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Introduction

Welcome to the Kaikoura Long Term Council Community Plan (LTCCP) for the period 2009-2019. This Plan brings together into one document the visions and aspirations of our community, what we need to do in order to achieve those aspirations, and what it will cost to do it within the next ten year period.

With the global financial crisis deepening into what may be a serious and prolonged depression, particularly overseas, it appears the honeymoon is over in terms of the growth Kaikoura has experienced over the last five to six years. The extent and duration of the crisis remains uncertain, and Council has taken a conservative approach for major project expenditure and anticipated revenues in the short to medium term of this ten year plan.

The major challenge facing Council in the short term is to find a balance between pressures to keep rates affordable, so as to enable businesses and residents to weather the financial storm, and capitalising on the record-low interest rates and costs of construction so as to place Kaikoura in a strong economic position to move forward quickly once the recession is over.

Long term, this plan is the key document in both leading Council on its journey forward and in measuring how we are delivering on the communities expectations. In preparing this long term plan, Council

has taken a sustainable development approach, to protect and enhance community wellbeing now and into the future.

Looking back, Council has achieved much over the last few years. The Kaikoura Township has a new secure groundwater source, with water of exceptional quality and reliable quantity for the foreseeable future. Our sewerage system has been substantially upgraded and can now provide for a permanent resident population of up to 5,000 people. Each of the rural water supplies have been upgraded; such as Kincaid, which now boasts 24 hour water storage, and Fernleigh, with a new water bore tapping into a much more secure aquifer.

The Kaikoura District Plan became operative in June 2008, and Council can now progress with a proposed plan change to provide for a business park to the south of the Township. The West End town centre has seen substantial development over recent years, including new footbridges, new paved footpaths, and refurbished public toilets. Council has also developed new public toilets at Mangamaunu, and four new pensioner housing units have been built.

The Kaikoura community has maintained its Green Globe Certified Community status, with almost all of our performance measures being above global best practice level – a stunning achievement.

Going forward, the major issues facing the community continue to be around environmental sustainability, infrastructure, and bringing our community facilities up to a level that the community can be proud of over the next 20-30 years.

The Top 10 Priorities

The results from the Resident Survey conducted in August 2008 showed our community wants Council to spend most of its energies on:

1. Improving the condition of rural roads (36 people)
2. Improving rubbish and/or recycling services (31 people)
3. Improving footpaths (27 people)
4. Building an indoor heated swimming pool and/or gymnasium and sports facility (26 people)
5. Keeping rates down (19 people)
6. (6th equal) Improving Stormwater infrastructure (16 people)
7. (6th equal) Cleaning up litter in public places (16 people)
8. (7th equal) Listening to ratepayers (15 people)
9. (7th equal) Beautifying reserves (15 people)
10. (8th equal) Enhancing the town centre (13 people)
(8th equal) Don't build the Council office (13 people)

In response to this, Council will be continuing to improve on the condition of rural roads by close supervision of the roading contract. It should be noted that the survey was unfortunately taken at the same time as the serious flood event of July and August 2008, so this survey priority may have been skewed by the state of the roads

at that time. Reports from NZ Transport Agency confirm that our rural roads are actually in a far better condition than the national average.

Council could potentially extend the recycling collection service, to the Kaikoura flats area, and also another rural drop off point at the Woodbank School, if these communities were to request it.

Footpaths and cycleways are a major priority over the next ten years, with a Kaikoura Walking and Cycling Strategy setting out the key areas for development. Of highest priority is a walkway from Churchill Street to South Bay, and improved safety for pedestrians and other road users at the Ludstone Road/West End intersection.

The indoor swimming pool and sports facility remains in the ten year plan, but due to the economic recession, has been predicted to commence in 2014 and 2015.

The increase in the rates requirement for 2009/2010 is less than the rate of inflation, and in many instances the result on individual properties is a rates decrease, particularly for many commercial premises. It is hoped that this will offer some relief for businesses and enable them to weather the economic storm.

Stormwater infrastructure was identified as a major priority – again the timing of the survey may have been a factor – and in 2009/2010 Council will be improving the capacity of the infrastructure so it can cope with more of these storm events.

Key Issues over the next 10 Years

These pages are a summary of the major issues for Council and the community over the next 10 years. For more detail on these issues, please refer to the relevant activity pages in Part 3: Council Activities.

“Climate Change” or Extreme Weather Events

Across NZ in recent years there have been various extreme weather events, from prolonged droughts, to unseasonal snowfalls, to torrential rains causing floods and slips. In Kaikoura, two flood events in July and August 2008 damaged property, roads and bridges, and left the district isolated due to substantial slips on the state highway north and south, as well as on the Inland Road, our alternative route into and out of the district. The Ministry for the Environment warns us to expect an increase in these extreme weather events, due to “climate change” caused by human activity increasing the level of greenhouse gases in the atmosphere.

Whether these flood events are due to “climate change” is widely debated; over the last 100 years Kaikoura has had flooding events on average once every 10 years. That in itself does confirm, however, that we must be prepared for this type of event to occur from time to time, and be able to respond and recover quickly, so as to ensure our community and our local economy continues to function.

Lessons learnt from the 2008 events mean the contractors are more vigilant in keeping the grates clean and free of debris in periods of heavy rain.

This plan also now provides for new stormwater development within the township to enable some areas to cope with a one-in-fifty year event. Some areas will be developed to cope with a one-in-five year event – for those particular areas, such as Sullivan’s Gully, developing infrastructure to cope with a one-in-ten year event or more is, at this juncture, not affordable.

Affordability and the Economic Recession

Large capital projects, such as the proposed indoor swimming pool, gymnasium, and indoor sports complex, come at a huge cost and the affordability of achieving what we would like to, as well as delivering services essential for a healthy community, is a real issue for ratepayers in the district. In light of the economic recession, it is considered that times are much tougher to attract external funding assistance, and the facility would have too great an impact on rates, therefore this project is proposed not to occur until at least 2014.

The Kaikoura Historical Society may choose to go ahead and build a new museum, as they have already secured some funds and are independent from Council.

The economic recession has also impacted heavily on Council’s revenue streams from resource consents, building consents, and the like. Council will not be opting for redundancies as a response to this downturn, taking the view that in the long term, the retention of suitably qualified staff with

good knowledge of the district has considerable value and should not be lightly discarded. However, the reduced revenues do mean there are greater shortfalls to be funded from rates for certain activities, such as an increase in the rates requirement to fund building control and statutory planning.

Council has managed to keep the total rate requirement increase to around 3%, to some extent by merely maintaining status quo on levels of service for at least a year, in some circumstances by deferring capital work, by not replacing staff or reviewing hours, and also by providing for lower interest rates on loans.

Legislative Changes

In the last decade there have been many substantial changes to the legislative environment within which the Council operates, and it would appear that this is likely to continue for several more years. The change of government has already signaled a number of amendments to the Resource Management Act, the Building Act, and the Sale of Liquor Act, to name a few.

New legislation around emissions trading, waste minimisation, and state of the environment reporting, for example, is yet to be fully understood and the impact on council activities, and the community, is currently unclear.

Funding Strategy

Council funds its cash needs, funding net operating costs less depreciation, plus capital expenditure not funded by other sources. Development contributions are transferred to reserves and released to meet the capital costs for which they are collected. Significant capital items that cannot be funded from grants, subsidies, or the release of reserves are funded by loans. Loan repayments are then collected through general rates, targeted rates or covered by development contributions.

This funding strategy means that Council is not accumulating large cash reserves from the current generation in anticipation of capital work that may be required in the future to replace or renew expired assets. We take the view that, should existing funds or other sources of revenue (such as subsidies) not be available, then loans would be raised when they are required to fund renewal of assets. These loans would then be funded by rates paid by the community benefiting from the renewed assets.

In the past, Council has been able to secure funds from external sources to substantially upgrade much of its infrastructural assets; therefore there are only very low levels of renewals required over the term of this plan. Our asset management plans do not foresee any large “humps” of renewal expenditures in the years beyond the LTCCP that would create a funding concern.

This funding strategy does mean there is significant unfunded depreciation over the ten year period. Council is reliant on development contributions and other external funding for much of its new capital works.

Roading

Council, along with the Hurunui District Council, will continually promote to NZ Transport Agency to designate the Inland Road as a State Highway, in acknowledgement of this routes use as part of the Alpine Pacific Triangle, and its importance as an alternative to State Highway 1 – particularly with the increased threat of climate change.

As a result of the Kaikoura Walking and Cycling Strategy, emphasis will be placed on provision of walkways and cycleways, and promotion of alternative methods to transport. The intersection of Ludstone Road and the West End is a cause of concern for the safety of all road users, and Council will be advocating that the NZ Transport Agency plan for the upgrade of this intersection as a matter of importance.

Water Services

Council is confident that the water quality of the township supply will be certified with an A grading by the Ministry of Health. Increased storage capacity is planned for in 2009/2010, and proposed treatment works for the Kincaid scheme will also substantially improve the quality of that supply.

Sewerage & Stormwater

Council will continue the substantial upgrading of recent years, and will also need to undertake considerable renewal work on the underground pipe infrastructure, as a result of the closed-circuit TV survey commissioned in 2008/2009, which has highlighted various lengths of underground pipe that require urgent replacement.

Stormwater infrastructure will also require considerable development to prepare for further flood events such as occurred on two occasions mid-2008.

Refuse & Recycling

The district will continue to aim for zero waste to landfill, however the landfill is expected to reach capacity within 5 years and the time is looming to develop a transfer station and commence transporting waste to Kate Valley. If our waste minimisation programmes are optimised and embraced by the entire community, including bach owners and visitors to the district, then tens of thousands of dollars will be saved by not having to transport all our waste to Kate Valley.

This plan provides for the resource recovery site to be reconfigured as a transfer facility in 2011/2012 at a cost of just over \$386k. This will enable excess waste to be transferred to Kate Valley, with a lesser amount still able to be landfilled for a number of years. It is envisaged that this should keep the transport costs down for as long as possible, and potentially enable further progress to be made in recycling developments.

While the reconfiguration is provided for within the 2011/2012 financial year, in reality the timing will be highly dependant upon the actual need, and it is entirely conceivable that this work will be required much earlier.

Properties in the Kaikoura flats area currently do not receive a weekly kerbside collection service, and properties in the Inland Rd area have no drop-off point for their recyclables to be collected. While there is currently no budgetary provision in this LTCCP for this service to be extended, it could be provided in the future if those communities were to request it.

Community Facilities

As highlighted under the heading “Affordability and the Economic Recession” and given the state of the economy and the difficulties that would now be experienced in fundraising, the proposed indoor swimming pool, gymnasium and sports complex will be delayed for a number of years. Building a new Council office has been deferred beyond the scope of this ten year plan.

Despite a delay in the construction, planning for the sports and leisure facilities will continue, beginning with obtaining a consensus from the community as to where these would be best located. Once a location has been determined, decisions can then be made by the key stakeholders as to layout and design concepts. The final stages would be commissioning final architectural designs and costing the project. Arguably, even if there was no economic recession, this process could take a number of years. Construction is currently forecast to occur in 2014.

Commercial Activities

The old wharf is in a poor state of repair, but is a site of historical value to the district, and it is likely that the community would be supportive of its restoration. Council has currently made no provision in this plan for any capital work on the old wharf. However, following a submission from the

NZ Historic Places Trust, Council will complete an investigation on the condition of the wharf by way of a conservation and management plan, which will determine and prioritise the capital work required for this restoration.

South Bay Marina is relatively new, however the increased number of commercial and recreational users of the facility, and the increasing size of the boats being housed there, is placing pressure on the marina and there is already speculation that a much larger facility will need to be provided within the 10 year period. However the area is very constrained and any expansion would likely involve developing a site at another location. No appropriate location has been identified and there is currently no provision in this plan for such a development.

The boat parking area is subject to ongoing erosion, however until consensus can be reached by the users and local residents, no boat park protection works will be undertaken.

Kaikoura Community Facilities Charitable Trust

Council will establish a charitable trust, which will be responsible for driving the planning for, and fundraising of, the proposed indoor swimming pool, gymnasium and sports complex, plus museum, library and other facilities.

- a) As this charitable trust will be a Council Controlled Organisation in terms of the Local Government Act 2002, Council sought public feedback as to whether the community feels that the establishment of a trust is appropriate. There has been sufficient positive support for the Trust to be established.

The principal objectives of the trust would be;

- Funding the planning, establishment and building of a community centre and a public recreational facility (or facilities) on land being administered by the Kaikoura District Council, provided that if such land is unavailable or unsuitable, on such land as the trust may consider in all respects to be suitable including tenure.
- To encourage and provide facilities and to assist ongoing funding for the provision of public recreation leisure and public health including but not limited to swimming pools, changing rooms and accessory areas, café, administration rooms, toilets, showers including all ablution areas, gymnasium, library, meeting room, museum, art viewing area, indoor/outdoor sports hall and picnic areas and other facilities to meet the future needs of the Kaikoura community for recreational and community facilities.
- The provisions supply and furtherance of the above objects and any other charitable purposes related to the above objects which the trustees deem desirable and as approved by the Commissioner of Inland Revenue.

Development Contributions Policy

The Council has reviewed the allocation of costs for capital projects to be funded by Development Contributions. On average, the amount of these projects to be funded by Development Contributions is essentially unchanged. The Development Contributions Policy included in this LTCCP has been amended to reflect this.

Changes to the Rating System

During 2008 and 2009 Council approached the community with some suggested changes to the rating system, in response to increasing pressure from the commercial sector to remove the 300% differential on the general rate. Following a series of meetings with sector groups and road shows held around the district, Council received 38 submissions and of those, 11 people made a verbal presentation to Council.

In response to the submissions received, Council has resolved to proceed with removing the differentials on the general rate, and in place of the differential, will introduce a new rating system which takes effect on 1 July 2009. The new rating system provides for a number of new targeted rates, these are detailed below. Note that there are a number of other rates that remain unchanged from the previous rating system. For a full and complete understanding of all rates charged, please read the Funding & Impact Statement in Part 4: Financial Information.

Commercial Rate

Commercial premises will no longer have the differential on their general rate, but instead will be expected to pay for the net costs of tourism and economic development, grants paid to the visitor centre, and a share of the costs of traffic control, public toilets, and harbour facilities. This is a rate based on capital value.

Accommodation Sector Charge

Some accommodation properties, such as B&B's and holiday homes used for visitor accommodation, don't meet the definition of a commercial premise, but certainly do benefit from tourism and should have a contribution to make towards the activities funded by the commercial rate, therefore a new charge will be applied to those properties.

Registered Premises Charge

The net costs of liquor licensing and environmental health will be funded by way of a charge applied to all licensed premises, such as liquor outlets, licensed hotels, cafés and restaurants, food premises, and hairdressers. This is a charge per license.

Roading Rate

This will fund all net costs for the provision and maintenance of roading and bridges, applied as a rate based on capital value, across all rateable properties in the district without differential.

Stock Control Rate and Rural Fire Rate

Properties outside the urban area will be paying for the net costs of these activities, as it is those properties that benefit from the service provided. This rate is based on capital value. See the following page for a definition of the new rating areas. Note that properties within both the Semi-rural and Rural areas would be eligible for these two new targeted rates.

New Recycling Charges

A kerbside recycling charge will apply to those properties within the kerbside collection service area, which includes the urban area, the extended area of the Kaikoura flats, and Oaro.

Properties not receiving a kerbside recycling collection will have a rural recycling charge, to fund the provision of the weekly collection service at the rural recycling drop-off points throughout the district.

A public rubbish and recycling bin charge will be applied to commercial premises, to fund 50% of the net costs of these customer-driven services.

Sewer Half Charges

There is a new half charge for sewerage, which would apply to properties within 100m of, but not connected to, the town sewerage scheme (i.e. bare land).

Footpath & Streetlight Rate, Town Centre Rate, and Harbour Rate

The net costs of each of these activities will be applied over all rateable properties in the district, but with a differential applied relating to proximity to the urban area.

Urban	1:1
Semi-rural	0.5:1
Rural	0.25:1

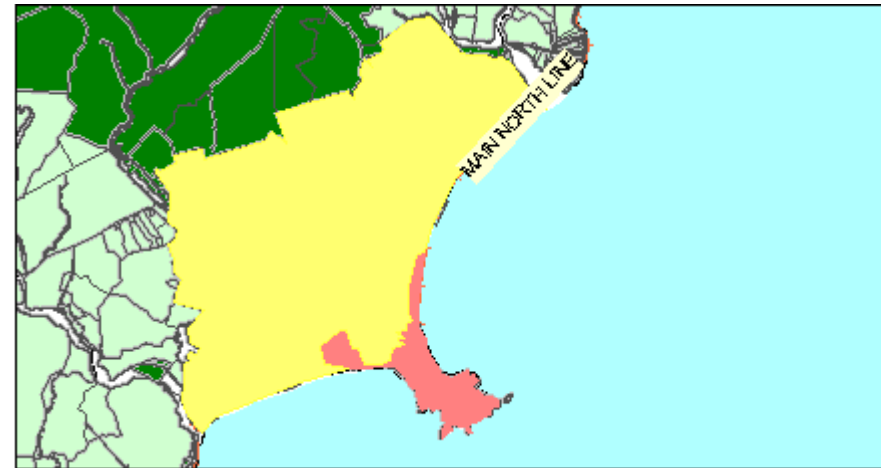
These new rating areas are defined as:

New Rating Areas

Urban Area For rating purposes, the urban area is the area currently defined by the boundaries of the stormwater management area, including the peninsula, Ocean Ridge, South Bay and Seaview.

Semi-Rural Area This area encompasses all property within generally 10km of the town centre, including Peketa and Hapuku, and as far inland as (but not including) Kowleigh, and the seaward Kaikoura range. It excludes property within the urban area.

Rural Area This is all property outside the urban and semi-rural areas.



The above map indicates the boundaries of the new rating areas, which apply only for the purposes of the footpath & streetlight rate, the town centre rate, the harbour rate, and the stock control and rural fire rates.

The pink area, (or mid-grey for those of you in black & white), is the current urban area for rating purposes. As development continues, this area may be extended to incorporate new areas as considered appropriate to meet the intent of these rates – i.e. in areas where footpaths, streetlights and/or stormwater is developed.

The yellow (or palest) area is the semi-rural area for rating purposes. It is an area defined for its proximity to urban services, and has no relationship to the size or value of individual properties within the defined area.

The pale green areas to the north and south represent the rural area, and are effectively all rateable land outside the urban and semi-rural areas. The dark green areas are conservation land areas which are non-rateable.

The following tables highlight the impact of the new rating system on a series of benchmark properties that Council has been using for analysis of rates for a number of years.

	Current Rates 2008/09 \$	Proposed Rates 2009/10 Old Rating System \$	Proposed Rates 2009/10 New Rating System \$
Residential			
Whitby Place CV \$295,000	1,408.46	1,474.04	1,436.51
Bayview St CV \$295,000	1,408.46	1,474.04	1,436.51
Esplanade CV \$580,000	1,842.94	1,968.72	1,936.40
Beach Road CV \$395,000	1,560.91	1,647.61	1,611.91
South Bay CV \$495,000	1,827.68	1,951.36	1,918.86
Oaro CV \$270,000	954.01	1,012.07	937.64
Ocean Ridge (Bare) CV \$240,000	782.80	954.34	1,058.46

	Current Rates 2008/09 \$	Proposed Rates 2009/10 Old Rating System \$	Proposed Rates 2009/10 New Rating System \$
Commercial			
Motel Beach Rd CV \$1,450,000	10,569.94	10,385.48	10,872.01
Motel Beach Rd CV \$720,000	4,658.75	4,552.17	4,916.35
West End Business CV 1,475,000	8,977.73	8,761.45	9,118.71
Business Beach Rd CV \$760,000	4,024.54	3,912.16	3,987.84
B&B Scarborough CV \$1,200,000	4,025.29	4,006.87	4,280.45
Rural			
Inland Rd Farm CV \$7,250,000	10,287.06	11,599.49	10,426.00
Kekerengu Farm CV \$4,000,000	8,912.88	10,279.74	9,635.40
Schoolhouse Rd CV \$2,000,000	5,238.94	5,490.76	5,339.00

Other Issues the Community will need to address

In addition to the key issues facing Council in coming years, the following are issues that the wider community will need to take into consideration.

- The affect of the global recession on our local economy, with particular focus on the financial sustainability of local business and the job security of the local workforce
- To secure the long term viability of the tourism industry – the main economic driver of our community
- Potential isolation of the district during flooding and other climatic events, including earthquake, tsunami, and extreme weather, due to the vulnerability of our strategic transport routes of both road and rail
- Ensuring the community retains access to appropriate health and social services
- Voluntary organisations (such as St Johns, Coastguard, Fire Brigade, etc) facing difficulties with recruitment
- Location and development of a business park
- Ensuring the sustainable management of our whole district from the mountains to the sea
- Ensuring the community provides future generations with quality education from quality education facilities
- ***Achieve all this while still maintaining our small coastal town character and protecting our rural and marine environments.***

Community Consultation

Council places considerable emphasis on, and makes every effort to provide opportunities for, community consultation. “The Kaikoura District Council adopts a wide, inclusive and interconnected view of local governance as part of its sustainable development approach for Kaikoura District”¹.

The Draft Long Term Council Community Plan (2009-2019) was made available to the public for feedback on 6th May 2009. A four-page liftout (summary of the LTCCP) was published in the Kaikoura Star on that date, and full copies were made available at the Council offices, at the library, and on the Council’s website www.kaikoura.govt.nz.

Council then held five road shows at various locations around the district. These road shows are a great opportunity for the general public to talk over the issues directly with the Council. Road show dates and venues were:

Tuesday 26 May	7.00pm	Woodbank School
Wednesday 27 May	7.30pm	Lynton Downs School
Thursday 28 May	6.00pm	Ocean View Restaurant & Bar
Saturday 30 May	2.00pm	Coastguard Rooms South Bay
Tuesday 2 June	5.30pm	Suburban Hall

¹ Local Government Commission: Determination on proposal for the abolition of Kaikoura District and its inclusion in Hurunui District (page 20).

While the road shows were not particularly well attended, those that did go along were able to discuss openly the issues pertaining to them, and to their area of interest. Both the public attending, and the Council, find this forum a very useful way of talking through the real issues.

Council undertakes an annual community satisfaction survey, which helps set the priorities for many projects, as well as highlighting services that need improvement, for the coming years. In 2008 the response rate from these surveys was around 10%, and the community survey currently being undertaken achieved almost a 12% response rate. These percentages are quite high when compared to the national average survey response rate, and are a reflection of the willingness of our community to participate in decision making.

Particular successes in terms of community consultation and participation in decision making has been achieved by including various stakeholder groups in working parties or forums, and in providing for members of the community to be active members of committees. Examples are the hearings and applications committees, planning committees, social services committees and tourism development committees to name a few. These stakeholders have each played a formal or informal part in the development of the key objectives in this long term council community plan, and many organisations that Council works closely with have been identified as lead agencies to ensure these objectives are implemented.

We welcome your opinion on what is going on in our community. Your opinion does make a difference.

Changes as a Result of Community Feedback

Council received 32 submissions to the Draft Long Term Council Community Plan 2009-2019, and listened to 17 submitters at a hearing on the 16th June 2009.

As a result of the submissions received, Council has resolved to make the following changes to the Plan.

The Tourism and Development Committee will receive \$50,000 in 2009/2010 to help fund a domestic tourism campaign. This is an exciting campaign specifically targeted to the Christchurch weekend traveller market. The cost will be funded from the new commercial rate, thereby only affecting commercial properties.

Te Korowai o Te Tai o Marokura will receive \$20,000 per annum for three years, to support the work this group is achieving in terms of managing our marine and coastal resources.

Increased funding will be provided to the Kaikoura Historical Society to assist with operating Kaikoura's Museum (up \$5,000 to \$25,000 per annum).

Council has confirmed its support to Kaikoura Information & Tourism Inc's refurbishment of the information centre, by agreeing to guarantee a loan of \$250,000 to construct the extension, plus commit an additional \$10,000 per annum commencing 2010/2011 to contribute towards the loan principal.

The Biodiversity Contestable Fund will extend over the 10 years of the LTCCP, and the \$5,700 unspent balance as at 30 June 2009 will rollover to be distributed in 2009/2010. The panel has indicated that it may make a recommendation to Council reviewing the criteria for the fund.

The NZ Transport Agency has confirmed the roading subsidy will be static for the first three years of the LTCCP at 47%. That agency is acknowledged as a lead agency in several objectives relating to roading and road safety, and the Kaikoura Transport Study is acknowledged as a key strategic document. The agency has requested that their status as lead agency regarding redesignation of the Inland Rd as a state highway be removed, and that Hurunui District Council be inserted in its place.

The key parts of Council's Development Contributions Policy were reviewed for inclusion in the Draft LTCCP; however a paragraph within the Policy which referred to the swimming pool, gymnasium and multi-sports hall being built "along with Council offices and a café in a new multipurpose building on Scarborough (Street)" had not been reviewed. This sentence has now been removed from the Development Contributions Policy.

To clarify Council's position on this particular matter, the Kaikoura Community Facilities Trust is to be established to determine what community facilities are required, if any, and where these are to be best located. The Council office has been deferred beyond the ten year period of this LTCCP but will need to be provided for at some point in the future (beyond 2019).

Favorable support was received from submitters for the establishment of the Kaikoura Community Facilities Trust, to drive the planning and fundraising for sports, recreation and cultural facilities, and the Trust's membership will soon be confirmed.

The majority of other submissions received did not require any changes to be made to the LTCCP, a considerable number of submitters raising concerns regarding planning and resource consent matters, which need to be dealt with through the District Plan and the Resource Management Act process. Planning staff have been made aware of the matters raised.

Several submissions received were in relation to maintenance issues, which did not need to be incorporated into the ten-year plan, but were helpful for Council to be made aware of concerns and these will be taken up with staff and/or contractors as necessary.

A number of submitters requested that new public toilets be developed at Churchill Park, and Council has indicated that it will include this as one of the possible locations being considered. To date there has also been considerable pressure on Council to provide public toilets on a coastal reserve, to provide sanitary facilities for travellers and visitors to our more popular beaches; however no actual location has yet been confirmed.

A Message from the Mayor

Our country, and indeed all countries, faces continuous challenges. Environmental, economic and social influences and needs are continually modifying what nations do, how they do it and why.

Within NZ, all individual Districts face the exact same challenges and the District of Kaikoura is of no exception. Some of these come at us from outside our District and indeed, the country – while some are internally driven. Some are needs that we as a community have identified as desirable, others are acknowledged as no longer required or unenviable. It is Council's and our community's task to address, prepare for and to plan for these challenges.

As your Mayor along with your councillors, management and staff, we cannot do this alone. It is council's responsibility to set up and produce this document of preparedness and planning – as a basis for our community's planning – but it is a community responsibility to prepare for and plan it's future.

This is a ten-year plan. It is a requirement of Central Government that it is done – and to anyone who is, or has been, involved in business, banking & budgeting will recognise the sense in getting it done.

The Draft Plan contained Councils' visions, missions and priorities over the next ten years and its contributions toward achieving these and asked for our community's input to these.

It has taken a lot of thinking, talking and doing, to achieve a ten year plan for a whole community – and opportunities were provided for the whole community to do it.

It is no longer a council plan; it is a community plan and one which we can be proud of.

May I congratulate you all for your contribution – but noting that it will never be complete, as we now move toward using it and indeed reviewing it in three years.

Cheers
Kevin.

Audit NZ - Audit Opinion

Report to the readers of

Kaikoura District Council's Long-Term Council Community Plan for the ten years commencing 1 July 2009

The Auditor-General is the auditor of Kaikoura District Council (the District Council). The Auditor-General has appointed me, John Mackey, using the staff and resources of Audit New Zealand, to report on the Long-Term Council Community Plan (LTCCP), on his behalf.

The Auditor-General is required by section 94(1) of the Local Government Act 2002 (the Act) to report on:

- the extent to which the LTCCP complies with the requirements of the Act;
- the quality of information and assumptions underlying the forecast information provided in the LTCCP; and
- the extent to which the forecast information and performance measures will provide an appropriate

framework for the meaningful assessment of the actual levels of service provision.

It is not our responsibility to express an opinion on the merits of any policy content within the LTCCP.

Opinion

Overall Opinion

In our opinion the LTCCP of the District Council dated 30 June 2009 provides a reasonable basis for long-term integrated decision-making by the District Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the District Council.

In forming our overall opinion, we considered the specific matters outlined in section 94(1) of the Act which we report on as follows.

Opinion on Specific Matters Required by the Act

In our view :

- **the District Council has complied with the requirements of the Act in all material respects demonstrating good**

practice for a council of its size and scale within the context of its environment;

- **the underlying information and assumptions used to prepare the LTCCP provide a reasonable and supportable basis for the preparation of the forecast information; and**
- **the extent to which the forecast information and performance measures within the LTCCP provide an appropriate framework for the meaningful assessment of the actual levels of service provision, reflects good practice for a council of its size and scale within the context of its environment.**

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.

Our report was completed on 30 June 2009, and is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the District Council and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the International Standard on Assurance Engagements 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards. We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information.

We planned and performed our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the LTCCP does not contain material misstatements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

Our audit procedures included assessing whether:

- the LTCCP provides the community with sufficient and balanced information about the strategic and other key issues, choices and implications it faces to provide an opportunity for participation by the public in decision-making processes;
- the District Council's financial strategy, supported by financial policies as included in the LTCCP is financially prudent, and has been clearly communicated to the community in the LTCCP;

- the presentation of the LTCCP complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the LTCCP are compliant with the decision-making and consultation requirements of the Act;
- the information in the LTCCP is based on materially complete and reliable asset or activity management information;
- the agreed levels of service are fairly reflected throughout the LTCCP;
- the key plans and policies adopted by the District Council have been consistently applied in the development of the forecast information;
- the assumptions set out within the LTCCP are based on best information currently available to the District Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted and the financial information complies with generally accepted accounting practice in New Zealand;
- the rationale for the activities is clearly presented;

- the levels of service and performance measures are reasonable estimates and reflect the key aspects of the District Council's service delivery and performance; and
- the relationship of the levels of service, performance measures and forecast financial information has been adequately explained within the LTCCP.

We do not guarantee complete accuracy of the information in the LTCCP. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTCCP and determining compliance with the requirements of the Act. We evaluated the overall adequacy of the presentation of information. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council and the Auditor

The District Council is responsible for preparing an LTCCP under the Act, by applying the District Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The District Council's responsibilities arise from Section 93 of the Act.

We are responsible for expressing an independent opinion on the LTCCP and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 94(1) of the Act.

Independence

When reporting on the LTCCP we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

Other than this report and in conducting the audit of the Statement of Proposal for adoption of the LTCCP and the annual audit, we have no relationship with or interests in the District Council.



John Mackey
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

