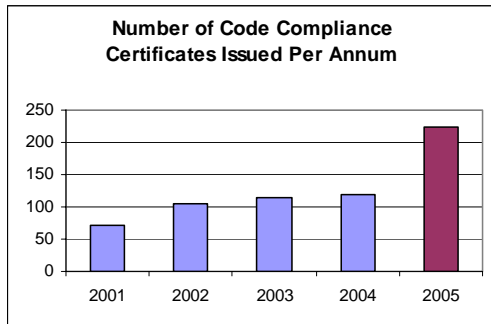
- The amphitheatre has been completed, as has the new carpark at Lyell Creek.

Refuse & Recycling

"The actual tonnage of solid waste taken to landfill decreased by 33% from 2003/2004 levels"

Highlights

Building Control



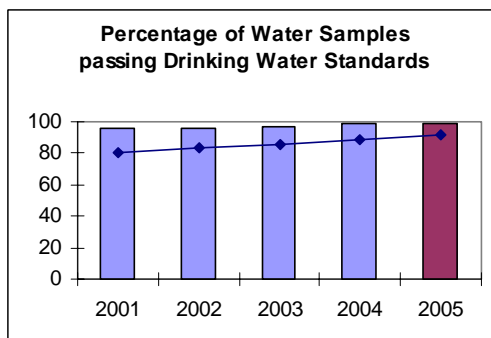
Community Leadership

"70% of residents agree that Kaikoura is a close and supportive community"

Climate Change Protection

- Council has initiated its participation in the CCP Project with a goal of 0% CO₂ emission for its own organisation, within 20 years.

Environmental Health



Elections 2004

- Big changes when a new Mayor and two new Councillors were elected to Council in the October triennial elections

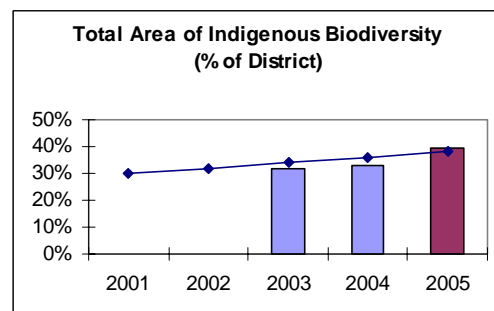
Council Website

- Council's new community website, www.kaikoura.govt.nz, went online in June 2005.

Green Globe Certified!

Kaikoura achieved Green Globe 21 Certification; the first local authority in the world, and only the second community in the world, to achieve this!

Biodiversity

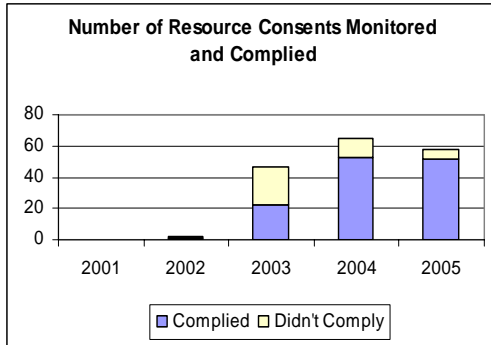


Memorial Hall Refurbishment

- Congratulations must go to the Kaikoura Memorial Hall Committee who have continued their ongoing work upgrading the Hall, culminating in a successful Ball and Queen Carnival event towards the end of the financial year.

Highlights

Resource Consent Monitoring



Proposed District Plan

- Council's planning committee has heard the submissions for both the Tourism Development Zone (Whale Watch), and the Ocean Ridge Comprehensive Living Zone. Since balance date the Council has made its decisions on the Proposed District Plan, and that Plan is now deemed to have been amended in accordance with those decisions.

Zero Waste Conference

- A very successful national Zero Waste conference was held at the Takahanga Marae, organised by Council, which showcased Kaikoura's national position in the field of waste minimization.

Rates Requirement

The total rates required were only 4.5% more than last year!

Financial Performance	Groups of Activities	Service Measures Achieved
☑	Roading	☹
☒	Water & Wastewater Service	☹
☒	Refuse & Recycling	☹
☑	Community Facilities	☺
☒	Community Leadership & Governance	☹
☑	Environment & Development Control	☹
☑	Community Safety	☹
☑	Sustainable Development	☹

Financial Performance

- ☑ achieved planned operating surplus/(deficit)
- ☒ did not achieve planned operating surplus/(deficit)

Service Measures Achieved

- ☺ 75% to 100% achieved
- ☹ 50% to 75% achieved
- ☾ below 50% achieved

Summary Financial Statements

Summary Statement of Financial Performance & Movements in Equity for the year ended 30 June 2005

	2005 Budget \$	2005 Parent \$	2004 Parent \$	2005 Group* \$	2004 Group* \$
Operating Revenue	5,578,243	6,220,766	5,438,530	6,220,924	5,459,961
Operating Expenditure	4,667,700	4,962,221	4,641,244	4,970,034	4,641,946
Surplus/(Deficit) before forestry adjustments	910,543	1,258,545	797,286	1,250,890	818,015
ECan share of MRF	-	(24,877)	(10,464)	(24,877)	(10,464)
Tax Expense	-	-	-	-	-
Surplus/(Deficit) after taxation and forestry adjustments	910,543	1,233,668	786,822	1,226,013	807,551
Revaluation of assets	-	(252,356)	20,674,951	(252,356)	20,674,951
Net recognised revenues and expenses	910,543	981,312	21,461,773	973,657	21,482,502
Equity at the beginning of the year	53,782,273	74,982,978	53,521,205	75,067,928	53,585,426
Equity at the end of the year	54,692,816	75,964,290	74,982,978	76,041,585	75,067,928

Overall Council's surplus is \$323,125 ahead of budget. Much of this is due to Marlborough Regional Forestry joint venture results. Extra unbudgeted revenues, such as the Biodiversity project, and the timing of revenues such as financial contributions, also contributed to the surplus.

Summary Statement of Financial Position as at 30 June 2005

	2005 Budget \$	2005 Parent \$	2004 Parent \$	2005 Group* \$	2004 Group* \$
Current Assets	1,831,311	2,477,603	2,236,195	2,495,824	2,254,307
Non Current Assets	59,654,900	79,738,278	78,417,059	79,797,352	78,483,897
Current Liabilities	1,793,884	2,666,679	2,385,916	2,666,679	2,385,916
Non Current Liabilities	4,999,511	3,584,912	3,284,360	3,584,912	3,284,360
Equity	54,692,816	75,964,290	74,982,978	76,041,585	75,067,928

Total Equity exceeds budget by \$21.2m, almost entirely due to significant asset revaluations undertaken as at 30 June 2004 (after the budgets were prepared).

* Group figures include Kaikoura Enhancement Trust and its 49% share of Innovative Waste Kaikoura Ltd

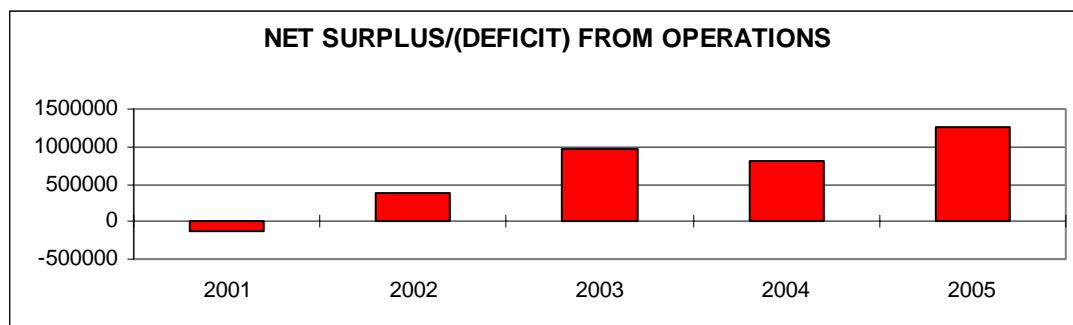
Summary Financial Statements

Summary Statement of Cash Flows for the year ended 30 June 2005

	2005 Budget \$	2005 Parent \$	2004 Parent \$	2005 Group* \$	2004 Group* \$
Operating Activities					
<i>Cash was provided from:</i>					
Rates	3,073,737	3,031,099	3,024,682	3,031,099	3,024,682
Interest revenue	33,226	76,947	70,349	77,105	70,439
Other	2,344,158	2,757,624	2,342,578	2,757,624	2,347,198
<i>Cash was applied to:</i>					
Operating Expenses	3,369,810	3,369,753	3,408,695	3,369,802	3,409,397
Interest Expense	354,321	240,501	224,497	240,501	224,497
Net cash flow from operating activities	1,726,989	2,255,416	1,804,417	2,255,525	1,808,425
Net cash flow from investing activities	(2,682,765)	(2,642,297)	(1,743,624)	(2,642,297)	(1,743,624)
Net cash flow from financing activities	886,836	195,841	(28,418)	195,841	(28,418)
Net increase/(decrease) in cash held	(68,940)	(191,040)	32,375	(190,931)	36,383
Opening cash balance	1,142,304	1,443,152	1,410,777	1,461,264	1,424,881
Closing cash balance	1,073,364	1,252,112	1,443,152	1,270,333	1,461,264

Positive cash flows from operations and financing activity has enabled Council to make significant investment in fixed assets, reflecting the sustained growth of both Council and the district as a whole.

Five Year Financial Performance



Notes to the Financial Statements

1. Accounting Policies

Basis of Preparation

The Council has prepared the summary financial report in order to provide users with a snapshot overview of Council performance. The specific disclosures included in the summary financial report have been extracted from the full audited Annual Report 2004/2005, adopted by Council on 27 October 2005.

This summary financial report was authorised for issue by the Mayor on 18 November 2005.

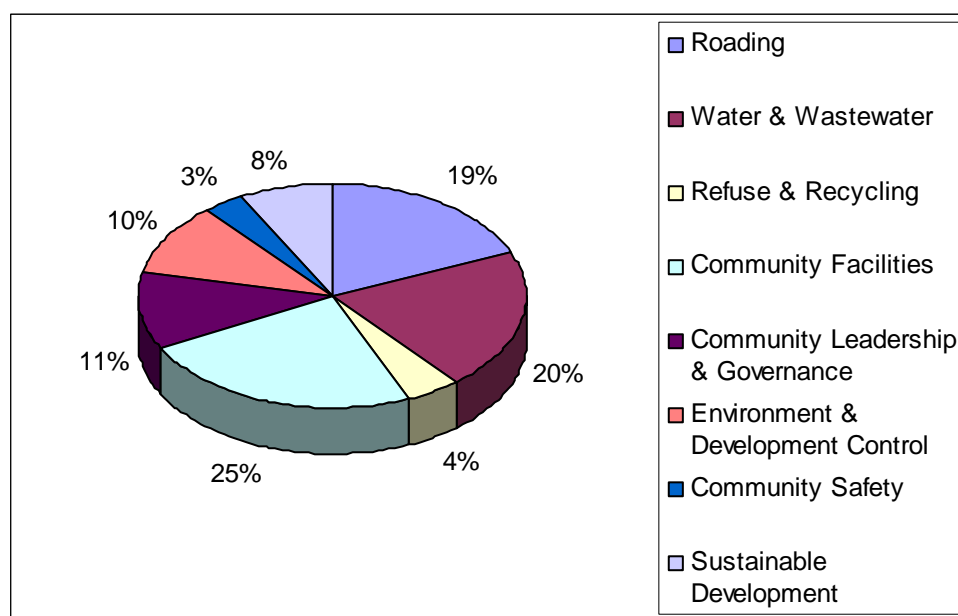
Users of this summary financial report should note that information contained therein can not be expected to provide as complete an understanding as the full financial report. The full financial report is available from the Council on request, or online on Council's website www.kaikoura.govt.nz (under Council documents).

The Financial Statements have been prepared in accordance with generally accepted accounting practice in New Zealand.

2. Changes in Accounting Policy

There have been no significant changes in accounting policies, these having been applied on a basis consistent with those used in previous years.

3. Operating Expenditure by Group of Activities



Total operating expenditure \$4,962,221.

Audit Report

TO THE READERS OF KAIKOURA DISTRICT COUNCIL'S SUMMARY ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2005

We have audited the summary annual report.

Unqualified opinion

In our opinion:

- σ the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- σ the information reported in the summary financial statements complies with FRS-39: Summary Financial Reports and is consistent with the full financial statements from which it is derived.

We expressed an unqualified audit opinion, in our report dated 19 October 2005, on:

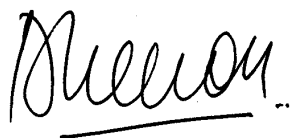
- σ the full financial statements; and
- σ the Council's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report.

Basis of opinion

Our audit was conducted in accordance with the Auditor-General's Auditing Standards, which include New Zealand Auditing Standards. Other than in our capacity as auditor, we have no relationship with or interests in Kaikoura District Council or its subsidiary.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary annual report and we are responsible for expressing an opinion on that report. These responsibilities arise from the Local Government Act 2002.



Devan Menon
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand
17 November 2005



Audit New Zealand

AUDIT NEW ZEALAND DISCLAIMER

Matters relating to the electronic presentation of the audited summary annual report

This audit report relates to the summary annual report of Kaikoura District Council for the year ended 30 June 2005 included on Kaikoura District Council's web site. The Council is responsible for the maintenance and integrity of the Kaikoura District Council's web site. We have not been engaged to report on the integrity of Kaikoura District Council's web site. We accept no responsibility for any changes that may have occurred to the summary annual report since it was initially presented on the web site.

The audit report refers only to the summary annual report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the summary annual report. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited summary annual report and related audit report dated 30 September 2005 to confirm the information included in the audited summary annual report presented on this web site.

Legislation in New Zealand governing the preparation and dissemination of the summary annual report may differ from legislation in other jurisdictions.