

**KAIKOURA  
DISTRICT COUNCIL**  
Annual Report 2005/2006  
**SUMMARY**



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This is a summary of the Kaikoura District Council's full Annual Report 2005/2006. 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](http://www.kaikoura.govt.nz)

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



## Mayor's Report

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This Annual Report, which I am pleased to have presented, is one that again shows we as a District, and as a Community, can be fiercely proud of the achievements completed and the visions instigated.

The completion and acceptance of our Long Term Community Council Plan this year is a credit to all those who assisted with its inception, its consultation and its completion.

That Plan, and this Annual Report, are a clear indication of the commitment to our increasing levels of environmental sustainability and access, waste management, financial and budgetary performance, public input and living and playing conditions right throughout our District. Both documents can only be a credit to each and everyone one of us – resident or visitor.

Credit too must go to the administrators, staff and management of past years and those of the present, who, through diligence and foresight have allowed us as a community today to be able to focus on today's welfare, health, safety, and other well-being issues.

It is as a result of this foresight and planning that the Kaikoura District does not have the frightening costs and subsequent anguish of renewing and/or repairing of basic infrastructure and services that many other Councils are facing.

From here we can confidently go forward into an era of positiveness and optimism.

When we believe in ourselves, have clear visions and goals and have continued successes and outcomes such as is reported here, then the clear direction is just that – forward.

Kevin Heays  
Mayor

## A message from the CEO

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The 2005/2006 financial year has been another successful year for the Kaikoura District Council. Projects on many fronts were progressed with a number being completed.

Council was again benchmarked against Green Globe 21 criteria and again was successful in achieving the benchmark status and retaining its certification. During the year we achieved Milestone 3 in the Communities for Climate Protection (CCP) Programme and again, Kaikoura was the first in the country to achieve that status. Those actions show Council's ongoing commitment to reducing our environmental footprint in this part of paradise.

The Council's website ([www.kaikoura.govt.nz](http://www.kaikoura.govt.nz)) has proved extremely popular since its inception late in 2005 and continues to receive very favourable comments on both its content and its layout.

It was pleasing to see that customer satisfaction levels on the provision of Council services increased across a number of fronts, including footpaths, streetlights, water, sewerage, library services and cleanliness of the town.

Financially it was another successful year for the Council with a much strengthened balance sheet. Ratepayers equity increased by some \$1.3m, while reserves and special funds increased by some \$1.5m. Council's liabilities were static. The strengthening of Council's balance sheet is an ongoing process and Council is mindful of having to continue to improve both its infrastructure and level of services while holding rates at an acceptable level. Consequently, Council continues to seek funds externally in order to achieve and implement many capital projects and again, in the 2005/2006 year it has been successful in achieving that aim. During the year it raised just over \$1m through development contributions and it was also successful in obtaining a substantial Central Government grant through the Ministry of Tourism to assist in upgrading our sewerage reticulation systems. That work will be ongoing.

Funding previously obtained through the Ministry of Tourism for redeveloping the southern entranceway to the Peninsula walkway, including the replacement of the toilet block in the South Bay Domain, has been utilised with that new toilet block now being operational. Council also installed an additional toilet block at the northern end of the township at the corner of Beach Road and Mill Road.

The community was again blessed by receiving three groups of volunteers from around the world to undertake conservation work within the district. Those groups came from the United Kingdom and the USA and worked closely with Council staff, Runanga, Department of Conservation and Environment Canterbury in progressing projects that will only benefit this community.

## A message from the CEO

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In terms of specific infrastructural work it was pleasing to see the bridge over Lyell Creek finally being erected adjacent to the Amphitheatre in the West End and it has already seen many tourists and locals crossing the river to admire the views from the other side. While this had been a long and torturous process to replace the existing bridge, the outcome has been extremely positive and worthwhile.

In terms of sewerage, major works are continuing at the oxidation ponds and a major desludging programme is now underway. A new gravity main line has been installed from the top of Churchill Street down to Ludstone Road and will eventually run along Rorrison's Road and connect to the Hawthorne Road pump station. Again, this work is ongoing.

In terms of water, the community's new bore has finally been established on Mt Fyffe Road with it being commissioned after balance date in September 2006. A booster pump station was installed adjacent to the Fords' reservoir and this will ensure that the Peninsula no longer runs short of water during busy periods in the summer. Ongoing reticulation upgrading and leak protection programmes have been in place to reduce our water consumption which in the future will directly provide savings to the ratepayers in reduced pumping costs.

Work commenced this year on the new public jetty at the South Bay Marina and it is now completed and operational. This should assist in reducing congestion at peak times for boaties using that Marina facility.

The Proposed District Plan is nearing completion. Of the 18 appeals received against the District Plan decisions, all but one have been successfully mediated through the Environment Court with one outstanding matter to be resolved. Once resolved the Plan will become fully operative. It is a great achievement to only have one appeal heard in the Environment Court on such a major document. This reflects well on both the initial decisions of the committee considering and hearing the submissions and on the willingness of all parties and Council to seek ways where all parties are happy with the final outcomes.

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 with a number of exciting projects coming up, 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.

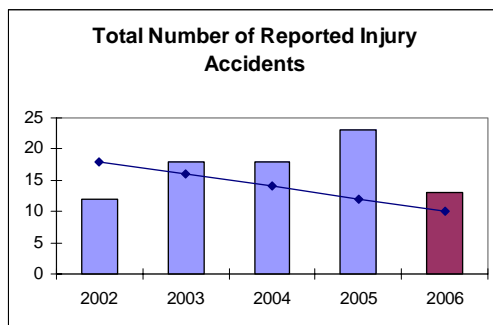
Stuart Grant  
Chief Executive Officer

## Highlights

This is the second 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

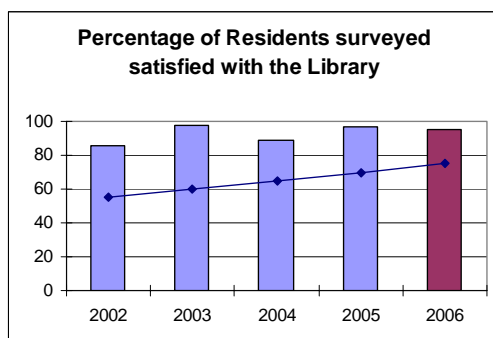
- The Bayview Street kerb & channel upgrade was completed, including new footpaths.
- Street lighting upgrades continue.
- A section of Old Beach Road has been sealed.



### Building Control

*"99% of building consents were processed within statutory time frames"*

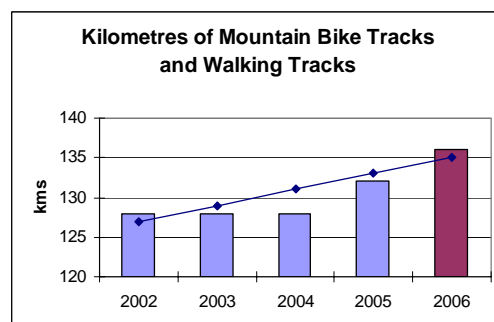
### Library



### Water

- The Kaikoura Township is now being supplied from the new secure ground water source of exceptional quality and reliable quantity; this development included a new booster pump station at Fords Reservoir and a treatment station at the source, and is to be followed by extensive reticulation and storage upgrades in coming years.
- Kincaid Rural Water Supply now has a telemetry system, and will soon have access to additional water from the Waimangarara intake gallery.

### Parks & Reserves



### Sewerage

- The capacity of the sewerage system has increased by replacing the filtration beds, and carrying out screening and desludging of the ponds.
- A new sewer trunk main is being installed from Churchill Street to Ludstone Road.

# Highlights

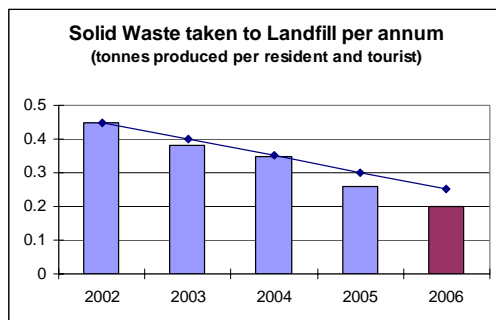
## Community Leadership

*"The number of students graduating with NCEA Level 2 or better significantly improved"*

## New Community Facilities

- The new footbridge over Lyell Creek has been constructed
- Beach Road now has a new children's playground
- There are new public toilets at the northern entrance to the township
- South Bay recreational reserve now has new public toilets, and a visitor interpretation shelter; the walkway and landscaping is currently being completed.

## Refuse & Recycling



## Community Leadership

*"The percentage of residents surveyed who agree that Council takes notice of its residents views continues to increase!"*

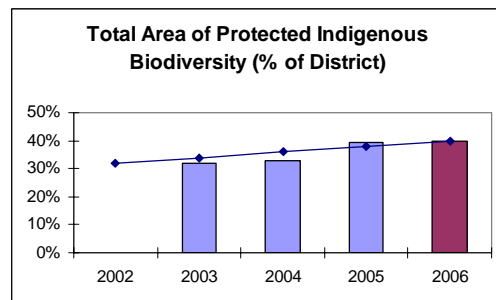
## Council Website

- Council's new community website, [www.kaikoura.govt.nz](http://www.kaikoura.govt.nz), went online in June 2005, and is now receiving as many as 16,200 visits per month.

## Climate Change Protection

*"Kaikoura District Council is the first in the country to achieve Milestone 3 in the Climate Change Protection Programme"*

## Biodiversity



## Financial Highlights

- Ratepayers Equity has increased by almost \$1.3 million.
- Our surplus of \$1.3 million was nearly \$400 thousand higher than budget.
- During the year we received almost \$1.1 million in development contributions; which gives us the confidence to progress our capital projects.
- Reserves and Special Funds increased by some \$1.5 million.
- We have secured funding from the Ministry of Tourism of close to \$1.6 million for sewerage upgrades.

## Highlights

### **Green Globe Certified!**

*We have been successful in retaining our Green Globe Certification; we are the first local authority in the world, and only the second community in the world, to be certified!*

### **Conservation Volunteers**

- Our community was again blessed by receiving three groups of volunteers from around the world to undertake conservation work within the district.

### **Proposed District Plan**

- The Proposed District Plan is almost fully operative! Of the 18 appeals received against the District Plan decisions, all bar one have been successfully mediated through the Environment Court.

### **Rates Requirement**

*"We kept the rates increases to less than 3% on most residential properties!"*

Financial Performance	Groups of Activities	Service Measures Achieved
<input checked="" type="checkbox"/>	Roading	😊
<input checked="" type="checkbox"/>	Water & Wastewater Service	😐
<input checked="" type="checkbox"/>	Refuse & Recycling	😊
<input checked="" type="checkbox"/>	Community Facilities	😐
<input checked="" type="checkbox"/>	Community Leadership & Governance	😐
<input checked="" type="checkbox"/>	Environment & Development Control	😊
<input checked="" type="checkbox"/>	Community Safety	😐
<input checked="" type="checkbox"/>	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 2006*

	2006 Budget \$	2006 Parent \$	2005 Parent \$	2006 Group* \$	2005 Group* \$
Operating Revenue	6,051,363	6,605,769	6,220,766	6,609,878	6,220,924
Operating Expenditure	5,074,794	5,222,799	4,962,221	5,233,129	4,970,034
Surplus/(Deficit) before forestry adjustments	976,569	1,382,970	1,258,545	1,376,749	1,250,890
ECan share of MRF	-	(45,849)	(24,877)	(45,849)	(24,877)
Tax Expense	-	-	-	-	-
Surplus/(Deficit) after taxation and forestry adjustments	976,569	1,337,121	1,233,668	1,330,900	1,226,013
Revaluation of assets	-	1,458,241	(252,356)	1,458,241	(252,356)
Net recognised revenues and expenses	976,569	2,795,362	981,312	2,789,141	973,657
Equity at the beginning of the year	54,677,090	75,964,290	74,982,978	76,041,585	75,067,928
Equity at the end of the year	55,653,659	78,759,652	75,964,290	78,830,726	76,041,585

Overall Council's Surplus is \$360,552 ahead of budget. While there are some activities with less revenue than expected, the surplus has been buoyed by the collection of development contributions, particularly as they relate to community facilities. Council's share of Marlborough Regional Forestry joint venture activities are not budgeted for, as they have no affect on day to day operations, or rates requirements, of the Council.

### *Summary Statement of Financial Position as at 30 June 2006*

	2006 Budget \$	2006 Parent \$	2005 Parent \$	2006 Group* \$	2005 Group* \$
Current Assets	1,962,896	2,350,296	2,477,603	2,372,577	2,495,824
Non Current Assets	60,156,878	82,745,629	79,738,278	82,794,422	79,797,352
Current Liabilities	1,944,203	2,736,725	2,666,679	2,736,725	2,666,679
Non Current Liabilities	4,521,912	3,599,548	3,584,912	3,599,548	3,584,912
Equity	55,653,659	78,759,652	75,964,290	78,830,726	76,041,585

Total Equity exceeds budget by \$23.1m, 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

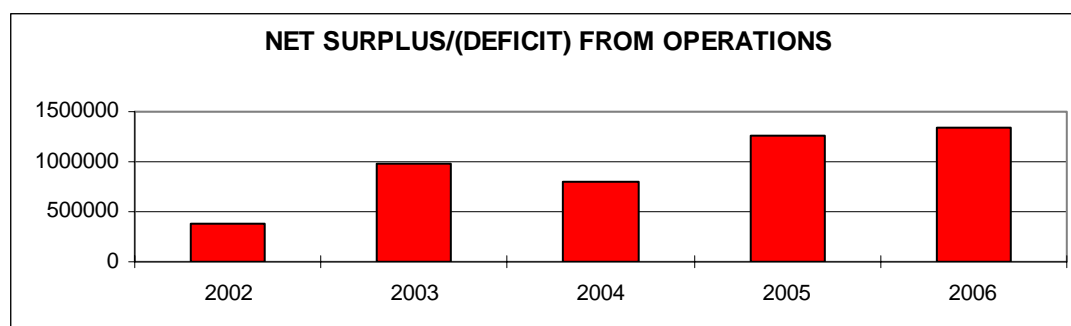
## Summary Financial Statements

### Summary Statement of Cash Flows for the year ended 30 June 2006

	2006 Budget \$	2006 Parent \$	2005 Parent \$	2006 Group* \$	2005 Group* \$
<b>Operating Activities</b>					
<i>Cash was provided from:</i>					
Rates	3,262,770	<b>3,314,973</b>	3,031,099	<b>3,314,973</b>	3,031,099
Interest revenue	26,080	<b>97,112</b>	76,947	<b>97,221</b>	77,105
Other	2,706,263	<b>3,421,329</b>	2,757,624	<b>3,425,329</b>	2,757,624
<i>Cash was applied to:</i>					
Operating Expenses	3,721,882	<b>4,128,527</b>	3,369,753	<b>4,128,576</b>	3,369,802
Interest Expense	353,282	<b>286,690</b>	240,501	<b>286,690</b>	240,501
Net cash flow from operating activities	1,919,949	<b>2,418,197</b>	2,255,416	<b>2,422,257</b>	2,255,525
Net cash flow from investing activities	(1,421,292)	<b>(2,695,337)</b>	(2,642,297)	<b>(2,695,337)</b>	(2,642,297)
Net cash flow from financing activities	65,591	<b>346,175</b>	195,841	<b>346,175</b>	195,841
Net increase/(decrease) in cash held	564,248	<b>69,035</b>	(191,040)	<b>73,095</b>	(190,931)
Opening cash balance	587,519	<b>1,252,112</b>	1,443,152	<b>1,270,333</b>	1,461,264
Closing cash balance	1,151,767	<b>1,321,147</b>	1,252,112	<b>1,343,428</b>	1,270,333

Positive cash flows from operations and financing activity has again 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 2005/2006, adopted by Council on 27 October 2006. That Annual Report received an unqualified opinion from Audit New Zealand. This summary financial report was authorised for issue by the Mayor on 27 October 2006.

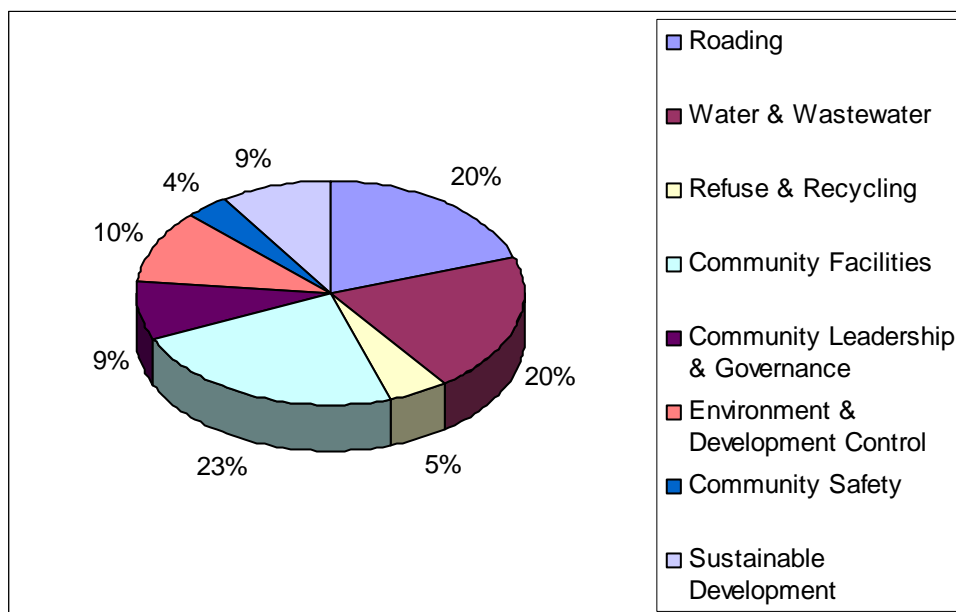
Users of this summary financial report should note that information contained therein can not be expected to provide as complete an understanding as the full financial report. The full financial report is available from the Council on request, or online on Council's website [www.kaikoura.govt.nz](http://www.kaikoura.govt.nz) (under Council documents). The Financial Statements have been prepared in accordance with generally accepted accounting practice in New Zealand.

### 2. Changes in Accounting Policy

Development Contributions revenue had previously been recognised on issuing of resource consent, however these are now recognised prior to issuing title or service connection (this could be up to five years later). The impact of this change is a reduction in revenue of \$849,638 including GST.

There have been no other 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 \$5,222,799.

## Audit Report

### TO THE READERS OF KAIKOURA DISTRICT COUNCIL AND GROUP'S SUMMARY ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2006

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 27 October 2006, on:

- σ the full financial statements; and
- σ the Council and group'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 the audit and in conducting the audit of Long Term Council Community Plan, we have no relationship with or interests in the District Council, its subsidiary or Joint Venture.

#### 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.



Deue Kearney,  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand

6 November 2006