Annual Plan 2007/2008

Contents

CHANGES TO THE DRAFT ANNUAL PLAN FOLLOWING SUBMISSIONS	1
KEY ISSUES FOR 2007/2008	2
COMMUNITY OUTCOMES	4
ROADING	5
WATER SERVICES	11
SEWERAGE & STORMWATER	20
REFUSE & RECYCLING	26
COMMUNITY FACILITIES	30
COMMERCIAL ACTIVITIES	39
LEADERSHIP & GOVERNANCE	43
REGULATION & CONTROL	53

SAFETY & WELLBEING 59

DISTRICT DEVELOPMENT 65

FORECAST STATEMENT OF FINANCIAL PERFORMANCE 74

FORECAST STATEMENT OF MOVEMENT IN EQUITY 75

FORECAST STATEMENT OF FINANCIAL POSITION 76

FORECAST STATEMENT OF CASH FLOWS 77

STATEMENT OF ACCOUNTING POLICIES 78

CAPITAL WORKS PROGRAMME 86

FUTURE BORROWING AND DEBT SERVICING PROGRAMME 88

FUNDING IMPACT STATEMENT 89

RATES FOR 2007/2008 95

EFFECT OF VALUATIONS AND RATES ON BENCHMARK PROPERTIES 96

SCHEDULE OF FEES AND CHARGES 2007/2008 97

FINANCIAL FORECASTING ASSUMPTIONS 105

Changes to the Draft Annual Plan following submissions

We welcome your opinion on what is going on in your community. Many of the decisions Council makes will affect a variety of people across the district. Your opinion does make a difference.

Council received 80 submissions to the Draft Annual Plan 2007/2008. Of those, 38 requested that Council fully consult the community on the proposed community facility, 31 expressed opposition to the proposed Sulo bins for coastal recycling, and 6 were in opposition to ZORG.

Several submissions opposed the increased rates requirement, or requested changes to the rating system.

Various other submissions were received, including requests for Council to provide funding assistance for the Mayfair Theatre, to increase funds to Kaikoura Information & Tourism Inc, and to increase funds to the Library to enable reduced book rental charges. Three submissions requested Council develop public toilets, particularly at Mangamaunu.

Five submissions asked for Council to employ more staff – an Economic Development Officer (2 submissions), a Parks & Reserves caretaker (2 submissions), and a Ranger (1 submission).

These submissions were considered at a meeting held on Monday 25 June 2007. As a result of those submissions, Council has made the following changes to its Annual Plan.

- Provision has been made in the financial statements for an additional $5,000 (plus GST) to provide assistance to Kaikoura Information & Tourism, increasing that grant to $15,000 per annum.
- Provision has been made in the financial statements for $10,000 (plus GST) to provide assistance to the Mayfair Theatre
- The provision for ZORG has been removed for the 2007/2008 year
- The provision for Sulo underground recycling bins has been removed for the 2007/2008 year
- New landfill charges replace the previous charges listed in the Schedule of Fees & Charges
- Several minor wording changes have been implemented such as “tourists and residents” has been revised to read “residents and tourists”.

These changes resulted in an increase in the general rates requirement of $15,000, and the Uniform Annual General Charge dropped from the proposed $461.61 to $422.40.

Council received 40 submissions regarding the proposed combined community facility, 38 of which were requesting Council fully consult with its community, and while no changes were required to be made to the Annual Plan as a result of those particular submissions, Council does wish to reassure its community that full consultation will be undertaken when Council has all the information to put forward.

Key Issues for 2007/2008

The Proposed Sports, Leisure, Cultural & Administrative Community Facility – pages 29-37

Council has engaged SGL Funding Ltd to complete a capital funding feasibility study into the proposed combined community facility, which could potentially house an indoor swimming pool complex, sports hall, gymnasium, museum, library, and Council offices. The feasibility study has been completed, and has made some recommendations to Council in respect to the most financially viable options for the proposed complex, and its location. At the time of writing this Annual Plan the recommendations have not been discussed or considered by Council.

Once considered, Council will commence preparation of building designs and obtaining full costings, continued workshops with key stakeholders, and a major fundraising drive. If Council wishes to further look at alternative sites then it will be seeking further feedback from the community. Council has made provision of $300,000 in its 2007/2008 capital budget for the architectural and design costs, to be funded from development contributions.

North Wharf Replacement – pages 38-41

Delays in processing the consent for the wharf has meant the replacement of the North Wharf programmed for the 2006/2007 financial year is now expected to take place in 2007/2008.

The new wharf will be designed to cater for the increasing numbers of cruise ships frequenting our shores, allowing passengers to disembark directly onto the wharf from the cruise ship tenders.

Final costs are yet to be determined, but with preliminary estimates of $300,000, this project will be funded by loan.

Water Services – pages 10-18

The programmed development of a new water reservoir on the peninsula has been deferred, as the houses that would have placed pressure on the existing infrastructure have yet to be built.

The Peketa rural water supply is in need of a new treatment facility, and this is planned for the 2007/2008 year. Due to the small number of consumers on this scheme, the cost of $20,000 is to be funded from Kaikoura Town Water depreciation reserves.

Sewerage & Stormwater – pages 19-24

The major upgrading of the sewerage infrastructure continues in 2007/2008, with the partitioning of the oxidation ponds and additional aeration, to increase the ponds capacity to cater for a population of 10,000. Council also intends to develop a master plan for stormwater, which will prioritise future capital works and provide for expansion and growth.

Elections 2007 – pages 42-51

Local Government Elections take place in October 2007, and the increased cost for Governance this year reflects the cost of carrying out that Election.

District Plan Changes – pages 64-72

A number of Council initiated plan changes will be processed in the 2007/2008 financial year, and finding a suitable site for an industrial zone remains high on the priority list.

Revised Fees & Charges – pages 96-103

To meet the additional costs involved in attaining accreditation as a certified Building Control Authority, Council has revised many of its fees and charges, including the introduction of a new Building Compliance Levy. Following submissions to the Draft Annual Plan, Council has also increased its landfill charges.

Tourism Projects – pages 64-72

Additional spending is planned in 2007/2008 to undertake a number of promotions for the district.

Effect of Valuations and Rates – page 95

The district valuation was conducted in September 2006, which confirmed the continued increases in land and capital values throughout the district, most markedly in large rural properties. Lower valued properties have also increased in value at a higher percentage than most, in an apparent catch up to their higher valued neighbours.

The addition of more rateable properties (mainly from Ocean Ridge and Seaview) to the rates database has softened the impact of the valuations, resulting in some properties even receiving a decrease in rates. For an analysis of some benchmark properties see page 95.

Community Outcomes

Our community has identified 8 key outcomes for the ten year period 2006-2016.

- Sustainable Development
- Quality Water and Wastewater Services
- Safe, Efficient Transport Network
- Opportunities for 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

Council's Long Term Council Community Plan 2006-2016 (the LTCCP), and this Annual Plan for the year 2007/2008, set out how Council will strive towards the attainment of each of these outcomes.

It is important to remember that these are the ***community's*** outcomes, not the Council's, and while some of the outcomes can be influenced entirely by the Council through its activities, some of the outcomes can only be partially influenced, and in some cases outcomes may be entirely beyond the scope of Council's influence.

Council's role may be as service provider, partner, regulator, facilitator, or advocate, and many organisations including local, regional, Maori, central government, and even the private sector, will need to get involved to ensure that Kaikoura progresses together as a community to achieve its goals.

The Council Activities section of this Annual Plan highlight the strategies we are undertaking for each significant activity of Council, including performance measures and targets, to measure our progress.