

GENERAL INFORMATION

Kaikoura

Our Town, Our District

The Kaikoura District spans from the Haumuri Bluffs in the south to the Kekerengu valley in the north, covering 2,048 square kilometres of diverse landscape. The inland boundary of our District is the Clarence River and Inland Kaikoura Range, climbing 2,885 metres and snow covered for much of the year. The spectacular coastline provides excellent fishing, sporting and recreation for Kaikoura's population of 3,621 (Census 2006). The Kaikoura Canyon, at around 1,300 metres deep, provides the natural habitat for the sperm whale, and is also host to over 200 species of marine life.

The Township is situated on a Peninsula protruding from this rugged coastline. Maori legend tells that it was from this Peninsula that Maui fished up the North Island from out of the ocean. Maori history and culture is an integral part of Kaikoura, and there is evidence of Maori settlement in the area up to 1,000 years ago.

Historically the District has thrived in the fishing, farming and dairy industries. Today Kaikoura is a world-class tourism destination, yet still maintains its fishing heritage. The District boasts award-winning restaurants, café's and accommodation facilities, a winery, and a modern small boat facility.

More recently, Kaikoura has set the stage as a leader in environmental awareness, having imposed a zero waste policy, and making huge inroads into recycling innovation, plus achieving benchmark standards in climate change protection.

Kaikoura – A Green Globe Community

Kaikoura's environment is unique to the local community and throughout the world. It is the local coastal environment that attracts large numbers of tourists and it needs to be cared for, to ensure the residents, the tourists, and future generations can enjoy and appreciate nature at its best.

In November 2004 Kaikoura was successfully assessed against the Green Globe community standard, making us the first local authority in the world to achieve certification.

But what does it mean to be a Green Globe Community? Green Globe is an international framework for tourism operators and destinations to measure and manage their environmental impact. In becoming a Green Globe community Kaikoura first measured its environmental impact, called benchmarking, and then adopted and implemented strategies to **reduce** its impact, called certification.

To maintain our Green Globe certification, each year we measure our performance against 11 environmental indicators and set goals to reduce the negative effects. The indicators include; energy use, greenhouse gas production, water conservation, water quality, air quality, waste production, biodiversity, the number of travel and tourism operators with environmental accreditation, the number of truck accidents on the state highway involving chemical spills, resource conservation, the social health and well being of the community and we ensure our environmental and social sustainability policy is updated annually.



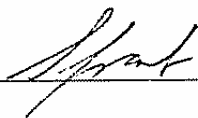
Statement of Compliance and Responsibility

Compliance

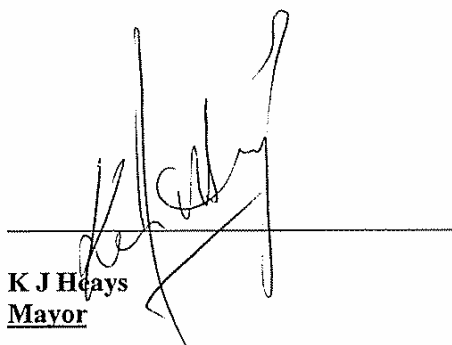
1. The Council and Management of the Kaikoura District Council confirm that all the statutory requirements of Section 98 and Schedule 10 Part 3 of the Local Government Act 2002 have been complied with.

Responsibility

1. The Council and management of the Kaikoura District Council accept responsibility for the preparation of the annual financial statements and the judgements used in them.
2. The Council and management of the Kaikoura District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.
3. In the opinion of the Council and management of the Kaikoura District Council, the annual Financial Statements for the year ended 30 June 2007 fairly reflect the financial position and operations of the Kaikoura District Council.



S Grant
Chief Executive Officer



K J Heays
Mavor

Mayor's Report

I am more than pleased to have been part of, and to offer, this 2006/2007 Annual Report.

Reporting to communities at large can often be a long, complicated and confusing process. Requirements and obligations regarding Councils' reporting to their respective communities are regulated, whereas guidelines on *how* to do this can be offered – but the particulars remain the decision of that specific Council.

This Council has over the year of this report, had the enjoyment of a record number of submissions, collective and individual inputs & responses and community collaboration regarding this plan – involving a myriad of innovative and appropriate consultation methods.

Our public responses have confirmed the desire for the Kaikoura community as a whole, to be a part of its governance and decision-making processes – something envied, I know, by other districts and authorities. For this I thank you, for you have made this last Annual Plan (2007/2008) one of relevance and meaningfulness to us all.

Kaikoura's continued positive drive for environmental & infrastructural sustainability and our personal and community well-being is becoming cemented, as we strive to accommodate our own desires and hopes as well as those of Central Government.

As this Annual Report reiterates, we are mapping toward those ends, and with a continuation of the quality & quantity of our community's contributions to our local affairs, I know we are driving in the right direction.

Kevin Heays
Mayor

Chief Executive Officer's Report

Welcome to the 2006/07 Annual Report, the first prepared under the new New Zealand International Financial Reporting Standards.

The introduction of these standards has made it almost impossible to compare the 2005/06 report with the 2006/07 report. A substantial amount of time, effort and cost has gone into developing this report in terms of these new standards for no or little perceived benefit to the community and the general public. It is merely another compliance cost foisted on Local Government in order to meet international requirements as opposed to New Zealand requirements. This change has resulted in an additional fourteen pages of accounting policies, and an additional five pages of notes to the financial accounts explaining what different items actually mean.

Apart from the above, it has been another successful year financially for the Kaikoura District Council. The Statement of Financial Performance shows a surplus after tax for the year of \$10.5 million, which on the face of it sounds tremendous, however over \$6.8 million of that amount was from new infrastructural assets being added to Council's balance sheet. A further \$0.5 million is due to the rise in value of Council's investment properties. These gains now have to be shown through the Statement of Financial Performance. Council also received approximately \$1.65 million more in development contributions for this financial year than it had budgeted, as well as approximately \$150,000 additional through forest sales than anticipated.

The Council's financial position has been strengthened markedly in that total equity has increased from \$79.48million to \$124.2million. A large part of the increase relates to the revaluation of fixed assets. While a substantial amount of capital works have been undertaken during the year, this has not been at the expense of major increased levels of borrowing.

Over the 2006/2007 year, Council's Building Control Department has spent countless hours on preparing for the new accreditation regime as established under the 2004 Building Act. This process and the new requirements as a result of implementing this process has resulted in a large degree of frustration, stress and upset from both staff and from customers. This level of frustration is likely to remain for some time as those involved in the building industry come to grips with their new requirements under the Act. Over time this frustration should reduce and the aim of the new regime, again, through the Act, is to minimise nationally the chances of shoddy buildings being built throughout the country. All local authorities were required to be accredited by November 2007 however that date has now been pushed out to June 2008 and it is hoped that Kaikoura District Council will become accredited early in the 2008 year.

On a more positive front, Council was again benchmarked against Green Globe criteria and again was successful in achieving the benchmark status and obtaining certification. This year all of the indicators measured against resulted in Kaikoura District Council being above global best practice level. During the year we achieved milestone 4 status in the Communities for Climate Protection (CCP) Programme and the challenge for Council now is to implement that milestone to actively reduce our environmental footprint.

Council's website, www.kaikoura.govt.nz, is continuing to prove popular and is receiving on average over 12,000 hits per month.

It is with some pride that Council received a Creative New Zealand Award for the work undertaken in conjunction with the Runanga and the Department of Conservation for the southern gateway project to the peninsula walkway. This was a great effort in cooperation and collaboration by three organisations, wedded to looking after our environment. Work in the South Bay domain is ongoing and will be continually upgraded over the next couple of years.

Chief Executive Officer's Report

It was also pleasing to see Environment Canterbury recognised for the flood protection works undertaken in the West End and again, the floodwalls in conjunction with the amphitheatre area received awards from the Institute of Professional Engineers.

Ongoing sewerage upgrading work continued throughout 2006/2007 with the main line from the new Ludstone Road pump station being developed north along Rorrison's Road and then east to connect to the Hawthorne Road pump station. This line will take all of the sewerage from the Ocean Ridge development, Seaview subdivision and eventually from South Bay. The desludging of the oxidation ponds was completed and again, upgrading work is continuing in the ponds area to cater for a growing population. Council's new water bore was commissioned in September 2006 and now provides the township with a new secure water source. This source has been confirmed as secure by the Ministry of Health but the supply on the whole has not yet been re-graded by the Ministry. Ongoing upgrades included the installation of a booster pump to ensure that the peninsula did not run out of water in the summer as has happened in the past. The installation of a ring main from Fords Reservoir to South Bay to now feed South Bay residents from that reservoir rather than the peninsula reservoir. Kaikoura is now in the fortunate position where a substantial amount of work has been undertaken on its sewerage and water infrastructure and it does not face the same pressures or concerns as many other communities larger than Kaikoura has around the country. Council will continue to upgrade the systems as funding becomes available.

The titles for properties on the initial stages of the Ocean Ridge and Seaview subdivisions were issued during the 2006/07 year and this has substantially increased Council's rating base and provided the community with a diverse range of options for residential amenity. Both those developments are worthwhile assets to Kaikoura and a credit to the developers.

The Proposed District Plan is finally nearing completion with all appeals being signed off by the Environment Court and all that remains is for the plan to be formatted, printed and finally adopted. Council can then commence the task of initiating changes to the plan as a result of going through the plan process; initiating a change to establish an industrial area, and then commencing a review of the plan. I would like to thank all those community members involved in the District Plan Committee who have spent countless hours and days on developing a plan that this community can be proud of.

Council's Significant Natural Areas (SNA) programme has been ongoing and it's great to note the positive response obtained from landowners in looking at trying to protect pockets of their properties that have significant biodiversity issues on them. Council will continue to work with those landowners to ensure those pockets of biodiversity are enhanced.

Again this year we had groups of volunteers from the UK and North America who came to Kaikoura and worked closely with Council staff, Runanga, Department of Conservation and Environment Canterbury in progressing projects that will only benefit this community.

I hope you take the time to read this document as it provides a positive reflection on your community. The outlook for the district is positive and there are a number of exciting projects and developments coming through. Council will continue to improve its standard and quality of service and infrastructure to ensure Kaikoura remains a destination where people will want to live, work and visit.

Stuart Grant
Chief Executive Officer

Community Outcomes

In the Kaikoura District Council Long Term Council Community Plan 2006-2016, or LTCCP, the community identified eight major goals – or Outcomes – that it wishes Kaikoura to have or to achieve, within the next 10 years.

- Sustainable Development
- Quality Water and Wastewater Services
- Safe, Efficient Transport Network
- Opportunities for Quality Education and Employment
- A Quality Standard of Affordable Housing
- Environmental Protection and Enhancement
- Affordable Access to Quality Community Facilities
- Community Involvement in Planning the Future and Managing the Present

These outcomes affect Council’s entire decision making, and sets the priorities for various projects going forward. Council currently has no overall measurement of our contribution to furthering these outcomes, but instead measures progress in terms of each of our individual activity objectives and targets.

Those performance measures are reported in the Council Activities section of this Annual Report.

Levels of Service

There has been no significant variance between the actual levels of service provision for each activity and the intended levels of service provision (as set out in the LTCCP in respect of this financial year) for that activity.

Specific comments regarding the levels of service and performance are included in each of the activity statements in this Annual Report.

Our Vision

“The Kaikoura community displays responsible custodianship of its unique natural, social and built environmental resources by striving towards the sustainable utilisation and management of these resources.”

It is a community that treasures the present small-scale town atmosphere and strives to retain and enhance this coastal village character and atmosphere.”

Directory of Council

Kaikoura District Council
PO Box 6
34 Esplanade
Kaikoura

Phone (03) 319-5026
Fax (03) 319-5308
Email kdc@kaikoura.govt.nz
Website: www.kaikoura.govt.nz

MAYOR

Kevin J Heays

COUNCILLORS

Barbara Woods (Deputy Mayor)

Mark Pablecheque	Bryan Seddon
John Diver	John Macphail
Marion McChesney	Steve Thomas

Since the October 2007 elections, Mayor K Heays, and Councillors B Woods, J Diver, M McChesney, and J Macphail have been re-elected. New Councillors are J Ransley, D Holmes and N Pablecheque.

CHIEF EXECUTIVE

Stuart Grant

Bankers

Bank of New Zealand
West End
Kaikoura

Auditor

Audit New Zealand
on behalf of the Auditor General
Audit Office
Christchurch

Solicitors

Gascoigne Wicks & Company
PO Box 2
Blenheim

Financial Advisors

PriceWaterhouseCoopers
PO Box 13244
Christchurch

Works Consultants

Connell Wagner
PO Box 1061
Christchurch

Works & Services Contractors during the year

Fulton Hogan (Water, Wastewater)
Edmund Ave
Kaikoura

Works Infrastructure (Roading)
Beach Road
Kaikoura

Roche Contracting (Parks & Reserves)
Mt Fyffe Road
Kaikoura

Customer Service Charter

Your Rights

As our client, you have a right to expect:

- To be heard politely
- To receive timely and accurate explanations and responses
- To have access to a staff member competent to help you, by appointment where necessary
- Courtesy, professionalism and integrity from staff
- That staff will identify themselves by name and show appropriate identification if requested
- That personal information will be handled in line with the Privacy Act 1993
- To receive an apology if we make a mistake

Our Rights

We have a right:

- To be heard politely
- Not to suffer bad language, abuse or threats, verbal or otherwise
- To refer you to the staff member most able to answer your queries, if we are unable to do so

Our Commitment

As Council staff, we are committed to:

- Providing a high standard of service
- Consistent and fair treatment of our clients
- Firm but fair interpretation and application of Council's legal obligations
- Achieving high standards of professionalism and quality of advice
- Learning from our mistakes

Customer Feedback

We welcome constructive customer feedback. This is how we improve.

- If you have any questions or concerns, please talk them over with the relevant staff member. We want to find mutually acceptable solutions within the law.
- If you consider you have not received satisfactory service and this has not been resolved with the person with whom you are dealing, you should contact the General Manager.

When there is a conflict

As a regulatory body, Council is required by Government to:

- Administer various regulations and uphold the law
- Safeguard the public interest

These responsibilities may not always match your expectations or wishes. Where there is a conflict that cannot be resolved at staff or management level, further avenues of appeal may exist. We will be happy to advise you of these procedures.

Customer Satisfaction Surveys

Council undertakes annual customer satisfaction surveys, so as to understand how our residents feel about the service they receive at Council, their satisfaction with the facilities and utility's we provide, and also their perception about the community we live in.

As part of the Green Globe benchmarking process, our surveys also ask questions about involvement in environmental issues, the affects of tourism, and participation in local government decision making.

The results of these surveys are very important to us in setting our priorities for future development and upgrading of facilities, and improving our customer services. These surveys have in the past initiated various major capital projects, such as the footpath and street lighting upgrades completed in 2005/2006.

Throughout this Annual Report, in the Council Activities section, the results of the customer satisfaction surveys have been incorporated as performance measures, to assess our progress towards the achievement of Community Outcomes and our annual targets. By way of example, page 99 of this Report illustrates levels of satisfaction with community facilities such as cemetery, public toilets, sports fields, public car parks, the District Library, and playgrounds.

Survey 2007

This year the survey was undertaken by two methods. First, we posted survey forms to 800 homes selected at random from the rates information database (provided their postal address was within the Kaikoura district). From these, we received around 120 responses. To then achieve our minimum target of 180 responses, we hired an individual on short term contract to obtain further responses by telephone survey. All responses were then independently collated.